

RESOLUTION No. 2018-44

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CRESCENT CITY
APPROVING A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF
CRESCENT CITY AND THE CLERICAL EMPLOYEES OF CRESCENT CITY FOR
THE PERIOD JULY 1, 2018 THROUGH JUNE 30, 2020**

WHEREAS, California Government Code Section 36506 requires that the City Council fix by resolution or ordinance the compensation of all appointive officers and employees; and

WHEREAS, pursuant to the City Council's direction, the City's bargaining team has negotiated in compliance with the Meyers-Milius-Brown Act and all other applicable laws to reach agreement with the Clerical Employees of Crescent City ("CECC") upon a new Memorandum of Understanding ("MOU") that meets the needs of both parties and covers the period July 1, 2018 through June 30, 2020, attached as Exhibit A to this resolution; and

WHEREAS, the parties have also negotiated a Side Letter Agreement, attached as Exhibit B to this resolution, to specifically express a commitment to address both updating job descriptions and the impact of rising minimum wages; and

WHEREAS, a majority of the bargaining unit members of the CECC have voted in favor of the MOU; and

WHEREAS, said MOU has been reviewed by the City Council.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Crescent City, California that the attached Memorandum of Understanding Between the City of Crescent City and the Clerical Employees of Crescent City for July 1, 2018 through June 30, 2020 and the attached Side Letter Agreement are hereby ratified and approved.

PASSED AND ADOPTED and made effective the same day by the City Council of the City of Crescent City on this 6th day of August, 2018, by the following polled vote:

AYES: Council Members Fallman, Greenough, Kime, Short, and Mayor Inscore

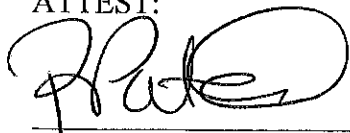
NOES: None

ABSTAIN: None

ABSENT: None


Blake Inscore, Mayor

ATTEST:



Robin Patch, City Clerk

Memorandum of Understanding
Between the
City of Crescent City
And the
Clerical Employees of Crescent City
(CECC)

Effective July 1, 2018
Through
June 30, 2020



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MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CRESCENT CITY
AND THE **CLERICAL EMPLOYEES OF CRESCENT CITY** REGARDING WAGES,
HOURS, AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT AFFECTING
CERTAIN CLERICAL EMPLOYEES OF THE CITY OF CRESCENT CITY FOR THE
PERIOD JULY 1, 2018 THROUGH JUNE 30, 2020.

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General Information

The purpose of this Memorandum of Understanding (M.O.U.) is to describe certain agreements between the City of Crescent City, hereinafter referred to as "City" and the Clerical Employees of Crescent City, hereinafter referred to as "CECC," regarding wages, hours, and other terms and conditions of employment for the City employees covered by this M.O.U., originally adopted by City Council Resolution 1999-12 dated November 1, 1999, as amended on August 21, 2002, as amended by City Council Resolution 2004-19 dated July 19, 2004, as amended by Resolution No. 2006-33 dated August 7, 2006, and as amended by Resolution No. 2010-22 dated August 2, 2010, Resolution 2013-25 dated October 7, 2013, Resolution No. 2015-32 dated July 20, 2015, and Resolution No. 2016-51 dated December 19, 2016.

It is understood and acknowledged by the City and CECC that both parties met and conferred in good faith in accordance with Section 3500, et seq., of the California Government Code, and the following M.O.U. provisions represent the complete agreement that was reached as a result of that process.

1. Recognition

City recognizes CECC as the recognized employee organization representing those City employees, who are members of CECC at the time of the City's adoption of this M.O.U., and those employees who become members of CECC during the term of this M.O.U. This recognition supersedes any former recognition and continues for the term of this M.O.U. unless CECC violates any terms or conditions of this M.O.U. or any City rule or regulation which may cause the termination of this recognition by the City.

2. Effect of the M.O.U.

As to any provision of an annual City Budget that is inconsistent with any provisions of this M.O.U., the provisions of this M.O.U. will prevail and upon City Council approval, will supersede other said inconsistent provisions or City Council Resolutions. Further, this M.O.U. affects the job titles listed on Exhibit "A" as attached hereto and by this reference made a part hereof.

2.1 Duration and Amendments. The parties hereto agree that this M.O.U. will be effective upon City Council approval and will remain in full force and effect through June 30, 2020, as amended and referenced in General Information. It is further acknowledged by both parties that certain portions of this agreement may require amendments during the term of this M.O.U. if State and Federal statutes and regulations so direct.

2.2 Severability and Continuation. If any provision of this M.O.U. is held invalid, unenforceable, or unconstitutional by a court of competent jurisdiction, such decision will have no effect on the validity of the remaining provisions of this M.O.U., and such remaining provisions will continue in full force and effect.

2.3 Waiver. The parties hereto acknowledge that during the negotiations that resulted in this M.O.U. each had the unlimited right and opportunity to make proposals with respect to any subject or matter not removed by law from the area of consultation or meet-and-confer, and that the understandings arrived at by the parties after exercising that right and opportunity are set forth in this M.O.U. Therefore, the parties hereto, for the duration of this M.O.U., and subject to the exceptions contained under General Information, each voluntarily and unqualifiedly waives the right, and each agrees that the other will not be obligated to meet-and-confer with respect to any subject or matter in this M.O.U.

2.4 Procedure to Further Meet-and-Confer. In the event that either party has requested to meet and confer, and the other party has consented to such discussions, both parties hereto agree that such additional discussions may result in amendments to this M.O.U.

2.4.1. Such amendments will be dated and numbered consecutively in order to assure proper understanding and authority for each amendment. Nothing contained herein prohibits the parties hereto from amending this agreement as authorized by applicable law.

2.4.2. The parties agree to reopen negotiations to meet and confer regarding the flexible benefit plan and health plan due to mandated changes for compliance with the Affordable Care Act.

