



## MEMORANDUM

**TO: CITY COUNCIL**

**FROM: DEBBIE MALICOAT, DIRECTOR OF ADMINISTRATIVE SERVICES**

**SUBJECT: ADOPTION OF A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 620**

**DATE: NOVEMBER 28, 2017**

### **SUMMARY OF ACTION:**

Entering into a new memorandum of understanding (MOU) with the Service Employees International Union (SEIU) Local 620 will establish the wages, hours and other working conditions for employees represented by the bargaining group for Fiscal Years 2017-18 through 2019-20 (3 years).

### **IMPACT ON FINANCIAL AND PERSONNEL RESOURCES:**

Total costs over the three year contract period are approximately \$262,100 or 3.9% of total compensation for the represented group. Of these costs, \$163,300 will be paid by the General Fund, \$28,600 by the Streets Fund, \$55,300 by the Water Fund and \$14,900 by the Sewer Fund. The FY 2017-18 budgets will be amended to reflect the change during the mid-year budget review.

Approval of the three-year MOU will result in a significant savings in staff time and consultant services compared with negotiating annually.

### **RECOMMENDATION:**

It is recommended the City Council adopt a Resolution approving an MOU with the SEIU Local 620 for Fiscal Years 2017-18 through 2019-20.

### **BACKGROUND:**

The SEIU MOU expired on June 30, 2017. Negotiations have been under way for the past several months for a successor MOU. The terms of the proposed MOU were voted on and approved by the SEIU's membership on November 16, 2017. Salary and other compensation adjustments will become effective on December 1, 2017, which is the first day of the first full pay period following City Council approval of the MOU.

**CITY COUNCIL  
ADOPTION OF A RESOLUTION APPROVING A MEMORANDUM OF  
UNDERSTANDING WITH THE SERVICE EMPLOYEES INTERNATIONAL UNION  
LOCAL 620  
NOVEMBER 28, 2017  
PAGE 2**

**ANALYSIS OF ISSUES:**

Substantive changes to the SEIU salary and benefits recommended in the successor MOU include the following:

- All employees will receive a 2.5% salary increase effective the first full pay period following approval, a 2% salary increase in July 2018 and a 2% salary increase in July 2019.
- The City will adjust the cafeteria plan amount to pay 50% of the increase in the cost of the lowest cost HMO medical plan available to the City up to a maximum of an 8% increase in the City's contribution each year.
- Standby pay will increase from \$1.50 per hour to \$3.00 per hour.
- Pay for certain special skill certifications will increase to 1.25% of base pay per certificate with a maximum of 8.75% incentive.
- Safety shoe allowance will increase from \$150 to \$200 annually

**ALTERNATIVES:**

The following alternatives are provided for the Council's consideration:

1. Adopt the Resolution approving the proposed MOU;
2. Do not adopt the Resolution;
3. Provide direction to staff.

**ADVANTAGES:**

Approval of the MOU will help maintain competitive salaries and benefits for employees.

**DISADVANTAGES:**

The recommendation will increase costs to current and future budgets.

**ENVIRONMENTAL REVIEW:**

No environmental review is required for this item.

**PUBLIC NOTIFICATION AND COMMENTS:**

The Agenda was posted at City Hall and on the City's website in accordance with Government Code Section 54954.2.

**RESOLUTION NO.**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ARROYO GRANDE ADOPTING A MEMORANDUM OF UNDERSTANDING FOR EMPLOYEES REPRESENTED BY THE SERVICE EMPLOYEES INTERNATIONAL UNION LOCAL 620**

**WHEREAS**, the City Council deems it to be in the best interest of the City of Arroyo Grande and its employees represented by the Service Employees International Union Local 620 that compensation be fixed for all full-time non-management employees as herein provided; and

**WHEREAS**, the City has established compensation and working conditions through the meet and confer process with the designated employee representatives as set forth in Exhibit "A"; entitled Memorandum of Understanding between the City of Arroyo Grande and the Service Employees International Union Local 620 ("SEIU MOU"), a copy of which is attached hereto and incorporated herein by this reference.

**NOW, THEREFORE BE IT RESOLVED** by the City Council of the City of Arroyo Grande that the SEIU MOU is hereby approved. This Resolution shall be effective as of November 29, 2017.

**BE IT FURTHER RESOLVED** that this Resolution shall repeal those sections of Resolution No. 4613, which established salary and benefits for full-time employees represented by the Service Employees International Union Local 620.

On motion of Council Member \_\_\_\_\_, seconded by Council Member \_\_\_\_\_, and on the following roll call vote, to wit:

**AYES:**  
**NOES:**  
**ABSENT:**

the foregoing Resolution was passed and adopted this 28<sup>th</sup> day of November, 2017.

**RESOLUTION NO.  
PAGE 2**

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**JIM HILL, MAYOR**

**ATTEST:**

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**KELLY WETMORE, CITY CLERK**

**APPROVED AS TO CONTENT:**

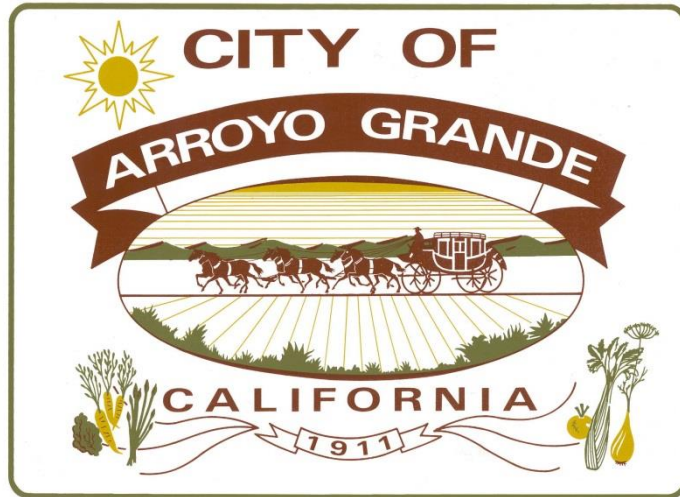
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**JAMES A. BERGMAN, CITY MANAGER**

**APPROVED TO AS FORM:**

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**HEATHER WHITHAM, CITY ATTORNEY**



**2017/18 – 2019/20(Three Year)**

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**SERVICE EMPLOYEES  
INTERNATIONAL UNION  
LOCAL 620  
Arroyo Grande Chapter**

**AND**

**CITY OF ARROYO GRANDE**

**2017/18 – 2019/20 MEMORANDUM OF UNDERSTANDING  
 SERVICE EMPLOYEES INTERNATIONAL UNION  
 LOCAL 620  
 ARROYO GRANDE CHAPTER**

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**2017/18 – 2019/20**  
**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**CITY OF ARROYO GRANDE**  
**AND**  
**LOCAL 620, SERVICE EMPLOYEES INTERNATIONAL UNION,**  
**ARROYO GRANDE CHAPTER**

**THE PARTIES HAVE MET AND CONFERRED IN GOOD FAITH REGARDING EMPLOYMENT TERMS AND CONDITIONS FOR THE EMPLOYEES COMPRISING THE ABOVE RECOGNIZED EMPLOYEE ORGANIZATION FOR THE GENERAL SERVICES UNIT AND SUPERVISORS UNIT AND, HAVING REACHED AGREEMENT, AS HEREIN SET FORTH, SUBMIT THIS MEMORANDUM OF UNDERSTANDING TO THE CITY COUNCIL, WITH JOINT RECOMMENDATION THAT COUNCIL ADOPT THE TERMS AND CONDITIONS AND TAKE SUCH OTHER ADDITIONAL ACTIONS AS MAY BE NECESSARY TO IMPLEMENT ITS PROVISIONS.**

**ARTICLE 1. TERM OF MEMORANDUM OF UNDERSTANDING**

The term of Memorandum of Understanding shall be from July 1, 2017 until June 30, 2020, and thereafter shall continue from year to year. Either party may request modification by March 15, 2020, in which event, meeting and conferring shall begin no later than April 15, 2020.

**ARTICLE 2. RECOGNITION**

The City recognizes the Union as the sole and exclusive bargaining agent for all permanent classifications in the Supervisory Employees' representation unit and General Services unit.

**ARTICLE 3. NONDISCRIMINATION**

The provisions of this Memorandum of Understanding shall be applied equally to all employees covered hereby without discrimination because of race, color, sex, physical disability, age, national origin, religious affiliation, or Union membership.

Employees may elect to exercise their right to join and participate in the activities of the Union for the purposes of representation in all matters of their working conditions and employer-employee relations. The parties agree that there shall be no restraint, coercion, or interference with any employee with respect to or because of the employee's membership in said Union. The City and the Union agree that each employee shall be treated equally, fairly, and with dignity and respect.

