MEMORANDUM OF UNDERSTANDING

FOR THE

SONORA MANAGEMENT EMPLOYEES' ASSOCIATION (SMEA)

July 01, 2018 Through June 30, 2021

SONORA MANAGEMENT EMPLOYEES' ASSOCIATION *(SMEA)*
MEMORANDUM OF UNDERSTANDING *(MOU)*
JULY 1ST, 2018 THROUGH JUNE 30TH, 2021

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✶ STILL NEED TO CORRECT

SONORA MANAGEMET EMPLOYEES' ASSOCIATION M.O.U.

PREAMBLE

The purpose of this Agreement is to promote the improvement of personnel management and employer/employee relations, provide an equitable and peaceful procedure for the resolution of differences and establish rates of pay and other terms and conditions of employment.

The City and Association agree that all employees of the City share in the important responsibility of providing superior service to the public and that every job and position is considered to be important.

This Memorandum of Understanding (MOU) is entered into pursuant to the Meyers-Milias-Brown Act, as amended, and has been jointly prepared by the parties.

Section 1. RECOGNITION

Association is recognized as the exclusive representative, as provided in the City's Employer-Employee Relations Resolution No. 3-21-83-D for all management positions, such as:

Community Development Director
Administrative Services Director
Fire Chief
Police Chief
Police Lieutenant

Association does not represent temporary or part-time employees within these classifications, with the exception of an employee who has entered into an agreement with the City for a reduced work hour schedule, pursuant to Section 3 of this MOU.

Section 2. SALARY PLAN

SECTION A—SALARY INCREASE DURING TERM OF AGREEMENT

Retroactive to the first full pay period in January 2018, the City will increase each SMEA employee's base salary by two percent (2%).

Effective the first full pay period in January 2020, the City will increase each SMEA employee's base salary by one percent (1%). Based on the prior year's audit, if the General Fund Revenues exceed General Fund Expenditures by two percent (2%), the

salary adjustment described will be increased to two percent (2%) effective the first full pay period in January 2020.

Effective the first full pay period in January 2021, the City will increase each SMEA employee's base salary by one percent (1%). Based on the prior year's audit, if the General Fund Revenues exceed General Fund Expenditures by two percent (2%), the salary adjustment described will be increased to two percent (2%) effective the first full pay period in January 2021.

SECTION B—EQUITY ADJUSTMENTS

The City promises to increase salaries for the Administrative Services Director, Community Development Director, and the Fire Chief in order to bring those salaries within five percent (5%) of the Proposed Maximum Monthly Salary included within the Compensation and Classification Study.

During the first full pay period in July 2019, the Administrative Services Director's base salary shall receive an equity increase of 5.25%. During the first full pay period in July 2020, the Administrative Services Director's base salary shall receive an additional equity increase of 5.25%.

During the first full pay period in July 2019, the Community Development Director's base salary shall receive an equity increase of 5.25%. During the first full pay period in July 2020, the Community Development Director's base salary shall receive an additional equity increase of 5.25%.

During the first full pay period in July 2019, the Fire Chief's base salary shall receive an equity increase of 1.25%.

SECTION C—SALARY PLAN ADMINISTRATION

Employee's regularly assigned a position in a classification shall by this Agreement be paid a salary within the range established for that position's classification. See Attachments.

SECTION D—SALARY PAYMENT

Salaries shall be paid biweekly. Routine paychecks shall be for the purpose of compensating for regular and other compensation owed employees.

SECTION E—SALARY OF NEW EMPLOYEES

The first step of the Salary Plan (Step A) is the minimum rate and shall normally be the hiring rate for the class. In cases where it is difficult to secure qualified personnel or if

a person of unusual qualifications is to be appointed, the City Administrator may make the appointment at a salary level up through Step D. The City Council has the authority to make the appointment at salary level Step E.

SECTION F—INCREASE WITHIN RANGE

A. Every regular employee who is employed in a class for which there is a salary range shall have an anniversary date. All salary adjustments, except longevity pay, are made effective upon the anniversary date or any time thereafter. The date of eligibility for subsequent salary adjustments, excluding longevity pay, shall be one year after the current year anniversary date, subject to promotion. The anniversary date should not be confused with the employee's service date (date used for calculation of vacation and longevity pay) nor with the employee's date of hire (the date upon which employee began working for the City - whether temporary, reserve, probationary, etc.).

