

EXHIBIT C



The City of **South**
San Francisco

Memorandum of Understanding

Between the
Confidential Unit, Teamsters Local 856
and the
City of South San Francisco

July 1, 2021 through June 30, 2022

EXHIBIT C

City of South San Francisco
Confidential Unit, Teamsters Local 856

Memorandum of Understanding

July 1, 2017 through June 30, -2020

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EXHIBIT C

City of South San Francisco
Confidential Employees' Unit, Teamsters Local 856
Memorandum of Understanding
July 1, 2021 through June 30, 2022

Preamble

This Memorandum of Understanding is entered into by the City of South San Francisco, hereafter designated as "City" and the Teamsters Local 856, AFL-CIO, hereafter designated as "Union" as a mutual agreement for those wages, hours, and conditions of employment in effect during the period of July 1, 2021 through June 30, 2022.

Article 1. Recognition

Teamsters Union, Local 856 is recognized as the majority representative, as provided in City's Resolution 111-99 adopted August 11, 1999, for all employees in the classifications assigned to the Confidential Unit as identified in Appendix A of this agreement.

Article 2. Union Membership and Dues

- 2.1 **Notification of New Employees**— The City shall notify the Union of the name, classification, job title, department, work location and date of hire of each new, transferred or promoted employee appointed to a position covered by this memorandum. Notice shall be provided to the Union within 30 calendar days from the date of hire or by the first pay period of the month following hire. The City shall provide the work, home, and personal cellular telephone numbers, work and personal email addresses and home address on file with the employer. Notice shall be provided to the Union within one calendar month from the date of hire. The employer shall also provide the Union with this information for all employees in the bargaining unit at least every 120 days.
- 2.2 **Indemnify and Hold Harmless**—The Union shall indemnify and hold the City harmless from any cost of liability resulting from any and all claims, demands, suits, or any other action arising from the operating of this provision or from the use of the monies remitted to the Union, including the costs of defending against any such actions or claims. The Union agrees to refund to the City any amounts paid to it in error. In addition, the Union shall hold the City and its officers and employees, harmless for following the instructions contained in such dues deduction authorizations.
- 2.3 **Payroll Deductions**—The City shall withhold Union dues from the salary of an employee

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- and remit withholdings to the Union, provided that the Union certifies in writing to the City that the Union has and will maintain each employee's authorization for such deductions.
- 2.3.1 Payroll Deduction Procedures*—The effective date of withholdings, time of remitting withholding to the Union, and all procedural matters shall be as mutually acceptable to the Union and the City, provided that the City's payroll system and its operations are not thereby disrupted.
- 2.3.2 Suspension of Union Dues, During leave of Absence* – An employee on unpaid leave of absence for a period of 30 calendar days or more shall not be required to pay Union dues during the period of the employees leave.
- 2.4 *Communication with Employees*— The City shall provide the Union access to its new employee orientation onboarding process, in which new employees are advised of their employment status, rights, benefits, duties, and responsibilities, or other employment-related matters. The Union shall be provided at least 30 minutes to meet with the employee during this process. The Union shall receive not less than 10 days' notice in advance of an orientation, except that a shorter notice may be provided in a specific instance where there is an urgent need critical to the employer's operations that was not reasonably foreseeable. The Union shall be provided suitable space on bulletin boards at the work location for posting notices concerning official union business. Such information shall be in compliance with applicable City and departmental policies.
- 2.5 *Advance Notice*—Except in cases of emergency as provided below, the Union, if affected, shall be given reasonable advance written notice of any ordinance, resolution, rule, or regulation directly relating to matters within the scope of representation proposed to be adopted by the City. The Union shall be given the opportunity to meet and confer with appropriate management representatives prior to the adoption of such an ordinance, resolution, rule, or regulation. Proper advance notice shall consist of written notice to the designated business agent. If public safety, public welfare, or an emergency arises that requires any of the above actions to be taken by the City without notice to the Union, the City may take the action while concurrently giving notice that affords the Union a reasonable time in which to meet with management representatives.
- 2.6 *Copies of Memorandum of Understanding*—The City shall post the MOU on the City's Website.

Article 3. **S**alaries

3.1 *Definitions*—

- 3.1.1 *Base Pay*—Base pay is the rate of compensation paid for a specified classification of employment, excluding any other payments.
- 3.1.2 *Enhanced Pay*—Enhanced pay is the rate of compensation that includes base pay and incentive pay such as longevity, bilingual, education and special assignment pay. Enhanced pay does not include acting pay or other temporary assignment pay. Each incentive pay will be computed on base pay. The sum