**ARTICLE 3. NONDISCRIMINATION (continued)**

The Union and the City agree to support the Affirmative Action Program established by the City and that there shall be no discrimination within their respective organizations because of race, creed, sex preference, color, national origin, age, disability, or political belief.

Any party alleging a violation of this article shall have the burden of providing the existence of a discriminatory act or acts and/or proving that, but for such act or acts, the alleged injury or damage to the grievant would not have occurred.

Discrimination complaints based on Union membership and/or activity shall continue to be subject to the grievance procedure and arbitration.

**ARTICLE 4. UNION RIGHTS**

**4.1 Representation**

With respect to the meet-and-confer process, three (3) Union representatives shall be the maximum number of employees allowed to meet with City representatives on City time during their normal working hours for the purpose of meeting and conferring in good faith without loss of pay or any benefits.

**4.2 Bulletin Board**

The City will furnish, for the use of the Union, reasonable bulletin board space at reasonable locations. Such bulletin board space shall be used only for the following subjects:

- Union recreational, social, and related news bulletins;
- Scheduled Union meetings;
- Information concerning Union elections or the results thereof;
- Reports of official business of Union, including reports of committees or the Board of Directors; and
- All material shall clearly state that it is prepared and authorized by the Union.

Union agrees that notices posted on City bulletin boards shall not contain anything that may reasonably be construed as maligning the City or its representatives.

**ARTICLE 4. UNION RIGHTS (continued)**

**4.3 Union Stewards**

- A. The City authorizes the Arroyo Grande Chapter of the Service Employees International Union to appoint three (3) “Union Stewards” and one (1) alternate, any of which may represent an employee subject to the City’s grievance procedure (Article 5).
- B. The Union shall provide the City Manager with a list of all authorized Union stewards, and the list shall be kept current.
- C. An employee and/or his/her “Union Steward” representative may, when and to the extent necessary, take official City time, without loss of compensation, in order to participate in the investigation and processing of a grievance as provided for in Article 5, upon notification and approval of the immediate supervisor or his/her designee.
- D. The City Manager will approve employee and/or Union Steward taking official City time to investigate and process a grievance, when and to the extent necessary, and only if it will in no event adversely affect the operational, security, or safety requirements of the City.
- E. It is understood that the employee and/or Union Steward shall make every reasonable effort to perform any of the above activities on off-duty time.

**4.4 Dues Deduction**

- A. The City agrees to deduct dues twice monthly and remit them to the Union, as approved by the Union Board of Directors and authorized in writing by the individual employees concerned, on forms currently accepted by the City for such deductions.
- B. For the employees in the unit who authorize Union dues deductions, the City shall automatically continue such dues deduction.
- C. The City agrees to provide the Union the name and deduction status of all unit employees each pay period for which deductions are made. The report shall include employees hired/transferred into or out of the unit, as well as all those on leaves of absence.

**ARTICLE 4. UNION RIGHTS (continued)**

**4.4 Dues Deductions (continued)**

- D. Deductions. All employees in the unit who have not authorized a Union dues deduction shall, within the thirty (30) day period following notification of their obligation under this agreement, execute an authorization for the payroll deduction of one of the following: 1) Union dues; 2) a service fee, equal to the percentage of the regular dues, that is used for legally permissible representation costs; or 3) if he/she qualifies, a charity fee, equal to the service fee, to the tax-exempt charitable organization that has been agreed to by the employee and the Union.

To qualify for the designated charity fee deduction, an employee must certify to the Union that he/she is a member of a bona-fide religion, body, or sect that has historically held conscientious objections to joining or financially supporting public employee organizations.

Such exempt unit employees will be required to submit to the Union a notarized letter certifying that person's membership in such a religion, body, or sect, signed by an official of the bona-fide religion, body, or sect.

If an employee fails to authorize one of the above deductions within the thirty (30) day authorization period, the City shall notify the employee, in writing, of his/her contractual obligation to authorize one of the payroll deductions.

If an employee fails to authorize one of the deductions, the Union may seek enforcement through the courts.

- E. Service Fee as Condition of Employment. After July 1, 1995, all employees hired into the units who fail to authorize a Union dues deduction or service fee deduction must, as a condition of their continued employment, authorize a service fee deduction within thirty (30) days following the beginning of their employment. The employee may avail his/herself of the options set forth in "D" above. If an employee fails to meet this obligation, the Union will make a written request to the City to take the necessary steps to separate that employee from City service. The City will inform the Union of all new hires.

**ARTICLE 4. UNION RIGHTS (continued)**

**4.4 Dues Deduction (continued)**

- F. Financial Documentation. The Union has presented a demonstration that the legally permissible costs that may be charged as a service fee to a nonmember equals somewhat more than ninety-five percent (95%) of dues.

The City has not challenged that demonstration and agrees to deduct a service fee equal to ninety-five percent (95%) of dues.

The Union shall, within ninety (90) days after the end of each fiscal year, make available to the City financial documentation that shall meet the requirements of Government Code Section 3502.2.

The City agrees to provide the Union the name, department, class, and payroll deduction of all unit employees upon request.

- G. Petition, Election, and Challenge. If a petition is filed with the City that requests an election rescinding agency shop, and such petition contains signatures collected within a forty-five (45) day period of at least thirty percent (30%) of the employees in the bargaining unit, an election will be held. Such election may only be held once during the term of the Agreement. The verification of the petition and the election shall be conducted by the State Conciliation Service, voting shall be by secret ballot, and a majority vote of all employees in the bargaining unit shall be required to rescind agency shop.

A unit employee, who is subject to the payment of a representation service fee hereunder, has certain legal rights to object to that part of the fee payable to him or her, which represents the employee's additional pro-rata share of expenditures by the Union that is utilized for expenditures not incurred for the purpose of performing the duties incident to effective representation in employer-employee relations. An employee wishing to exercise these rights must contact the Union office.

- H. Hold Harmless. The Union agrees to indemnify, defend, and hold harmless the City and its officers, employees, and agents against all claims, proceedings, and liabilities arising, directly or indirectly, out of any actions taken or not taken by or on behalf of the City under this Article.

**ARTICLE 4. UNION RIGHTS (continued)**

**4.4 Dues Deduction (continued)**

- I. Enforcement/Severability. In the event the Service Fee provision of the Article is declared by a court of competent jurisdiction to be illegal or unenforceable, the parties agree to reopen this Article of the Agreement for the purposes of implementing modified agency shop provisions.

**4.5 Use of City Facilities**

- A. The Union may, with prior approval of the City Manager, be granted the use of City facilities for Union business meetings of City employees, provided space is available. No use fee will be charged.
- B. The City shall provide, at no cost to the Union, a copy of each City Council agenda (Summary Form). By being provided the agenda, the Union acknowledges the City has met its obligation of notification of matters or issues within the scope of representation on the Council Agenda.

**4.6 Contracting Out**

The City agrees to communicate with the Union upon request in regard to the following matters:

- A. Any proposed subcontracting of services that would result in the elimination of unit member's job.
- B. Changes in services that would result in the elimination of unit member's job.

**ARTICLE 5. GRIEVANCE PROCEDURE**

Purpose:

This grievance procedure shall be the exclusive process to resolve grievances as the term is defined below:

- A. To resolve grievances informally at the lowest level.
- B. To provide an orderly procedure for reviewing and resolving grievances promptly.

**ARTICLE 5. GRIEVANCE PROCEDURE (continued)**

Definitions:

- A. Grievance means a complaint by an employee concerning the interpretation or application of the provisions of this M.O.U. or of rules or regulations governing personnel practices or conditions, which complaint has not been resolved satisfactorily in an informal manner between the employee and his/her immediate supervisor.
- B. As used in this procedure, the term “immediate supervisor” means the individual so designated by City management who assigns, reviews, and directs the work of an employee at the first level.

Time Limits:

Each party involved in a grievance shall act quickly so that the grievance may be resolved promptly. Every effort should be made to complete action within the time limits contained in the grievance procedure; however, with the written consent of all parties, the time limitation for any step may be extended.

Step 1:

The grievance initially shall be personally discussed between the employee and his/her immediate supervisor. Within seven (7) working days the immediate supervisor shall give his/her decision or response. The grievant may request this decision or response in writing.

Step 2:

- A. If the grievance is not informally resolved to the satisfaction of the grievant in Step 1 a formal grievance may be initiated. A formal grievance must be initiated. A formal grievance must be initiated no later than:
  - 1. Thirty (30) working days after the event of circumstances occasioning the grievance; or
  - 2. Within seven (7) working calendar days of the Step 1 decision rendered in the informal grievance procedure, whichever is later.
- B. However, if the Step 1 informal grievance procedure is not initiated within the period specified in subsection (1) above, the period in which to bring the grievance shall not be extended by subsection (2) above.