3. Employee Representation.

For purposes of meeting and conferring in good faith regarding wages, hours, and working conditions with a Certified Employee Organization, the City will provide time off with pay to no more than three (3) City employee members for each Representation Unit during their normal work hours. Meetings held outside of the employee's work hours will be on the employee's own time.

3.1 Association Representation (Release Time). The City agrees to establish a release time bank of forty (40) hours per year. Release time may be used by the CECC President or designees to conduct Association business. Use of release time is subject to the advance approval of the City Manager.

3.2 Grievance Meetings. For purposes of grievance or appeal meetings, the City will provide time off with pay for the aggrieved employee plus one other employee during the employee's normal work hours. Meetings held outside of the employees' normal work hours shall be on the employees' own time.

3.3 Witness. Additional employees called by either party may be present with pay during his or her normal work hours to serve as a resource person or as a witness for meetings described above for the limited time required to cover the subject. Meetings held outside the employee's normal work hours will be on the employee's own time.

3.4 The political activity of CECC members will conform to pertinent provisions of State law.

4. Management Rights

Except as otherwise noted in this Agreement, the City retains all rights of management.

5. Employer-Employee Relations Rules

The parties hereto agree that the City's Employer-Employee Relations Rules, as included in the City's Municipal Code, continue in full force and effect for the term of this M.O.U.

6. Non-Discrimination Clause

The parties agree that there will be no discrimination against any applicant or employee based upon race, religion, sex, national origin, disability, medical condition, marital status, age, sexual orientation, association activity, political activity, or any other classification protected under State or Federal law.

7. Definitions

Except as otherwise provided herein, all words used in this M.O.U. will have the same meaning as set forth in the City's Municipal Code, the City's Employer-Employee Relations Rules and the California Government Code.

8. Hours of Work

8.1 General. City agrees to maintain a forty (40) hour work week for its regular full-time positions. Employees on a forty (40) hour schedule must be assigned to work eighty (80) hours in each pay period in order to be classified as full-time employees.

8.1.1. Employees assigned to a position requiring less than full-time work will be considered part-time.

8.1.2. Regular part-time employees working twenty (20) hours or more per week will be eligible for all benefits to be provided in accordance with this M.O.U. to all regular employees.

8.1.3. For the purposes of determining vacation and sick leave benefits, regular part-time employees will accrue vacation and sick leave at a rate equal to the normal rate for their service longevity times the percentage of full-time that their average work week represents.

8.1.4. The parties hereto agree that all employees assigned to a position requiring less than twenty (20) hours of work in each work week on an annual basis, or requiring less than an annual work schedule, will be considered temporary or seasonal.

8.1.5. Employees assigned to a position requiring twenty (20) hours or more of work in a work week on an annual basis may be considered as regular part-time or temporary.

8.2 Work Day Described. The parties hereto agree that the normal work day for City employees assigned to work a forty (40) hour work week schedule will be eight (8) hours in each single work day, unless the employee's entire department or unit thereof, upon the approval of the City Manager, is assigned to work a four (4) day/ten (10) hour work schedule.

The Department Head will provide to any employee having their work day or shift changed, a forty-eight (48) hour advanced notice, except in the case of emergencies. Should such notice not be properly provided, such time worked during the first two (2) work days on the new shift will be considered overtime.

8.3 Breaks. Employees assigned to an eight (8) hour work day will have either a one (1) hour or one-half (1/2) hour lunch period as assigned by their Supervisor or Department Head, and two (2) separate fifteen (15) minute breaks per day with one (1) occurring during each four (4) hour work shift.

Employees will not be compensated for the lunch break during their normal workday assignments.

8.4 Alternative Work Schedule. The City and CECC agree that an alternative work schedule may be allowed within City departments as approved by the Department Head and City Manager. Such alternative work schedule must not interfere with the orderly completion of the employee's workload or the number of hours worked per pay period. It is understood by the parties that implementation of an alternative work schedule constitutes a benefit to the employee.

The City has the right to revoke said benefit at any time if it interferes with the orderly conduct of business, is abused by the employee, or is not providing adequate service to the public.

An alternative work schedule will be structured as follows:

8.4.1. The alternative work schedule period will be concurrent with the regular pay periods and require 80 working hours biweekly.

8.4.2. Employees may work a maximum of nine (9) hours per day for four days and eight (8) hours per day for one day during the first week of each pay period, and nine (9) hours per day for four days with one off work day during the second week of each pay period.

8.4.3. The alternative work schedule is not subject to overtime pay except for any hours worked over 80 hours in a biweekly pay period.

8.4.4. All alternative work schedule hours will incorporate the business hours of 8:00 a.m. to 5:00 p.m., Monday through Friday.

8.5 Compensatory Time-Off. This plan is intended to qualify under Section 3(s)(1)(C) of the Fair Labor Standards Act. This plan is subject to the following conditions and restrictions in addition to the limits set forth in Section 204.3 of the California Labor Code.

8.5.1. Authorized overtime hours worked by an employee may be converted to Compensatory Time Off at a rate of 1.5 hours per each overtime hour worked, upon approval of the employee's Department Head. The maximum accrual of compensatory time off will be eighty (80) hours.

8.5.2. The balance of accrued compensatory time off may not be carried over at the end of the City's fiscal year. Any unused comp time will be paid to the employee.

8.5.3. Use of compensatory time off must occur before the use of floating holidays or vacation leave.

8.5.4. Use of accrued compensatory time off is subject to the same requirements as use of vacation and sick leave.

8.6 Reporting Time. Employees may, at the recommendation of their Department Head and upon approval from Human Resources, have one-quarter (1/4) of one hour reduced from their pay for each fifteen (15) minutes they report to work later than their normal starting time.

8.6.1. Continued tardiness for work may result in disciplinary action against the employee.

8.6.2. Employees leaving their work area early without the prior authorization of their Department Head will have their pay reduced in the same manner as is provided for employees who are late for work, and in addition, such absence may be considered as a refusal to work and as such may be considered as grounds for disciplinary action.

