EXHIBIT 7

TO RESOLUTION 2

2012 PENDENCY PLAN

TRADES AND MAINTENANCE UNIT

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

2012 PENDENCY PLAN

TRADES AND MAINTENANCE UNIT

Section 1. Recognition

Operating Engineers' Local 3, AFL-CIO, hereinafter referred to as the "Union," is the recognized employee organization for the Trades and Maintenance Unit, certified pursuant to the Employer-Employee Relations Ordinance (Stockton Municipal Code §§ 2-200, *et seq.*).

Section 2. Union Security

2.1 Dues Deduction

(a) General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

Additional authorization shall not be required for deduction of increased membership dues when such increase has been duly approved by the membership of the Union. Notification of such approval shall be forwarded to the City in the form of written notice on official Union letterhead and signed by the duly authorized Union official. Upon receipt of notification, the City shall authorize the payroll deduction of the increased amount.

If an employee is promoted to a position which is represented by another employee organization or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such

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funds, at the address specified.

In addition to the deduction of dues, the City will deduct from the paychecks of Union members who request it, premiums for group insurance and investment plans sponsored by the Union. Such deductions shall be made in one lump sum and only upon signed authorization from the employee upon a form satisfactory to the City. ~~Such authorizations may be made or changed no more frequently than twice yearly.~~

[MODIFICATION FROM 2009 SIDE LETTER RE: UNION SECURITY ARRANGEMENT.]

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the City which would have been withheld if the employee had been in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

(b) Indemnity and Refund. The Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

2.2 Agency Fee

(a) Employee Rights

(1) The City and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal, alternative right of employees to refuse to form, join and participate in employee organizations. Neither party shall exert pressure upon or

discriminate against an employee in the exercise of these alternative rights.

(2) Accordingly, membership in the Union shall not be compulsory. A unit member has the right to choose, either: to become a member of the Union; or, to pay to the Union a fee for representation services; or, to refrain from either of the above courses of action upon the grounds set forth in Section (f) below.

(b) Unit Members' Obligation to Exclusive Representative

(1) A bargaining unit member who does not fall within one (1) of the exempted categories as set forth in Section (f) below, and who has not voluntarily made application for membership in the Union within the sixtieth (60) day following the date upon which said employee has been formally hired by the City as a bargaining unit employee, must as a condition of continued employment in the City pay to the Union a representation fee, in exchange for representation services necessarily performed by the Union in conformance with its legally imposed duty of fair representation on behalf of said unit member who is not a member of the Union.

(2) In the event that a unit member does not become a member of the Union or pay such fee directly to the Union, the City shall begin automatic payroll deduction. There shall be no charge to the Union for such mandatory agency fee deductions.

(3) Prior to beginning such automatic payroll deduction, the Business Representative of the Union will certify to the City in writing that the employee whose pay is to be affected by the deduction has: 1) refused to join the Union; and 2) has refused to tender the amount of the agency fee as defined herein; and 3) has not applied for an exemption under Section (f) herein. In addition the Union must also certify that it has provided the employee with a copy of the fee verification required by Section (e) herein.

(c) Definition of Agency Fee

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(1) The agency fee collected pursuant to Section (b) above from unit members who are not members of the Union shall be an amount not to exceed the standard initiation fee, periodic dues and general assessments of the Union for the duration of this Agreement, minus any amount which is prohibited by the Constitution because such funds pay for political or ideological purposes not related to collective bargaining.

(2) Any dispute as to the amount of the representation fee shall be resolved pursuant to the provisions of Section (h) herein.

(d) Exceptions. Unit members on leave without pay and unit members who are in laid-off status shall be exempt from these provisions herein; except that the election as to membership or payment of a fee as set forth herein must be exercised within the first ten (10) work days upon return to paid status.

(e) Annual Verification of Agency Fee by the Union. Prior to January 31, of each year and before the collection of an agency fee from any unit member pursuant to these provisions herein, the Union shall submit a written certification to the fee payers verifying that the total amount of its representation fee conforms to Section (c) above, and itemizing all component parts of such fee which shall provide an adequate explanation for the basis of the fee. Each year such amount shall be verified and submitted in writing to the fee payers by the Union prior to January 31st. The Union will submit a copy of such verification to the Director of Human Resources of the City. The parties agree that such annual verification is a condition precedent to the collection by either the City or the Union of a representation fee from a unit member.

(f) Employees Exempted From Obligation to Pay Union

(1) Any unit member shall be exempt from the requirements of Section (b) above, if such employee has a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.

(2) Such exempt unit member shall, as an alternative to payment of a

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representation fee to the Union, pay an amount equivalent to such representation fee to:

a. United Way.
b. American Cancer Society.
c. Any charity jointly agreed in writing by the parties.

(3) If a unit member desires to be exempted for reasons set forth in Section (f) herein, the unit member must first request such exemption in writing from the Union setting forth briefly the rationale for the exemption. If the Union notifies the unit member in writing that the Union will not honor the request, then the matter shall be referred automatically to a panel for determination according to the procedure set forth below. The panel shall be composed of one (1) person selected by the Union, one (1) person selected by the unit member, and an arbitrator selected by the parties chosen from a list submitted by the State Conciliation Service. If either one or both parties fail to nominate a panel member, the process of hearing will continue without that party's panel member.

(4) The panel shall first receive arguments and evidence from the unit member requesting the exemption. Thereafter the Union may present any arguments or evidence. The proceedings shall be conducted in an informal manner, and the rules of evidence will not apply. The arbitrator shall act as chair and rule on all matters before the panel with the exception of the final determination of the panel. The panel shall prepare a written decision within fifteen (15) calendar days of the completion of the hearing which shall be final and binding upon the parties. Any expenses of the panel shall be borne by the parties incurring them.

(5) Upon receipt of the decision of the panel, the City shall release any funds held in escrow to the Union or to the charity. Any decision by the panel shall apply for the duration of this Memorandum of Understanding.

(6) In addition, the Union may require such exempt unit member to submit proof of payment of an amount equivalent to such representation fee to one (1) of the alternative funds or organizations listed above. If the bargaining unit member has not provided payment, the City will institute deductions pursuant to Section (b)(2), and forward such monies to a

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charity listed in Section (f)(2).

(7) Such payments shall be made on or before January 31, of each year or no more than thirty (30) days after commencing duties for any newly hired employee.

(g) Escrow Account. If any unit member either disputes the amount of the fee or disputes whether or not an exemption was appropriately denied, the City shall deposit the fee which was deducted and place such amount into a special escrow account established by the Union for such purposes.

(h) Procedure for a Unit Member Who Contests the Amount of the Fee

(1) The parties agree that in order to provide a uniform definition of the representation fee, any disputes involving the amount of such fee shall be referred to the Union's procedure for determination, provided that the parties have first complied with the other provisions of this Section.

(2) The Union shall notify the City in writing within twenty (20) days after it becomes aware that any employee disputes the amount of the fee.

(3) The Union will verify in writing to the City that all of the conditions of Section (b)(3) have been met prior to the City's initiation of the fee deductions set forth in Section (b)(2). Thereafter, the City will notify the affected employee in writing that such deductions will commence and a copy of the Union's written verification will be attached to the City's notice. Thereafter, the City will begin the deductions.

The monies held in escrow shall be released to the appropriate party upon the rendering of a final decision by the Union's internal procedure.

(i) Payment Method/Payroll Deduction

(1) A unit member may voluntarily sign and deliver to the City a written assignment authorizing deduction of the properly established representation fee as defined in Section (c) above, subject to the conditions set forth elsewhere in this agreement for payroll deductions, or the amount of the fee will be deducted automatically in accordance with

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Section (b)(2) herein.

(2) The City is under no obligation to make payroll deductions for the periods during which a unit member is either terminated from active employment, or not on the City's active payroll for any reason, including, but not limited to, layoff and voluntary leave of absence for more than thirty (30) days.

(3) Upon the rehiring of any unit member, or upon the recalling of any unit member from layoff status, the City will resume or initiate dues deductions for such unit member.

(j) Obligations of Parties

(1) City's Obligations. The City's obligation under this Article is to notify any unit member who has failed to comply with the provisions of this Section that, as a condition of continued employment with the City, such unit member must become an Union member, or pay a representation fee, or establish an exemption status and make payment pursuant to provisions of Sections (b) and (f) of this Agreement. Under no circumstances shall the City be required to dismiss or otherwise discipline any unit member for failure to fulfill their obligations to pay the fees established herein.

(2) Union's Obligations. Except as specified herein, the Union and not the City, shall be responsible for requiring unit members to fulfill obligations defined herein. It is the obligation of the Union to collect any representation fees which may be due and payable to the Union in consideration for its services as the exclusive representative of unit employees.

(k) Hold Harmless Provision. The Union shall hold the City harmless, and shall fully and promptly reimburse the City for any fees, costs, charges or penalties incurred in responding to or defending against any claims, disputes, challenges, whether formal or informal, which are actually brought, or attempted or threatened to be brought, against the City or any of its agents, or employees, in connection with the interpretation, application, administration or enforcement of any Section of this Agreement pertaining to representation fee. Such reimbursement shall

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include, but not be limited to, court costs, litigation expenses, and attorney's fees incurred by the City. The City shall have the right to be represented by its own attorney in any action in which it is a named party to the action. Disputes over the amount of reimbursement shall be automatically submitted to the arbitration provisions of this Memorandum, Section 8.3(e).

2.3 Use of City Facilities

(a) The Union shall be allowed by the City department in which it represents employees' use of space on available bulletin boards for communications having to do with official Union business, such as times and places of meetings, provided such use does not interfere with the needs of the department. The Union may submit to the City Employee Relations Officer written communications having to do with official Union business for distribution by the City to identified shop stewards. Distribution may be by e-mail.