**ARTICLE 5. GRIEVANCE PROCEDURE (continued)**

Step 2: (continued)

- C. A Step 2 grievance shall be initiated in writing on a form prescribed by the City and shall be filed with the person (2) designated by City management who has the responsibility of the next level of supervision within the department. The employee may be represented by a representative of his/her choice.
- D. The grievant shall cite the specific provision(s) of the Memorandum of Understanding, ordinance, resolution, or written rule claimed to have been violated in effect at such time the alleged incident(s) occurred, set forth the facts that purportedly constitute such violation, and the specific remedy sought.
- E. Within seven (7) working days after the initiation of the Step 2 grievance, the City's designated representative for this step shall investigate the grievance and give his/her decision in writing to the grievant.

Step 3:

- A. If the grievant is not satisfied with the decision rendered pursuant to Step 2, he/she may appeal the decision within seven (7) working days to the person designated by the City Manager who has the next level of supervision within the department, if any. The employee may be represented by a representative of his/her choice.
- B. The designated representative shall respond in writing within seven (7) working days to the grievant. If the designated representative determines it is desirable, he/she shall hold a conference(s) or otherwise investigate the matter.

Step 4:

- A. If a designated representative was used in Step 3 above or none was designated and the grievant is not satisfied with the decision rendered pursuant to Step 2 or 3 as applicable, he/she may appeal the decision within seven (7) working days to the City Manager. The employee may be represented by a representative of his/her choice.



**ARTICLE 5. GRIEVANCE PROCEDURE (continued)**

Step 4: (continued)

- B. The City Manager shall respond in writing within seven (7) working days to the grievant. If the City Manager determines it is desirable, he/she shall hold a conference(s) or otherwise investigate the matter.

Step 5:

If the grievance is not resolved satisfactorily at the above Step(s), the grievant, with the written concurrence of the Union, within ten (10) days, excluding holidays, may submit the grievance to binding arbitration. Upon mutual agreement of both parties, the time deadline may be extended for a specified number of days. If any question arises as to the arbitrability of the grievance, such question shall be ruled upon by the arbitrator only after he/she has had an opportunity to hear the merits of the grievance.

- A. The arbitration proceeding shall be conducted by an arbitrator to be selected by the two parties within ten (10) working days after said notice is given. If the two parties fail to reach agreement on an arbitrator within five (5) days, the State Conciliation Service will be requested to supply a list of five (5) names. Each party will alternately strike from the list until only one (1) name remains. The order of striking will be determined by lot.
- B. The arbitrator shall hold a hearing within ten (10) working days of his/her appointment. Five (5) working days' notice will be given to all parties of the time and place of the hearing. Within ten (10) working days after completion of the hearing, the arbitrator shall render the decision in writing and shall set forth his/her findings of fact, reasoning, and conclusions on the issues submitted.

The arbitrator shall be without power or authority to make any decision that requires the commission of an act prohibited by law or violates the terms of this Agreement. However, it is agreed that the arbitrator is empowered to include a decision for reimbursement for financial loss of wages or fringe benefits or other non-financial remedies as judged to be proper. The arbitrator shall submit to all parties his/her findings that shall be binding and final on both parties.

**ARTICLE 5. GRIEVANCE PROCEDURE (continued)**

Step 5: (continued)

- C. Nothing in the foregoing shall be construed to empower the arbitrator to make any decision amending, changing, subtracting from, or adding to, the provisions of this Agreement.
- D. The fees and expenses of the arbitrator shall not be the responsibility of the prevailing party. All other expenses shall be borne by the party incurring them, and neither party shall be responsible for the expense of the witnesses of the other. If any grievance meeting or hearing shall be scheduled during the work day, any worker required by either party to participate as a witness or grievant in such meeting or hearing shall be released from regular duties without loss of pay or benefits for a reasonable amount of time.
- E. Either party may request an individual to make a written record of the entire arbitration hearing. The cost of the services and expense of such individual shall be paid by the requesting parties upon mutual agreement.
- F. All documents dealing with the processing of a grievance shall be filed separately from the personnel files of the participants as designated in this Agreement.

**ARTICLE 6. DISCIPLINARY APPEAL PROCEDURE**

Effective for discipline initiated after the date of ratification of this M.O.U., appeals from discipline and discharge of unit employees represented by S.E.I.U. Local 620 only, shall be processed exclusively in accordance with this modified appeal procedure. The provisions of this Article apply only to employees represented by S.E.I.U. Local 620 and supersede any conflicting provisions contained in the Personnel Regulations of the City of Arroyo Grande, Section VIII.D – G inclusive for S.E.I.U. represented employees.

Employees represented by Local 620 receiving a “Notice of Recommended Disciplinary Action” under Section VIII A. of the Personnel Regulations shall have the right to Union representation if he/she so chooses. The City agrees to send copies of all disciplinary notices for represented employees to the Union by Facsimile (FAX) and U.S. Mail at:

(805) 614-7620 (FAX)  
Local 620, Service Employees’ International Union  
114 Vine Street  
Santa Maria, CA 93454

**ARTICLE 6. DISCIPLINARY APPEAL PROCEDURE (continued)**

Nothing in this Article shall preclude an employee and the City Manager from informal discussions and/or settlements prior to the date of the hearing.

For the purpose of this M.O.U. and as applied to S.E.I.U. represented employees only; the City's Disciplinary Action procedure is hereby modified as follows:

Section D-1: Method of Appeal (S.E.I.U. Only):

Appeals shall be in writing and contain a brief statement about the action being appealed and the reason(s) the employee believes the disciplinary action is not appropriate. The letter of appeal shall be filed with the City Manager within five (5) business days of receiving the notice of disciplinary action.

Upon the filing of an appeal, the City Manager shall set a date for a hearing on the appeal not less than ten (10) days nor more than sixty (60) days from the date of filing. The City Manager or designated representative shall notify all interested parties of the date, time, and place of hearing. The City Manager will also select a Hearing Officer from either the State Mediation and Conciliation Service (SMCS) or another individual selected from a list provided by the SMCS, provided that the person selected to be the Hearing Officer has experience adjudicating Disciplinary Hearings.

Section E: Hearing: No Change to City Personnel Regulations Manual.

Section F: Findings of the Hearing Officer: No Change to City Personnel Regulations Manual.

Section G: Appeal Procedures:

1. Appeal of Findings by Hearing Officer Other Than City Manager – a., b., c.: No Change to City Personnel Regulations Manual.
2. Appeal of Findings by the City Manager:

An employee who believes the City Manager's Final Decision contains findings of fact that are erroneous or legal conclusions which are arbitrary and/or capricious may appeal such findings and resulting proposed disciplinary action(s).

**ARTICLE 6. DISCIPLINARY APPEAL PROCEDURE (continued)**

Section G: Appeal Procedures: (continued)

2. Appeal of Findings by the City Manager: (continued)

Such appeals shall be made to the City Council. Such appeal shall be filed within twenty (20) working days of receiving the Notice of Disciplinary Action from the City Manager.

**ARTICLE 7. MANAGEMENT RIGHTS**

The City retains all its exclusive rights and authority under federal, state, and municipal law and expressly and exclusively retains its management rights, which include, but are not limited to:

- the exclusive right to determine the mission of its constituent departments, commissions, boards;
- set standards and levels of service;
- determine the procedures and standards of selection for employment and promotions;
- direct its employees;
- determine the methods and means to relieve its employees from duty because of lack of work or other lawful reasons;
- maintain the efficiency of governmental operations;
- determine the methods, means and numbers and kinds of persons by which government operations are to be conducted;
- determine methods of financing;
- determine styles and/or types of City-issued equipment to be used;
- determine and/or change the facilities, methods, technology, means, organizational structure, and composition of the work force and allocate and assign work by which the City operations are to be conducted;
- determine and change the number of locations, relocations, and types of operations, processes, and materials to be used in carrying out all City functions, including but not limited to, the right to contract for or subcontract any work or operations of the City.

**ARTICLE 8. WAGES / INCREASES**

The S.E.I.U. represents the following employee classifications:

<u>ADMINISTRATIVE AND FISCAL</u>	<u>SALARY RANGE</u>
Information Technology Specialist	38
Geographic Information Systems Technician	34
Senior Accounting Clerk	26
Administrative Secretary	25
Accounting Clerk II	21
Office Assistant II	18
Accounting Clerk I	15
Office Assistant I	14

<u>RECREATION SERVICES, PUBLIC WORKS AND COMMUNITY DEVELOPMENT</u>	
Senior Engineer	46
Associate Engineer	43
Assistant Engineer	38
Recreation Supervisor	35
Public Works Lead Person	31
Fleet Maintenance Coordinator	30
Water Services Worker	28
Building Permit Technician	26
Recreation Coordinator	26
Maintenance Worker III	26
Sports Facility Coordinator	26
Accounting Clerk II	21
Maintenance Worker II	21
Office Assistant II	18
Maintenance Worker I	17
Accounting Clerk I	15
Office Assistant I	14

The City and the S.E.I.U. agree that all position classifications represented by the Union in this Article shall receive salaries as represented in Exhibits "A - C" for the period of July 1, 2017 through June 30, 2020.