B. The steps of each salary range shall be interpreted as follows:
    1. The second step (B) is merit advancement. Employees may be advanced to the second step after completion of one year's employment in position. The one-year period shall be a probation/orientation period.

    2. The third step (C), fourth step (D), and fifth step (E) are merit advancement. Employees shall be eligible for advancement to their next step on their subsequent anniversary date.

Example 1 *- Employee's anniversary date is August 1st. Employee went to Step C on August 1st, 1997 and would be eligible for Step D on August 1st, 1998.*

Example 2 *- Employee's anniversary date is August 1st. Employee is at Step C and reviewed for Step D for August 1st, 1997 anniversary date. At the Supervisor's discretion, the Employee is not advanced to Step D on August 1st, 1997, but subsequently advanced to Step D on January 1st, 1998. The Employee's anniversary date would remain at August 1st, and the Employee would be eligible for review on August 1st, 1998 for Step E. Advancement to steps are made upon the recommendation of the Department Head to the City Administrator.*

C. In any case, where, by reason of unusual circumstances, rigid adherence to the foregoing principles relating to salary adjustments would cause a manifest injustice, the City Council may make such order relating thereto as, in its discretion, is proper.

D. No advance in steps shall be automatic upon completion of the period of service outlined hereinabove, and all increases shall be made 1) on the basis of merit as established by the employee's work performance; 2) upon documentation by evaluation; and 3) upon review and approval of the City Administrator. An increase of pay shall be withheld in cases of inferior work, lack of application, indifferent attitude, and any other sufficient reason.

E. Each salary adjustment, shall become effective on the anniversary date of the employee, or at any time thereafter as explained in Section 2 A and 2 B. Such salary adjustment shall be processed as of the beginning date of the pay period for which the adjustment becomes effective.

F. Employees shall receive longevity benefit after the completion of ten (10) years of service (from the service date), and each five (5) years thereafter. Such benefit shall be for two and one-half percent (2.5%) of the current salary for each five-year increment. For example, after ten (10) years the employee shall receive 2.5% increase over base salary, and after fifteen (15) years the employee shall receive an additional 2.5% for a total of 5.0% increase over base salary. The longevity benefit is automatic and is not based on merit.

Section 3. REDUCED WORK HOUR SCHEDULE

In the event a management employee desires a reduction in their work hour schedule, they must first make a written request to the City Administrator. If the City Administrator deems the request to have merit and be of mutual benefit to both the City and the employee, the request will be approved in writing. The employee's salary and all benefits (i.e., leave accruals, insurances, etc.) will be pro-rated to correspond to the hours worked.

Section 4. MANAGEMENT EDUCATION INCENTIVE

The City agrees to provide an increase to Association employees' base salary as an education incentive for those employees who have, or will, attain the following degrees:

Associates Degree - 2.5%
Bachelor's Degree - 5.0 %
Master's Degree/Certified Public Accountant - 7.5%
Doctorate - 10.0%

Employee shall only be compensated for the highest degree obtained from a public or

private post-secondary institution that has received state approval to award the above degrees; the incentive shall not be cumulative. For example, if on the effective date of the Agreement, an employee has attained a Bachelor's Degree, the employee's salary would increase by 5.0%. If the employee subsequently attains a Master's Degree, the employee's salary would increase 2.5%, for a total of 7.5%. Multiple degrees at the same educational level will not be recognized. For example, an employee who has two Bachelor's Degrees will only receive compensation for one degree.

The education incentive shall be included in the employee's base pay and is considered reportable salary to PERS and taxable. Verification of the degree must be made to the City Administrator. The original degree or an original letter from the college granting said degree must be produced in order to receive the educational incentive benefit.

Section 5. INSURANCE COVERAGE

During the term hereof, the City agrees to provide medical, dental, vision, life, and long-term disability insurance coverage to each employee, and dependents as indicated by category.

