MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF BEAUMONT

AND

MANAGER AS INDIVIDUALS

Effective January 1, 2016 thru December 31, 2017

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CITY OF BEAUMONT

AND

MANAGER AS INDIVIDUALS

THIS AGREEMENT is entered into between the City of Beaumont, a Municipal Corporation, (the CITY), and the Managers as Individuals, relative to wages, hours and other terms and conditions of employment. This Agreement shall become effective January 1, 2016, and remain in full force and effect until December 31, 2017.

The CITY recognizes the following classifications:

Administrative Services Director	Community Services Director
Administrative Services Manager	Economic Development Director
Assistant City Manager	Finance Director
Assistant Director of Public Works	Planning Director
Assistant Planning Director	Public Works Director
Assistant to the City Manager	Resources Director
Building Services Manager	Support Services Director
	Transit Director

ARTICLE I: MANAGEMENT RIGHTS

It is understood and agreed that there is an Employees' Handbook (also referred to as the Personnel Manuel) and the Employer-Employee Relations Resolution (Resolution No. 1978-16), which are incorporated by reference unless hereafter modified by mutual agreement. The provisions of this MOU prevail when there is an inconsistency between this agreement and the employee handbook. All previous Memoranda of Understanding and Agreements, whether written or verbal, are superseded by this Memorandum of Understanding.

ARTICLE II: MANAGEMENT RIGHTS

The employees recognize and agree that the CITY and its representatives have the exclusive responsibility and authority for managing and directing all operations and activities of the CITY, including, but not limited to, the exclusive right to determine the composition of its constituent departments, commissions and boards, the processes and the material to be employed: to subcontract any work or operation; to expand or diminish services; the procedures and standards of selection for employment and promotion; determine classification, direct its employees; take disciplinary action (for just cause following any probation period); relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which governmental operations are to be conducted and to assign work to employees, make reasonable assignments outside normal job classifications when mandated by

reduction of personnel, to establish and change work schedules and assignments, to determine the days and hours when the employees shall work; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

ARTICLE III: NON-DISCRIMINATION CLAUSE

The provisions of this Agreement shall apply to all persons covered by this Agreement without discrimination on account of race, sex, color, age, national origin or creed, nor there any discrimination with respect to hiring, retention or any conditions of employment because of membership or activities on behalf of the Beaumont Managers as Individuals.

IV: UNIT SPECIFIC BENEFITS

A. **PROFESSIONAL DEVELOPMENT:** The CITY hereby agrees to budget and to pay the dues, subscription, travel and subsistence expenses for professional and official travel, meetings, and occasions adequate to continue the professional development and to adequately pursue necessary official and other functions for the CITY, local service clubs and such other national, regional, state, and local government groups and committees thereof on which a Manager serves as a member, as may be approved by the City Manager. The CITY also agrees to budget and to pay for the travel and subsistence expenses of Manager for short courses and institutes and seminar that are necessary for his/her professional development, which are not POST reimbursed courses, as may be approved by the City Manager.

B. **CITY VEHICLE:** The CITY shall provide a take home vehicle for use by a Manager who is subject to 24 hour call back. The CITY shall provide fuel, maintenance and insurance. A City vehicle is to be used only for official city business without written approval of the City Manager.

C. **UNIFORM MAINTENANCE:** The uniform reimbursement for members of the unit is $100.00 per month. It is the employee's responsibility to maintain all uniforms.

D. **CELL PHONE:** With City Manager approval the CITY shall provide a cell phone for use by a Manager who is subject to 24 hour call back or a monthly cell phone allowance of $50.

V: SALARY AND BENEFITS

A. **UNIFORM COMPENSATION PLAN:** The CITY agrees to maintain a Uniform Compensation Plan, and shall place employees within monthly salary ranges or the equivalent hourly rate if the employee is permanent part-time.

B. **SALARY STEP INCREASE:** Each employee may (until reaching the maximum step for a salary range), on his/her anniversary date, be eligible for a salary step increase within the approved salary range. The CITY retains the right to approve or deny any salary step increase, for

reasonable cause, after formal evaluation of said employee, which shall occur every year on or about the employee's anniversary date.