**A. FISCAL YEAR 2017/2018**

The salaries contained in Exhibit "A" shall reflect a 2.5% salary increase effective the first day of the first full pay period following City Council approval.

**B. FISCAL YEAR 2018/2019**

For FY 2018/2019 salaries contained in Exhibit "B" shall reflect a 2% salary increase effective the first day of the first full pay period after July 1, 2018.

**ARTICLE 8. WAGES / INCREASES (continued)**

C. FISCAL YEAR 2019/2020

For FY 2019/2020 salaries contained in Exhibit "C" shall reflect a 2% salary increase effective the first day of the first full pay period after July 1, 2019.

**8.1 Advancement in Salary**

The salary range as set forth for each classification is divided into five (5) steps that shall be interpreted and applied as outlined in this Article. Salary step increases as provided herein are not automatic but based on performance and merit. Employees shall be placed on the step and qualify for increase in compensation for advancement to the next higher step of the pay ranges in the manner following:

- A. The first step is the minimum rate and normally shall be the hiring rate.
- B. The second step is granted to employees who are eligible for this adjustment, after completion of the probationary period. The adjustment shall be made only if granted by the Department Director and subject to the approval of the City Manager or his/her designee.
- C. The third step shall be granted to an employee who has proven fully qualified in a given classification for one (1) full additional year from granting of previous step increase only if granted by the Department Director and subject to the approval of the City Manager or his/her designee.
- D. The fourth step shall be granted to an employee who has proven above average in a given classification for one (1) full additional year by the Department Director and with the approval of the City Manager or his/her designee.
- E. The fifth step shall be granted to an employee who has continued to demonstrate above average performance and has demonstrated continued growth in a given classification for one (1) full additional year by the Department Director and with the approval of the City Manager or his/her designee.
- F. A performance report on each employee recommended for salary advancement shall be prepared and submitted by the Department Director to the City Manager prior to final action on such recommendation at each step.

## **ARTICLE 8. WAGES / INCREASES (continued)**

- G. An employee must always continue to maintain an acceptable level of performance and shall be evaluated annually by his/her Department Director. If the written evaluation by the Department Director does not support a continued acceptable effort, an individual may be reduced in salary by the Department Director, with the approval of the City Manager or his/her designee.

### **8.2 Paychecks**

The City will pay regular checks on a biweekly basis and continue payroll deductions for the County-City Employee Credit Union, when so desired by employees.

### **8.3 Educational Pay**

- A. The Educational Pay Program is intended to promote the improvement of employee efficiency and the advancement of employees to positions of higher skills.
- B. Employees may qualify for advancement of one salary range above their position classified range upon receipt of an Associated Arts Degree, in a field relative to their job classification, from an accredited junior college, or upon earning a special license or certificate, deemed to be equivalent to an AA degree and is related to the performance of the employee's duties and/or assignment, upon recommendation of the Department Director and approval by the City Manager. For purposes of completion of certificated courses related to an employee's duties and/or assignment equivalency (including those programs resulting in a special license or certificate), or an aggregate of the same which equals or exceeds 720 instructional hours, will be deemed to be equivalent to an AA degree.

Any employee who is receiving educational pay for any license or certificate as of July 1, 1999, will continue to receive such pay.

- C. Employees who possess licenses or certificates as specified in Section B of this Article, totaling less than 720 hours and more than 300 hours, shall qualify for an advancement in salary of \$20 per pay period upon recommendation of the Department Director and approval by the City Manager.
- D. Employees may qualify for advancement of two salary ranges above their position classified range upon receipt of a Bachelor of Science/Bachelor of Arts Degree in a field relative to their job classification, from an accredited college, upon recommendation of the Department Director and approval of the City Manager.

**ARTICLE 8. WAGES / INCREASES (continued)**

- E. Exception: Where job classifications or requirements include an Associated Arts or Bachelor of Science/Bachelor of Arts degree, Section B and Section C, will not apply.
- F. No additional educational pay shall be made for duplicate, or more than one, AA degree, BA degree, or applicable certificates.

**8.4 Shift Differential**

The City shall pay \$.50 (fifty cents) per hour additional wages for each hour worked when at least four and one-half (4 ½) hours are worked between 5:30 P.M. and 7:30 A.M., providing such working assignment has been assigned/approved by the Department Director with the concurrence of the City Manager. Exception to the prior approval provisions shall be granted for emergency call-outs.

**8.5 Merit Increases**

Merit increases will become effective the first day of the next full pay period following the evaluation due date.

**ARTICLE 9. NO STRIKE / NO LOCKOUT**

The Union agrees that during the term of this Memorandum of Understanding, neither the Union or the employees it represents will engage in, encourage, sanction, support, or suggest any strikes. The employer agrees that it will not lock out any of its employees during the term of this Memorandum of Understanding.

**ARTICLE 10. SPECIAL PAY PRACTICES**

**10.1 Flex-Time Schedules**

Employees for whom necessity requires a different schedule than that generally applied shall work according to regulations prepared by the respective supervising officials and approved by the City Manager. The City shall specify in writing all changes in work place and hours and provide the affected employees with reasonable notice of these changes. Hours may be altered to permit flex-time.

**10.2 Use of Private Vehicle / Mileage Rate**

An employee who is required to operate his or her own privately-owned automobile for the performance of official duties shall be reimbursed at the rate established by the City Council for each mile necessarily traveled. Such reimbursement shall be paid monthly.



### **10.3 Callback Pay**

Callback is defined as that circumstance requiring an employee to unexpectedly return to work after the employee has left work at the end of the employee's work day or work week.

An employee called in early to start his/her work shift, without prior reasonable notice, will also receive time and one-half (1 ½) overtime pay for all extra hours worked, with a minimum call-out of two (2) hours. If an employee receives a second callback within the two hour window of their first call, then the employee shall only receive additional pay for the time worked beyond the two hours.

### **10.4 Hours of Work and Overtime**

The normal working schedule of full-time employees shall be eight (8) hours pay or forty (40) hours per week. All authorized time worked in excess of forty (40) hours per week, or on a holiday recognized in this Memorandum of Understanding, shall be compensated at the rate of one and one-half (1 ½) times the employee's regular base hourly rate of pay. Time worked for computation of overtime shall include holidays, jury duty, sick leave, bereavement leave, and previously scheduled vacation and compensatory time off, for purposes of this paragraph, and shall be calculated at a maximum of eight (8) hours per day. Overtime shall be computed at the nearest quarter (1/4) hour. At the request of any employee eligible for overtime pay, his/her supervisor will provide that, in lieu of cash payment for any overtime, he/she may have the choice of time off with pay at the rate of one and one-half (1 ½) hours for each hour of overtime worked. Compensatory time off shall be taken at the option of the employee, with the consent of the supervisor. The limit for accrued compensatory time off is 150 hours per employee. Upon separation from employment, an employee is entitled to receive cash compensation for any unused compensatory time.

### **10.5 Standby Pay**

Standby duty is defined as that circumstance which requires an employee so assigned to:

- A. Be ready to respond immediately to a call for service; and
- B. Be readily available at all hours by telephone.

An employee so assigned to standby duty shall receive \$3.00 per hour, to begin at the end of the regularly scheduled work day or work week, or other employee's standby time, and end at the start of the next regularly scheduled work day or the beginning of another employee's standby time. When an employee is called in and is being paid at his/her normal rate of pay (including overtime), standby pay will not apply.

**ARTICLE 10. SPECIAL PAY PRACTICES (continued)**

**10.6 Rest Periods and Breaks**

Employees in all bargaining unit classes are entitled to a fifteen (15) minute duty-free rest period during each four (4) hours of continuous work.

A rest period shall count as fifteen (15) minutes of time worked for calculation of pay.

Rest periods may be suspended when unusual emergency conditions require continuous performance of duties in order to protect or preserve life or property.

**10.7 Alternate Work Schedules**

The City and the Union agree that under some circumstances alternate work schedules may be beneficial to both employees and the City. Accordingly, employees may request to work an alternative work schedule. Such requests shall be subject to approval by the Department Director and the City Manager. City management reserves the right to remove employees from alternative work schedules.