For new hires, medical, dental, vision, life, and long-term disability insurance coverages become effective the first calendar day of the month following the date of hire, unless the date of hire is the first calendar day of the month, in which case coverage is effective immediately.

All medical, dental, vision, life and disability insurance will end for terminating employees on their date of separation from the City, unless otherwise provided for by this Agreement.

For any regular full-time employee on leave of absence for more than 10 consecutive working days, medical, dental, vision, life, long term disability insurance, and retirement benefits provided by the City shall not be provided upon expiration of sick leave, vacation accrual, and CTO, subject to provisions of State and Federal law. If the employee elects medical, dental, vision and life insurance, it shall be paid at the COBRA rate; payment shall be due monthly in advance. Proration of payment shall be applied as appropriate.

A. MEDICAL INSURANCE

The City agrees to provide medical coverage as follows:

1. A PPO 250 (90% in Network and 70% Out of Network) plan and EPO 25 (in Network only) plan options.

2. The City agrees to pay the full employee + Family amount for either the PPO 250 which provides for a $250 deductible per covered person/$750 deductible per covered family annually or EPO 25 plan, whichever the employee selects.

3. The PPO 250 plan is 90% paid by insurance for Network Provider and 70% paid by insurance for Out of Network Provider.

4. The PPO 250 plan will provide prescription drug coverage at $10/$30/$50 deductible

Employees, whose dependents have coverage elsewhere and elect to discontinue dependent coverage or who currently have no dependent coverage, will receive $45.00 additional taxable compensation per pay period.

Employees who currently have dependent coverage may delete dependents only if they are able to show that their dependent(s) has medical coverage elsewhere, or is no longer eligible for coverage (e.g., dependent child who has reached the maximum allowed age for coverage, divorce of spouse, death of dependent, etc.). If the dependent has other health care coverage, the employee must provide the City with the appropriate documentation, including a copy of the dependent's coverage card, showing proof of coverage.

During December of each year, employees who do not have dependent coverage will be required to submit the appropriate information indicating that they either have no dependents to cover, or their dependents have coverage elsewhere.

Dependents, who are deleted from the City's coverage, and subsequently elect to come back under the City' plan, will be allowed to do so at the beginning of a calendar month. Any dependent who is re-enrolled will be subject to the same conditions as any newly enrolled participant in the plan, subject to State and Federal law.

Employees who elect to add a new dependent(s) who have never been under the City's policy, may do so at the beginning of any calendar month. If the employee is currently receiving a dependent in-lieu pay, the in-lieu pay will end at the conclusion of the pay period preceding the addition of the dependent. For instance, if an employee adds a new dependent on March 1st, and the prior pay period ends on February 24th, the employee's last in-lieu pay would be for the pay period ended February 24th. There

will be no proration of in-lieu benefits.

All new employees to the City will fall under these same provisions.

B. DENTAL INSURANCE

During the term of this Agreement, the City agrees to provide dental coverage as follows:

A. Up to $1,000 will be paid per person per calendar year.

1. Preventative - No Deductible
    a. Routine oral examination
    b. Cleaning of teeth
    c. X-Rays where professionally indicated
    d. Examination, consultation and diagnosis
    e. Fluoride treatments for children to age 19

B. After a $25 deductible each calendar year ($75 per family), coverage is as follows:

1. Routine - Paid at 80% of UCR
    a. Extractions and oral surgery
    b. Fillings
    c. Treatment of periodontal and other diseases of the gums and soft tissue of the mouth
    d. Root canal treatment
    e. Relines, rebases and repairs of existing dentures
    f. Drugs and/or anesthesia used for control of dental pain during any session of dental treatment
2. Major - Paid at 50% of UCR
    a. Bridgework, crowns, appliances, dentures, inlays and gold fillings

C. LIFE INSURANCE

The City shall provide, and pay premiums for, term life insurance for the employee while the employee is in City employment, with a payoff value equal to the employee's annual salary at time of death (or disability, if provided by policy), with a salary cap of $150,000. The City shall also provide, and pay premiums for, the following dependent life insurance coverage:

1. Spouse $25,000
2. Dependent $10,000

D. VISION INSURANCE

The City shall provide employees covered by this Agreement and their dependents,

with a vision care program at the City's expense.