C. **RATE OF PAY HIGHER THAN STARTING:** When an employee is hired to fill a specific position within the City, and his/her qualifications and/or experience justifies a rate of pay higher than the posted starting pay, the City Manager may at his/her sole discretion approve a starting pay anywhere within the salary range for that position. The City Manager may also at his/her discretion offer credit for previous experience in another governmental agency for the purpose of vacation accrual calculations.

D. **PUBLIC EMPLOYEES RETIREMENT SYSTEM (PERS) ELIGIBILITY:** The CITY provides employees with retirement benefits through the California Public Employees Retirement System (CalPERS). Such benefits are subject to applicable law and regulations, including but not limited to the Public Employees' Retirement Law (PERL), the Public Employees' Pension Reform Act (PEPRA) of 2013, and CalPERS. For the purpose of retirement benefits, employees are defined as either a "classic" or "new" member of CalPERS as follows:

(a) "Classic" Member: Any employee - excluding transit employees* - hired by the City prior to January 1, 2013; or any employee previously employed by a CalPERS participating public agency, hired by that agency prior to January 1, 2013, and who becomes employed by the City with less than a six (6) month break in service; or any transit employee hired by the City prior to December 29, 2014; or any employee, regardless of hire date, who is eligible for reciprocity with another California public retirement system.

(b) "New" Member: Any employee - excluding transit employees* - hired by the City or any other CalPERS participating public agency, on or after January 1, 2013; or any employee previously employed by a CalPERS participating public agency who becomes employed by the City after a break in service of greater than six (6) months; or any transit employee hired by the City on or after December 30, 2014; or any employee, regardless of hire date, who is ineligible for reciprocity with another California public retirement system.

* See CalPERS Circular Letter No: 200-006-15 issued on February 25, 2015 regarding PEPRA and transit employees.

1. RETIREMENT FORMULAS AND CALCULATIONS

Retirement formulas and calculations are based upon a combination of the employee's age, years of service, and annual pensionable compensation.

(a) "Classic" Members: "3% at 60" and single highest year. No cap on annual salary that can be used to calculate final compensation.

(b) "New" Members: "2% at 62" and three year average. Pensionable compensation cap on annual salary used to calculate final compensation.

2. RATES OF CONTRIBUTIONS

(a) "Classic" Members: Effective February 1, 2016, the CITY shall pay one hundred percent (100%) of the employer's obligation and five percent (5%) of the employee's contribution, also known as Employer Paid Member Contribution (EPMC). The EPMC is currently eight percent (8%) for miscellaneous (non-public safety) employees. The employee shall pay the remaining three percent (3%) of the EMPC.

(b) "Classic" Members: Effective January 1, 2017, the CITY shall pay one hundred percent (100%) of the employer's obligation and two percent (2%) of the employee's contribution, also known as Employer Paid Member Contribution (EPMC). The EPMC is currently eight percent (8%) for miscellaneous (non-public safety) employees. The employee shall pay the remaining six percent (6%) of the EMPC.

(c) "New" Members: The CITY and employee will participate in equal sharing of normal costs, with the employee paying fifty percent (50%) of normal costs.

3. ELIGIBILITY FOR PART-TIME EMPLOYEES

Pursuant to CalPERS regulations, part-time employees shall become eligible for CalPERS retirement membership on the first day of the pay period in which the employees completes one thousand (1,000) hours of service during any fiscal year (July 1 through June 30). A part-time employee is defined by CalPERS, as an employee who works less than forty (40) hours per week for a majority of the weeks in a year.

4. CALPERS SERVICE CREDIT FOR VESTED SICK LEAVE

In accordance with the provisions set forth in Article 14, the CITY agrees to a service credit of unused sick leave for CalPERS retirement when an employee retires from CITY employment.

E. **ASSIGNMENT TO A HIGHER JOB CLASSIFICATION:** When an employee is assigned to a higher job classification for more than ninety (90) consecutive days, he/she shall receive an additional five (5%) percent differential pay, retroactive to the first day of service in the higher classification. Such assignments shall not exceed six (6) consecutive months in length without mutual agreement of the City Manager and the appropriate unit representative or individual.