(b) Any representative of the Union shall give notice to the department head or designated representative when contacting department employees on City facilities during the duty period of the employees, provided that solicitation for membership or other internal Union business shall be conducted during the non-duty hours of all employees concerned. Pre-arrangement for routine contact may be made with individual department heads and when made shall continue until revoked by the department head.

(c) City buildings and other facilities may be made available for use by City Employees of the Union or their representatives in accordance with such administrative procedures as may be established by the City Manager or department heads concerned.

2.4 Advance Notice

Except in cases of emergency, reasonable advance written notice shall be given to the Union if affected by any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to negotiate if requested with the designated management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described above and be given an opportunity if requested to negotiate changes to said notice with the management representatives designated by the City Manager.

2.5 Attendance at Meetings by Employees

City employees who are official representatives or unit representatives of the Union shall be given reasonable time off with pay to attend meetings with City management representatives, or be ~~present at City hearings~~ where matters within the scope of representation or grievances are being considered. Such employee representatives shall submit a request for excused absence to their respective department heads, in a manner satisfactory prior to the scheduled meeting whenever possible. **Time spent for these purposes while a representative is not scheduled to work shall not be compensated by the City and shall not be considered as hours worked.** Except by mutual agreement the number of the employees excused for such purposes shall not exceed three (3) per recognized bargaining unit.

~~Time spent for this purpose during the representative's scheduled hours of work shall count as hours worked. Time spent for this purpose which may exceed the representative's regularly scheduled hours of work shall be compensated as overtime or compensatory time.~~

2.6 Maintenance of Membership

All employees in the Trades and Maintenance unit who are members of the Union, tendering periodic dues at the execution of this agreement, and all employees who thereafter become members of the Union shall, as a condition of employment, pay dues to the Union for the duration of this Memorandum of Understanding, and each year thereafter. For a period of thirty (30) days prior to January 1, 1989, and thirty (30) days prior to any January 1, thereafter, any employee in the aforementioned unit who is a member of the Union shall have the right to withdraw from the Union discontinuing dues payments and retain employment in the City, subject to provisions of Section 2.2. Agency Fee. Said withdrawal shall be communicated by the employee in writing to the City. The

provisions of this section shall be operative only to the extent that they are permissible under California law.

2.7 Assignment of Classifications

New job classifications established by the City shall be assigned to the bargaining unit pursuant to section 2-208 of Employer-Employee Relations Ordinance (Stockton Municipal Code §§2-200, *et seq.*) after providing notice and the opportunity to consult with the Union regarding such matters.

Section 3. Compliance with Federal Laws/Safety

3.1 Non-Discrimination. The City and the Union agree that there shall be no discrimination of any kind because of **age (over 40),** race, creed, color, religion, national origin **(ancestry), veterans status, physical or mental disability, marital status, sexual orientation,** sex **(sexual, gender based, pregnancy/childbirth)**, political affiliation or legitimate union activity **or on any other basis prohibited by applicable federal and State law** against any employee or applicant for employment. **In addition, the Union shall cooperate with the City, to the extent authorized by federal and State laws and regulations, in furthering the City's objective of promoting equal employment opportunities.** ~~; and to the extent prohibited by applicable State and Federal law there shall be no discrimination because of age~~.

3.2 Fair Labor Standards Act. The Union agrees to cooperate with the City to insure its members' compliance with the provisions of the Fair Labor Standards Act.

3.3 Safety. The Union shall cooperate with the City in promoting safety objectives as defined in Federal, State and local regulations by actively supporting safety programs, promoting safe work habits of members and encouraging an ongoing, active participation by its members in safety related procedures and practices as offered and promulgated by the City of Stockton.

Section 4. Probation

4.1 Purpose

The probationary period shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to a position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

4.2 Original Entrance and Promotional Positions

All original and promotional appointments shall be tentative and subject to a probationary period of six (6) months, unless a longer probationary period is stated in the class specification. The probationary period may be extended up to an additional six (6) months in those cases where the appointing authority and the Director of Human Resources agree that such extension would be beneficial to the employee and the City.

4.3 Retention/Rejection of Probationer

At the end of the probationary period, if the service of the probationary employee has been satisfactory to the appointing authority, then the appointing authority shall file with the Director of Human Resources a statement in writing to such effect and stating that the retention of such employee in the service is desired. The City will make a good faith effort to notify a probationary employee two (2) weeks before the end of the probationary period whether or not regular status is granted; however, a failure on the part of the appointing authority to file such a statement at the end of the probationary period shall constitute a rejection of the probationer as defined in Civil Service Rules.

During the probationary period an employee may be rejected at any time by the appointing authority. Any employee rejected during the probationary period following a promotional appointment, shall be reinstated to the position from which promoted unless charges are filed and the employee is discharged in the manner provided in Section 7 of this Memorandum of Understanding and in the Civil Service Ordinance and Civil Service Rules, which are consistent therewith.

4.4 Alcohol and Drug Testing. All original and reemployed appointments must pass a drug and alcohol screening prior to being offered City employment. This shall include non-represented part-time, seasonal, provisional, and temporary appointments.

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Section 5. Layoff

5.1 Layoff

Any employee may be laid off by an appointing authority in the event of the abolition of the employee's position by the City Council, or if a shortage of work or funds requires a reduction in personnel.

5.2 Layoff Scope

(a) Layoffs shall be within departments of the City.

(b) Departments of the City are defined as follows:

(1) City Attorney
(2) City Auditor
(3) City Clerk
(4) City Manager
(5) Community Development
(6) Community Services
(7) Financial Management
(8) Fire
(9) Housing and Redevelopment
(10) Human Resources
(11) Information Technology
(12) Library
(13) Municipal Utilities
(14) Police
(15) Public Works

5.3 Notice of Layoff

The City will give advance written notice of at least one pay period to employees who will be laid off.

5.4 Precedence by Employment Status

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TRADES AND MAINTENANCE UNIT

(a) No regular employees shall be laid off while employees working in an extra help, seasonal, temporary, provisional, or probationary status are retained in the same classification as such regular employee. The order of layoff among employees not having regular status shall be according to the following categories:

(1) Limited term (i.e., part-time, provisional, and temporary)
(2) Probationary

Layoffs shall be by job classification according to reverse order of seniority as determined by total service in the City, except as specified above. For the purpose of this procedure part-time classes shall be considered as separate from regular full-time classes.

The following provisions shall apply in computing total continuous service:

(1) Time worked in a regular or probationary status shall count as service.
(2) Time spent on military leave shall count as service in the event the leave was taken subsequent to entry.
(3) Time worked in a ~~l~~ limited term status (i.e., part-time, provisional, and temporary) shall not count as service.

If two (2) or more employees have the same seniority, the **order of seniority shall be determined by their respective ranking on the eligibility list for hire.** ~~the most recent performance evaluation shall determine seniority.~~

If two (2) or more employees have the same seniority~~,~~ **but were not hired from a ranked eligibility list, the order of seniority shall be determined by lot.** ~~and the same rating score from their performance evaluations, the date and time of initial application into civil service shall determine seniority.~~

If two (2) or more employees have the same seniority, but were hired from separate ranked eligibility lists, the order of seniority shall be determined by lot.

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(b) Any employee in the Trades and Maintenance Unit who is laid off may complete a City employment application for any position currently staffed by a part time, provisional, or temporary employee. The Human Resources Department will evaluate the employment application. If the laid off employee meets the minimum qualifications of that position, he/she shall have the option of displacing the part time, provisional, or temporary employee.

5.5 Employee Options

Employees laid off shall have any of the following choices:

(a) Displacing the employee in the same department and in the same or clearly comparable classification as determined by the Director of Human Resources as having the least (total service) seniority. This option shall be exercised before any other option.

(b) Taking a voluntary demotion within the department to a classification in which the employee had prior regular status, thus displacing the employee working in the classification who has the least (total service) seniority.

5.6 Health and Welfare Benefits during Layoff

Regular employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

Section 6. Reemployment

(a) The name of each employee who is laid off in accordance with Section 5. shall be placed at the head of the eligibility list for the class of positions which that employee held, and shall be given preference in filling vacancies in that class.

(b) An employee laid off in accordance with this Section shall be placed on

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the eligibility list or lists for any lower or comparable class or classes in the same department, provided that the appointing authority and the department head in charge of this lower or comparable class determine that the employee is competent to perform the duties thereof in strict accordance with the class specifications. This right of a laid off employee shall remain effective for two (2) years from the date of latest separation from the service. The employee shall not be placed on said eligibility list or lists without first submitting a written request. Employee's place on said list or lists shall be at the head of the eligibility list for the class of positions for which qualified as hereinabove set forth and shall be given preference in filling vacancies except for those persons placed on said list or lists of reemployment in the same positions previously held. **An employee who waives reemployment shall have his/her name removed from this reemployment list unless mutually agreed to by the Department and employee.** Upon certification for appointment to a new position never having been held by this employee, the probationary period must be completed as required in this Memorandum of Understanding.

Section 7. Discipline

Disciplinary action, including discharge, suspension, reduction in pay or demotion, may be taken against any employee for cause.

7.1 Predisciplinary Rights

An employee facing potential disciplinary action will be entitled to the following predisciplinary rights:

(a) Notice of proposed discipline.

(b) Date(s) proposed discipline will be effective.

(c) Reasons for the proposed discipline, the specific grounds and particular facts upon which the action is taken.

(d) Ten (10) calendar days in which an employee or the representative may respond either orally or in writing to the department head.

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(e) The employee must be provided with any written materials, reports and documents upon which the action is based.

7.2 Administrative Leave

The City may place an employee on administrative leave pending the completion of the predisciplinary process.

7.3 Provisions

The appointing authority may discharge, suspend or demote any employee in the classified service provided the Stockton Municipal Code provisions and the rules and regulations of the Civil Service Commission and any applicable provisions of law are followed. Such provisions allow the employee suspended, demoted or discharged to appeal such action. The employee may take only one (1) of the following actions:

(a) File no appeal.