9. Compensation and Wages

9.1 Wages Established. The City agrees to compensate the positions covered by this M.O.U. as described on Exhibit "A", attached hereto and by this reference made a part hereof. The FY 2019-2020 exhibit will be updated as numbers for the annual CPI are known and will be attached hereto. The City Manager and Department Head shall, within the salary step

plan, determine the compensation for positions based on performance, or additional responsibilities and tasks that may be assigned during the term of this M.O.U.

9.1.1. Effective the first full pay period in July of 2018, all pay scales shall be increased by the annual percentage increase indicated by the CPI-U (LA) March 2018 over March 2017. In no event, however, may the increase be less than 1.0% nor more than 3.0%.

9.1.2. Effective the first full pay period in July of 2019, all pay scales shall be increased by the annual percentage increase indicated by the CPI-U (LA) March 2019 over March 2018. In no event, however, may the increase be less than 1.0% nor more than 3.0%.

9.2 Pay Period. The City agrees to continue the biweekly pay period for the term of this M.O.U. The pay period will be from the Sunday through the Saturday fourteen (14) calendar days thereafter. The pay date will be biweekly on Friday. Employees must be compensated for their services within five (5) working days after the conclusion of a pay period.

9.3 Overtime. Non-exempt employees are eligible for overtime compensation as required by regulations of the U.S. Department of Labor with respect to the Fair Labor Standards Act (FLSA).

9.3.1. Any work in excess of forty (40) hours in a work week will be compensated at no less than 1.5 times the regular hourly rate of pay.

9.3.2. Holiday time off will count toward the employee's work week hours for computation of overtime hours.

9.3.3. Vacation and sick leave time off will not count towards the employee's work week hours for computation of overtime.

9.3.4. Such overtime compensation will be provided upon the approval of the employee's Department Head.

9.4 Holiday Pay. An eligible employee who is required to work on a City-designated holiday will be paid eight (8) hours of holiday pay and will also be paid their regular overtime hourly rate of pay for any hours actually worked on the designated holiday.

9.5 Merit Plan. Effective August 30, 2009, the City will implement a merit plan under which an employee may receive a special merit pay for exemplary job performance. The Department Head must submit the name of an eligible employee to the City Manager for approval. The submittal must contain justification for the special merit pay by including detailed examples of the employee's outstanding job performance and a copy of the employee's current year's annual performance evaluation.

The following specific standards and conditions apply:

9.5.1. The employee must have attained a performance rating of 4 (Exceeds Job Standards) or 5 (Outstanding) in all applicable rating categories during his or her current year's annual performance evaluation.

9.5.2. The employee must have worked a minimum of 1760 work hours during the annual performance evaluation period.

9.5.3. The employee must have attained the annual goals and objectives set for him or her by the Department Head.

9.5.4. A special merit pay will not be paid to an employee who receives a performance rating of less than 4 or 5 in any rating category, or if a disciplinary action has been sustained against the employee.

9.5.5. An eligible employee must have at least two (2) years of full-time continuous service with the City.

9.5.6. A special merit pay shall be five percent (5%) of the employee's base hourly rate, multiplied by the number of regular hours worked during the year immediately prior to his or her current year's annual evaluation due date.

9.5.7. A special merit pay will be paid once, in a lump sum, as an annual premium, to an eligible employee based on the date the employee's special merit pay is approved by the City Manager.

9.5.8. An employee must meet the above standards and conditions each year during his/her annual performance evaluation in order to qualify for any successive special merit pay.

The association recognizes that any special merit pay received by an employee prior to the effective date of this plan that does not comply with these provisions will not be reportable to PERS as special compensation.

9.6 Longevity Pay. Employees with ten (10) years of full-time continuous service or more will be compensated by an additional percent (5%) of their base hourly pay. Employees with fifteen (15) years of full-time continuous service or more will be compensated by an additional percent (2.5%) of their base hourly pay. Employees with twenty (20) years of full-time continuous service or more will be compensated by an additional percent (2.5%) of their base hourly pay. For the purposes of computing years of service, the anniversary of full-time employment will be used for qualification.

9.7 Bilingual Pay. In the course of employment, employees requested to provide translation or interpretation of a language other than English will be compensated at the rate of \$520.00 annually (\$20.00 biweekly).

9.7.1. Employees eligible for bilingual pay must be proficient, including reading, writing and speaking fluently in a language that meets the City's operational needs. Employees proficient in American Sign Language are also eligible for bilingual pay.

9.7.2. Eligible employees must be available to provide translation or interpretation services to any City Department.

10. Benefits

10.1 Public Employees' Retirement System (PERS) Program.

The City agrees to maintain a two and one-half percent (2.5%) at age Fifty-Five (55) PERS Retirement Plan for the regular employees who are "classic members", as defined by CalPERS, by paying the PERS employer contribution rate. Effective October 6, 2013, classic members agree to pay the 8% member contribution rate to PERS. All employees will contribute ninety-three (93) cents per bi-weekly pay period for the '59 Survivor's Continuance Benefit. The PERS

program offered by the City consists of the basic PERS plan plus the '59 Survivor's Continuance Benefit.

10.1.1. Effective October 6, 2013, the PERS Employer Paid Member Contribution (EPMC) optional benefit has been eliminated.

10.1.2. The City agrees to provide a two percent (2%) at age Sixty Two (62) PERS Retirement Plan for the regular employees who are "new members", as defined by CalPERS, hired on or after January 1, 2013, by paying the PERS employer contribution rate.

10.1.3. New members will pay 50% of the total annual normal cost of pension benefits for PERS retirement, rounded to the nearest one quarter of one percent, or, the current member contribution rate paid by similarly situated classic members, whichever is greater, up to 8%.

10.1.4. So long as CalPERS allows, the City agrees to extend the CalPERS pick-up member contributions under Internal Revenue Code Section 414(h)(2) provisions to allow member payments by payroll deductions for service credit purchase. This provision provides employees who elect to participate with the benefit of deferring income tax liability on member service credit purchases.