**10.8 Bilingual Pay**

- A. An employee fluent in Spanish or other language, the use of which has been determined by the City Manager to be of benefit to the City, shall be paid \$50.00 per month. Fluency shall be certified by a test administered through the City Manager's Office. A certified employee shall request bilingual pay on a form approved by the City Manager. No more than six employees fluent in one of the identified languages shall be eligible for bilingual pay at any one time.
  
- B. The City Manager shall determine which employees, what mix of languages, and which job functions may be eligible for bilingual pay based upon accessibility of the employee to the public, representation in departments, or other factors that could affect the use of these skills for public benefit. Nothing in this section shall preclude the use by an employee of foreign language skills in the work place for the public benefit even if the employee is not receiving bilingual pay.

**ARTICLE 10. SPECIAL PAY PRACTICES (continued)**

**10.9 Water Treatment and Distribution Certification Pay**

Employees in the classifications of Maintenance Worker I, II, and III, Water Services Worker, and Public Works Lead Person shall receive special pay for certifications received and maintained from the California Department of Public Health. Special pay of 1.25% of base salary shall be available for each Water Treatment Operator Certification T1 through T3 and Water Distribution Operator Certification D1 through D4. A maximum of 8.75% shall be available for employees permanently assigned to the Water Services Section and a maximum of 2.5% shall be available for employees assigned to other maintenance operations.

Employees shall receive special pay for each certification obtained only as long as each individual certification is maintained. Employees may receive up to a total maximum of 9.25% for Educational Pay and Water Treatment and Distribution Certification Pay when combined. Employees shall not receive both Educational Pay and Water Treatment and Distribution Certification Pay for the same education completed. In such case that education completed to obtain Water Treatment and Distribution Certifications qualify an employee to receive Educational Pay, the employee shall receive whichever is highest between the two special pay amounts.

**ARTICLE 11. INSURANCE**

**11.1 Medical Insurance Benefits**

- A. The base medical plan shall be defined as the lowest cost Health Maintenance Organization (HMO) program available to the City. If availability of an HMO to the City is discontinued by the medical plan provider, the base plan will become the basic PPO plan available to the City by the existing medical plan provider.
  
- C. The City will maintain health benefits through CalPERS through calendar year 2020.

**11.2 Cafeteria Plan**

- A. The City shall contribute an equal amount towards the cost of medical coverage under the Public Employee's Medical and Hospital Care Act (PEMHCA) for both active employees and retirees. The City's contribution toward coverage under PEMHCA shall be the minimum contribution amount established by CalPERS on an annual basis. This amount shall be adjusted on an annual basis as the PEMHCA minimum contribution increases.

**ARTICLE 11. MEDICAL INSURANCE (continued)**

- B. Employees participating in the City's full flex cafeteria plan shall receive a flex dollar allowance to purchase group health coverage for medical, dental and vision under the City's Cafeteria Plan. For the period of July 1, 2017 through November 30, 2017, the monthly flex dollar allowance shall be \$564.07 with respect to an employee enrolled for self alone, \$1,128.14 for an employee enrolled for self and one family member, and \$1,466.58 for any employee enrolled for self and two or more qualified dependents.
- C. Effective December 2017, for the January 2018 premium, the City's monthly flex dollar allowance shall be \$597.54 for an employee enrolled for self alone, \$1,195.04 for an employee enrolled for self and one family member, and \$1,553.56 for any employee enrolled for self and two or more qualified dependents.
- D. Effective December 2018, for the January 2019 premium, the City's total Cafeteria Plan contribution for the plan shall be enhanced by an amount equal to one-half of the increase for the lowest cost HMO plan offered by PERS, up to a maximum of 8% increase in the City's contribution. Any increase in premiums above this amount will be the full responsibility of the employee.
- E. Effective December 2019, for the January 2020 premium, the City's total Cafeteria Plan contribution for the plan shall be enhanced by an amount equal to one-half of the increase for the lowest cost HMO plan offered by PERS, up to a maximum of 8% increase in the City's contribution. Any increase in premiums above this amount will be the full responsibility of the employee.
- F. Employees who waive medical coverage because he/she provided the City with written proof that medical insurance coverage is in force through coverage provided by another source consistent with any rules or restrictions on the City by the medical plan provider can take flex dollars for the amount provided to employees enrolled for self alone, deposit it into their 457 plan or use it to purchase voluntary products. No remaining flex dollars may be redeemed. The Parties agree that this section shall not create any liability for additional overtime compensation under the recent Flores vs. City of San Gabriel ("Flores") 9<sup>th</sup> circuit decision. The Parties agree to modify this section if any potential Flores liability is identified.
- G. The City shall retain any remaining cafeteria flex dollars that are in excess of what the employee has used for coverage for themselves and their eligible dependents.

**ARTICLE 11. MEDICAL INSURANCE (continued)**

**11.3 Vision Insurance**

The City shall provide a Vision Care Plan for bargaining unit members. The City shall contribute up to the full family premium. The City may select an alternate vision care provider during the term of the M.O.U. providing that:

- A. Any new plan maintains equivalent benefits to the employees; and
- B. At least twenty-one (21) days advanced notice of plan changes are provided to the Union.

**11.4 Life Insurance Plan**

- A. City shall provide group term life insurance benefit plan for bargaining unit members, which shall provide for forty thousand dollars (\$40,000) life coverage plus accidental death for employees only during the term of their employment.
- B. The City shall make available additional voluntary life insurance coverage, at the employee's expense, as long as the minimum participation requirements of the insurance provider are met.

**11.5 State Disability Insurance**

The City shall provide and pay the premiums for State Disability Insurance, integrated with sick leave. Effective January 1, 2004, the City will pay the premiums for the new Family Temporary Disability Insurance. Should there be any future rate increases to State Disability Insurance and/or Family Temporary Disability Insurance plans after January 1, 2004, the City and SEIU Local 620 agree to meet and confer to discuss responsibility for payment of such increases.

**11.6 Dental Insurance Plan**

The City shall provide for all employees in classifications represented in this Memorandum of Understanding a dental plan of the City's choice. The City shall pay up to the full family premium. The City may select an alternate dental insurance plan provider during the term of this M.O.U. providing that:

- A. Any new plan maintains equivalent benefits to the employees; and
- B. At least twenty-one (21) days advanced notice of plan changes are provided to the Union.

**ARTICLE 12. HOLIDAY LEAVE**

The following days shall be paid holidays for employees:

- a. Independence Day
- b. Labor Day

**ARTICLE 12. HOLIDAY LEAVE (continued)**

- c. Veterans' Day
- d. Thanksgiving Day
- e. Day following Thanksgiving
- f. Christmas Eve
- g. Christmas Day
- h. New Year's Eve
- i. New Year's Day
- j. Martin Luther King Day
- k. Lincoln's Birthday
- l. President's Day
- m. Memorial Day
- n. One day of Employee choice with Supervisor approval (Floating Holiday)
- o. Every day designated by the President, Governor, or Mayor for public observance as a special, nonrecurring single event, such as the death of a national leader or end of a war.

When any of the above-listed holidays fall on Saturday, it will be recognized on Friday. If it falls on Sunday, it will be recognized on Monday. For all employees who regularly worked on Saturday and/or Sunday, the holiday will be specified by the above-listed dates. In case a holiday falls on an employee's regularly scheduled day off, he/she shall have the option to take such a holiday on an alternate day, as selected by the employee and approved by the Department Director.

**ARTICLE 13. VACATION LEAVE**

- A. The purpose of annual vacation leave is to enable each eligible employee to annually return to his work mentally and physically refreshed.
- B. Each eligible employee shall be required to have served the equivalent of one (1) year of continuous service in the City in order to be eligible for his/her full annual vacation leave. However, in the event an employee so chooses, he/she may, after six (6) continuous months of service, take vacation leave not to exceed five (5) working days, with the Supervisor's approval.
- C. Employees who terminate employment and upon return of all City-owned property in good condition, shall be paid in a lump sum for all accrued vacation leave earned prior to the date of termination.
- D. Vacation leave with pay shall be earned by employees in accordance with the following schedule:

**ARTICLE 13. VACATION LEAVE (continued)**

<b>AFTER:</b>	<b><u>YEARS</u></b>	<b><u>DAYS</u></b>	<b>=</b>	<b><u>HOURS PER MONTH</u></b>
	01	10		6.67
	02	12		8.00
	03	13		8.67
	04	14		9.34
	05	15		10.00
	06	15		10.00
	07	16		10.67
	08	16		10.67
	09	17		11.34
	10	17		11.34
	11	18		12.00
	12	18		12.00
	13	19		12.67
	14	19		12.67
	15	20		13.34