E. LONG TERM DISABILITY

The City agrees to provide and pay for long term disability insurance. The City, at its option, may change the carrier, but cannot change coverage without going through the meet and confer process.

F. ANNUAL PHYSICAL

City agrees to provide Association employees an allowance of two hundred and fifty dollars ($250) per fiscal year (July 1st - June 30th) for an annual physical examination. An annual physical examination allowance of two hundred and fifty dollars ($250) shall be provided to an employee upon receipt of an "Employee Physical Verification" form signed by the employee's physician and/or physician's representative (form included as attachment to MOU).

G. RETIREMENT TRUST FUND OF DEFINED CONTRIBUTION MEDICAL BENEFIT

The City and Association agree to explore the possibility of developing a Retirement Trust Fund or Defined Contribution Medical Benefit Account.

If the development of a Retirement Trust Fund or Defined Contribution Medical Benefit Account is possible, and the City and Association agree to proceed, both parties will work on developing and implementing a Retirement Trust Fund or Defined Contribution Medical Benefit Account program for employees and their dependents. Amount of contribution by employee/retiree and City will be negotiated. Upon implementation, the Post-Retirement Benefits Section will not apply to any new member of the Association.

H. POST RETIREMENT BENEFITS

Each Association employee retiring from City employment after a minimum of ten (10) years of continuous service as a full-time benefitted employee shall have available the medical, dental, and vision programs then currently provided for active Association employees. The City agrees to pay fifty percent (50%) of the then monthly premium for such coverage for a retiring employee having attained the age of 50 for Safety Members and 55 for all others represented by the Association. The retiring employee shall be responsible for fifty percent (50%) of the monthly premium and the same deductible as other employees of the Association. The retiring employee shall not be responsible for any City self-funded portion.

The City agrees to pay seventy-five percent (75%) of the then monthly premium for such coverage upon the employee attaining the age of 60. The employee shall be

responsible for twenty-five percent (25%) of the monthly premium and the same deductible as other employees of the Association. The employee shall not be responsible for any City self-funded portion.

It is understood that employees who retire before age 60, and receive the benefit of the above paragraph, shall benefit from the paragraph upon attaining age 60.

In the future, should the Association agree to drop such coverage as outlined above for active Association members, the City agrees to make any of the City's then current coverage available to retired Association members in the same manner previously described. If the retired employee chooses not to participate in the City's plan upon retirement, they will not be allowed to be reinstated. If they choose to participate in the City's plans upon retirement and subsequently withdraws from the plans, they will not be allowed to be reinstated.

Spouse and dependents may be included in this coverage, at the employee's discretion, with the same provisions as for the retired employee. Dependent coverage shall be limited to the same criteria as that of dependent coverage for active Association members (currently coverage until the age of 26). In the event of the death of the employee, their surviving spouse and any existing covered (enrolled) dependents will be allowed to continue coverage under the same conditions of this provision; however, they will not be allowed to add individuals to the City's plan.

Coverage for the retired employee shall terminate sixty (60) days after he/she becomes eligible for Medicare coverage. Coverage for the surviving spouse shall terminate sixty (60) days after he/she becomes eligible for Medicare coverage. All remaining dependents' coverage shall terminate sixty (60) days after the retired employee or surviving spouse becomes eligible for Medicare.

Section 6. SICK LEAVE

Sick leave shall be accumulated at the rate of 1.25 days per month/10.0 hours per month. (10.0 x 12 = 120.0 ÷ 26 pay periods = 4.62 hours' accrual per pay period). An employee may accumulate sick leave without limitation.

Effective the first full pay period in February 2016, a SMEA employee, upon retirement from the City, may obtain a payout of up to: (1) 480 hours of accrued Sick Leave at their current hourly rate of pay and (2) an additional 240 hours of accrued Sick Leave at fifty percent of their current hourly rate of pay. As an alternative, a SMEA employee, upon retirement from the City, may: (1) obtain a payout of up to 480 hours of accrued Sick Leave at their current hourly rate of pay and (2) apply up to 480 hours of accrued Sick

Leave toward the monthly medical, dental and/or vision premium costs which occur following the employee's effective service retirement date through and including the date when the employee becomes eligible for Medicare. Any remaining sick leave hours that are not paid off may be reported to CALPERS to be incorporated into the Employee's Retirement Service Credit balance.