(b) File an appeal with the Civil Service Commission within ten (10) calendar days of written notification of the action. (Such filing will foreclose use of the grievance procedure.)

(c) File a grievance as provided for in Section 8 within ten (10) calendar days of written notification of the action.

If the employee fails to do (b) or (c) above within the prescribed time frames, these rights will have been waived.

Section 8. Grievance Procedures

8.1 Definition

A grievance is any dispute which involves the interpretation or application of those rules, regulations and resolutions which have been, or may hereafter be, adopted by the City Council to govern personnel practices and working conditions, including such rules, regulations and resolutions as may be adopted by

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either the City Council or the Civil Service Commission to affect Memoranda of Understanding which result from the meeting and conferring process.

8.2 Filing Deadline

(a) No grievance involving demotion, suspension, discharge or other employment penalty will be entertained unless it is filed in writing with the Director of Human Resources within ten (10) calendar days of the time at which the affected employee received written notification of such action. All other grievances must be filed within thirty (30) calendar days from the time the employee knew or had reason to know of the facts giving rise to the grievance.

(b) With written consent of the City Manager or his/her designee and the Union Business Agent or his/her designee, time limits may be extended and/or Steps 1, 2 and/or 3 of the Grievance Procedure waived.

8.3 Grievance Processing

(a) Step 1 - Departmental Review. Any employee claiming to have a grievance may discuss the complaint with such management official in the department where employed as the department head may designate. If the issue is not resolved within the department within twenty (20) days from the day of presentation or if the employee elects to submit the grievance directly to the Union recognized as the representative of that employee's classification, or if the employee/Union official notifies the Director of Human Resources, in writing, that a grievance exists, the procedure hereinafter specified may be invoked.

(b) Step 2 - Director of Human Resources Review. If the employee is not satisfied with the response at level one, then the employee may appeal the grievance to the Director of Human Resources within twenty (20) calendar days of the receipt of written response at level one. Such appeal must state with particularity: 1) the specific policy, rule or provision which is alleged to have been violated; 2) the statement of facts comprising the violation; and 3) the requested remedy. The Union may file and process grievance(s) on behalf of the specifically named employee. The Director of Human Resources shall have twenty (20) calendar days in which to investigate the issues, meet with the complainant and attempt to reach a satisfactory resolution of the problem. No grievance may be processed under the following two (2) paragraphs which has

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not first been filed and investigated in accordance with this paragraph, except for the resolution of compensation complaints.

~~(c) Step 3 - Adjustment Board. If the parties are unable to reach a mutually satisfactory accord on any grievance which arises and is present during the terms of this Memorandum of Understanding, within twenty (20) calendar days of the receipt of the level three response, such grievance shall be submitted to an Adjustment Board comprised of two (2) Union representatives, no more than one (1) of whom shall be either an employee of the City or an elected or appointed official of the Union and two (2) representatives of the City, no more than one (1) of whom shall be either an employee of the City or a member of the staff of any organization employed to represent the City in the meeting and conferring process.~~

(c) ~~(d)~~ Step 3 4 - Arbitration. If **the parties are unable to reach a mutually satisfactory accord on the grievance at Step 2** ~~an Adjustment Board is unable to arrive at a majority decision~~, within twenty (20) calendar days either the Union or the City may require that the grievance be referred to an impartial arbitrator mutually selected by the parties, or if the parties are unable to mutually agree, from a list of seven (7) arbitrators provided by the State Conciliation Service. The arbitrator shall be chosen by the alternative strike method, with first choice being determined by lot. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Union and City. Each party, however, shall bear the cost of its own presentation, including preparation and post hearing briefs, if any.

(d) ~~(e)~~ Effect of Decision. Decisions of ~~Adjustment Boards and~~ arbitrators on matters properly before them shall be final and binding on the parties hereto except as provided otherwise herein.

8.4 Scope of Arbitration

(a) No ~~Adjustment Board and no~~ arbitrator shall entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union and unless such dispute falls within the definition of a grievance as set forth in paragraph 8.1.

(b) Proposals to add to or change this Memorandum of Understanding or

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written agreements or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may be referred to arbitration under this Section. No ~~Board of Adjustment or~~ arbitrator selected pursuant to this Section shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

(c) No changes in this Memorandum of Understanding or interpretations thereof (except interpretations resulting from ~~Board of Adjustment or~~ arbitration proceedings hereunder) will be recognized unless agreed to by the Director of Human Resources and the Union.

8.5 Other Provisions

If the Director of Human Resources or City Manager, in pursuance of the procedures outlined above, resolves a grievance which involved suspension or discharge, they may agree to payment for lost time or to reinstatement with or without payment for lost time, but in the event the dispute is referred to arbitration and the arbitrator finds that the City had cause to take the action complained of, the arbitrator may not substitute his judgment for the judgment of management and if the findings are that the City had such right, the arbitrator may not order reinstatement and may not assess any penalty upon the City.

Complaints which allege the employee is not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances and processed pursuant to Section 8.3. Any other matters of compensation are to be resolved in the meeting and conferring process and if not detailed in the Memorandum of Understanding which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next open for such decision. No adjustment shall be retroactive for more than thirty (30) days from the date upon which the complaint was filed.

Specified time limits may be modified only in writing. All appeals and responses must be provided in writing.

A grievant will be provided release time without loss of pay for all required meetings with management. The City cannot discriminate or retaliate in any manner against an employee for filing a grievance or exercising rights under this Section.

The provisions of this Section shall not abridge any rights to which an employee may be entitled under the Stockton Municipal Code and/or Civil Service Rules and Regulations, nor shall it be administered in a manner which would abrogate any power which, under the Stockton Municipal Code, may be within the sole province and discretion of the Civil Service Commission.

All grievances of employees in representation units represented by the Union shall be processed under this Section. If the Stockton Municipal Code and/or Civil Service Rules and Regulations requires that a differing option be available to the employee, no action under paragraph **(c)** ~~(d) or (e)~~ of Subsection 8.3 above shall be taken unless it is determined that the employee is not utilizing such option.

No action under paragraph (c) ~~or (d)~~ of Subsection 8.3 above shall be taken if action on the complaint or grievance has been taken by the Civil Service Commission or if the complaint or grievance is pending before the Civil Service Commission.

If any award by a ~~Board of Adjustment~~ or arbitrator requires action by the City Council or the Civil Service Commission before it can be placed in effect, the City Manager and the Director of Human Resources will recommend to the City Council or the Civil Service Commission, as appropriate, that it follow such award.

Section 9. Leaves

9.1 Vacation Leaves

(a) Vacation Allowance. All regular employees, excluding provisional and temporary shall accrue vacation leave with pay in accordance with the following schedule:

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

2012 PENDENCY PLAN

TRADES AND MAINTENANCE UNIT

(1) Less than one and one-half (1-1/2) years continuous employment ..... 80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment ..... **108** ~~120~~ hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment ..... **144** ~~160~~ hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment ..... **189** ~~200~~ hours/year.

(5) Thereafter, **seven (7)** ~~eight (8)~~ additional hours for each completed year of service in excess of twenty-five (25) years.

(6) Employees shall accrue vacation on a twice-monthly payroll basis

(b) Maximum Vacation Accrual. Employees reaching the maximum hours shall stop accruing additional hours until they are below the caps listed here. No vacation hours may be added to sick leave balances without exception. Effective July 1, 2012, the following maximum vacation accruals shall take effect. For employees who on July 1, 2012 have vacation balances that exceed their maximum shall have until June 30, 2013 to use sufficient vacation to get under the maximum allowed. If an employee does not get below the maximum by June 30, 2013, they shall retain their existing earned vacation, but shall not earn any additional vacation until they are under the maximum vacation accrual allowed.

Maximum Vacation Accrual Caps

40 Hour Employee

Under 1.5 years	**120 hours (15 days for 8 hour shift)**
1.5 – 7.5 years	**240 hours (30 days for 8 hour shift)**
7.5 – 15 years	**280 hours (35 days for 8 hour shift)**
15 – 25 years	**320 hours (40 days for 8 hour shift)**

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26 years	**328 hours (41 days for 8 hour shift)**
27 years	**336 hours (42 days for 8 hour shift)**
28 years	**344 hours (43 days for 8 hour shift)**
29 years	**352 hours (44 days for 8 hour shift)**

For every year of service beyond 29, the employee is allowed to add an additional seven (7) hours to the maximum accrual cap.

(c) ~~(b)~~ Vacation Scheduling. Vacation leaves shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business. Vacation requests are accepted on a day for day basis.

~~(c) Vacation Carryover Maximum. Employees shall be granted a maximum carryover of up to one-hundred and twenty (120) hours vacation more than the employee's regular vacation accrual for the preceding calendar year.~~

~~(d) Vacation Carryover in Excess of Maximum.~~

~~(1) Whenever an employee's accumulation of vacation hours exceed the maximum vacation carryover provision, the excess number of vacation hours shall automatically be credited to the employee's sick leave balance at the end of the calendar year.~~

~~(2) Employees may carryover unlimited vacation hours in excess of the maximum allowance when such vacation accrues while remaining in a pay status during a period of illness or injury which precluded liquidating vacation credits in excess of the maximum allowed.~~

(d) ~~(e)~~ Holiday during Vacation. If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(e) ~~(f)~~ Vacation Allowance for Separated Employees. **When an employee is separated from the service between February 17, 2012 and July 1, 2014, the employee's remaining vacation allowance, if any, shall be paid as follows:**

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

(1) **Upon separation, employees shall receive one third (1/3) or $10,000, whichever is greater, of the total of his/her unused accumulated vacation hours.**

(2) **On the one year anniversary of employee's separation, he/she shall receive the second payment of one third (1/3) or $10,000, whichever is greater, of the balance of his/her unused accumulated vacation hours.**

(3) **On the second anniversary of separation, he/she shall receive the balance payment of the unused accumulated vacation hours.**

(4) **Employees who are involuntarily separated shall have their unused accumulated vacation hours, if any, added to his/her final compensation.**

~~(1) When an employee is separated from the service, remaining vacation allowance, if any, shall be added to final compensation.~~

(5) ~~(2)~~ An employee who has resigned in good standing and is subsequently reinstated within two (2) years from the date of resignation shall have prior service counted in determining eligibility for vacation benefits, deducting therefrom the amount of time between the date of resignation and the date of reinstatement which shall not be counted in determining eligibility.