10.1.5. Under current law, exercising the employer pick-up option results in no additional costs to the City. The parties agree that, in the event that the law changes such that costs are imposed on the City, the City will immediately cease designating the employee contributions as being "picked-up" by the City and such PERS contributions will revert to being made on a post-tax basis.

10.2 Deferred Compensation. The City agrees to make available to the employees covered by this M.O.U., a payroll deduction to allow the employees to participate in the International City Management Association Retirement Corporation's Deferred Compensation Program. These contributions may be made by the employee on a voluntary basis.

10.3 Wellness Incentive Program. The City agrees to provide to each employee an annual family membership at the City's Fred Endert Municipal Pool, so long as the City continues to operate said facility, at no cost to the employee.

In addition, the City agrees to reimburse each employee up to \$360.00 annually for participation in wellness-related activities. Qualifying wellness-related activities are gym/health club memberships, fitness training instruction, fitness/exercise class (including any class which is focused on physical activity such as yoga, cross-fit, jazzercise, dance, martial arts, etc). The purpose of this program is to reduce Workers' Compensation claims.

Employees shall submit receipts for reimbursement on a quarterly basis throughout the fiscal year. Reimbursement for qualifying expenses shall be made to the employee no later than fourteen (14) days after submission of the qualifying receipt.

10.4 Reimbursement for Damaged Property. The City agrees to compensate employees who sustain a financial loss for damage or loss of personal property while performing their required duties in a proper and safe manner, and when not due to negligence of the employee. The following chart describes the maximum replacement or repair benefit that the City may provide:

| <u>Items</u> | <u>Maximum Benefit</u> |
|--|---------------------------------|
| Watches | \$50.00 |
| Shoes (excluding work boots/shoes reimbursed by the City) | \$45.00 |
| Personal Clothing Items (excluding uniform apparel provided by the City) | \$60.00 |
| Jewelry (rings, necklaces, etc.) | Not Applicable |
| Prescription Eyeglasses/Contact Lenses | Actual Cost of like replacement |
| Safety Equipment (Dept. Head approved employee purchased items) | Actual Cost of like replacement |

The affected employee must submit a completed claim form to their supervisor along with the damaged personal item. For additional information on this benefit, please refer to the City's policy.

10.5 Education Assistance Program. The City will reimburse costs for education based upon IRS Regulation 1.162-5, as noted here: "Employer-paid education that is related to the employee's current job is excluded from income as a working condition fringe benefit if the following conditions are met:

10.5.1. The courses must not be necessary to meet the minimum education requirements of the current position.

10.5.2. The courses are not taken to qualify the employee for a promotion or transfer to a different type of work.

10.5.3. The education must be related to the employee's current position and must help maintain or improve the knowledge and skills required for that job (e.g., a refresher or update course). If the requirements change while the employee is working, employer-paid education designed to meet them is a working condition fringe benefit.

10.5.4. All education reimbursement must be pre-approved (before classes start) by the department head and the City Manager.

For additional information and how to utilize this benefit, please refer to the City's Education Assistance Program Policy.

11. Health and Welfare Insurance

11.1 Flexible Benefit Plan. The City will establish a flexible benefit plan for employee health benefits in accordance with IRS Code Section 125 (Cafeteria Plan), with the following provisions:

a. The City will allocate \$1540 per month per employee to cover premium costs for medical, vision, dental, air ambulance, long term disability, and life insurance offered by the City's Cafeteria Plan.

b. Total monthly premium costs of selected insurance coverage which exceed the monthly allocation will be the responsibility of the employee.

c. For retirees, the minimum employer contribution to CalPERS Health Coverage may not be less than the amount specified in GC 22892(b). Effective January 1, 2008, the minimum employer contribution will increase to \$150.00 per month. The dedicated employer contribution to CalPers Health Coverage is \$250.00 per month.

d. The minimum required coverage that each employee must select under the flexible benefit plan are: the PERS Select Health Plan, vision insurance, dental

insurance, air ambulance insurance, long term disability insurance, and life insurance coverage offered by the City.

e. In order to be excluded from the requirement for the PERS Select Health Plan, vision insurance, and dental insurance, an employee shall submit verification of enrollment in a health plan that provides equivalent alternate coverage for health, vision, and dental insurance as required by the Patient Protection and Affordable Care Act. Air ambulance, long term disability, and life insurance coverages are required.

f. Effective January 1, 2017, full-time regular employees who opt out of City's health plan due to enrollment in another group health plan will receive a \$700 per month cash-in-lieu benefit payment.

g. Effective January 1, 2017, employees will no longer be able to receive as cash the unused portion of their flexible benefit allowance.

11.2 Medical Insurance Coverage. The City Agrees to offer CalPers Health Coverage to the employees covered by this M.O.U., and the employee's qualified dependents.

11.2.1. As required by the CalPERS Health Program, eligible retirees of the CECC are qualified to participate in CalPERS Health Plans. The City will not make an employer contribution to an optional (non-CalPERS) health coverage plan after retirement by an eligible retiree of the CECC.

11.2.2. The City agrees not to change the insurance carrier or the scope of coverage without concurrence of the CECC.

11.2.3. The City agrees to begin the exploration of alternative healthcare/retirement healthcare options for employees within six (6) months of the effective date of this agreement.

11.3 Life Insurance Coverage. The City agrees to continue to provide life insurance coverage for the employees covered by this M.O.U. in an amount equal to the employee's annual salary rounded up to the nearest whole thousand dollar figure.

In addition to the above mentioned life insurance coverage, the City agrees to continue to provide to the employees an additional \$5,000 worth of life insurance coverage through the Long-Term Disability Insurance carrier.

11.4 Dental Insurance Coverage. The City agrees to continue to provide a group dental plan to the employees covered by this M.O.U. The coverage will include the employee and his or her qualified dependents.