The rate of pay shall be based upon the employee's current rate of pay.

Sick leave must be taken in fifteen-minute increments (e.g., if any employee is gone for twenty minutes, thirty will be recorded).

Employees may be granted leave with pay, or a leave without pay, when the absence is required because of illness or injury of a member of the immediate family. Each day utilized for this leave shall be subtracted from sick leave entitlement. The employer may require a justification for the need for this leave before approving the leave. Employees may use a maximum equal to the current year's accrual in any given year of sick leave accrual for the purpose of family sick leave.

In unusual instances the City Administrator may extend family sick leave provisions. For the purpose of this subsection "immediate family" shall be defined as that found within the adopted Personnel Rules and Regulations of the City of Sonora.

At the end of each fiscal year the employee shall have the option of accumulating unused sick leave or, in the alternative, may trade all unused sick leave from the previous fiscal year for additional vacation time.

In the event of a trade, not less than one hundred percent (100%) of the unused sick leave for the previous fiscal year can be traded. If sick leave is traded for vacation time it shall be traded as two (2) days of sick leave for one (1) day of vacation or the equivalent. The ceiling on vacation accrual shall remain valid in instances of a trade wherein said trade results in an excess of the ceiling.

> **Example:** An employee with 96.0 hours of unused sick leave from the previous fiscal year can trade said 96.0 hours for 48.0 hours of vacation.

If an employee elects to trade sick leave it must be for the entire amount unused in the previous fiscal year. For instance, an employee accrues 96.0 hours in a fiscal year, takes 16.0 hours' sick leave, they would have to trade the entire balance of 80.0 hours from the previous fiscal year. An employee cannot trade sick leave past the last previous fiscal year; i.e., if they have a balance from two years prior, it cannot be traded.

Employees with a minimum of five (5) years of continuous, full-time permanent employment and who terminate from the City, for other than service retirement, are eligible for a maximum payoff, at full salary, of 480.0 hours accumulated sick leave.

Employees who use 2 shifts (16.0 hours) or less of sick leave per fiscal year, shall be credited with 1 additional shift (8.0 hours) of Administrative Leave

An employee may donate sick leave to another full-time benefitted employee on an hour-per-hour basis. The employee requiring the sick leave donation must have exhausted all leave balances. Employees donating sick leave must keep a minimum sick leave accrual balance of eighty (80.0) hours. If an employee has less than 80.0 hours of sick leave accrual, that employee will not be eligible to donate sick leave. All donors will remain confidential.

Section 7. ADMINISTRATIVE LEAVE

Employee shall receive 12 shifts (96.0 hours), annual administrative leave as of July 1st of each year covered by this agreement.

A new employee shall receive Administrative Leave on a pro-rated basis in a lump sum (26 pay periods ÷ 96.0 hours = 3.693 hours per pay period). If an employee is in paid status for any portion of a pay period, s/he will be entitled to a full accrual. For example, if an employee was hired during the 10th pay period of the fiscal year, they would be entitled to 62.781 hours of Administrative Leave (17 pay periods x 3.693 = 62.781).

In no event shall a management employee accrue Administrative Leave beyond a ceiling of two (2) years' worth of accruals.

Effective the first full pay period in February 2016, a SMEA employee may each calendar year sell back to the City up to a total of four weeks of accrued administrative leave or vacation leave on the condition that the SMEA employee maintains a balance of one-year accrual of administrative leave as defined in Section 7. A SMEA employee may not sell back more than a total of four weeks (regardless of the combination of Administrative or Vacation Leave) during any calendar year.

Effective December 1, 2019, Employees who elect to sell back Administrative Leave must submit an irrevocable election form before December 31st in the preceding calendar year specifying the number of hours of Administrative Leave that he or she

will irrevocably elect to cash out in the following calendar year. The form will be automatically processed and paid by January 31st. Employees who do not make an election, by submitting the irrevocable election form before December 31st of the current year, will not be able to sell back Administrative Leave benefits in the following calendar year. The City Administrator may approve an IRS qualifying exception for cases of extreme hardship.