(g) Vacation Sell-Back Maximum.

~~(1)~~ An employee may elect to receive cash payment for up to a maximum of forty (40) hours of his/her accumulated vacation balance **annually except that all cash outs shall be suspended during furlough or fiscal emergency periods.** ~~upon commencement of a scheduled vacation. This option may be exercised pursuant to the above description up to a maximum of forty (40) hours cash payment per fiscal year.~~

~~(2) An employee may elect to receive cash payment for two (2) days~~

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

~~(16 hours) of his/her accumulated vacation balance for each one (1) day of scheduled vacation. This option may not exceed forty (40) hours of cash payment per fiscal year.~~

9.2 Sick Leave

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of **eight (8)** ~~ten (10)~~ hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence without pay granted to the employee.

(b) Usage. Employees are entitled to sick leave pay for those days which the employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery therefrom.

(c) Family Sick Leave. Employees may utilize up to one-half of their annual sick leave accrual in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care that otherwise would not be covered by the Family Medical Leave Act **(FMLA)** or the California Family Rights Act **(CFRA)** leaves.

Such leave shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent, ~~grandparent-in-law, and~~ grandchild, **legal dependant and registered domestic partner.**

In special cases, with the approval of the Director of Human Resources, a

department head may grant the use of sick leave in other circumstances.

It is not the intent of this provision to conflict with any state or federally mandated policies, such as the Family Medical Leave Act **(FMLA)**, the California Family Rights Act **(CFRA)**, or the Pregnancy Disability Leave **(PDL).**

(d) Reporting Procedures for Sick Leave. When the requirement for sick leave is known to the employee in advance of the absence, (for example, included but not limited to scheduled medical, dental or vision appointments), the employee shall request authorization for such sick leave from the department head prior to such absence.

If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for the following informal and formal disciplinary action:

(1) For the first time in a six (6) month period, a Memorandum of Discussion (informal).

(2) For the second time within a six (6) month period, a Letter of Reprimand (formal).

(3) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employee may be discharged (formal).

The six (6) month period will be defined as six (6) months from the most recent incident. If no other incident occurs within six (6) months of the most recent incident, the ~~formal~~ disciplinary data ~~action (i.e., letter of reprimand, suspension)~~ shall be removed from the employee's official personnel file ~~maintained in the Human Resources Department, upon the written request of the employee to and concurrence by the department head and the Director of Human Resources~~.

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a signed statement to the department head, on a prescribed form, stating the dates and hours of absence, the exact reason, and such other information as is necessary for the request to be evaluated. If an employee doesn't return to work prior to the preparation of the payroll, other arrangements may be made with the department head.

(2) Doctor's Certificate or Other Proof. ~~If an employee's illness results in an absence from work for more than three (3) consecutive days, a doctor's certificate or other reasonable proof of illness may be required.~~

The Director of Human Resources ~~may make such sick leave usage reviews and may require such additional documentation including a physician's statement~~ **may require a doctor's certificate or other reasonable proof of illness** as he/**she** deems necessary ~~before approving the sick leave benefit.~~ **in order for an employee to receive an excused absence from work and sick leave pay. The employee shall be given notice prior to returning to work that he or she will be required to provide such documentation. Employees who have unscheduled absences due to illness on a scheduled work day preceding or following a holiday may be required to bring a doctor's certificate or other reasonable proof of illness in order to receive an excused absence and sick leave pay.**

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. The employee has the right to Union representation at such meeting. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Human Resources pursuant to (e)(2)

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above;

(b) Suspend the employee without pay for up to five (5) days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave While on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or

(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

(g) Payment for Unused Sick Leave. Effective July 2010, unused sick leave shall have no cash value. If eligible, employees may use unused sick leave for CalPERS service credit.

(h) Effective February 17 2012, all sick leave shall have no cash value upon separation of employment and employees shall not be allowed to cash out unused sick leave. Current employees shall be eligible for CalPERS service credit for unused sick leave at retirement. Employees hired after the City amends its CalPERS contract to eliminate service credit for unused sick leave shall not be eligible for that service credit.

9.3 Other Leaves with Pay

(a) Bereavement Leave. In the event of a death in the immediate family of an employee, the employee shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his accumulated sick leave credits

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or vacation eligibility. The department head may grant an additional two (2) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent, grandparent-in-law, grandchild, and registered domestic partner.

In the event of the death of a person not immediately related to an employee as defined above, the employee's department head may grant up to three (3) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

(b) Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized absence from duty for appearance in Court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said absence from duty including necessary travel time, will be **for actual hours served** ~~with full pay for each day the employee serves~~ on jury duty or testifies as a witness in a criminal case, other than as a defendant. As a condition of receiving such pay, the employee must remit to the City, through the employee's department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

~~Jury duty or witness duty appearances shall be considered in terms of "whole days" (8 hours) or "half days" (4 hours) of service.~~ If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his usual morning schedule. If an employee is required to appear for a morning court session and is sent home before noon and not required to return in the afternoon, the employee will be expected to work his usual afternoon schedule.

Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be

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remitted to the City through the employee's department head.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is a party, together with travel time necessarily involved, shall not be considered absent from duty within the meaning of the Section.

(c) Military Leave. An employee of the City who is a member of the National Guard or Naval Militia or a member of the Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence without pay for duration of a national emergency who have been inducted into the Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the position they held when they were inducted into Military Service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.

In the case of a probationary employee having served a minimum probationary period of six (6) months at the time of induction, it shall be optional with the department head and the City Manager to grant regular status to said employee before induction.

All probationary employees inducted into Military Service not having served the minimum probationary period of six (6) months, or having served the minimum probationary period of six (6) months, but not having received regular status shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.

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Two (2) or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

9.4 Workers' Compensation Leave

Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law.

~~(b) Payment. Workers' Compensation Leave will be paid in accordance with the following schedule:~~

~~Employees who have worked for the City more than twelve (12) months but less than twenty-four (24) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of two (2) months.~~

~~Employees who have worked for the City for twenty-four (24) or more continuous months but less than sixty (60) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of three (3) months.~~

~~Employees who have worked for the City for sixty (60) or more continuous months and who are unable to work shall receive their full salary for the term of their disability but not to exceed a period of twelve (12) months.~~

~~Workers' Compensation Leave shall commence from the first day's absence.~~

(b) ~~(c)~~ Forms and Procedures. **Workers' compensation processing shall be consistent with City procedures and in accordance with state workers' compensation regulations.** ~~Salary continuation approval will follow the same procedures as for sick leave approval. Salary continuation payments will be contingent on the City's acceptance of the injury as compensable under Workers' Compensation Law.~~ **An employee who sustains a work-related injury or illness shall immediately inform his/her supervisor no matter how minor an**

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on-the-job injury may appear. An employee who sustains a work-related injury or illness is required to seek medical care at facilities designated by the City unless they have filed a pre-designation of personal physician prior to sustaining the work-related injury or illness. For a list of City designated medical care facilities and/or physicians, please contact Human Resources.

9.5 Leave of Absence Without Pay

(a) Entitlement. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that the granting of such leave is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. The granting of a leave of absence provides the employee the right to return to the position vacated.

(b) Approval. All leaves of absence without pay must be recommended by the department head and approved by the Director of Human Resources. No such leave may extend beyond twelve (12) months, except in the case of absence due to job incurred disability where a determination may be made based upon the needs of public service, or in the event an application for service connected disability retirement has been filed.

(c) Leaves of absence without pay for illness may only be approved following the expiration of entitlement of sick leave and vacation.

9.6 Absence Without Official Leave (AWOL)

(a) Failure to Report to Duty or Failure to Return after Leave. Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked, or canceled, or at the expiration of a leave, shall be considered an absence without official leave and shall be subject to discipline.

(b) Voluntary Resignation. Any employee in this bargaining unit absent without official leave for two (2) or more consecutive days without a satisfactory explanation shall be deemed to have voluntarily resigned from the City of Stockton. An employee must provide a written statement to the Human Resources Department regarding a "satisfactory explanation", within ten (10)

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calendar days after the City mails a notice of voluntary resignation to the employee's last known address.

Section 10. Days and Hours of Work

10.1 Workweek

The normal workweek in this unit consists of five (5) consecutive eight (8) hour days or a total of forty (40) hours, generally Monday through Friday in a seven (7) day work period. Where operational requirements of a department require deviations from this schedule, the department head with the Director of Human Resources' approval may institute alternate work schedules as long as the City meets with the Union over the impact of such schedules and conforms to work period requirements of the Fair Labor Standards Act.

10.2 Meal Periods and Rest Periods

(a) Employees shall receive a one (1) hour or one-half (1/2) hour meal period, without pay, each day and a fifteen (15) minute paid rest period during the first half of the work day and a second fifteen (15) minute paid rest period during the second half of the work day. Employees who exceed the time limits prescribed above for lunch and/or rest periods shall have their pay reduced accordingly.

(b) Where operational requirements of a department require deviations from this schedule, meal periods of other durations and alternate rest periods may be instituted with the approval of the department head or designee.

10.3 Reporting to Work

Repeated failure to report to work on time may result in appropriate informal and/or formal discipline as set forth below:

(a) For the first time in a six (6) month period, a Memorandum of Discussion (informal).

(b) For the second time within a six (6) month period, a Letter of Reprimand (formal).