- E. If for any reason an employee becomes ill during a vacation, or in the case where a holiday falls during a vacation period, the affected employee shall be entitled to utilize such available sick or holiday leave in lieu of vacation leave. The vacation period may be appropriately extended upon approval of the Supervisor.
- F. Vacation leave may be taken as it accrues. Vacation shall be scheduled at the discretion and convenience of each individual employee, with the consent of the Supervisor, within the limitations necessitated by the legitimate operational needs of the City.
- G. In the event the scheduling preferences of two (2) or more employees conflict, the preferences of the more senior employee from date of hire shall govern, barring any unusual circumstances.
- H. An employee must use a minimum of 50% vacation leave earned each calendar year during that same calendar year. The balance of the vacation leave remaining unused during that same calendar year may be accrued. Exception is made to this paragraph for all new employees commencing City employment after December 31<sup>st</sup> of each year so that there is no requirement upon a new employee to use a minimum of 50% of vacation leave earned by the first December 31<sup>st</sup> after employment commences.
- I. Employees may accrue vacation leave up to a maximum of 225 hours. Accrued vacation may exceed the maximum allowable by up to, and no more than, 24 hours during the calendar year, at which time the employee shall stop accruing vacation leave above that amount. In the event an

**ARTICLE 13. VACATION LEAVE (continued)**

employee's accrued vacation leave exceeds the maximum allowable of 225 hours on January 1, the employee shall be paid at his/her January 1 hourly wage rate for those hours accrued in excess of the maximum allowable of 225 hours up to a maximum of 24 hours. Upon request of an employee, an exception to the accrual limit may be made upon recommendation by the Department Director and approval by the City Manager.

**ARTICLE 14. SICK LEAVE**

- A. All full-time, permanent employees shall accrue one (1) working day of sick leave with pay for each month of service. The maximum accumulation of earned sick leave shall be 1,000 hours. An employee will not accumulate any additional sick leave until such time as his/her accumulated balance falls below 1,000 hours. If an employee has accumulated over 1,000 hours of earned sick leave as of July 1, 2012, the employee may continue to accumulate up to his/her sick leave balance as of that date. Upon retirement, an employee may choose to be paid 50% of his/her unused sick leave, to a maximum of 450 hours at his/her current rate of pay. Upon retirement, unused accumulated sick leave may be converted to PERS retirement credit per the City's contract with PERS. At the end of each calendar year, each employee has the option of being paid straight time for 25% of his/her unused sick leave of that year, transferring it to vacation, or leaving it in sick leave.
  
- B. Employees may transfer sick leave on a voluntary basis to a fellow employee who has exhausted all his/her sick leave and vacation leave due to an extended illness or injury. The transfer shall be based on each employee's hourly rate of pay and shall not exceed twenty-four (24) hours of sick leave based on the hourly rate of pay of the receiving employee. The transfer shall be requested on a form provided by the City, be completed by both employees who mutually request such transfer, and submitted for approval to their Department Directors and the City Manager for final approval. The requesting employee must indicate how many hours they will need for their leave. The receiving employee shall not be obligated to repay any transferred leave to the contributing employee, and contributing employee understands that such transfer shall be deemed as if used and will be subject to all other provisions applicable. Under no circumstances may the requesting employee receive more donated hours in their sick bank than actually used for their leave.



## **ARTICLE 15. LEAVES OF ABSENCE**

### **15.1 Bereavement Leave**

Permanent full-time employees shall be granted leave by their Department Director whenever the affected employee has experienced a death in the immediate family, defined as the spouse, the employee's or employee's spouse's father, mother, brother or sister, child or stepchild, grandparents, grandchildren, son-in-law, daughter-in-law, "step" relatives as described above, aunt or uncle, or any other person residing in the same household where attendance to the funeral is necessary.

Such absence by the employee shall be limited to five (5) working days per occurrence of paid leave. Such leave is not chargeable against sick or vacation leave. As a condition of granting leave for bereavement purposes, the appointing authority may request verification of the loss.

In order to receive this benefit, domestic partners must be registered with the Secretary of State.

### **15.2 Family Leave**

- A. An employee may take an unlimited amount of sick leave if required to be away from the job to personally care for a member of his/her immediate family, as defined in Article 15.1, Bereavement Leave, subject to approval of the supervisor and verification of need.
- B. Pursuant to the State and Federal Leave Acts, the following is provided for all employees who have been employed a minimum of twelve (12) months and have worked at least 1,250 hours during the 12-month period preceding leave:
  - 1. Up to twelve weeks (60 workdays) unpaid leave in a twelve (12) month period. Intermittent leave is allowed.
  - 2. Leave may be taken for: (1) birth of and care of newborn child; (2) placement of child with employee for adoption or foster care; (3) to care for spouse, child, or parent having serious health condition; (4) employee's own serious health condition.
  - 3. The employee's insurance, including medical, dental, vision, and life insurance will be maintained under the same conditions as if the employee were still working.
  - 4. Request for leave must be made 30 days prior to leave, if foreseeable.
  - 5. Employee may use accrued vacation, holiday, or personal leave during family leave. Sick leave may be used for employee and/or immediate family illness or disability.

**ARTICLE 15. LEAVES OF ABSENCE (continued)**

6. Upon return to work, employee will be restored to same or equivalent position with equivalent benefits.

All other provisions of the State FCLA and Federal FMLA apply.

**15.3. Medical Leave**

Medical leave without pay may be granted for the purpose of recovery from prolonged illness or injury or to restore health or for pregnancy upon employee's written request to and approved by the Department Director and City Manager, subject to submission of medical evidence satisfactory as establishing the employee's medical need. During the approved leave period, the City will not pay employee benefits; however, the employee may elect to maintain City medical insurance coverage for employee and dependents at employee's sole cost if such coverage of all individuals is in effect sixty (60) days prior to leave application to the City Manager.

**15.4 Emergency Leave**

Emergency leave without pay may be granted to any permanent employee who, upon written request to and approved by the Department Director and City Manager, demonstrates that the leave is necessary for personal reasons beyond his/her control or will serve to improve his/her ability as an employee of the City. Emergency leaves may be granted up to a maximum of one (1) year. Upon expiration of an approved emergency leave, the employee shall be reinstated in the position held at the time leave was granted. The leave period shall not be credited to employee seniority or credited toward time served with the City. Failure on the part of the employee on leave to report promptly at the leave's expiration shall be cause for discharge. During the leave period the City will not pay employee benefits; however, the employee may elect to maintain City medical insurance coverage for employee and dependents at employee's sole expense if such coverage of all individuals is in effect sixty (60) days prior to leave application to the City Manager.

**15.5 Jury Duty**

Employees shall be granted leave, with full pay and no loss in benefits, when called for jury duty, if the employee remits jury fees received for such jury duty. The employee may retain all travel pay or subsistence pay granted by the court because of the employee's participation in jury duty. The employee shall be responsible for notifying his/her supervisor as soon as possible upon receiving notice to appear for jury duty, make every reasonable effort to keep his/her supervisor advised as to the anticipated length of service, and return to work immediately following the end of jury duty service.

**ARTICLE 15. LEAVES OF ABSENCE (continued)**

**15.6 Military Leave**

Every employee of the City shall be granted military leaves of absence and other benefits as provided in Division II, Part I, Chapter VII of the Military and Veteran's Code of the State of California.

**ARTICLE 16. UNIFORM ALLOWANCE**

The City agrees to furnish five (5) shirts and five (5) pairs of pants per week for employees in the following classifications:

Maintenance Worker I, II, III  
Fleet Maintenance Coordinator  
Public Works Lead Person

Employees hired to fill newly-created classifications will also receive uniforms under this section if the wearing of a uniform is required. Uniforms for the above-listed field personnel are to be worn during work and may be worn to and from work.

**16.1 Safety Shoes**

During the term of this Agreement, the City shall provide one pair of safety shoes to all unit employees that perform field work, as listed in Article 16 as well as the Geographic Information System Technician, Assistant Engineer, Associate Engineer and Senior Engineer, per fiscal year to a maximum cost of \$200. The safety shoes shall be purchased during the month of August unless deemed a necessity to be purchased before the month of August by the Department Director and approval of the City Manager. The safety shoes must be worn during all hours where there is a need for such shoes or as required by the Department Director. In the event safety shoes are compromised by unusual circumstances, an additional replacement can be authorized by the Department Director with approval of the City Manager. A vendor to be used to make purchases of safety shoes will be mutually agreed upon by the City and Union.

**16.2 Safety Glasses**

The City will provide safety prescription glasses and lens for those employees who need them to carry out their tasks. The glasses will comply with OSHA standards.