Section 8. BEREAVEMENT LEAVE

In the event of a death of the employee's immediate family or other close relative (See City's Personnel Rules & Regulations for list), an employee may be granted leave of absence with pay not to exceed five (5) working days. Time not worked because of such absence shall not adversely affect accrual of regularly assigned leave (e.g., vacation, sick leave, Administrative Leave, etc.)

Section 9. UNIFORM ALLOWANCE

The Fire Chief will receive the annual uniform allowance that is negotiated by the Sonora Fire Fighters' Association (SFFA) and the Police Chief and Police Lieutenant will receive the annual uniform allowance that is negotiated by the Sonora Police Officers' Association (SPOA). The annual uniform allowance will be paid at the same time as negotiated by SFFA and SPOA for those they represent.

In return, said personnel, should in most cases, wear their department uniform to all City Council meetings, and whenever deemed most appropriate for the situation. Uniforms shall be neat and clean and worn properly to exhibit the professionalism desired by the City. Business attire is considered optional wear when appropriate and will conform to the same measures of professionalism as identified for the uniform appearance standards.

Section 10. TEN PERCENT DIFFERENTIAL

All management employees, for each salary step, shall have a base salary of at least 10% more than any corresponding step of a base salary of any employee they supervise.

Section 11. HOLIDAYS

Regular, full-time employees are entitled to the following paid holidays per year:

January 1 - New Year's Day
Third Monday in January - Martin Luther King 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 - Columbus Day
November 11 - Veterans' Day
Thanksgiving Day
Friday following Thanksgiving Day
Christmas Eve
Christmas Day
Three (3) Floating Holidays to be taken at employee's option.

Effective July 1, 2016, the City shall provide SMEA employees 120 hours annually in lieu of Holiday or Float Pay. The City's payment of these 120 hours shall fully compensate SMEA employees for the above-referenced twelve holidays and three floating holidays even if a SMEA employee is required to work on any of the above-referenced holidays.

Any holiday not identified in this M.O.U. that is granted by the City Council to a 40.0 hour per week employee shall result in the City increasing the number of Holiday hours paid to SMEA employees by eight (8.0) hours for that fiscal year.

Additional days designated by the Congress of the United States or by the Governor of California as legal holidays which are observed by the City shall also result in additional Holiday hours provided to each SMEA employee for that fiscal year.

Any unused balance of the 120 hours at the end of a fiscal year will be paid to the SMEA employee at the first full pay period in July of the following fiscal year.

Employees in the SMEA will accrue one hundred twenty (120) hours of Holiday Pay at 4.62 hours per pay period. Use of the 120 hours of Holiday Pay during a fiscal year will be deducted on an hour or hour basis.

Section 12. VACATION

Association members shall earn annual vacation equal to the highest negotiated MOU, which at the time of this agreement is as follows:

YEARS OF SERVICE	VACATION DAYS PER YEAR
01 - 03	10
04 - 10*	15
11 -15**	20
16+***	25

* 15 days will be the accrual rate after the third full year of employment.
** 20 days will be the accrual rate after the tenth full year of employment.
***25 days will be the accrual rate after the fifteenth full year of employment.

Association members' accrual rate will be based on years of experience when approved by the City Administrator.

In no event shall a management employee accrue vacation beyond a ceiling of two (2) years, with the exception that under extenuating circumstances, the City Administrator can grant the employee written approval to remove the ceiling for a specific time period; said time period may be extended by the City Administrator.

Effective the first full pay period in February 2016, a SMEA employee may each calendar year sell back to the City up to a total of four weeks of accrued vacation leave or administrative leave on the condition that the SMEA employee maintains a balance of one-year accrual of vacation leave as defined in Section 11. A SMEA employee may not sell back more than a total of four weeks (regardless of the combination of Administrative or Vacation Leave) during any calendar year.