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

(c) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employees may be discharged (formal).

If an employee reports to the work site after the designated starting time, the employee will be paid only for time actually worked; however, the employee may be allowed to utilize annual leave for lost pay, provided the employee's supervisor approves.

The six (6) month period will be defined as six (6) months from the most recent incident. If no other incident occurs within six (6) months of the most recent incident, the formal disciplinary action (i.e., letter of reprimand, suspension) shall be removed from the employee's official personnel file maintained in the Human Resources Department, upon the written request of the employee to and concurrence by the department head and the Director of Human Resources.

10.4 Work Furloughs

~~(a) 96 Furlough Hours in Fiscal Year 2010-2011. Each bargaining unit employee shall take ninety six (96) furlough hours (leave from work without pay).~~

~~(b) 96 Furlough Hours in Fiscal Year 2011-2012. Each bargaining unit employee shall take ninety six (96) furlough hours (leave from work without pay).~~

(a) 96 Furlough Hours in Fiscal Years 2012-2013 and 2013-2014 . Each bargaining unit employee shall take ninety six (96) furlough hours (leave from work without pay).

(b) ~~(c)~~ Equalized Payroll Deductions. Payroll deductions for the ninety six (96) furlough hours described in section 10.4, paragraph (a) above and section 10.4 (b), shall be equalized so that each bargaining unit employee (4.62%) at the employee's regular hourly rate of pay deducted from each of the twenty-four (24) pay warrants ~~shall have four (4.68) hours at the employee's regular hourly rate of pay deducted from each of the twenty four (24) pay warrants~~ of each fiscal year.

(c) Standard Furlough Days. Except as provided in section 10.4(e), below, each bargaining unit employee shall take the furlough days in accordance with

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the city-wide calendar (City of Stockton City Office Business Hours) for both fiscal years.

(d) Exception to Standard Furlough Days for Some Employees. Bargaining unit employees shall adhere to the standard work furlough days shown on the city-wide calendar, except where it is impracticable for certain City departments or operations, as determined by the department head. In these rare cases, employees must schedule the appropriate number of furlough hours to be used no later than June 30 of each corresponding fiscal year.

(e) If a furlough is scheduled before or after a City holiday, the employee will, nevertheless, be eligible for holiday pay.

(f) No Adverse Affect on CalPERS. The City represents and warrants based on information provided by the California Public Employees Retirement System (CalPERS) that the furlough deductions described in this section 10.4 shall not reduce or otherwise adversely affect the employee's Final Compensation for retirement purposes under CalPERS. The City shall continue to report the employee's full-time pay rate as noted in the agreed upon salary schedule(s). This bargaining unit has relied on the accuracy of this representation by the City with the City's knowledge and consent. As an express condition of this section, should any Trades and Maintenance represented employee suffer a reduction or adverse effect in his or her final compensation for retirement purposes through CalPERS solely as a result of the furlough deductions, the City, upon notification, shall thoroughly review and communicate the adverse effect to CalPERS, on behalf of the employee, to ensure the employee is made whole.

(g) Furlough Deductions Non-Taxable to the Employee. The City represents and warrants that the furlough deductions described in this section, 10.4 shall not be subject to income tax, payroll tax, or otherwise taxable to the employee. This bargaining unit has relied on this representation by the City with the City's knowledge and consent. As an express condition of this section, should any represented employee of this bargaining unit be taxed on any furlough deduction amount, the City, upon notification, shall thoroughly review and make the appropriate correction.

(h) Use of Accrued Leaves in Coordination with Furloughs. Bargaining unit employees shall be permitted to use accrued vacation leave, sick leave, and

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compensatory time off (CTO) on non-furlough days consecutive to furlough days, on a coordinated basis, unless approval of such leave creates an undue hardship to the City.

(i) Fringe Benefits Not Accepted. Notwithstanding the occurrence of furloughs bargaining unit members shall continue to receive the full amount and application of all fringe benefits including, without limitation and by way of illustration, City contribution to health and welfare benefits, accrued vacation leave, and accrued sick leave.

(j) Separation from City Service before June 30, 2013 ~~2~~. Any employee who separates from City service before the final 4.68 hour furlough deduction on July 7, 2013 ~~2~~ for the pay period ending June 30, 2013 ~~2~~, and after having used furlough hours, shall have his or her final compensation reduced by the sum of the number of furlough hours the employee has actually used minus the number of furlough hours actually deducted from the employee's pay warrants multiplied by the employee's regular hourly rate of pay. Conversely, any employee who separates from City service before June 30, 2013 ~~2~~, having suffered furlough deductions in excess of the actual number of furlough hours the employee has used, shall have his or her final compensation credited by like amount.

Section 11. Overtime

11.1 Overtime Authorization

All compensable overtime must be authorized by the department head or his designated representative in advance of being worked. If prior authorization is not feasible because of emergency conditions, a confirming authorization must be made on the next regular working day following the date on which the overtime was worked.

11.2 Definition

The following provisions pertaining to authorized **statutorily required** overtime work shall apply to ~~those~~ **non FLSA exempt** employees whose regular work week is **eight (8) hours per day and** forty (40) hours per week**, or (10) hours per day and forty (40) hours per week:**

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(a) **Statutory overtime shall be paid on actual time worked in excess of forty (40) hours in any workweek. Such overtime shall be paid for at time and one-half (1-1/2) including employees employed on a per hour or per day basis or except as provided elsewhere herein. Furlough hours shall be considered as actual time. Sick leave, vacation, holiday, or other time taken as compensated time off shall not be considered as actual time worked.**

~~(a) Overtime shall be paid at the rate of time and one-half (1-1/2) for all hours in excess of forty (40) hours in a seven (7) day work period for all which an employee is in a paid status because of work performed and/or the use of paid leave.~~

b) On a holiday observed by the City an employee shall be paid for a regular day plus time and one-half (1-1/2) for actual time worked not to exceed eight (8) hours including employees employed on a per hour or per day basis, or except as provided elsewhere herein.

~~(c) Any time worked in excess of eight (8) hours on a holiday observed by the City shall be paid for at double time and one-half (2-1/2) except for employees employed on a per hour or per day basis, except as provided elsewhere herein.~~

(c) ~~(d)~~ The City may require mandatory overtime when operational needs if the City dictate the need to work such overtime. Work in excess of forty (40) hours in any workweek will be paid at time and one-half pay or CTO in accordance with Section 11.4 (b).

11.3 Standby Duty

When warranted and in the interest of the City operation, department heads may assign employees to "standby" status.

(a) Application of "standby" shall be as follows:

(1) Each employee so assigned to "standby" shall be provided with a communication device while on standby and shall be able to report to the work site within forty-five (45) minutes. Employees

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assigned to standby shall be required to carry the communication device.

(2) Employees on standby shall have the option to trade **hours** ~~days and/or weeks~~ of standby status with another qualified employee in the same unit or division with departmental approval.

(3) Standby shall be assigned in a minimum of eight (8) hours blocks, i.e., Monday - Friday work week standby can be 8, 16, 24 hour blocks. The block of standby will be to one (1) person per 24 hour period.

Standby for weekends i.e., Saturday, Sunday or extended holiday weekends (Friday – Sunday, or Saturday - Monday) will be assigned 8 - 48 hour blocks to one (1) person per weekend (up to 72 hours for holiday weekend).

(b) Compensation of "standby" shall be as follows:

(1) Employees assigned to standby duty shall be paid **$3.00 per hour** ~~two (2) hours for every eight (8) hours of standby~~ **while assigned to be on standby. An employee shall earn** ~~and~~ time and one-half (1-1/2) for all actual time worked while on standby duty status **only if eligible for overtime as defined in Section 11.2 above. An employee shall not continue to receive the "standby" premium during actual time worked, or for any hours paid as overtime or call back. Standby is not considered as time in "paid status because of work performed" for purposes of calculating overtime.**

~~(2) Employees assigned to standby duty status on holidays observed by the City shall be paid two (2) hours for every eight (8) hours of standby at time and one-half (1-1/2) for all actual time worked while on standby duty status, and double time and one-half (2-1/2) for all actual time worked in excess of eight (8) hours while on standby duty status.~~

11.4 Call Back

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

When an employee is called back to work from off duty status, the employee shall be compensated for a minimum of two (2) hours and forty-five (45) minutes pay at time and one-half (1-1/2) or actual time worked at time and one-half (1-1/2) **if eligible for overtime as defined in Section 11.2, above**, whichever is greater.

To be eligible for call-back pay, both of the following conditions must be met:

(a) The call-back must occur outside of the employee's regular work hours; including overtime.

(b) The call-back time worked must not be contiguous to the employee's regular work hours; including overtime.

(c) An employee is ineligible to receive a premium for both standby and call back. For example, employees shall not receive standby pay for hours in which they are paid overtime or call back pay.

11.5 Compensatory Time

(a) Definition. As used in this Section, the term Compensatory Time refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule.

(b) Accrual. For hours in excess of forty (40) hours in a seven (7) day work period, for which the employee is in a paid status, Compensatory Time may be earned at the rate of time and one-half (1-1/2). No more than eighty (80) hours (forty (40) hours worked at time and one-half [1-1/2]) may be carried on the books at any time.

(c) Use. Use of Compensatory Time shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of City business. Approval of requests for use of Compensatory Time shall be submitted in writing and in advance of use on a day-for-day basis and shall be at the sole discretion of the department head, but once approved, cannot be changed unless an emergency situation arises.

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(d) Payment. Once eighty (80) hours of Compensatory Time is accrued on the books, all other hours worked in excess of forty (40) hours in a seven (7) day work period will automatically be paid.

Any Compensatory Time balance remaining at the end of a fiscal year will automatically be paid.