## ARTICLE 17. RETIREMENT

### 17.1 PERS Retirement Contributions

- A. G.C. Section 21354.4. The CalPERS 2.5% at Age 55 Retirement Plan is provided for employees hired prior to December 21, 2012. Employees under this plan will pay the full eight percent (8%) employee share of CalPERS retirement benefit costs.
- B. G. C. Section 21354. The CalPERS 2.0% at Age 55 Retirement plan will be provided for employees hired between December 21, 2012 and December 31, 2012, CalPERS "Classic" members hired on or after January 1, 2013, and those eligible for reciprocity hired on or after January 1, 2013. Employees under this plan will pay the full seven percent (7%) of the employee share of CalPERS.
- C. G.C. Section 7522.20. The CalPERS 2% @ 62 Retirement Plan shall be provided for new employees hired on or after January 1, 2013 who are not CaPERS "Classic" employees and are not eligible for reciprocity. Employees under this plan shall pay at least 50% of the total normal cost rate (currently 6.25%) of the employee share of CalPERS.
- D. G.C. Section 21024 and 21027. Employees may buy back, at their expense, retirement service credit for prior military service as permitted by CalPERS.
- E. GC Section 20042. For employees hired prior to December 21, 2012, retirement benefits are based on the highest single year compensation.
- F. GC Section 20037. For employees hired on or after December 21, 2012, retirement benefits shall be based on the highest average annual compensation earnable by a member during three consecutive years of employment.
- G. GC Section 20965. Employees will receive credit for unused sick leave per the provisions of Article 14. A of this MOU.
- H. GC Section 21548. The spouse of a deceased member, who was eligible to retire for service at the time of death, may elect to receive the Pre-Retirement Optional Settlement 2 Death Benefit.
- I. Effective January 1, 2013, the Public Employee's Pension Reform Act of 2013 (PEPRA) will apply to all employees, as well as for employees transferring from other CalPERS or reciprocal agencies.

**ARTICLE 17. RETIREMENT (continued)**

**17.2 Retirement Defined**

Retirement is defined as the termination of employment at an age when the employee would qualify for an allowance under the Public Employees Retirement System (PERS) and the City's Personnel Regulations.

**17.3 Retiree Medical**

- A. Employees who retire from City service shall be allowed to purchase medical insurance coverage through the City.
- B. GC Section 22892. The City's contribution shall be an equal amount for both employees and annuitants, which shall be the minimum contribution amount established by CalPERS on an annual basis. That amount shall be \$119 per month during calendar year 2014 and \$122 per month during calendar year 2015. The City's contribution shall be adjusted annually thereafter by the CalPERS Board to reflect any change in the medical care component of the Consumer Price Index, provided that the City is participating in the CalPERS Health Plan.
- C. The City shall provide a supplemental contribution to employees that are: 1) employed on a full-time basis as of June 30, 2008 and who have been employed with the City on a full-time basis for five (5) years or more at the time of retirement; or 2) employed on a full-time basis after June 30, 2008 and who have been employed by the City on a full-time basis for ten (10) years or more at the time of retirement.

The supplemental contribution shall be equal to the difference between the minimum contribution amount established by CalPERS as set forth above in Section 17.3., Section B. and the following amounts:

For single annuitant coverage:	\$170.51
For annuitant + 1 dependent:	\$301.17
For annuitant + 2 or more dependents:	\$365.24

**ARTICLE 18. PROBATIONARY PERIOD**

All appointments, original and promotional, shall be tentative and subject to a probationary period of twelve (12) months. The Department Director, with consent of the City Manager, may extend the probationary period for specified cause(s), which shall be provided in writing to the employee.

The probationary period shall be regarded as a part of a continuing testing process and shall be utilized for closely observing the employee's work, for securing the most effective adjustment of an employee to his/her newly appointed position, and for

rejecting any probationary employee whose performance does not meet the required standards of work.

The Department Director, with the consent of the City Manager, may release a newly hired probationary employee from City employment without cause at any time during the probationary period.

The Department Director, with the consent of the City Manager, may remove a transferred or promoted employee from the position to which promoted without cause at any time during the probationary period; in which event, that employee shall be reinstated to his/her original position from which originally transferred or promoted.

## **ARTICLE 19. PROMOTION**

Promotion of an employee to a higher range shall result in an increase in salary. The employee's salary shall be placed in the salary range of the new position which would result in at least a five percent (5%) increase in salary compared to the employee's existing salary position. Promotion of the employee may be made with the consent of the City Manager without testing or opening the position for consideration of all non-employees. All current employees shall be given consideration for a position opening that will be filled by promotion. An employee promoted to a new position shall serve a twelve (12) month probationary period in that position. In the event the promoted party is removed from the position to which promoted, the employee shall be considered demoted but shall be returned to the range from which promoted. No change in step shall occur as a result of an employee passing the promoted position probationary period. A promoted employee shall retain his or her salary anniversary date held prior to promotion. An employee's promotion date will become their anniversary date for the purposes of performance evaluations and step increases.

## **ARTICLE 20. PROMOTIONAL OPPORTUNITIES**

### **20.1 Posting**

Promotional opportunities for classifications within the representation unit will be posted for at least ten (10) working days (Monday through Friday) prior to selection.

### **20.2 Selection**

The selection procedure for each promotional opening will be determined and administered by the employing department in consultation with the requesting department. Selection procedure and job description information will be attached or incorporated into the job-posting notice at the time of posting. Efforts will be made to standardize tests and procedures where standardization is feasible and appropriate. Any tests used shall be reasonably predictive of success in the classification; and tests may not be biased with respect to race, sex, religion, creed, political affiliation, color, national origin, ancestry, or age. Selection procedures may include any or all of the following phases:

**ARTICLE 20. PROMOTIONAL OPPORTUNITIES (continued)**

- A. Application: Both inside and outside candidates will make applications on forms specified by the employing department. Applications must be submitted to the employing department.
- B. Screening: Applications will be screened by the employing department to ascertain whether candidates meet minimum requirements as outlined in the job description. Applicants screened out at this level will receive a written response explaining such action.
- C. Performance Testing: Performance tests, such as typing, machinery or vehicle operation, skills, demonstration, physical agility, etc., will be qualifying. Pass/fail points will be announced in advance for qualifying tests.
- D. Written Tests: Written achievement or aptitude tests will be qualifying. Pass/fail points will be announced in advance for qualifying tests.
- E. Interviews/Appraisals: Interviews may be conducted individually or by interview boards and will be qualifying. Interview boards shall be composed of qualified and unbiased people. If individual interviews or an interview board is used, a majority of the individuals or board members must recommend a candidate in order for the candidate to qualify for appointment.

**20.3 Recommended Candidates**

Candidates who successfully complete all phases of the selection procedure will be recommended to the Department Director and/or City Manager.

**20.4 Appointment**

The Department Director and/or City Manager will make appointments from among those recommended candidates who are most qualified as determined by objective review of selection procedure results and background materials.

**ARTICLE 21. MAINTENANCE WORKER JOB SERIES**

The Maintenance Worker job series shall be a flexibly staffed classification. Movement within the series shall not require an examination or certification to a list of eligibles. Movement within the Maintenance Worker series shall be as follows:

- A. Employees shall be flexed to Maintenance Worker II after one (1) year of service as a Maintenance Worker I, contingent upon satisfactory performance.

**ARTICLE 21. MAINTENANCE WORKER JOB SERIES (continued)**

- B. Employees shall be flexed to Maintenance Worker III after no less than three (3) years but no more than four (4) years of service as a Maintenance Worker II, contingent upon satisfactory performance.
- C. Satisfactory performance shall mean the employee's annual Performance Review is sufficient to allow the employee a merit salary increase.

**ARTICLE 22. ENGINEER JOB SERIES**

The Engineer job series shall be a flexibly staffed classification. Movement within the series shall not require an examination or certification to a list of eligibles. Movement within the Engineer series shall be as follows:

- A. Employees shall be flexed to an Associate Engineer after completion of Step E of the Assistant Engineer salary range, contingent upon satisfactory performance and meeting the job requirements for an Associate Engineer.
- B. Employees shall be flexed to a Senior Engineer after completion of Step E of the Associate Engineer salary range, contingent upon satisfactory performance and meeting the job requirements for a Senior Engineer.
- C. Satisfactory performance shall mean the employee's annual Performance Review is sufficient to allow the employee a merit salary increase.

**ARTICLE 23. TRANSFERS**

Transfer of an employee to a position within the employee's current range shall not affect the employee's salary rate. Transfer of an employee to a position within a higher range shall be considered a promotion. Transfer of an employee to a lower range shall be considered a demotion.

**ARTICLE 24. DEMOTION**

Transfer of an employee to a lower class shall result in reduction of salary. The employee's salary shall be placed in the identical step in the lower class that the employee enjoyed in the class from which demotion was made.