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- of the base pay plus each incentive is the enhanced pay.
- 3.2 *Wage Rates*—All members of the bargaining unit shall receive across-the-board base pay adjustments in the amounts and with the effective dates as follows:
- Effective July 9, 2021: three percent (3%).
- There will be no retroactive across-the-board base pay adjustments.
- 3.3 *Salary Schedule*—Confidential positions shall have 5 pay steps that will provide for a differential of approximately 5% between steps. Employees may progress through the salary schedule based on satisfactory performance according to the following timelines of no less than 6 months each in steps A and B, and 12 months each in steps C and D.
- 3.4 *Temporary Assignment to Higher-level Position*—An employee assigned to the full scope of the duties of a higher classification shall not be paid the salary of that higher classification unless they serve in that capacity for 1-full day (8 hours) or more. An employee so assigned, must meet the minimum qualifications for the position to which assigned. An employee who meets these requirements and is assigned to perform the duties of a classification at a higher pay rate shall receive additional compensation at the rate of pay for which the employee would qualify were the employee to be promoted to that higher classification.
- 3.5 *Longevity Pay Plan*—Regular full-time employees hired prior to July 1, 2012 shall receive longevity pay in accordance with the following schedule:
- 3.5.1 *Fifteen Years of Service*—After 15 full years of City service, 1.5% will be added to the employee's base hourly rate of pay.
- 3.5.2 *Twenty Years of Service*—After 20 full years of City service, in addition to above, another 1.0% of pay will be added to the employee's base hourly rate of pay.
- Longevity pay is not available for employees hired on or after July 1, 2012.
- 3.6 *Education Incentive Pay*—An employee who has successfully completed probation and who possesses a degree from an accredited college or university shall be eligible to receive \$500 per year for an Associate's degree or \$1,000 per year for a Bachelor's degree. Education incentive pay will be effective the pay period following Department Head or designee approval following receipt of official transcripts. Education incentive pay is paid on a biweekly basis.
- 3.7 *Bilingual Incentive Pay*—
- 3.7.1 *Classifications Eligible for Bilingual Incentive Pay*—Positions eligible for bilingual incentive pay must be those that have regular contact with the public. Those classifications that are eligible for bilingual incentive pay are identified below and include any title changes that may occur during the life of this agreement.
- Administrative Assistant I
 - Administrative Assistant II
 - City Clerk Records Technician
 - Data Business Systems Specialist
 - Deputy City Clerk
 - Executive Assistant to the City Manager

- Human Resources Technician
 - Senior Administrative Assistant
- 3.7.2 *Current Languages in Effect*—To be eligible to participate in this program, employees must speak a second language used by a significant segment of South San Francisco population. For the duration of this agreement, the following languages shall qualify for an employee to receive the Bilingual Incentive Pay under this section.
- Spanish
 - Tagalog
 - American Sign Language
 - Mandarin
 - Cantonese
- 3.7.3 *Testing and Compensation*—An employee who has tested, using the City’s standard bilingual testing procedures and demonstrating to the department head’s satisfaction, proficiency in speaking a second language, shall be compensated at a rate 2.5% higher than the employee’s base hourly rate of pay. Such compensation shall commence the next pay period after the employee has passed a qualifying examination, as determined by the City, demonstrating proficiency in the language.
- 3.7.4 *Translating*—Employees who have met the criteria and are compensated for bilingual incentive pay must use those skills whenever the need arises. Employees may be asked to assist an individual who is doing business with the City at worksites other than their primary work location
- 3.8 *Payment of Compensation*—Each employee shall be compensated on a biweekly basis. Payment will normally be made on the Thursday immediately following the conclusion of a City pay period. The pay period consists of 14 calendar days and begins on a Friday and ends on a Thursday, which is the last day of the pay period. Employees who are in continuous paid regular status for a partial pay period shall receive prorated compensation for the pay period at the rate of 1/80 of the employee’s enhanced biweekly rate of pay for each hour of the pay period that the employee was on continuous paid regular status.
- 3.9 *Standby Compensation*—Compensation for standby shall be as follows:
- 7/1/2017 —Employees taking standby beginning 7/1/2017 shall receive \$400 per week for each week they are on standby.
 - Eligible positions for standby shall be as follows:
Senior Computer Services Technician
Computer Services Technician
- 3.10 *Holiday Standby* —An employee taking standby, who is called to return to work on a holiday (midnight to midnight of the actual holiday), shall receive a minimum of 4 hours of compensation at 1.5 times the employee’s base hourly rate of pay.

Article 4. Health and Welfare Plans

Full-time regular employees shall be eligible to receive insurance benefits, subject to the terms and conditions of the City's contracts with health insurance providers, as follows:

4.1 *Medical Insurance*—

4.1.1 *Available Medical Plans*—Eligible employees shall be permitted to select medical insurance coverage for themselves and their eligible dependents from one of the following current medical plans the City has with the carriers, subject to the terms and conditions of the City's contract with the providers:

- Kaiser Permanente
- Blue Shield of California

4.1.2 *Payment of Premium Costs*—The City shall pay the equivalent of the HMO premium cost for eligible employees and their dependents to the insurance provider for the plan selected by each employee.

4.1.2.1 *Employee HMO Medical Premium Cost*—Employee HMO Medical Premium Cost—All employees on the City's medical plans shall contribute an amount equal to 10% of the HMO premium cost based on plan choice and category of coverage (single, two, family).

4.1.2.2 *Employee Non-HMO Medical Premium Cost*—Employees who elect more expensive plans shall pay any additional cost over the HMO rate of the plan elected based on that plan's 3-tiered rates (single, two or family).

4.1.3 *Effective Date of Coverage*—The effective date of health insurance shall be the first of the month following the date of hire, provided the employee properly submits a completed enrollment form within 31 days of the eligibility date. Coverage shall terminate at 12:00 midnight on the last day of the month in which the employee is on paid status prior to separation from employment with the City.