11.6 Meal Allowance

The City shall provide a meal allowance of TEN DOLLARS AND NO CENTS ($10.00) for an employee who is held over and works a minimum of four (4) hours. Employees called back to work or called back from a day off with less than two (2) hours notice shall qualify for the TEN DOLLARS AND NO CENTS ($10.00) meal allowance when they work a minimum of four (4) hours. Extension of the work schedule or call-back must be properly authorized by the employee's supervisor or other designated personnel.

Section 12. Holidays

12.1 Qualifying for Holiday Pay

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

12.2 Holidays Observed by the City

(1) January 1 ..... New Years' Day
(2) Third Monday in January ..... Martin Luther King Jr.'s Birthday
(3) Second Monday in February ..... Lincoln's Birthday
(4) Third Monday in February ..... Washington's Birthday
(5) March 31 ..... Cesar Chavez Birthday
(6) Last Monday in May ..... Memorial Day
(7) July 4 ..... Independence Day
(8) First Monday in September ..... Labor Day
(9) Second Monday in October ..... Columbus Day

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(10) November 11 ..... Veteran's Day
(11) Fourth Thursday in November ..... Thanksgiving
(12) The day following the day known as Thanksgiving
(13) December 25 ..... Christmas Day
~~(14) Employee's Birthday~~

~~In addition, a day appointed by the President or Governor as a public holiday shall be observed by the City.~~

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.

~~Birthday Holiday Leave. If an employee's birthday falls on Saturday, Sunday or another recognized holiday; or if work requirements do not permit the employee to observe that day off, the department head may authorize a work day within fifteen (15) calendar days prior to or after the employee's actual birth date. An employee will not be credited with a birthday holiday, if he/she terminates prior to the actual birth date.~~

12.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the department head except in emergency situations where said approval cannot be obtained beforehand.

Section 13. Compensation and Allowance Other Than Base Salary

13.1 Retirement Contribution Supplement

(a) The City will pay seven percent (7%) of the employee's current base salary (employee's contribution) and other compensation as qualified by

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State law towards the Public Employees' Retirement System (CalPERS). Such amounts will be applied to the employee's individual account in accordance with California Government Code section 20615. Effective August 1, 2011, employees shall pay 7% of the employee's current base salary and other compensation as qualified by state law towards the employer contribution to the CalPERS retirement plan on a post-tax basis in the form of a payroll deduction. The City will seek an IRS private letter ruling to determine whether or not the IRS permits the employee's contribution to the employer's share of pension cost to be treated on a pre-tax basis. If the IRS issues a private letter ruling allowing employee's contribution towards employer pension cost on a pre-tax basis, the City will change the deduction from post-tax to pre-tax as soon as administratively possible after the IRS final determination.

(b) For Employees Hired on or Before June 30, 2011

(1) The City's CalPERS retirement plan is modified to reflect two percent (2%) at age 55, effective January 1993.

(2) The City's CalPERS retirement plan is modified to reflect California Government Code section 20930.3 (Military Service Credit as Public Service) and section 20930.33 (Military Service Credit for Retired Persons) effective upon adoption by Stockton City Council and Board Administration of the CalPERS.

(3) The City will provide CalPERS California Government Code section 20692 (Employer Paid Member Contributions Converted to Payrate during the Final Compensation Period) as added CalPERS benefits. At the beginning of employee's last year of employment, the employee will pay their employees' seven percent (7%) benefit cost through an automatic payroll deduction. The City will increase the base salary for those employees by the same seven percent (7%) for the last twelve (12) months of employment. Internal Revenue Service (IRS) Code 414H(2) will be concurrently implemented with CalPERS California Government Code section 20692, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board.

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(4) The City will provide CalPERS California Government Code section 20965 (Credit for Unused Sick Leave) as added CalPERS benefits, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board. Any unused sick leave may be credited towards CALPERS service credit.

(5) The City will provide CalPERS California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added CalPERS benefits, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board.

(6) The City will provide CalPERS California Government Code section 21335 up to a five percent (5%) Annual Cost-of-Living Allowance, base year 2001) as added CalPERS benefit. The first application date is April 1, 2003.

(c) For Employees Hired on or After July 1, 2011

(1) The City will contract with CalPERS to provide a new second tier retirement program of 2% at 60 with three year average salary formula and no other additional CalPERS. benefits for all unit employees hired on or after July 1, 2011 or as soon as administratively possible consistent with CalPERS contract process. Effective July 1, 2011 all unit employees hired on or after July 1, 2011 shall pay the entire seven percent (7%) of the employee's current base salary and any other compensation as qualified by state law towards CalPERS retirement benefit through a payroll deduction.

13.2 Deferred Compensation

Effective July 1, 2010, the City's contribution to the Deferred Compensation Plan (5.5% of base pay) will be converted to base pay. Effective July 1, 2010, employees will no longer receive a deferred compensation benefit.

13.3 Uniforms

(a) The City shall provide uniforms for all employees assigned to this unit who ~~request uniforms and~~ **are** required ~~employees~~ to wear ~~the~~ uniforms during the course of work.

(b) Safety Protective Footwear Reimbursement Allowance. Employees required to wear safety protective footwear in accordance with City Manager's Administrative Directive HR-034, and approved for safety protective footwear reimbursement, the City will authorize safety protective footwear reimbursement in the amount of ONE HUNDRED SEVENTY DOLLARS ($170.00)

13.4 Tool Allowance

(a) Mechanic employees assigned to the Central Garage who are required to personally supply their own set of mechanic hand tools, as required and approved by the Fleet Manager, shall receive an annual tool replacement allowance of FOUR HUNDRED DOLLARS ($400.00).

(b) The City shall pay for the replacement of tools lost through theft from City premises provided that such loss was absolutely no fault of the employee.

(c) Any tool required by the City beyond that initially approved by Fleet Manager shall be provided by the City.

13.5 Special Driver's License Pay

Job classifications that require employees to possess and maintain a Class A and/or Class B Driver's License will receive special pay based on the flat dollar amount equal to one and one-half percent (1-1/2%) of top step of job classification ~~as of July 1, 2010. Effective January 1, 2009, the Special Driver's License pay of one and one-half percent (1-1/2%) of top step of job classification shall be rolled into base salary of job classification.~~

Special Driver's License Pay will only be implemented with the concurrent implementation of the Operating Engineers' Local No. 3 - City of Stockton, Drug/Alcohol Safety Program.

13.6 Longevity Pay

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

Effective August 1, 2011, longevity pay shall be eliminated. However, the City shall grandfather only those employees who completed twelve (12) continuous years of service with the City as of July 31, 2011, longevity pay based on the flat dollar amount equal to two and one-half percent (2.5%) of top salary step of the employee's pay range as of July 1, 2010. **As of July 1, 2012, longevity incentive pay allowance for these grandfathered employees shall be reduced to one and one-quarter percent (1.25%). As of June 30, 2013, longevity incentive pay allowance for these grandfathered employees shall be eliminated altogether.**

13.7 ~~8~~ Credit Union

The City will accommodate payroll deduction to Operating Engineers' Local No. 3 Credit Union, within the limitations of City payroll system. Any modification costs will be borne by Operating Engineers' Local No. 3.

Section 14. Insurance Plans and Retirement Benefits

14.1 Health and Welfare Benefits

(a) Choice of Health Plans. Employees in this bargaining unit shall have a choice of enrolling themselves and their eligible dependents in any of the City sponsored medical, dental and visions plans or Operating Engineer Health and Welfare Trust Fund Plan (PPO Plans A, B, C, and D, and Kaiser HMO Plans A and B). The City shall offer two or more medical plans to regular employees.

(b) Eligibility. Employees shall become eligible for Medical insurance on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees shall become eligible for Dental insurance on the first day of the month subsequent to completion of sixty (60) days continuous service with the City. **An eligible employee and eligible dependent may be enrolled in a City offered medical plan either as a subscriber in a City offered medical plan or, as the dependent spouse/registered domestic partner or another eligible City employee, but not both. If an employee is also eligible to cover their dependent child, the child will be allowed to**

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enroll as a dependent on only one employee plan (i.e., an employee and his or her dependent cannot be covered by more than one City-offered health plan).

(c) City Contribution towards the cost of insurance programs. Effective September 1, 2011:

- The City shall contribute up to $481.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.
- The City shall contribute up to $875.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage
- The City shall contribute up to $1,165.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision plan coverage.

These contributions are based on full-time employment; regular part-time employees shall receive a prorated contribution based on their percentage of full-time employment. Insurance plan premiums that exceed the City's monthly contribution shall be paid by the employee through payroll deductions. The City shall maintain its IRS 125 Plan to allow for employee contributions for medical/visions/dental to be pre-tax premium conversion.

(d) Plan Rules. Employees may insure themselves and their eligible dependents under the medical/vision and dental plans provided by the City, in accordance with the rules and regulations applicable to the selected Plan. Benefits in the Plan shall be in accordance with the Plan document.

(e) Provisional and temporary employees are not eligible for any of the above benefits.

(f) Employees that promote, demote, or transfer from a classification in the Trades and Maintenance unit to an unrepresented classification shall

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continue to have the option to retain the Operating Engineers' Local No. 3 Health and Welfare Plan.

(g) Parties agree to the implementation of the modifications to the City's Modified Plan, which is referred to in this MOU as "Modified Employee Medical Plan." Modifications to the City's Modified Plan shall be effective September 1, 2011.

14.2 Long Term Disability Insurance

The City shall provide, at no cost to the employee, long term disability insurance coverage. ~~Essentially, this is an income protection plan which provides disability income for employees including~~ **Plan benefits shall be as described in the Plan document, but shall include:**

(a) Each disability - sixty-six and two thirds percent (66 2/3%) of salary **up to the maximum salary replacement amount as specified in the City's long term disability plan.**

(b) Disability income payments shall commence ~~after the employee has utilized all sick leave benefits to which the employee is entitled or~~ after a **ninety (90)** ~~thirty (30)~~ day waiting period. **Employees may use sick leave and other leave balances to cover this waiting period, or leave without pay.** ~~whichever is longer.~~

(c) Benefit payable until age sixty-five (65).