The carrier of this coverage will not be changed without satisfying the same conditions as provided for a change of the medical insurance carrier.

11.5 Long-Term Disability Insurance Coverage. The City agrees to continue to provide Long-Term Disability Insurance coverage to the employees covered by this M.O.U.

11.6 Vision Care Insurance Coverage. The City agrees to continue to provide a group vision care plan for the employees covered by this M.O.U. The coverage will include the employee and his or her qualified dependents.

11.7 Air Ambulance Insurance Coverage. The City agrees to continue to provide air ambulance insurance coverage for the employees covered by this M.O.U., except for applicable exclusions. The coverage will include the employee and qualified dependents.

11.8 Benefits During Leave: Family and Medical Leave (FMLA) and California Family Rights Act (CFRA). An employee taking family/medical leave will be allowed to continue participating in any health and welfare benefit plan in which he or she was enrolled before the first day of leave (for a maximum of 12 workweeks) at the level and under the same conditions of coverage as if the employee had continued in employment for the duration of such leave.

11.8.1. Group health insurance coverage will be continued in the same manner for up to 16 weeks for employees disabled due to pregnancy, childbirth or related medical condition.

11.8.2. The City will continue to make the same premium contributions as if the employee had continued working.

11.8.3. The continued participation in health benefits begins on the date leave first begins under the Family Medical Leave Act (FMLA) or under the California Rights Act (CFRA).

11.8.4. All employees must notify Human Resources as soon as possible regarding FMLA for your own serious health condition or that of a family member.

For additional information on Family and Medical Leave, refer to the City of Crescent City's FMLA policy.

11.9 When Benefits Terminate. Employee medical benefits end on the first day of the second month following the date of separation or loss of eligibility. Dental and vision plan coverage ends on the last day of the month following your date of separation or loss of eligibility. You may continue benefits during a family leave of absence according to federal guidelines (FMLA) and in conjunction with City policy for a limited period of time.

12. City-Designated Holidays

The City agrees to provide to the employees covered by this M.O.U. the following holidays off from work and with pay:

| | |
|-------------------------------|---|
| New Year's Day | January 1 |
| Martin Luther King Day | January (3rd Monday) |
| President's Day | February (3rd Monday) |
| Memorial Day | May (Last Monday) |
| Fourth of July | July 4 |
| Labor Day | September (1st Monday) |
| Veteran's Day | November 11 |
| Thanksgiving Day | November (4th Thursday) |
| Day after Thanksgiving | November (4 th Friday) |
| Christmas Day | December 25 |
| Two Christmas Season holidays | To be designated annually by the City Administration with concurrence from each Employee Association. |

Two Floating Holidays

To be designated by the employee with approval from the Department Head.

Should any of the above-mentioned holidays fall on a Saturday, the employees will have off the Friday before the holiday with pay. Should any of the above-mentioned holidays fall on a Sunday, the employees will have off the Monday following the holiday with pay.

13. Leaves

Except as otherwise provided herein, leaves of absence without pay that are in the best interest of the City may be granted by approval of the City Manager. Requests for leaves of absence without pay shall be submitted in writing by the employee to the Department Head who will consider each request on its individual merits and circumstances and will forward his or her recommendations to the City Manager for approval. Reasons for rejection of such request will be submitted to the employee by the department head. In all cases covered by the Family Medical Leave Act, the City shall provide leave in accordance with the requirements of the Act.

In the event of an extended leave of absence, with or without pay, of twenty (20) work days or more, accruals will temporarily stop until the employee returns to work. Upon the employee's return to work, accruals will be restarted at the same rate that the employee was entitled to before taking the leave, based on his or her length of service. Employees may utilize use of any unused balances (i.e., sick, comp time, floating holidays, vacation) during their leave time but will not continue to accrue until a return to work.

Use of any accrued leave must be taken in the following order:

- 1) Compensatory time off;
- 2) Floating holidays;
- 3) Vacation

13.1 Vacation.

13.1.1. Accrual Schedule. The following vacation accrual schedule will be effective on the first pay period after the effective date of this M.O.U.

| <u>Length of Service</u> | <u>Bi-Weekly Accrual Rate</u> |
|------------------------------------|-------------------------------|
| Date of Employment thru 12th month | 4.0 Hours |
| 13th month thru 120th month | 5.23 Hours |
| 121st month & beyond | 6.15 Hours |

13.1.2. Utilization. Employees covered by this M.O.U. may not accrue vacation beyond four hundred (400) hours. Vacation leave may not be granted to an employee with less than six (6) months of employment. Compensation will be at the current rate of pay. Upon termination, an employee will be compensated for unspent accrued vacation.

13.1.3. Elective Vacation Cash-Out Plan. Employees have the elective option to cash-out up to forty (40) hours of accrued vacation leave once every six (6) months. An employee must have a minimum balance of 240 hours of accrued vacation at the time of the cash-out request. An employee must have used at least forty (40) hours of vacation in the previous twelve (12) month period.

13.2 Sick Leave. It is the policy of the City that sick leave is not to be considered a privilege for an employee to use at his or her discretion, but is to be provided as a benefit to be used in case of necessity for an actual illness or disability. It is the responsibility of the

Department Head to deny the use of sick leave with pay in cases where there is substantial evidence of abuse of the sick leave privilege.

13.2.1. Accrual Schedule. All employees, except part-time, temporary and seasonal employees, will be eligible for accrual of sick leave effective from their date of hire. The accrual of sick leave will be four (4) hours per pay period, with an accumulation limit of 720 hours.