4.1.4 *Change in Medical Plan Providers*—Should the City determine that a change in medical plan providers is warranted, it may establish a committee, comprised of one union representative from each bargaining unit, to assist in assessing a change in plan providers.

4.2 *Dental Insurance*—

4.2.1 *Core Dental Plan*—Eligible employees and their dependents shall be provided dental insurance, subject to the terms and conditions of the City's contract with the provider.

4.2.2 *Calendar Year Maximum*—Effective 7/1/00, the calendar year maximum is \$1,500.

4.2.3 *Orthodontia*—The lifetime orthodontia coverage is \$1,000 for eligible dependents.

4.2.4 *Payment of Premium Costs*—The City shall pay the premium costs for eligible employees and their dependents to the insurance provider.

4.2.5 *Effective Date of Coverage*—Coverage is effective on the first day of the month following completion of 6-full-months of employment with the City, provided the employee properly submits a completed enrollment form within 31 days of the eligibility date. Coverage shall terminate at 12:00 midnight on the last day of the

- month in which the employee is on paid status prior to separation from employment with the City.
- 4.2.6 *Buy-up Dental Plan*—Subject to the terms and conditions of the City’s contract with the provider, employees may participate in an enhanced dental plan by paying the additional coverage costs over the core dental plan.
- 4.3 *Vision Insurance*—
- 4.3.1 *Available Plan*—Eligible employees and their dependents shall be provided vision insurance, subject to the terms and conditions of the City’s contract with the provider.
- 4.3.2 *Payment of Premium Costs*—The City shall pay the premium costs for eligible employees and their dependents to the insurance provider.
- 4.3.3 *Effective Date of Coverage*—Coverage is effective on the first day of the month following date of hire. Coverage shall terminate at 12:00 midnight on the last day of the month in which the employee is on paid status prior to separation from employment with the City.
- 4.4 *Discretionary Benefit Option*—Employees who can demonstrate to the City’s satisfaction that they have medical coverage elsewhere, may elect to receive \$550 per month in deferred compensation monies in lieu of medical, dental, and vision benefits through the City. If an employee exceeds the deferred compensation annual maximum contribution limit, any remaining City contributions will be made to the employee’s Medical After Retirement Account (MARA).
- 4.4.1 *Proof of Alternate Insurance*—The employee must provide proof of alternate medical insurance and will be held responsible for maintaining own medical insurance benefits through the alternate source.
- 4.4.2 *Exercising the Option*—Employees wishing to exercise this option may do so by submitting a completed Discretionary Benefit Option form to the Human Resources Department. Employees may change the discretionary benefit option once each year during the open enrollment period for medical plans, or at another time during the year provided the employee has a qualifying event and submits requisite paperwork within 30 days of the qualifying event.
- 4.5 *Life Insurance and Accidental Death and Dismemberment Insurance*—
- 4.5.1 *Term Life Value*—Subject to the terms and conditions of the City’s contract with the provider, the amount of Life Insurance benefit for employees is \$50,000.
- 4.5.2 *AD&D Value*—Subject to the terms and conditions of the City’s contract with the provider, the maximum amount of Accidental Death and Dismemberment Insurance benefit available is \$50,000.
- 4.5.3 *Payment of Premium Costs*—The City shall pay the premium costs for eligible employees to the insurance provider.
- 4.5.4 *Effective Date of Coverage*—Coverage is effective on the first day of the month following date of hire. Coverage shall terminate on the date the employee ceases to be an employee of the City.

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- 4.5.5 *Supplemental Life Insurance*—Employees have the option of purchasing supplemental life insurance based on the terms and conditions of the City's contract with the insurance provider.
- 4.6 *Disability Insurance Program*—Subject to the terms and conditions of the City's contract with the provider, full-time employees shall be provided Short-term Disability (STD) and Long-term Disability (LTD) insurance. If an eligible and covered employee becomes disabled while insured, the provider will pay benefits according to the terms of the group policy after receipt of satisfactory proof of loss.
- 4.6.1 *Short-term Disability*—After a 20-day waiting period, an eligible employee may receive 66.67% of pre-disability earnings, reduced by any deductible income as determined by the insurance carrier, up to a maximum monthly amount, until LTD benefits begin.
- 4.6.2 *Long-term Disability*—After a 90-day waiting period, an eligible employee may receive 66.67% of pre-disability earnings, reduced by any deductible income as determined by the insurance carrier, up to a maximum monthly amount.
- 4.6.3 *Payment of Premium Costs*—The City shall pay the premium costs for medical, dental, vision, and life insurance for eligible employees to the insurance providers.
- 4.6.4 *Effective Date of Coverage*—Coverage is effective the first day of the calendar month following the date of hire. Coverage ends on the date employment terminates.
- 4.7 *Retirement Plans*—The benefit contract in effect between the City of South San Francisco and the Public Employees' Retirement System (PERS) on behalf of eligible employees of this Unit shall be continued during the term of this agreement. Retirement benefits shall be those established for miscellaneous employees by the Federal Social Security Act providing Old Age and Survivor's Insurance and the California Public Employees' Retirement System (CalPERS or PERS) Miscellaneous Employees.
- 4.7.1 *PERS Miscellaneous Retirement Formula*—
- 4.7.1.1 *2.7% at age 55 Plan*—Classic Members as defined by CalPERS who were hired before April 24, 2010 will be provided a retirement benefit formula of 2.7% at age 55 with one-year final compensation.
- 4.7.1.2 *2% at Age 60 Plan*—Classic Members as defined by CalPERS who were hired on or after April 24, 2010 will be provided a retirement benefit formula of 2% at age 60 with three-year final compensation.
- 4.7.1.3 *2% at Age 62*—New Members as defined by PEPRAs who are hired on or after January 1, 2013 will be provided a retirement benefit formula of 2% at age 62 with 3-year final compensation.
- 4.7.2 *Employee Contributions to Retirement System*—The rate prescribed by the Social Security Act for employee contributions shall be deducted from the pay by the City and forwarded to the system in accordance with the rules and regulations governing such employee contributions. The PERS rate for employee contributions shall be deducted from employees' pay by the City and forwarded to PERS in accordance with the rules and regulations governing such contributions.