(d) The City ~~will provide, at no expense~~ **shall continue its normal contribution for employee medical premiums** ~~to the employee, medical coverage for a period~~ **during the** ~~of~~ ninety (90) days **waiting period**. ~~For the purpose of this section, medical coverage shall commence immediately after the employee has utilized all sick leave benefits to which the employee is entitled.~~

14.3 Life Insurance

Effective July 1, 2012, ~~T~~ the City shall provide, at no cost to the employee, a term life insurance policy **with a value of $50,000.** ~~, to one and one-half (1-1/2) times the employee's annual salary~~.

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

14.**3** 4 Retirement Medical Allowance

(a) Eligibility. An eligible retiree and eligible dependent may be enrolled in a City offered medical plan either as a subscriber in a City offered medical plan or, as the dependent spouse/registered domestic partner or another eligible City employee/retiree, but not both. If an employee/retiree is also eligible to cover their dependent child, the child will be allowed to enroll as a dependent on only one employee or retiree's plan (i.e., a retiree and his or her dependent cannot be covered by more than one City-offered health plan).

~~For employees hired on or before June 30, 2011, at retirement only, an employee with fifteen (15) years of City service and who has attained the age of fifty (50) will be provided medical coverage consisting of hospitalization, medical and prescription benefits for the retiree and one (1) dependent until age sixty-five (65) which includes changes to the City's modified plan effective September 1, 2011. Employees hired on or after July 1, 2011 shall not be afforded any retiree medical program coverage by the City.~~

~~(a) Employees with 15 or more years of service, as of July 1, 2010, shall continue to be eligible for the benefit described above *without having to make any employee contribution.*~~

~~(b) Employees who have 15 or more years of service on or before June 30, 2012, and retire with CalPERS on or before June 30, 2012, shall continue to be eligible for the benefit described above *without having to make any employee contribution.*~~

(c) ~~All employees hired prior to July 1, 2010, who either do not have 15 or more years of service, as of July 1, 2010, or do not have 15 or more years of service on or before June 30, 2010, and retire with CalPERS on or before June 30, 2012, shall make a retiree health contribution of $100 for employee only, or $175 for employee plus one, toward the health rates.~~

(b) City Contribution for the Period July 1, 2012 Through June 30, 2013. Effective July 1, 2012, the City shall provide to employees retiring from the

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City the following contribution towards the costs of retiree medical insurance:

(1) Employees retiring with over 10 years of full time service with the City of Stockton as a regular employee shall receive a City contribution of $150 a month towards the cost of retiree medical insurance.

(2) Employees retiring with over 20 years of full time service with the City of Stockton as a regular employee shall receive a City contribution of $300 a month towards the cost of retiree medical insurance.

(3) Employees retiring with over 30 years of full time service with the City of Stockton as a regular employee shall receive a City contribution of $450 a month towards the cost of retiree medical insurance.

(4) Employees with less than 10 years of service for the City shall not be eligible for a city contribution towards retiree medical and may not be enrolled in the City sponsored plans.

(5) Benefits for part time employees who retire are prorated based on their full time equivalent.

(6) The City contributions shall end with the death of the retiree and no survivor benefits are provided.

(7) Retirees who are enrolled in city-sponsored plans may not enroll their eligible dependents at their own expense.

The City's obligation for retiree medical benefits is to the retiree and shall end upon the death of the retiree. Surviving spouses shall not be eligible for any city paid benefit after the death of the city retiree. Any benefits previously paid to surviving spouses has been paid in error and without the approval of the City Council.

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(c) Elimination of Retiree Medical Program Effective June 30, 2013. Effective June 30, 2013, the City shall no longer provide a contribution towards the cost of retiree medical insurance for current employees (future retirees) and current retirees. Retirees shall not be eligible to participate in the City's medical plans.

~~14.5 For Employees Hired on or after July 1, 2010 but before July 1, 2011.~~

~~(a) All employees hired on or after July 1, 2010 will be eligible to receive retiree medical benefits through the OE3 VEBA (defined contribution) plan. Employer contribution shall be an amount equal to 2% base salary. Employee contribution shall be an amount equal to 3% of base salary. Employees hired on or after July 1, 2011 shall not receive any contribution towards retiree medical benefits through the OE3 VEBA.~~

14.4 Alternative Retirement Medical Plans

The parties have negotiated that employees may choose to enroll in one or more additional health plans instead of the City Modified Plan (including but not limited to Kaiser Senior Advantage).

This language sets forth the conditions in which current employees, when they retire from the City and otherwise qualify for a retiree medical benefit from the City as stated in Sections 14.3 and 14.4 of this MOU, may also choose to enroll in City sponsored alternative plans in the same manner as when they were employees, as well as retiree only medical plans. The following conditions shall apply:

(a) If an employee is in a City sponsored alternative plan at the time of retirement, the employee shall be allowed to continue in that Plan. Employees in the union sponsored plans authorized by the City at the time of retirement shall be allowed to continue in that Plan. (Operating Engineers units).

(b) Employees not in an alternative Plan at the time of retirement shall not be allowed to enroll in any alternative plan except that; any retiree may voluntarily enroll in a City sponsored retiree only Plan.

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

A retiree may only enroll in alternative plans other than the City Modified Plan when:

(a) The retiree selecting plans other than the City's Modified Plan must agree that the City's financial contribution to a premium payment for any other Plan shall not exceed the current contribution amount the City would pay if the retiree is enrolled in the City Modified Plan, and

(b) The individual retirees will be required to sign a form that indicates their agreement with these conditions.

The City reserves the right to eliminate these additional plans and the choice of multiple plans is not a vested right. Like the City Modified Plan, the City reserves the right to make plan design changes as necessary in these Alternative Plans.

14.6 Medicare Supplemental Coverage Requirements only for Employees Hired on or Before June 31, 2011.

The City reserves the right to terminate reimbursement payments for Part A Medicare coverage, in which event the retiree will receive the City's modified medical plan which includes medical design changes effective September 1, 2011 as the primary health coverage, with the premiums for such coverage to be paid by the City. The coverage provided pursuant to this section shall apply to the retiree and his/her spouse

Under the federal Health Care Reform Plan, sponsors may modify the medical benefits provided to retirees only. The City will modify its retiree health care plan to reflect the following:

(a) Return Plan benefits for Acupuncture to 12 visits per year (instead of unlimited) and returns the payment percentage paid to 60% (instead of 80%);

(b) Return Plan benefits for Alcohol and Drug Treatment admissions to 30 days and 3 lifetime admissions (instead of unlimited);

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(c) **Return Plan benefits for Outpatient Mental Health or Nervous Disorder services to 15 visit maximum (instead of unlimited);**

(d) **Change Plan benefits for Preventative care and wellness to 80% instead of current 100%;**

(e) **Return Plan benefits on the lifetime cap on plan benefits to $2.5 million (instead of unlimited);**

(f) **Return Plan benefits on the maximum age of dependent children to be enrolled in the Plan to age 19 unmarried, and not serving in the armed forces to 23 if attending school full time and qualifies as a dependent for federal income tax purposes.(instead of age 26); and**

(g) **Change Plan benefits for Emergency room benefits.**

~~14.6 Retirement Medicare Supplemental Plan~~

~~Employees retiring on or after January 1, 1997, who are eligible for the Retirement Medical Allowance, pursuant to section 14.3 4, will, at age 65, become eligible for Medicare Supplemental Coverage under the City's Modified Employee Medical Plan which includes changes to the plan effective September 1, 2011. Coverage will be supplemental and secondary to Medicare (reduced by any amounts payable to Medicare). This lifetime benefit is provided to the employee and the employee's spouse. The employee shall be responsible for paying any associated costs for obtaining Medicare coverage Part A and Part B. Employees hired on or after July 1, 2011 shall not be eligible for any Retirement Medical Allowance pursuant to section 14.4 above and shall not become eligible for Retirement Medicare Supplemental Plan under the City's Modified Medical Plan.~~

~~14.7 Defined Contribution Plan for Retiree Medical for Unit Members Hired on or after July 1, 2010 but before July 1, 2011.~~

~~For employee hired on or after July 1, 2010 but before July 1, 2011, the City shall establish a defined contribution plan for retiree medical that operates through a Retiree Medical Trust ("Trust").~~

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

~~14.8 Retiree Medical Trust for Members Hired on or after July 1, 2010 but before July 1, 2011~~

~~(a) Establishment of Retiree Medical Trust~~

~~As soon as practical, the City shall establish a Retiree Medical Trust ("Trust") that will be governed by Trustees selected by the unit members and the City for the purpose of receiving employee and employer contributions, and for paying a monthly distribution to the City's health plan to subsidize premiums on behalf of eligible retirees.~~

~~(b) Tax Issues~~

~~The City will seek a ruling from the Internal Revenue Service so that employee and employer contributions will be deemed pre-tax. The City will also seek tax-exempt status for the Trust's earnings and the benefits paid from the Trust~~

Section 15. Salaries

15.1 Salary

There will be no increases to salary ranges during the term of this MOU.

All salaries hereby established and explained in other parts of section 15 shall no longer be fitted to the Stockton Salary Matrix as set forth in the City of Stockton Salary Schedule. Instead, all salary steps hereby established and explained in other parts of section 15 shall be assigned a fixed percentage of 5.14% between salary steps, and any salary ranges established on or after October 1, 2008, shall be assigned a fixed percentage of 5.0% between salary steps.

The salary for each job classification, as set forth in the City of Stockton Salary Schedule the standard rate of pay for full time employment, unless the schedule specifically indicates otherwise.

The salary as set forth in the City of Stockton Salary Schedule do not include reimbursement for actual and necessary expenses for traveling, subsistence and

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general expenses authorized and incurred incident to City employment.