13.2.2. Utilization. Employees may utilize accrued sick leave after their first month of employment. Sick leave with pay will be granted upon the recommendation of the Department Head in a case of the bona fide illness of the employee. Sick leave with pay may be used for the following services: diagnostic procedures, dental procedures and ophthalmology services when performed by a duly licensed practitioner.

a. The employee may be required to file a physician's or dentist's statement, or a personal affidavit with Human Resources stating the cause of absence before such leave with pay will be granted. After an employee has notified the City of their intention to leave City service, no sick leave will be granted for that employee unless they provide a doctor's written statement for the missed time.

b. Sick leave applies to absences during pregnancy that are caused by illness due to pregnancy or the attending physician's order that the employee is unable to work due to the pregnancy. All situations involving pregnancy disability will be addressed in accordance with the provisions of the Family Medical Leave Act (FMLA) and current state Pregnancy Disability Leave (PDL) laws. A female employee, filling a regular Council approved position shall be entitled to a total of four (4) months leave of absence (with and/or without pay) due to pregnancy disability as determined by a qualified medical provider.

13.2.3. After four (4) consecutive days of illness, an employee may be required to provide a physician's "return to work" release in writing.

13.2.4. Employees who violate or misuse the sick leave provisions may be required to provide a physician's report for each day off when sick leave is requested, and upon further misuse, the employee may be disciplined. Examples may include but are not limited to instances involving patterned absences or utilizing sick leave for reasons other than illness, medical condition, or medical/dental appointments.

13.2.5. Employees returning from sick leave with restrictions must accept light duty when offered. Failure to do so will be considered a voluntary quit and employment will be terminated.

13.2.6. An eligible employee may take sick leave in the event of a serious illness or medical condition for a member of the employee's immediate family. The employee may be required to file a physician's or dentist's statement, or a personal affidavit with Human Resources stating the cause of absence before such leave with pay will be granted. For purposes of this section, immediate family is defined as:

a. A child (biological, adopted, or foster child, stepchild, legal ward, or child to whom the employee stands in loco parentis, regardless of the age or dependency status);

b. A biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic parent, or a person who stood in loco parentis when the employee was a minor child;

- c. A spouse;
- d. A registered domestic partner;
- e. A grandparent;
- f. A grandchild;
- g. A sibling.

13.2.7 In the event a scheduled medical or dental appointment for the eligible employee's immediate family that requires the employee's absence from work, the employee may use sick time. Immediate family is defined as the same family members as noted above in section 13.2.6.

13.2.8. In the event of a voluntary or involuntary transfer of any employee within the City, the employee's leave credits will also be transferred in their full amount.

13.2.9. The City has entered into an agreement with the PERS whereby accumulated sick leave is converted to additional service credit upon retirement.

13.2.10. Conversion to Sick Leave Bank. Any employee whose available sick leave accrual equals or exceeds seven hundred twenty (720) hours at the end of a bi-weekly pay period must, for the next pay period and any subsequent pay periods until the accrual is below the 720 hours, be compensated by having his or her normal accrual amount for the pay period deposited into a "sick leave bank-CECC."

a. Use of sick leave hours from this time bank will be by approval of such procedures as are mutually agreed upon by the CECC and the City Manager.

b. Total sick leave bank accruals deposited may not exceed 960 hours available at any time.

c. In the event the employee reaches the maximum vacation accrual, no further accruals or conversion may occur.

13.3 Occupational Medical Leave. An employee who is receiving temporary disability indemnity under applicable Workers' Compensation provisions of the California Labor Code, may choose to take as much of his or her available sick leave or vacation leave in such amounts that when added to the temporary disability payment, the employee will receive an amount equal to his or her full salary or wage. Such supplemental payments may continue until all accrued balances are exhausted or the employee returns to work. Such payments will not be continued beyond the date of termination of employment whether voluntary or involuntary.

13.3.1. In all cases covered by the Family Medical Leave Act, the City will provide leave in accordance with the requirements of the Act.

13.3.2. Once paid leave options are exhausted, the accrual of sick and vacation leave benefits will be discontinued until the employee returns to work.

13.3.3. The City Manager (or Human Resources or designee) may grant a leave of absence without pay to any employee who is disabled by job injury or illness. The duration of the unpaid medical leave of absence will depend upon the nature and extent of the employee's disability or incapacity to perform the essential functions of the job position, but in no event will a medical leave be granted for longer than one year, measured from the time the employee is unable to work in his or her regular job position.

13.3.4. Leave may be terminated by the City Manager when he or she determines to his or her satisfaction that the employee is permanently disabled and unable

to perform the duties of the class. Such determination may be considered pursuant to the California Public Employees' Retirement Law: "disability" means the inability of an employee to perform the duties of the job for a permanent or extended and uncertain duration, as determined on the basis of a competent medical opinion. Disability is not necessarily an inability to perform every function of a given position. Rather, the determination of whether the employee can *substantially* perform his or her usual duties.

13.3.5. In all situations of Occupational Medical Leave, employees must comply with the City's Work Related Injury or Illness Return-To-Work Policy.

13.4 Parenting Leave. Parenting leave will be considered leave without pay and provided in accordance with applicable federal and state laws; specifically, Family Medical Leave (FMLA) and current California Family Rights Act (CFRA) laws for the birth or adoption of a child or placement of a foster child. In the event that an employee does not meet the eligibility requirements for FMLA or CFRA, an unpaid leave of absence may be approved by the employee's Department Head and the City Manager. Use of sick leave may not be taken for parenting leave purposes.

The City will make available forty (40) hours of paid leave in lieu of not participating in Employment Development Department (EDD) programs that may have provided Paid Family Leave for parenting leave purposes.

13.5 Bereavement Leave. Regular employees are eligible for bereavement leave to a maximum of five (5) work days per incident with pay.

The City Manager may grant additional time based on individual circumstances. Immediate family is defined as: spouse, parents, children, siblings, grandparents, grandchildren and in-laws (parents, grandparents, siblings). The City Manager may approve other bereavement leave requests on a case-by-case basis.

13.6 Jury Duty/Witness Testimony Leave. All employees are eligible for jury leave when called by the court to serve as a juror or provide witness testimony. Employees will receive their normal compensation so long as the City is reimbursed by the employee for juror or witness fees received.

The employee must provide to their Department Head a copy of the summons, notice, or subpoena directing the employee to appear in court. On a day an employee reports for jury duty and learns that services are not needed that day, the employee must return to work for the balance of the regular work shift.