F. **CAFETERIA PLAN:** Effective February 1, 2016 The CITY shall contribute one-thousand three hundred ninety dollars ($1390) per month to each unit member for the cafeteria benefit plan detailed in this section.

1. Said contribution shall be used to provide for health insurance for the employee. Employee shall be covered by health insurance with a City approved health plan unless the employee provides proof to the City the employee is covered by another acceptable health plan as determined by the City's Human Resource Department.

2. The balance may be used for any of the following or any combination thereof:

a. Health Insurance for employee's spouse and/or dependents;

b. Dental Insurance for employee's, spouse and/or dependents;

c. Eye care plan for employee, spouse and/or dependents;

d. Supplemental Insurance Options;

3. There is no cash-back of the remaining contributions amount, if any, to the employee after payment of the selected premiums(s). The employee shall be responsible for the remaining payments(s) through payroll deduction, of any premiums selected which are in excess of the monthly contribution amount.

4. If an employee elects to not participate in the Cafeteria Plan and can shows adequate proof of an approved health plan, the employee shall have the option to have an amount equal to the most current Kaiser employee only (single) monthly premium rate [as of January 1, 2016 the single rate is $457.75] paid to the employee, or deposited by the CITY into the employee's Deferred Compensation Plan each month. If taken as cash payment, the amount is not to be considered as pensionable compensation for the purposes of CalPERS. Such alternative health plan coverage must be verified initially and thereafter on an annual basis through presentation of a valid medical insurance card, or other reasonable means of verification as approved by the City Manager. Alternative health plan coverage must be maintained until the next available CITY open enrollment period.

G. SICK LEAVE:

1. Sick leave shall accrue at the rate of 3.69 hours per bi-weekly pay period for full-time employees.

2. The City agrees to a one thousand (1000) sick leave accumulation cap.

3. The CITY agrees to a service credit of unused sick leave for PERS retirement when an employee retires from CITY employment. If an employee leaves the City with at least seven (7) years of service, the employee may elect to receive a lump sum payment of the value of the unused sick leave. If the employee leaves the City prior to completing seven (7) years of service, then the employee is eligible for sick leave cash out using the following guidelines. This payment will be determined by a graduating scale that increases by fifteen percent

(15%) per year for each year completed, through the first six (6) years of service ninety percent (90%) and an additional ten percent (10%) after completion of the seventh (7th) year of service (100%). All sick leave vesting levels shall begin after the completion of probation and the second (2nd) year of service thirty percent (30%). A year of service will be considered completed when the employee reaches the anniversary date of their initial employment.

See scale provided below:

Year Completed	1st	2nd	3rd	4th	5th	6th	7th
% Vested	0%	30%	45%	60%	75%	90%	100%

Previously accrued and unused sick leave that was not paid out at the time of separation will be reinstated if an employee leaves employment and is then re hired within one year.

4. Employees who are laid off as a result of a reduction in force shall receive, at the option of the employee, either a lump sum payment equal to one hundred percent (100%) of accrued sick leave or the one hundred percent (100%) service credit towards retirement if the employee chooses to retire immediately following layoff.

5. All employees can use accrued paid sick leave for the purposes set forth in Labor Code section 246.5(a).

6. Accrued paid sick leave shall carry over to the following year, but no additional paid sick pay will accrue until the employee's accrued paid sick leave falls below the one thousand (1000) hour cap.

7. The City will provide all employees with a written notice of the amount of paid sick leave available. The notice will be provided on the designated pay date with the employee's payment of wages. Sick pay will be paid at employee's hourly rate of pay when the sick leave is taken. Sick pay will be paid by the payday for the next regular payroll period after the sick leave is taken.

8. Employees can use accrued paid sick leave upon a written or oral request. If the need to use paid sick leave is foreseeable, the employee must give reasonable advance notice. If the need to use paid sick leave is unforeseeable, notice must be given as soon as practicable.