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- 4.7.3 *IRS Tax Exemption*—The City has obtained a 414(h)(2) exemption from the Internal Revenue Service, granting a deferral from federal withholding taxes of that portion of the employee’s contribution to PERS. This exemption is for all miscellaneous employees, who are now responsible for their individual PERS contributions, and now receive the 414(h)(2) exemption.
- 4.7.4 *Optional Provisions Added*—Optional Public Agency Provisions under PERS shall also be provided as follows:
- 4.7.4.1 *Military Service Credit*—An employee who has served in the military may be eligible for Military Service Credit, as authorized by section 2090\30.3 of the Government Code.
- 4.7.4.2 *Sick Leave Service Credit*—Effective 4/11/2001, and as provided for in the Public Employees Retirement Law.
- 4.8 *Section 457 Deferred Compensation Plan*—Employees are eligible, subject to the terms and conditions thereof, to participate in the Deferred Compensation Plans available to City employees.
- 4.9 *Section 125 Plan*—Subject to the terms and conditions of the City’s plan, each employee may participate in the IRS-defined section 125 plan.
- 4.9.1 *Group Insurance Premium Plan*— Participants may pay premium contributions for employee and dependent coverage under the City’s health care plans on a pre-tax basis.
- 4.9.2 *Health Care Reimbursement*—Participants may set aside salary up to \$2,500 per calendar year on a pre-tax basis to be used to reimburse their out-of-pocket eligible health care expenses..
- 4.9.3 *Dependent Care Reimbursement*— Participants may set aside \$5,000 per calendar year for reimbursement of out-of-pocket eligible dependent care expenses.
- 4.10 *Education Expense Reimbursement Program*—An employee who takes a course at an accredited institution of learning shall be eligible to receive reimbursement of 50%, not to exceed \$2,000 per fiscal year, for the costs of tuition, fees, and course materials.
- 4.10.1 *Qualifying for Education Expense Reimbursement Program*—In order to qualify for reimbursement, the employee must:
- 4.10.1.1 *Department Head Approval*—Prior to enrollment, receive the written approval of the department head. The employee will submit a request, along with a description of the course, which briefly describes how the course may advance the employee’s career with the City and/or its relevance to the employee’s job. The department head will make a determination to accept or reject the request.
- 4.10.1.2 *Reimbursement Request*—Submit a request reimbursement to the City Manager which includes the following
- A copy of the department head’s written approval of the course
 - A copy of the employee’s grade for the course
 - Receipts for all expenses related to the course with a total amount requested for reimbursement

4.10.2 *City Manager Approval*—The City Manager shall approve the employee's request for reimbursement provided that the employee has prepared the request in compliance with this policy.

4.11 *Retired Employee Benefits*—

4.11.1 *Group Medical Insurance for Qualifying Retirees*—An employee who was hired on or prior to April 24, 2010 may elect to continue his or her City sponsored medical insurance if the employee is enrolled in the City's group medical plan and retires concurrently with CalPERS and the City. In order to be eligible for this benefit, the employee must have five years of continuous City employment at the time of his or her retirement. The monthly premium that the City will make for retiree medical insurance pursuant to this provision equals the monthly monetary contribution that the City makes for single retiree medical HMO coverage. Retirees will be required to pay any additional costs in order to receive retiree medical benefits. An eligible retiree may also elect to continue dependent coverage provided that the retiree bears the full premium costs for any eligible dependents. A retiree must continually receive a CalPERS retirement allowance in order to remain eligible to receive retiree medical insurance contributions. Any retiree that unretires from CalPERS and returns to active service with a CalPERS covered agency will permanently forfeit their eligibility for retiree medical benefits pursuant to this provision.

4.11.2 *Medical After Retirement Account ("MARA")*—An employee who was hired after April 24, 2010 will receive a City contribution of one and one-half percent (1.5%) of such an employee's base salary toward a Medical after Retirement Account (e.g. VEBA or similar City-sponsored plan).

4.11.3 *Group Dental Insurance for Qualifying Retirees*—An employee may elect to continue his or her City sponsored dental insurance if the employee is enrolled in the City's group dental plan and retires concurrently with CalPERS and the City. In order to be eligible for this benefit, the employee must have five years of continuous City employment at the time of his or her retirement. The retiree bears the full premium costs for himself/herself and any eligible dependents and will be completely responsible for these payments and for continuing dental coverage.