13.7 Military Leave. The City will provide military leave as required by California State Law.

13.8 Leave of Absence Without Pay. An employee will not be entitled to a leave of absence as a matter of right, but upon request may be granted a personal leave of absence without pay upon the presentation of a valid and satisfactory reason. The approval or denial of such leave is not subject to the grievance or complaint procedure.

13.8.1. An employee must request the leave of absence in writing (Time Off Request form) at least 30 days in advance for a planned leave.

13.8.2. The time off must be approved by the Department Head and City Manager before beginning the leave of absence.

13.8.3. Such leave will not be approved in excess of one hundred twenty (120) calendar days in duration, except that the City Manager, upon the recommendation of the employee's Department Head, may approve one subsequent ninety (90) calendar day leave of absence without pay.

13.8.4. Failure to return to work at the end of the approved leave period will constitute a separation from service of that employee as a voluntary resignation.

13.8.5. The employee will not accrue any benefits, nor will City pay for any benefits during such approved leave of absence without pay.

13.9 Unauthorized Absence – Automatic Termination. An employee absent for more than three (3) working days without prior permission of the Department Head may be considered to have automatically terminated employment with the City. Such termination will be final and without right or appeal or hearing unless said employee furnishes reasons satisfactory to the Department Head and City Manager for not having obtained prior permission.

13.10 Return to Work Requirements. At least one (1) week prior to the expiration of the approved leave of absence, with or without pay, the employee must notify the Department Head of the employee's intention to return to work. Upon the expiration of an approved leave, the employee shall return to work on the next following regular work day. Failure to return to work will be considered a voluntary resignation on the part of the employee unless prior approval is obtained from the employee's Department Head and Human Resources.

13.11 Determination of Continuous Service. The length of an employee's service will be considered continuous while the employee is on an approved leave of absence, with or without pay, and if the employee returns to work on the required return to work day.


Upon re-employment from an involuntary layoff, the employee's previously accrued sick leave credits will be restored. An employee returning from a voluntary resignation will not receive any credits by virtue of their previous employment towards any leave accrual or restoration.

**Agreed Hereto and
Recommended to City Council:**

Dated: 8/3/18



Eric Wier, City Manager

Dated: 8/3/18

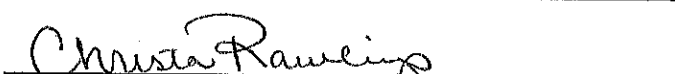

Martha D. Rice, City Negotiator

**Agreed Hereto for
Clerical Employees of Crescent City (CECC):**

Dated: 8/2/18


Christina Pereira, President

Dated: 8/2/18


Christa Rawlings, Vice President

APPROVED AS TO FORM:


Martha D. Rice, City Attorney

CECC Pay Schedule – Exhibit A

Effective 7/1/2018

The parties hereto agree to the following pay schedule for the following positions for the period July 1, 2018 through June 30, 2019, effective the first complete pay period in Fiscal Year 2018-19. This pay schedule reflects a 3.0% CPI increase.

All figures are described in hourly rates.

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|---------------------------|--------|--------|--------|--------|--------|
| Account Clerk 1 | 15.18 | 15.94 | 16.74 | 17.57 | 18.45 |
| Account Clerk 2 | 16.76 | 17.59 | 18.49 | 19.41 | 20.37 |
| Account Clerk 3 | 18.96 | 19.92 | 20.91 | 21.96 | 23.05 |
| Clerk Typist | 13.09 | 13.75 | 14.44 | 15.16 | 15.91 |
| Office Technician | 15.56 | 16.34 | 17.16 | 18.01 | 18.92 |
| | | | | | |
| Confidential positions | | | | | |
| Tenant Services Tech. | 18.43 | 19.34 | 20.30 | 21.32 | 22.39 |
| Fire Dept. Admin. Assist. | 18.51 | 19.43 | 20.39 | 21.42 | 22.48 |
| Police Records Specialist | 18.06 | 18.95 | 19.90 | 20.90 | 21.94 |
| | | | | | |
| Y-Rated Positions | | | | | |
| Account Clerk 1 Y-Rated | 15.43 | 16.19 | 16.96 | 17.84 | 18.75 |
| Account Clerk 3 Y-Rated | 20.70 | 21.73 | 22.82 | 23.96 | 25.16 |

The parties agree that the above pay schedule shall continue in future agreements; however, the exact pay level for each step may vary as agreed upon by the parties.

RULES FOR PAY STEP PROGRESSION: Employees may move through the Steps in the following manner and at the discretion of the Department Head upon City Manager concurrence.

STEP 1: Entry Step. The employee is normally hired at this pay step.

STEP 2: Second Step. Employees may be hired at this step upon City Manager approval if conditions warrant such placement, otherwise employees progress to this step upon six months of satisfactory performance in Step 1 or at the discretion of the Department Head and City Manager.

STEP 3: Third Step. Employees may be hired at this step upon City Manager approval if conditions warrant such placement, otherwise employees progress to this step upon twelve (12) months of satisfactory performance in Step 2, or at the discretion of the Department Head and City Manager.

STEP 4: Fourth Step. Employees may be hired at this step upon City Manager approval if conditions warrant such placement, otherwise employees progress to this step upon twelve (12) months of satisfactory performance in Step 3, or at the discretion of the Department Head and City Manager.

STEP 5: Employees may progress to this step upon twelve (12) months of satisfactory performance in Step 4, or at the discretion of the Department Head and City Manager.

The employee's supervisor shall evaluate the employee's performance in the time periods provided for by each pay step to determine if the employee shall progress to the next pay step. Employees at Step 5 will also be evaluated by the employee's supervisor to determine performance strengths and weaknesses.

All employee evaluations shall be reviewed by the employees' Department Head and City Manager.