9. On July 1st of every year, part-time, seasonal temporary employees will be credited 3 days (24 hours) or 3 times their normal shift of sick leave. It shall not be carried over, but is available for cash out upon termination pursuant to section Article 5, section K (3).

10. Accumulated sick leave hours can be paid at the time of separation from service at the employee's hourly rate at the time of separation or the CITY agrees to a service credit of

unused sick leave for CalPERS retirement when an employee retires from CITY employment.

H. **LIFE INSURANCE:** The CITY agrees to provide group term life insurance up to fifty thousand dollars ($50,000) for each employee.

I. **SHORT-TERM DISABILITY INSURANCE**: The CITY agrees to maintain the short-term disability coverage at the levels in effect on January 1, 2016 for full-time employees.

J. **BILINGUAL PAY:** Employees who have been certified using a City designated language proficiency test as being fluent speaking, reading and writing in sign language or other secondary languages shall receive one dollar ($1.00) per hour premium pay, if the need for fluency is necessary in the current job and approved by the Department Head and City Manager. Each certified employee may be required to be recertified as a condition of continued receipt of premium pay. Authorization and continuation of premium pay will be at the sole discretion of the City Manager.

Employees who have been certified using a City designated language proficiency test as being fluent speaking or interpreting (not reading or writing) in sign language or other secondary languages shall receive fifty cents ($.50) per hour premium pay, if the need for fluency is necessary in the current job and approved by the Department Head and City Manager. Each certified employee may be required to be recertified as a condition of continued receipt of premium pay. Authorization and continuation of premium pay will be at the sole discretion of the City Manager.

K. **DIRECT DEPOSIT:** As a general rule, all employees shall be paid by direct deposit of their payroll check into an account of their choice at a financial institution. An employee may elect to receive payment via live check due to personal circumstances.

L. **DEPENDENT CARE FLEXIBLE SPENDING ACCOUNT:** The City agrees to provide a Dependent Care Flexible Spending Account. A Dependant Care Flexible Spending account will let an employee's set aside a portion of their paycheck tax free (up to IRS Limits) to pay for dependent care in conformance with IRS Tax Law requirements.

ARTICLE VI: HOURS AND WORKING CONDITIONS

A. **HOLIDAY ACCRUAL:**

Holidays for employees in the Managers as Individuals will be as follows:

New Years Day
Martin Luther King Jr. Day
President's Day

Memorial Day
Independence Day
Labor Day
Columbus Day
Veterans Day
Thanksgiving Day
Day after Thanksgiving
Christmas Day

When holiday leave is granted, the employee will be paid at the standard eight (8) or ten (10) hours based on their current schedule. Holiday pay begins and ends with the twenty-four (24) period between 12am and 12pm. Those employees assigned to work holidays will be paid twice the employees hour rate of pay. They will not receive any other holiday compensation.

B. **VACATION ACCRUAL:** Vacation time shall be accrued on the following basis and shall be credited for subsequent use each pay period.

Hire date - Three (3) years	two (2) weeks per year	3.077 hours per pay period
Three (3) years 1 day - Seven (7) years	three (3) weeks per year	4.615 hours per pay period
Seven (7) years 1 day - Nineteen (19) years	four (4) weeks per year	6.153 hours per pay period
Nineteen (19) years 1 day	five (5) weeks per year	7.692 hours per pay period

Total vacation accrual for any employee shall not exceed the equivalent of two (2) years' accrual at the current accrual rate for that employee.

An employee may request payment of up to forty (40) hours banked vacation pay, to be paid by separate check, per calendar year. Requests for cash payment pursuant to this section shall be submitted to the Human Resources department bi-annually. Such requests must be submitted by July 1st or December 1st to be paid on the first full pay period in July or December.

C. **PROMOTION PROBATIONARY PURPOSES:** During the probationary in paid status following a promotion or transfer, a regular employee who held permanent status at the time of the promotion or transfer shall, upon the employee's request, be returned to a position in the previously held classification in the former employing department. If the return involves a change in classification, the salary step shall be the same step that the employee held or would have received immediately prior to the promotion or transfer. Computation of the probationary period in a paid status does not include overtime, stand-by, and on-call or military leave of absence.