4.11.4 *Group Vision Insurance for Qualifying Retirees*—An employee may elect to continue his or her City sponsored vision insurance if the employee is enrolled in the City's group vision plan and retires concurrently with CalPERS and the City. In order to be eligible for this benefit, the employee must have five years of continuous City employment at the time of his or her retirement. The retiree bears the full premium costs for himself/herself and any eligible dependents and will be completely responsible for these payments and for continuing vision coverage.

Article 5. **H**olidays

- 5.1 *Observed Holidays*—The City observes the following holidays:
- | | |
|--|-----------------------------|
| January 1 | New Year’s Day |
| Third Monday in January | Martin Luther King, Jr. Day |
| Third Monday in February | President’s Day |
| Last Monday in May | Memorial Day |
| July 4 | Independence Day |
| First Monday in September | Labor Day |
| Second Monday in October | Indigenous Peoples’ Day |
| November 11 | Veteran’s Day |
| Fourth Thursday in November | Thanksgiving Day |
| Friday following Fourth Thursday in November | Day After Thanksgiving |
| December 25 | Christmas Day |
- 5.2 *Half-day Holidays*—In addition, the City observes the following half-day holidays:
- | | |
|-------------------|--------------------|
| December 24 | Christmas Eve Day |
| December 31 | New Year’s Eve Day |
- 5.3 *Holiday Pay*—Employees shall be entitled to receive compensation for 8 hours of holiday time for each full holiday and 4 hours of holiday time for each half-day holiday, with holiday time considered as hours worked.
- 5.4 *Holidays on a Weekend*—When any of the aforementioned holidays fall on a Sunday, it shall be observed on the following Monday; any holiday falling on a Saturday shall be observed on the previous Friday. Half-day holidays shall be observed on the workday immediately previous the day upon which Christmas Day and New Year’s Day are observed.
- 5.5 *Discretionary Holiday*—Each full-time regular employee shall be eligible for eight hours of paid discretionary holiday each calendar year, in addition to the holidays observed by the City. Once accrued, this discretionary holiday should be used before vacation leave. An employee who has not used this holiday by the end of the last pay period of the calendar year, shall forfeit the holiday for that year. No annual cash payouts will be allowed.

Article 6. **O**vertime **P**ay and **C**ompensatory **T**ime **O**ff

- 6.1 *FLSA Work Period*—The FLSA standard work period is a seven-day work week that begins at 12:01 am Friday and ends at 12:00 midnight the following Thursday. Any exceptions to this work period will be documented and maintained on a list shared between the Human Resources Department and the Union. Nothing in this provision is intended to affect the right of any employee to overtime pursuant to the terms of this MOU.
- 6.2 *Overtime Pay*—Non-exempt employees who work in excess of the normal 40-hour workweek will receive overtime pay at 1.5 times their enhanced hourly rate of pay for all overtime hours worked.
- 6.2.1 *Approval for Overtime*—No employee shall work overtime without the express prior approval of the employee’s department head or designee.

- 6.3 *Compensatory Time Off*—With the department head's or designee's approval, employees may receive compensatory time in lieu of overtime pay. If granted, compensatory time shall be earned at the rate of 1.5 times each overtime hour worked.
- 6.3.1 *Maximum Compensatory Time*—Employees may accumulate at the rate of 1.5 times to an equivalent maximum of 70 hours in lieu of pay for such overtime. Employees will be paid for the overtime hours that exceed the cap and cannot accrue further compensatory time until they have reduced their accrued hours below the 70 hour cap.
- 6.3.2 *Payment of Compensatory Time*—Payment of accrued compensatory time upon termination of employment or transfer out of the department will be made at the employee's final regular rate of pay. The City reserves the right to pay out accrued compensatory time at any time at the regular rate of pay earned by the employee at the time the compensatory time is paid.
- 6.3.3 *Use of Compensatory Time*—Employees may use accrued compensatory time in accordance with departmental policies.
- 6.3.4 *Department Rules*—Individual departments may establish rules regarding:
- Notice required before use of compensatory time;
 - Length of time that compensatory time may remain on the books before it is cashed out; and
 - Such other matters necessary to ensure that operations are not unduly disrupted by use of compensatory time off.

Article 7. **V**acation **L**eave

- 7.1 *Vacation Leave*—Regular full time employees shall accrue vacation as follows:

<i>Length of Continuous Service</i>	<i>Biweekly Accrual Rate</i>
0 through completion of fourth year.....	4.62 hours
Fifth through fourteenth year	6.16 hours
Fifteenth through twenty-fourth years.....	7.69 hours
Twenty-fifth and succeeding years	9.23 hours

- 7.2 *Maximum Vacation Accumulation*—An employee may accumulate up to two times the annual accrual rate of vacation hours as unused vacation. Effective July 5, 2013, once an employee has accumulated two times the annual accrual, no further vacation leave will accrue until the pay period after the vacation balance has been reduced below the two-year cap.
- 7.3 *Scheduling*—The times during the year at which an employee may take vacation shall be determined by the department head with due regard for the wishes of the employee and particular regard to the needs of the service.
- 7.4 *Pay Upon Separation from City Service*—Employees separating from the City Service shall be paid at their current enhanced hourly salary rate for all unused accrued vacation hours.