Demotion can be made for cause, except for demotions from probationary positions. Cause shall be provided to the employee in writing by the Department Director prior to any action taking place. Demotion for disciplinary reasons may be appealed through the grievance procedure by the demoted employee. Demotion for other reasons is not appealable.



## **ARTICLE 25. LAYOFFS AND DISPLACEMENT**

### Layoffs:

Whenever, in the judgment of the City, it becomes necessary to make a reduction in force, whenever possible, said reduction shall be accomplished through attrition. Layoffs shall be made by classification and may be department-wide or by division, program, or function.

Workers subject to a reduction in force shall be given at least forty-five (45) working days' notice prior to the effective date of the layoff. The notice shall contain the information required in Section X. "Layoff Procedure" of the Personnel Regulations.

The Union shall receive concurrent notice and shall be granted an opportunity to meet and consult with the City to discuss proposed alternatives to a reduction in force.

Permanent full-time employees and permanent part-time employees shall be considered separately when the order of layoff reaches C. and D. below. Nothing herein is intended to require a preference for or against either full-time or part-time permanent employees in the order of layoff.

When one or more workers performing in the same class in a City department is to face a reduction in force, that worker's most recent annual evaluation and seniority shall be used to determine the order of layoff pursuant to the following procedures:

The order of layoff shall be as follows:

- A. Temporary workers in inverse order of seniority (least first);
- B. Probationary employees in inverse order of seniority;
- C. Permanent employees whose most recent annual evaluations were below satisfactory in inverse order of seniority; and
- D. Permanent employees in inverse order of seniority.

"Seniority" for the purposes of this Article shall be defined as the length of service as a permanent full-time employee with the City. When determining seniority for permanent full-time positions within a classification subject to layoff, only permanent full-time service shall be considered.

### Displacement:

Permanent full-time employees subject to layoff shall have the right to displace an employee in the same classification in any Department of the City or in a different class within the City with the same or lower salary range provided, however, that:

- A. The employee subject to layoff has greater seniority than the employee being displaced and was rated at a minimum of competent/satisfactory in his/her latest evaluation.

**ARTICLE 25. LAYOFFS AND DISPLACEMENT (continued)**

- B. If the displacement is to a different class, it must be a class in the same occupational series as determined by the City with the concurrence of the Union or, to a class previously held by the employee as a permanent full-time employee of the City.

If a position in the laid-off employee's classification, or a similar position in a classification for which the City determines the former employee is suited, becomes available within twenty-four (24) months of layoff, said former employee shall be recalled and offered the position in the inverse order of layoff. If a job in a lower paid classification becomes available within twenty-four (24) months, the City shall review the previously laid-off employees' qualifications. If such laid-off former employees are qualified in the judgment of the City, he/she may fill the slot(s) until his/her former position becomes available, if ever.

**ARTICLE 26. PERSONNEL RECORDS**

An employee or his/her designee may inspect his/her personnel file and obtain copies of any and all items in that file at employee expense. An employee may have placed in his/her personnel file any signed and dated statement of clarification or disagreement to any item or article contained within her/her personnel file.

Personnel files include those files maintained by the immediate supervisor or other administrators/supervisors involved in employee evaluations, as well as the central personnel file.

A supervisor's personal notes shall not be considered a part of the personnel file.

**ARTICLE 27. RESIGNATION**

An employee wishing to leave his/her employment with the City in good standing shall file with his/her supervisor a written resignation stating the effective date of his/her resignation and the reasons for leaving.

The resigning individual shall file such written resignation at least two (2) weeks in advance of the effective termination date and participate in an exit interview conducted by the City prior to issuance of the final paycheck.

**ARTICLE 28. OUTSIDE EMPLOYMENT**

No full-time employee shall engage in outside employment or an enterprise that his/her Department Director and/or the City Manager may find unsuitable and in conflict with their municipal duties or responsibilities or that lessens their effectiveness as a City employee.

**ARTICLE 29. POSITION VACANCIES**

Should the City determine that a vacancy will not be filled such determination shall be made within 120 working days of the date upon which the worker vacated the position. Upon said determination the City will notify the workers in the affected department and the Union.

**ARTICLE 30. POSITION CLASSIFICATION**

Classification Changes: During the course of this M.O.U., the City shall notify the employee concerned in case of contemplated change in job content as contained in the classification descriptions that were in effect at the beginning of the agreement.

Working Out of Classification: The term “working out of classification” is defined as a Management-authorized, full-time assignment to a budgeted position on a temporary basis, wherein all significant duties are performed by an individual holding a classification within a lower compensation range. Pay for working out of classification shall be as follows:

- A. Employees appointed to unfilled positions on an “out of classification” basis will receive acting pay within the range of the higher classification beginning the first day of the assignment
- B. Employees appointed to a position for vacation, sick leave, or other leave of absence coverage will receive acting pay within the range of the higher classification after five (5) consecutive work days of assignment in the acting position.

Such acting pay shall be a minimum of five percent (5%) over the employee’s current salary.

“Out of classification” provisions do not apply to work assignments performed in connection with specific predetermined apprenticeship or training programs or declared conditions of emergency and/or disaster.

**ARTICLE 31. PROFESSIONAL DEVELOPMENT**

- A. For that training or certification which is required by job specifications, legal mandates, and/or which is required by the City, the City will provide for such training and/or certification, including providing City time to attend the training and to pay for costs associated with the training.

This section does not apply to training courses and/or certifications required for advancement/promotion to a new position.

- B. For that training or certification which is encouraged by the City in support of identified programs, the City will provide for such training and/or certification, including providing City time to attend the training and to pay

**ARTICLE 31. PROFESSIONAL DEVELOPMENT (continued)**

for costs associated with attending the training, provided that the program for which the training and/or certification is related remains in operation and that funds for such training are included in the current City Budget.

- C. The City will maintain training certificates, special licenses, and other related documentation related to an employee's professional development in the employee's City personnel file. In addition, an employee may submit for inclusion into his/her City personnel file documentation for completion of training related to the employee's duties and responsibilities, special licenses, or for collegiate courses and/or degrees earned which the employee completed outside of the workplace. The policy/procedure for requesting and attending training shall be as provided in Section C-009, Travel Policy, of the City's Administrative Policy and Procedure Manual.

**ARTICLE 32. UNIT ASSIGNMENTS**

Any new permanent full-time job classification which does not fall under the City's management criteria or who is represented by the Arroyo Grande Police Officers' Association shall be represented by the S.E.I.U.

**ARTICLE 33. MAINTENANCE OF BENEFITS AND TERMS AND CONDITIONS**

All benefits, terms and conditions of employment enjoyed by unit employees as of July 1, 2017, and any side letter agreements reached after that date, shall remain in full force and effect unless modified by a subsequent Memorandum of Understanding or by mutual agreement, in writing, of the parties.

**ARTICLE 34. M.O.U. IMPLEMENTATION**

Both parties agree that the terms of this Memorandum of Understanding supersede provisions of all other practices, Memorandum of Understanding, resolutions, and rules of the City that conflict with provisions of this Agreement.

**ARTICLE 35. OBLIGATION TO MEET AND WAIVER CLAUSE**

Except as otherwise expressly provided in this Agreement or, where the parties mutually agree to meet and confer on a matter, the City and the Union expressly waive and relinquish the right, and each agrees that the other shall not be obligated to meet and confer with respect to any subject or matter, including mandatory subjects of negotiation, whether or not referred to in this Agreement.

**ARTICLE 36. SAVINGS CLAUSE**

Should any provision of this Agreement be held inoperative, void, or invalid by a Court of competent jurisdiction, the remaining provisions of this Agreement shall not be affected thereby, and the parties shall meet and confer for the sole purpose of arriving at a mutually satisfactory replacement of such provision.

**ARTICLE 37. POLICY CONFLICTS**

The policies and provisions contained herein shall supersede, in all material respects, all conflicting or inconsistent policies and provisions contained in the City of Arroyo Grande Personnel Regulations and the City of Arroyo Grande Administrative Policies and Procedures.

**REPRESENTATIVES OF  
CITY OF ARROYO GRANDE**

**REPRESENTATIVES OF  
ARROYO GRANDE CHAPTER  
SEIU – LOCAL 620**

**DATE:** \_\_\_\_\_

**DATE:** \_\_\_\_\_

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**CHE JOHNSON  
CHIEF NEGOTIATOR**

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**DARRYL SCHECK  
SEIU CHIEF NEGOTIATOR**

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**DEBBIE MALICOAT  
CITY NEGOTIATOR**

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**CHRIS RIGONI  
SEIU NEGOTIATOR**

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**PETER McCLURE  
SEIU NEGOTIATOR**

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**CAMELA SCHAAF  
SEIU NEGOTIATOR**

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