Effective December 1, 2019, Employees who elect to sell back vacation leave must submit an irrevocable election form before December 31st in the preceding calendar year specifying the number of hours of vacation leave that he/she will irrevocably elect to cash out in the following calendar year. The form will be automatically processed and paid by January 31st. Employees who do not make an election, by submitting the irrevocable election form before December 31st of the current year, will not be able to sell back vacation leave benefits in the following calendar year. The City Administrator

may approve an IRS qualifying exception for cases of extreme hardship.

The City shall provide miscellaneous employee's pension benefits through the California Public Employees' Retirement System's ("CalPERS"). The employee's retirement benefit formula and required contributions under CalPERS will depend upon the employee's date of membership with CalPERS. Employees who became CalPERS members before January 1, 2013 and who are defined as "Classic Members" under the Public Employee Pension Reform Act ("PEPRA")will be enrolled in the following benefit formula: Two Point Seven Percent (2.7%) at Fifty-Five (55) Plan for Miscellaneous Members. Employees who became members of CalPERS on or after January 1, 2013 and who are defined as "New Members" under PEPRA will be enrolled in the following benefit formula: Two Percent (2%) at Sixty-Two (62) for Miscellaneous Members.

The City shall provide safety employee's pension benefits through the California Public Employees' Retirement System's ("CalPERS"). The employee's retirement benefit formula and required contributions under CalPERS will depend upon the employee's date of membership with CalPERS. Employees who became CalPERS members before January 1, 2013 and who are defined as "Classic Members" under the Public Employee Pension Reform Act ("PEPRA") will be enrolled in the following benefit formula: Three Percent (3%) at Fifty (50) Plan for Safety Members. Employees who became members of CalPERS on or after January 1, 2013 and who are defined as "New Members" under PEPRA will be enrolled in the following benefit formula: Two Point Seven Percent (2.7%) at Fifty-Seven (57) for Safety Members.

PEPRA requires that all New Member employees pay a contribution rate of at least 50% of the total normal cost rate for their defined benefit plan. PEPRA also prohibits Employer Paid Member Contributions ("EPMC") for New Members. As such, all employees classified as New Members shall pay 100% of the employee share and the City shall pay 100% of the employer share of the pension contribution costs. For employees classified as Classic Members, the employee shall likewise pay 100% of employee contribution costs

All employees, whether Classic or New Members shall pay 100% of employee's contribution costs.

Section 14. REVIEW OF JOB DESCRIPTION

The City shall review the duties and responsibilities of the members of Association and re-write job descriptions as deemed appropriate by the City Administrator.

Section 15. WORKERS' COMPENSATION

Non-Safety management employees, with five (5) years' service, shall be allowed to borrow up to four (4) years of sick leave (96.0 hours x 4 years = 384.0 hours) to supplement Workers' Compensation payments. This would be after the employee has used his/her current sick leave balance.

Upon the employee returning to duty, repayment of sick leave will be paid back at an hour for hour exchange as the employee re-accrues sick leave. If the employee terminates employment, including service retirement, said employee will be responsible for the repayment of the borrowed sick leave at his/her current rate of pay, at the time of separation from City service. The amount of sick leave repayment still owed by the employee will be deducted from the final separation payroll check. If there are not sufficient monies to cover the amount owed, the employee shall either immediately pay off any remaining unpaid amount or enter into an agreement with the City for such reimbursement. In no event shall repayment exceed a period of six months.

If the employee is deemed permanently disabled, due to the work related injury, any borrowed sick leave shall not be repaid. If, after an employee returns from a workers' compensation leave, and has a credit in their sick leave balance, and then becomes ill, or requests family sick leave, and takes additional time off, such employee shall be allowed to take additional sick leave. However, in no event shall employee be allowed to exceed a 480.0-hour credit.

Once all leave balances have been expended, the City shall maintain the employee's current medical, dental, vision, life insurance, and long term disability at no additional cost to the employee, beyond his/her regular contribution, during any Workers' Compensation leave.

Section 16. AUTO ALLOWANCE

It is declared to be the policy of the City that management employees who are required to be subject to call-out, or call-back, or who are required to travel inside or outside the City limits in performing their employment functions shall be furnished with the use of a City owned and maintained vehicle for such travel.

The Finance Director will receive a permanent parking pass for the first level of the Terzich Parking Structure.