The supervisor shall notify the employee at least ten (10) days prior to the employee's due date for a pay increase as to whether or not the supervisor will recommend a pay step increase for the employee. Employees may utilize the grievance procedure should an employee object to the supervisor's decision in this matter.

Notwithstanding any of the above, employees who are promoted shall be placed in the pay step of the new classification which provides the employee a minimum increase of five (5) percent unless the pay at the new classification is already at Step 5.

Employees who are demoted for disciplinary reasons will be paid at the salary of the same step within the lower pay classification.

Employees who are transferred from one position to another of equal pay shall not be increased or decreased in respect to their present pay.

CECC Pay Schedule – Exhibit A

Effective 7/1/2019

The parties hereto agree to the following pay schedule for the following positions for the period July 1, 2019 through June 30, 2020, effective the first complete pay period in Fiscal Year 2019-20. This pay schedule reflects a (TBD) % CPI increase. This schedule will be updated when the applicable CPI percentage is known.

All figures are described in hourly rates.

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 |
|---------------------------|--------|--------|--------|--------|--------|
| Account Clerk 1 | | | | | |
| Account Clerk 2 | | | | | |
| Account Clerk 3 | | | | | |
| Clerk Typist | | | | | |
| Office Technician | | | | | |
| | | | | | |
| Confidential positions | | | | | |
| Tenant Services Tech. | | | | | |
| Fire Dept. Admin. Assist. | | | | | |
| Police Records Specialist | | | | | |
| | | | | | |
| Y-Rated Positions | | | | | |
| Account Clerk 1 Y-rated | | | | | |
| Account Clerk 3 Y-rated | | | | | |

The parties agree that the above pay schedule shall continue in future agreements; however, the exact pay level for each step may vary as agreed upon by the parties.

RULES FOR PAY STEP PROGRESSION: Employees may move through the Steps in the following manner and at the discretion of the Department Head upon City Manager concurrence.

STEP 1: Entry Step. The employee is normally hired at this pay step.

STEP 2: Second Step. Employees may be hired at this step upon City Manager approval if conditions warrant such placement, otherwise employees progress to this step upon six months of satisfactory performance in Step 1 or at the discretion of the Department Head and City Manager.

STEP 3: Third Step. Employees may be hired at this step upon City Manager approval if conditions warrant such placement, otherwise employees progress to this step upon twelve (12) months of satisfactory performance in Step 2, or at the discretion of the Department Head and City Manager.

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STEP 5: Employees may progress to this step upon twelve (12) months of satisfactory performance in Step 4, or at the discretion of the Department Head and City Manager.

The employee's supervisor shall evaluate the employee's performance in the time periods provided for by each pay step to determine if the employee shall progress to the next pay step. Employees at Step 5 will also be evaluated by the employee's supervisor to determine performance strengths and weaknesses.

All employee evaluations shall be reviewed by the employees' Department Head and City Manager.

The supervisor shall notify the employee at least ten (10) days prior to the employee's due date for a pay increase as to whether or not the supervisor will recommend a pay step increase for the employee. Employees may utilize the grievance procedure should an employee object to the supervisor's decision in this matter.

Notwithstanding any of the above, employees who are promoted shall be placed in the pay step of the new classification which provides the employee a minimum increase of five (5) percent unless the pay at the new classification is already at Step 5.

Employees who are demoted for disciplinary reasons will be paid at the salary of the same step within the lower pay classification.

Employees who are transferred from one position to another of equal pay shall not be increased or decreased in respect to their present pay.

Side Letter Agreement

This Side Letter Agreement ("Side Letter") to the Memorandum of Understanding between the City of Crescent City ("City") and the Clerical Employees of Crescent City ("CECC") for the period covering July 1, 2018 through June 30, 2020 is hereby entered into between the parties for the purpose of establishing a commitment to review job descriptions and review the impact that rising minimum wage will have on bargaining unit salaries.

NOW, THEREFORE, the parties agree as follows:

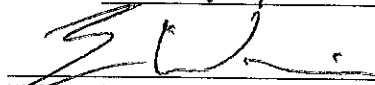
1.0 Job Descriptions. The City and the CECC will work together to review and amend, as appropriate, all job descriptions in the CECC bargaining unit. This task is to be completed prior to July 1, 2019.


2.0 Minimum Wage Impacts. The City recognizes the fact that minimum wage is scheduled to increase by \$1.00 per year for the next 4 years and that this minimum wage increase is going to result in a shrinking differential between the minimum wage and some of the lesser paid positions in the bargaining unit (and all other positions as well). As early as practicable in FY 19-20, the City will begin the process of reviewing and studying the impacts that minimum wage is having on those positions mentioned above and whether a salary survey or more formal study is prudent at the time. The City will consult with the CECC regarding the methodology and processes utilized for reviewing wages. While the ultimate decision will be that of the City as to what method and process is utilized, input from the CECC is valuable and desired. The intent of the parties is that the outcome of the review will be a basis upon which the City can address the minimum wage impacts during negotiations for the next MOU (anticipate to commence July 1, 2020). The results of the review/survey will be provided to CECC. It is expressly understood that the City cannot and is not committing to any particular course of action at this time because any action will be the prerogative of the future city council and subject to budgetary constraints.

WHEREFORE, the CECC agrees to the above terms and the City agrees to present this Side Letter as part of the above-referenced Memorandum of Understanding for adoption by the City Council.

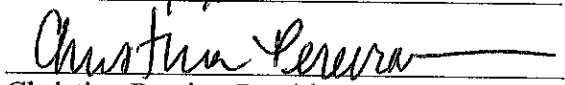
AGREED TO AND RECOMMENDED TO AGREED TO BY THE CECC:
CITY COUNCIL:

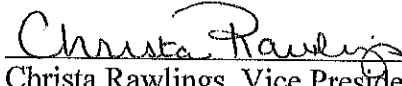
Dated: 8/3/18


Eric Wier, City Manager


Martha D. Rice, City Negotiator

Dated: 8/2/18


Christina Pereira, President


Christa Rawlings, Vice President