D. **BIDDING FOR OPEN POSITIONS:** In the event any position becomes open, it will be the responsibility of the Human Resources Department to notify permanent full-time and permanent part-time CITY employees of the opening prior to outside recruitment. Such responsibility shall include posting of a notice in a conspicuous place within each regular work location for a period of ten (10) working days prior to outside recruitment. This notice will include the rate of pay ranges, hours to be worked, and any special requirements and conditions. An eligible and qualified employee interested in an open position shall submit an application and supporting documentation within ten (10) working days of the announcement's posting to be considered for the position prior to outside recruitment. If an eligible and qualified represented employee is selected to fill an open position, the employee will maintain his/her seniority, but will be required to accept the salary step range applicable to the job. Placement of an individual on a step higher than starting pay will be at the discretion of the department administrator of the job applied for and the City Manager. Seniority within the CITY will prevail over similar qualifications. If an individual feels that he/she was unfairly evaluated for the position bid for, he/she may utilize the formal grievance procedure.

Employees shall meet all requirements, qualifications and training, and pass any and all examinations that may be required for such position before being appointed.

E. **HOURS:** The City's official workweek shall be Monday through Friday from 8 a.m. to 5p.m. An alternate work schedule for non safety employees, not to exceed 40 hours per work week, may be allowed with prior approval of the Department Head.

ARTICLE VII: SAVINGS CLAUSE

Should any provision of this Agreement or any application thereof, be made unlawful by virtue of any Federal, State or local law and/or regulation, including judicial decisions, such provision shall be effective and implemented only to the extent permitted by such laws, regulations and decisions. In all other respects the provisions of this Agreement shall continue in full force and effect for the term thereof.

ARTICLE VIII: SKELLY PROCEDURE

Before imposing a long-term suspension, demotion or termination, the employee shall be entitled to the following so-called Skelly rights:

A. Service of Written Notice: The affected employee shall be served with a written Notice of Intent to Discipline. The Notice shall describe the violation(s), the proposed discipline to be imposed, the reasons for the proposed discipline, a statement advising the employee of his/her right to request a Skelly hearing within two work days after service of the Notice, and copies of any charges and materials upon which the proposed discipline is based, which copies shall be attached to the Notice of Intent.

B. **Service of the Notice of Intent to Discipline**: The Notice of Intent to Discipline shall be served whenever possible personally, or by first class mail to the last known address of the employee. Attached to the Notice shall be a Proof of Service, the original of which shall be kept in the employee's personnel file.

C. **Request for Hearing**:The proposed disciplinary action shall not be imposed until the end of the second full business day following the day the Notice of Intent was personally served, or at the end of the fifth full business day following the day the Notice of Intent was mailed. During that period, the employee's salary shall be continued to be paid, and he/she may be terminated at the end of the second (or fifth, as the case may be) business day if no Skelly hearing has been requested by the affected employee. In the event a hearing is requested, the employee shall continue to be paid until a final decision is made.

D. **THE SKELLY HEARING**: If the employee requests a hearing, it shall be conducted by a neutral third party, such as the Department Head, the Human Resources Manager, the Assistant City Manager, the Chief of Police or his/her designee, or the City Manager or his/her designee. The hearing shall be conducted as soon as possible after it is requested, usually no later than two business days following the request. The hearing is to be conducted informally for the purpose of giving the employee an opportunity to provide an explanation or mitigation, or to correct mistakes of fact. Neither the neutral third party nor the employee shall be represented by counsel or by union representatives (unless a labor agreement provides otherwise). Normally, such hearings are concluded within a short period of time; however, the affected employee should be given such additional time as may be reasonably necessary to produce new information or to substantiate his/her explanation or mitigation. The hearing may be continued to a later time in the same day or the next day or such other day as may reasonably be necessary for such purpose. The neutral third party shall issue his/her decision within two business days after the conclusion of the hearing, either approving, disapproving or modifying the intended discipline. The resulting decision shall be implemented immediately.