- 7.5 *Vacation Cash-Out*—Employees shall be allowed to cash out up to 40 hours of unused accrued vacation per calendar year with the following provisions:
- Employees must have completed a minimum of one year of service.
 - Employees must maintain a minimum of 80 hours of accrued vacation hours in their vacation bank.
 - Vacation hours shall be compensated at the employee’s enhanced rate of pay as of the date of the cash-out.
 - Employees must complete an irrevocable election form and submit the completed form to the Human Resources Department no later than December 15 of the calendar year prior to the year of the desired cash-out. Only time accrued during the calendar year following the irrevocable election may be cashed out.
 - Vacation hours may be cashed out once per year in November, as long employees have submitted an irrevocable election form in the prior year.

Article 8. **B**ereavement **L**eave

- 8.1 *Bereavement Leave*—Each employee may take leave without loss of pay upon the death of, or for the funeral of, any member of his/her immediate family, as defined below, for the period of 24 hours per occurrence within the State of California and up to a maximum of 40 hours for a family member residing outside the State of California.
- 8.2 *Definition of Immediate Family for Bereavement Leave*—As used herein for bereavement leave, immediate family is defined to be spouse, registered domestic partner with the State of California, parent, brother, sister, grandparent, child, mother-in-law, father-in-law, brother-in-law, sister-in-law, daughter-in-law, or son-in-law. In addition, the department head may grant the above described leave in the event of the illness or disability or funeral of someone other than those persons designated if, in the department head’s opinion, there exists an extraordinarily close relationship between the employee and such person.

Article 9. **M**edical **A**ppointment **L**eave

- 9.1 *Medical Appointment Leave*—Each employee may be granted leave without loss of salary or benefits for the purpose of going to appointments with medical doctors or dentists in instances where the employee is reasonably unable to arrange for such appointments to occur during non-work time.
- 9.2 *Medical Appointment Leave Charged to Sick Leave*—Medical appointment leave shall be charged to sick leave as follows with the first 8 hours per calendar year not charged to sick leave and any other absences relating to appointments charged to sick leave

Article 10. **S**ick **L**eave

- 10.1 *Determination*— An employee who is ill or injured, or is entitled to use sick leave for other purposes as required by law, is entitled to paid sick leave as follows:

-
- 10.2 *Amount of Sick Leave*—Employees will accrue 8 hours per month of employment for purposes of sick leave. Such leave may be accumulated without limit.
- 10.3 *Sick Leave Management Policy*—All permanent and probationary employees who are temporarily and/or partially disabled from performing the full scope of duties within their classification as a result of an injury or illness that is not industrially caused, are eligible to receive sick leave without loss of salary or benefits. As identified in the City's Sick Leave Management Policy Administrative Instruction, abuse of sick leave is defined as the use of sick leave for purposes other than illness or injury. Consistent with this policy, the monitoring, management, maximum use of sick leave, and reporting should conform to a general City standard. Therefore, employees exceeding 56 hours or 7 occurrences of sick leave per calendar year will be subject to a review of sick leave usage.
- 10.4 *Protected Leave*—Employees are permitted to use up to half of their annual sick leave allotment, in any calendar year, for the following purposes:
- 10.4.1 the diagnosis, care, or treatment of an existing health condition of, or preventative care for, themselves;
- 10.4.2 the diagnosis, care, or treatment of an existing health condition of, or preventative care for, an employee's child (regardless of age or dependency status), parent, spouse, registered domestic partner, grandparent, grandchild, sibling, and parent of the employee's spouse or registered domestic partner; and
- 10.4.3 If the employee is a victim of domestic violence, sexual assault, or stalking, to obtain any relief to help ensure the health, safety or welfare of the employee or the his or her child.
- 10.5 *Medical Appointments* – Employees should reasonably attempt to schedule appointments with health care practitioners or dentists when such appointments can occur outside of work hours.
- 10.6 *Payment of Unused Accrued Sick Leave*—Employees are eligible to receive payment for unused accumulated sick leave. An employee shall be paid at the employee's enhanced hourly rate of pay for half of the accumulated sick leave hours. However no employee shall receive payment of any accrued sick leave hours in excess of 1,200; the maximum payable hours of 600. Employees are eligible to receive payment for unused accumulated sick leave in the following circumstances:
- Death; or
 - Disability Retirement from CalPERS; or
 - Full service retirement provided that all the following conditions are met:
 - 10 years of consecutive full-time City service;
 - Simultaneous retirement from City service and receipt of a service retirement from CalPERS.

Article 11. **I**ndustrial **I**njury and **I**llness **L**eave

- 11.1 *Injury Leave*—An employee, who is temporarily and/or partially disabled from performing work as a result of any injury or illness that has been determined to be industrially caused and the injury or illness necessitates the employee’s absence from work, shall be entitled to receive paid injury leave without loss of salary or benefits.
- 11.2 *Injury Leave Amount*—Employees shall be eligible to receive this paid injury leave for all time the employee is normally scheduled to work but is unable to work during a period of 90 calendar days following the date in which the injury or illness caused the period of temporary and/or partial disability and necessitated the employee’s absence from work. An employee receiving paid industrial injury or illness leave shall assign to the City all workers’ compensation insurance proceeds received by the employee for all of the time in which the employee also received paid leave from the City.