SECTION 17. CELL PHONES

Management employees will be paid a monthly stipend of Fifty Dollars ($50.00)as a cell phone allowance, in lieu of being issued or using a City cellphone. Once this stipend is paid, it is the responsibility of the SMEA member to have a cellphone available for business use.

Section 18. DISASTER COMPENSATION

The Fire Chief and Police Chief are considered an exempt classification, not subject to any of other exceptions for overtime in this Agreement. However, for the purposes of an in recognition of agreements through the State of California and the Federal Government, these positions will be allowed to participate in emergency situations, with prior City Administrator approval, wherein a reimbursement is made to the City.

Any person responding shall be compensated at the rate in the approved agreement or at one and a half (1.5) times the hourly rate of their annual base salary for all hours outside the normal workday, less all appropriate standard deductions. Any employee responding to reimbursable mutual aid requests shall be paid time and one half for all hours worked outside of normal workday on a portal to portal basis in accordance with the annual agency salary survey provided to OES.

Section 19. BENEFITS

It is agreed that members of this Association shall be entitled to all benefits which are, or shall be, granted to employees under their jurisdiction, except where superseded by this Agreement.

Section 20. WORK FURLOUGH

With a demonstration of a critical operating budget deficit, the City can implement a work furlough program, up to a 10% reduction in pay and a corresponding 10% reduction in time worked (hours). With respect to pay, up to a 10% reduction shall be reflected bi-weekly, in each regular paycheck issued by the City. Leave balances nor benefits will be affected by the reduction in hours. Examples of a critical operating budget would include 1) a General Fund budget deficit reducing the General Fund Reserves to less than 20% of the General Fund budget for two or more years; 2) an economic slowdown that causes a five percent (5%) decrease in City General Fund

revenues for two or more consecutive years, etc.

Section 21. FLEXIBLE WORK WEEK

Association members will have the option of working flexible work weeks as approved by the City Administrator.

Section 22. SAVING CLAUSE

If any provision of this Agreement should be held invalid by operation of law or by any court of competent jurisdiction, or if compliance with or enforcement of any provision should be restrained by any tribunal, the remainder of this Agreement shall not be affected thereby, and the parties shall enter into a meet and confer session for the sole purpose of arriving at a mutually satisfactory replacement for such provision within a thirty (30) work day period.

SECTION 23. TERMINATION CLAUSE

Under the terms of this Agreement, all full-time City department managers to which this Memorandum of Understanding applies, shall enjoy the same employment property rights afforded to City employees, who are afforded due process for termination and disciplinary actions.

Section 24. RE-OPENER

The City and SMEA agree to reopen discussions during the term of the agreement concerning Medical Benefits.

Section 25. FULL AGREEMENT

This Agreement constitutes a full and complete agreement by the parties and contains all the matters upon which the parties reached agreement.

Any matter not contained in this MOU has not been agreed upon and, if raised in negotiations, was dropped by the party raising it as part of a good faith attempt to reach agreement.

All rights, powers, functions, responsibilities, and authority of the City of Sonora except those expressly abridged, deleted, delegated, granted, or modified by this Agreement shall remain vested with the City.

This Agreement constitutes the sole, entire and existing Agreement, and supersedes all prior MOU's and undertakings, oral and written, expressed or implied, or practices between parties, including any rights or privileges established through informal understandings, customs, or long-established traditions.

Where this Agreement is silent, provisions of the adopted Personnel Rules and Regulations shall apply.

Except in cases of emergency, Association shall be given reasonable notice of any ordinance, resolution, rule or regulation - directly relating to matter within the scope of representation - proposed to be enacted by the City, and shall be given the opportunity to meet with management representatives prior to enactment.

This Agreement shall be effective July 1st, 2018, through June 30th, 2021, as witnessed hereto by the following parties:

This Agreement shall become effective upon adoption by a Representative of SMEA and the City.

SONORA MANAGEMENT EMPLOYEES' ASSOCIATION

_____

Rachelle Kellogg, President

CITY OF SONORA

_____

James M. Garaventa, Mayor

_____

Timothy A. Miller, City Administrator

ATTEST:

_____

Colette Such, City Clerk Pro Tem