E. **Binding Arbitration**: Permanent employees who receive a long-term suspension or are demoted or terminated may, after the Skelly hearing, appeal the discipline by submitting it to binding arbitration. Arbitration shall be conducted as follows: If the parties cannot mutually choose an arbitrator, the parties will select the names of five (5) arbitrators from the Federal Mediation and Conciliation Service. The parties will flip a coin. The winner shall choose the first name and so on until one name is left who shall be the arbitrator. The arbitrator must decide each and every dispute in accordance with the laws of the State of California, and all other applicable laws. Limited discovery may be conducted in the arbitration proceeding upon a showing of good cause and the approval of the arbitrator. Unless the employee and the City stipulate to the contrary, prior to the appointment of the arbitrator, all disputes shall first be submitted to non-binding

mediation, conducted by a neutral mediator. The parties shall split the cost of all fees charged for such mediation and arbitration proceedings. The arbitrator's decision is final and binding.

F. **Disciplinary Actions in Emergency Situations**: Under emergency circumstances, where the health and safety of co-workers or the public is threatened, an employee may be immediately disciplined without prior notice and hearing. In such a case, the affected employee's supervisor shall promptly document the circumstances which justified the immediate disciplinary action. After the emergency has passed, the supervisor shall initiate the Skelly procedures, above.

ARTICLE IX: GRIEVANCE PROCEDURE—NON-SKELLY

A. **Purpose:** When an employee has a complaint or problem concerning his/her job, or the interpretation or application of this MOU, and the complaint or problem cannot be resolved by informal discussion with his/her immediate supervisor, they may be brought to the attention of management through the grievance procedure.

B. **Matters Excluded From the Grievance Procedure:** Certain matters and issues are not a proper subject of the grievance process. Improper matters or issues are those that fall into three categories:

1. Matters that have their own appeal process, such as the Skelly disciplinary action; or
2. Matters and issues that are solely within the discretion of management, such as staff reorganizations and reductions in the workforce (budgetary layoffs); and

C. **Time Limit for Pursuing Grievances**: To ensure timely resolution of grievances, they shall be pursued within 10 business days after the employee became aware of the grievance, or reasonably should have been aware of it. All other grievances shall be deemed untimely and may be rejected unless the City Manager, in his/her sole discretion, determines that there is good cause for the late filing of a grievance.

D. **Grievance Procedure**: There are four steps to the grievance procedure.

Step 1: Informal Discussion with Immediate Supervisor: Employee(s) shall first take their grievance up informally with his/her immediate supervisor. If the grievance is not resolved by informal discussion, the employee(s) may formally submit, in writing, the grievance to his/her immediate supervisor. The employee(s) shall briefly describe the grievance and, when possible, a suggested solution. The immediate supervisor shall forward the grievance within two working days to the Department Head.

Step 2: Department Head. The Department Head shall meet with the employee(s) within three working days after receiving the written grievance and shall deliver his/her answer in writing to

the employee(s) within two working days thereafter. The employee(s) shall have the right to present the grievance to the Department Head with or without a representative.

Step 3: Human Resources Director or Assistant City Manager. If the grievance is not resolved in Step 2, the employee(s) may submit it in writing to the Human Resources Director (or Assistant City Manager) within three working days after the Department Head's answer is received by the employee(s). The Human Resources Director (or Assistant City Manager) shall meet with the employee(s) within three working days after having received the written grievance and shall deliver his/her response to them in writing within three working days after such meeting.

Step 4: City Manager: If the grievance is not resolved in Step 3, the employee(s) may submit it in writing to the City Manager within three working days after the decision of the Human Resources Manager/Assistant City Manager is received. The City Manager shall meet with the employee(s) within five working days after having received the grievance and shall deliver his or her response in writing within five working days after such meeting, or subsequent meeting(s), if any. The decision of the City Manager shall be binding and conclusive on all parties.

For the City of Beaumont

City Manager — Date 1/19/16

For the MANAGER AS INDIVIDUALS

Date 3/7/16

Date 3/7/16

Date 3/7/16

Date 3/8/16

Elizabeth M Hebbs _____ 5/16/16 _____
Date

_____ _____
Date

_____ _____
Date

_____ _____
Date