Article 12. Disability Leave

- 12.1 *Application for Benefits*—An employee who is non-industrially disabled from performing the full scope of the usual and customary duties of the classification as the result of an injury or illness and has utilized all accrued sick leave and paid leave for which the employee is eligible, may file an application for short-term and/or long-term disability benefits in accordance with the requirements of the City’s Short-term and Long-term Disability insurance policy. The elimination period for the long-term disability plan is 20-calendar days. Employees will not be required to utilize sick leave in excess of this elimination period in order to qualify for disability payment.
- 12.2 *Insurance Premium Payment*—The City will continue to pay insurance premiums on behalf of a disabled employee and dependents, pursuant to the provisions for such payments otherwise provided in this agreement until the actual date of separation from city employment of the employee.
- 12.3 *Separation from City Service*—The City will not separate an employee until he/she has been qualified for Long-term Disability benefits for a period of at least 90 days, except in those instances where the City and the employee agree to an earlier separation.
- 12.4 *Light-duty Program*—The purpose of this light-duty program is to minimize the loss of productive time, while at the same time reintroduce the employee to work to prevent deterioration of skills, facilitate recovery, and reduce income loss. Light-duty assignments will be structured so that an employee is not placed in a duty status that would aggravate or cause a reoccurrence of injury or illness. Light-duty assignments will not be made unless the employee receives medical clearance from the treating physician to return for light duty. This program shall be coordinated with applicable workers compensation benefits so that benefits are provided at the level not less than those mandated by state law.
- 12.4.1 *Coverage*—This light-duty program will cover any employee who suffers a temporary and partial disability due to an industrial or non-industrial injury or illness.
- 12.4.2 *Determination/Required Reports*—

12.4.2.1 *Assignments*—Light-duty assignments may be made following evaluation and determination by the department head. The determination will be based on available medical information, and consultation with the employee or the affected supervisor. Determinations will also be based on the needs of the City and the impact of light duty on departmental operations. The evaluation and determination of light-duty assignments will be based on the employee's medical restrictions and upon agreement of the department head, the employee, and the affected supervisor.

12.4.2.2 *Medical Updates*—Updated medical reports shall be submitted to the department head at two week intervals, or at other agreed upon intervals, for as long as the employee is off work. Reports will be required for all industrial or non-industrial injuries or illnesses regardless of whether a light-duty assignment has been made. Reports will be evaluated by the department head for purposes of continuing or terminating a current light-duty assignment or to determine when to commence a light-duty assignment.

12.4.3 *Light-duty Assignment, Definitions, and Restrictions*—Light-duty assignments shall only be provided to employees with temporary disabilities where it has been medically determined that the employee will be able to return to the essential functions of his/her current job with or without accommodation. In no event will light duty assignments extend beyond reaching Maximum Medical Improvement, and under no circumstances shall the light-duty assignment be considered to be a permanent alternative position for purposes of reasonable accommodation under the American with Disabilities Act. Light-duty assignments:

- May consist of reduced work hours, limited work, or any combination thereof.
- Will not adversely affect the employee's normal wage rate.
- Will be within the employee's assigned department; or if no regular work is available, the employee may be assigned work outside of the department consistent with skill and ability.
- When feasible will be during the employee's normal shift and duty hours. However, if it is determined that no useful work will be performed during the normal shift or duty hours, the employee can be assigned light duty during the normal office hours of 8:00 a.m. to 5:00 p.m., Monday through Friday
- Will be developed based for specific light-duty assignments on a case-by-case review of the medical restrictions, so as not to aggravate an injury or illness.

12.4.4 *Holidays/Vacations During Light-duty Assignments*—

12.4.4.1 *Holidays Observed*—Holidays during light-duty assignments shall be observed in accordance this agreement.

12.4.4.2 *Vacations*—Employees assigned to light duty shall take their vacation as normally scheduled. Vacations shall cover the same number of workdays and calendar days as would have been if the employee had remained on full duty. Employees may reschedule their vacation with the approval of the

department head, provided the rescheduling does not result in increased costs or lost time to the City for relief staff to cover the rescheduled vacation.

- 12.4.5 *Return to Full Duty*—Employees will be returned to full duty as soon as possible following medical certification that the employee is able to resume the full duties of the classification with or without reasonable accommodation.

Article 13. **O**ther **L**eaves

- 13.1 *Military Leave*—Military leave shall be granted in accordance with the provisions of applicable state and federal law.
- 13.2 *Jury Duty*—Employees must notify their supervisors when called to jury duty. All time at jury duty will be applied toward the employee's regular workday. The employee must submit record of hours at jury duty. Given the many different schedules employees work, modification of work hours for such jury duty will be left to the discretion of the department head or designee, and may be appealed to the Director of Human Resources.
- 13.3 *Pregnancy-related Disability and Bonding Leave*—Shall be granted in accordance with the provisions of applicable state and federal law.
- 13.3.1 *Pregnancy-related Disability*—Employees may be granted leave up to the maximum period of time permitted by law for disabilities caused or contributed to by pregnancy, childbirth, or related medical conditions for reason of the birth of a child or the placement of a child with an employee in connection with adoption.
- 13.3.2 *Bonding*—An employee who is no longer disabled from performing work due to pregnancy, childbirth, or related medical conditions for reason of the birth of a child and is medically released to return to work, shall be allowed to use accumulated vacation, and/or an unpaid leave of absence upon the written request of the employee.
- 13.3.3 *Leave Usage*—The employee must first use all eligible accumulated paid leave before being granted unpaid leave.
- 13.4 *Unpaid Leave of Absence*—The City may grant an employee in a permanent position a leave of absence without pay not to exceed 1 year. A request for the leave and the reason therefore shall be submitted in writing and must be approved by the department head and the City Manager.
- 13.5 *Reinstatement Upon Return From Leave*—Upon expiration of the approved leave, the employee shall be reinstated to the former classification without loss of service credits or benefits (subject to the terms of the contracts with the benefit providers) accrued prior to said leave. However, during the period of the leave, the employee shall not accumulate service credits, nor shall the City continue contributions toward group insurance or the retirement plan.

Article 14. **R**ecreational **F**acilities and **C**lasses

Employees shall be entitled to free admission to City recreation facilities and to free enrollment in up to 5 recreational classes during a 12-month period (lab fees or ingredient fees not included). Employees using City recreation facilities and enrolled in City recreational classes shall engage in such activities on the employee's non-work time. Employee admission to recreation facilities and recreation classes shall be accomplished in conformance with the rules and regulations established by the Parks and Recreation Department.

Article 15. **N**otary **P**ublic **C**ertification

- 15.1 *Certification Requirements for Employees Hired Prior to 7/1/00*—Those Confidential Unit members employed in a unit-covered classification as of 6/30/00 may choose not to obtain notary public certification.
- 15.2 *Certification Requirements for Employees Employee Hired After 6/30/00*—Those Confidential Unit members employed in a unit-covered classification after 6/30/00 may be required to obtain notary public certification, as determined by their department head or the Director of Human Resources.

Article 16. **D**iscipline

The City shall take disciplinary action against a Confidential employee following the procedures set forth in the City of South San Francisco Personnel Rules and Regulations.

Article 17. **G**rievance **P**rocedure

Confidential employees are eligible to invoke the Grievance Procedures as noted in the City of South San Francisco Personnel Rules and Regulations.

Article 18. **M**eeting

Prior to making any revisions to this Memorandum of Understanding, the City will meet with members of the Confidential Employees' Unit. The City agrees to grant a maximum of three members of this bargaining unit's negotiating team one hour release time prior to the negotiation meeting with the City and one hour after the meeting for the purpose of discussing negotiations.

Article 19. **A**dministration of **M**emorandum of **U**nderstanding

- 19.1 *Full and Entire Agreement*—This Confidential Employees Memorandum of Understanding sets forth the compensation program for members of the Unit and any prior or existing understanding or agreements regarding these matters, whether formal or informal, are hereby superseded or terminated in their entirety. In the event that the provisions of this Memorandum of Understanding are found to be in conflict with a City rule, regulation, or resolution, the provisions of this agreement shall prevail over such conflicting rule, regulation, or resolution.
- 19.2 *Administration of Program*—The City Manager may establish such policies, rules, and regulations as are deemed appropriate to the effective administration of the Program. Members of the Confidential Employees Unit shall comply with all such policies, rules, and regulations as may be established by the City Manager. The City Manager shall be empowered to grant or to impose administrative leave without loss of pay or benefits for members of the Confidential Employees Unit for any purpose deemed by the City Manager to be appropriate to circumstances.

Article 20. Signatures

Signed on this date: _____.

For the Union:

For the City:

Mark Leach, Chief Negotiator

Donna Williamson, Chief Negotiator

Michelle Clary

Leah Lockhart, Human Resources Director

Anita Palafox

Mike Futrell, City Manager

Jennifer Rosas

Appendix A

Confidential Unit, Teamsters Local 856 Classifications

Confidential Employees Defined-The Confidential Employees Unit shall consist of all full-time employees employed in the positions, which are included in the non-exempt service of the City of South San Francisco, as well as such classifications as may be added to this Group by the City.

Those classifications in the Confidential Unit are the following:

- Administrative Assistant I
- Administrative Assistant II
- City Clerk Records Technician
- Computer Services Technician
- Data Business Systems Specialist
- Deputy City Clerk
- Executive Assistant to the City Manager
- Human Resources Technician
- Senior Administrative Assistant
- Senior Computer Services Technician

Appendix B

Salary Survey Methodology

The salary survey methodology when used for determining compensation for the Confidential Employees' unit shall be as follows:

- (a) Data regarding total compensation (i.e., base salary plus employer-paid benefits) will be collected from the ten survey cities.
- (b) Data regarding the cities' total compensation will be ranked, from highest to lowest total compensation.
- (c) The cities with the highest and lowest total compensation as well as the City's own data, will be discarded before computing the average total compensation.
- (d) The remaining cities' total compensation will be calculated at the 60th percentile.
- (e) The 60th percentile of total compensation will then be compared to the City's total compensation to get the percent difference in the City's total compensation compared to the remaining cities.
- (f) The percent difference will then be used to adjust the City's compensation, unless the current City compensation is higher, in which case no change to the total compensation will be made.
- (g) The City will set the Confidential Unit employees' total compensation package at the 60th percentile of the marketplace based on this computation.

EXHIBIT C

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