15.2 Salary upon Appointment

Except as herein otherwise provided, the entrance salary for a new employee entering the classified service shall be the minimum salary for the class and level to which appointed. When circumstances warrant, the Director of Human Resources may approve an entrance salary which is more than the minimum salary for the class and level to which an employee is appointed. Such salary may not be more than the maximum salary for the class and level to which that employee is appointed.

15.3 Salary Equivalents

Any monthly, daily or hourly rate of pay may be converted into an equivalent rate of pay or to any other time bases when, in the judgment of the Director of Human Resources or the City Manager, such a conversion is advisable. In determining equivalent amounts on different time bases the City shall provide tables or regulations for the calculation of payment for service of less than full time, and for use in converting monthly salaries to hourly rates, as well as for calculating hourly rates. Overtime rate and premium pay shall be calculated according to the provisions of the Fair Labor Standards Act.

15.4 Salary Step Plan

(a) The first salary step shall be the minimum salary rate and shall be the normal hiring salary rate for the class. In a case where a person possesses unusual qualifications, the Director of Human Resources may authorize appointment above the first salary step after receiving the recommendation of the department head. The same provision shall apply to hourly paid and part-time employees.

The second salary step shall be paid upon the satisfactory completion of six (6) months service at the first salary step upon the written recommendation of the department head and approval from the Director of Human Resources.

Subsequent salary steps shall be paid upon the satisfactory completion of one (1) year service at the preceding salary step of the job classification and upon the

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written recommendation of the department head and approval from the Director of Human Resources.

Regardless of an employee's length of service, step advancements in any given class may be made upon recommendation of the department head with the approval of the Director of Human Resources.

Salary step increases shall be effective the first day of the pay period following appointment or revision. If the date of appointment or revision is the first day of a pay period, salary step increases shall be as of that date.

(b) If a department head recommends withholding salary step increases because an employee has not achieved the level of performance required, notice must be received by the Human Resources Department at least four (4) weeks in advance of the employee's eligibility date. The affected employee shall be furnished a copy of the department head's recommendation. Failure to abide by the above four-week limitation shall not automatically cause a step increase to be granted; however, if an employee does not receive notice by the actual anniversary date, the increase shall be automatically granted.

(c) Changes in an employee's salary because of promotion, demotion, postponement of salary step increase or special merit increase will set a new salary anniversary date for that employee, which date shall be as stated in the preceding paragraph.

(d) Salary range adjustments for a classification will not set a new salary anniversary date for employees serving in that classification.

15.5 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to the City service, are entitled to the automatic salary advancements within the range of their classification for the period they were in the military service.

15.6 Salary Step When Salary Range is Increased

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to

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the step in the revised range which corresponds to the employee's step held in the previous range, unless otherwise specifically provided for by the Director of Human Resources.

15.7 Salary Step After Promotion or Demotion

(a) When an employee is promoted from a position in one class to a position in a higher class, and at the time of promotion is receiving a salary equal to, or greater than, the minimum rate for the higher class, that employee shall be entitled to the next step in the salary scale of the higher class which is at least five percent (5%) above the employee's current salary, except that the next step shall not exceed the maximum salary of the higher class.

(b) When an employee is demoted, whether such demotion is voluntary or otherwise, that employee's compensation shall be adjusted to the salary prescribed for the class to which demoted.

(1) "If the salary of the employee is reduced for cause or disciplinary reasons, the employee shall receive the salary at the same step prior to promotion."

(2) "If the salary of the employee is reduced through no fault of the employee (i.e., layoff), the salary at demotion shall be at the nearest lower salary to that which was received prior to the demotion."

15.8 Transfer

An employee may be transferred from a class in one department, or to a position of the same class in another department, or to a comparable class, with the approval of both the employee and Department Heads. In the case of a comparable class, the employee must be qualified, as determined by the Director of Human Resources. The Director of Human Resources, in making such a determination, must assure that the maximum salary rate for the classes in question must be equal to or less than the employee's current top step salary, and shall consider, among other things, whether the employee possesses the minimum qualifications for such class, and is able to demonstrate through education, experience, or successful completion of pertinent test, that he/she is

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

qualified for the transfer. If the transfer involves a change from the jurisdiction of one appointing authority to another, both must consent thereto.

15.9 Salary on Reinstatement

If a former employee is reinstated in the same position, previously held or to one carrying a similar salary range, the employee's salary shall not be higher than the salary at the time of separation unless there has been an increase within the salary range.

If a former employee is reinstated to a position in a lower class the employee's salary shall be set at the same step previously held, but in the pay range of the lower classification.

15.10 "Y" Rate

When an employee's classification is changed to a lower paid classification as the result of a classification study or other action, the employee may be placed on a "Y" rate. A "Y" rate means that the monthly compensation for the employee shall remain in effect until such time as further changes in the pay range of the new classification exceeds the "Y" rate.

15.11 Acting Pay

(a) General Provisions. Any employee in this unit who is assigned by a supervisor to work in a higher paid classification for two (2) or more hours in one (1) day, shall receive the rate of pay in the step of the higher classification which would have been received if the employee had been promoted into that classification, or at least five percent (5%) more than the employee's salary in the present classification, whichever is greater. Out-of-class assignment pay during overtime status will commence at the first hour worked.

(b) When there is an existing promotional eligibility list, and acting pay assignment is expected to be for more than twenty (20) work days, acting pay shall be assigned from the top three (3) on the promotional eligibility list. If the assignment is for twenty work days or less, the highest ranking employee on the promotional list within the division shall be assigned. When there is no eligible list, section (c) below shall apply.

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

(c) If there is no existing list, acting pay selection shall be made from the five (5) most qualified employees in the section.

(1) Sections are defined, for the purpose of this clause only, as the sub-groups listed under the following department:

Public Works Department - (1) Street Maintenance, (2) Traffic Devices, (3) Electrical/Traffic Signals, (4) Fleet, (5) Facilities Maintenance, (6) Community Enhancement, (7) Parks, and (8) Trees.

(2) Qualifications for the purpose of this Section, as determined by the department head or designee, shall include all the following equal factors:

(a) Seniority in grade within any class immediately below the vacant position.

(b) Worker experience relative to the vacant position.

(c) Prior job performance and attendance.

(d) Certificates or other formal qualification devices such as eligibility lists.

If all things are equal based on above factors, the seniority within the City shall be considered.

(3) The opportunity for acting pay shall be rotated among the five (5) most qualified employees within each section.

(d) Assignments from other than a promotional eligibility list shall not exceed 120 days per fiscal year per employee.

15.12 Special Assignment Pay

The City Manager may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned in writing by

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

the supervisor to perform additional duties and responsibilities beyond the scope of the assignment for the duration of the special assignment.

Any employee assigned to the Tree Spray Crew shall receive an additional five percent (5%) special assignment pay per day when assigned in writing by the supervisor to spray trees and performs such work four (4) or more hours in any one (1) day.

Section 20. Maintenance of Operations/City Rights

(a) It is recognized that the need for continued and uninterrupted operation of City services is of paramount importance. Therefore, the Union and each employee represented thereby agrees that from the date of execution, through exhaustion of the impasse process/mediation/fact finding as set forth in the Employer/Employee Relations Ordinance, the Union or any person acting in its behalf, or each employee in a classification represented by the Union, shall not cause, authorize, engage in, encourage, or sanction a work stoppage, slowdown, refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound), or picketing, other than informational picketing, against the City or the individual or concerted failure to report for duty or abstinence from the full and faithful performance of the duties of employment, including compliance with the request of another labor organization or bargaining unit to engage in such activity in an attempt to induce a change in wages, hours, and other terms and conditions of employment.

(b) An employee shall not be entitled to any wages or City paid benefits whatsoever if the City Council, by majority vote, determines to its satisfaction, that the employee is, or has, engaged in any activity prohibited by subsection (a) of this Section. The City may take other action which it deems appropriate.

(c) If the City Council, by majority vote, determines to its satisfaction, that subsection (a) of this Section has been violated by the Union, the City may take such remedial action as it deems appropriate.

(d) The Union recognizes the duty and obligation of its representatives and members to comply with the provisions of this Memorandum of Understanding and to make every effort toward inducing all employees in this unit to fully and faithfully perform their duties. In the event of any activity prohibited by subsection (a) hereinabove, the Union agrees

to take supererogatory steps necessary to assure compliance with this Memorandum of Understanding.

(e) The rights of the City as set forth in section 2-206 of the Employer-Employee Relations Ordinance, (Stockton Municipal Code, §§ 2-200, *et seq.*) are incorporated herein by reference.

All sections not modified remain the same. Terms may be superseded by ratified MOUs and pendency plan will be altered at that time to reflect those agreements.

CITY OF STOCKTON / OPERATING ENGINEERS LOCAL 3
MOU NEGOTIATIONS
Tentative Package Agreement

1. Term: Two years, 7/1/10 – 6/30/12 .

2. Wages: No increase to salary ranges during the term of the MOU.

3. Furloughs: Ninety-six furlough hours during FY 2010-11 and 96 furlough hours during FY 2011-12.

4. Health: Adopt the Health Advisory Committee's suggestions re plan design:

   * Lifetime Maximum: $2.5 million lifetime maximum (benefit increase)
   * Annual Deductible: increase from $150 to $200 per person and from $450 to $500 per family
   * Prescription Drugs:
     + Co-payment of $3 generic/$25 brand shall cover up to thirty day supply
     + Co-payment of $3 generic/$25 brand shall cover up to ninety day supply when purchased through mail order

5. Health: Effective July 1, 2010, employees contribute $100/$175/$250 for ee/ee+1/ee+family toward health rates. At such point as employees are no longer required to take furloughs, employees shall contribute 20% of the annual applicable rate, as determined each year by the City's outside actuarial, for ee, ee+1 or ee+family.

   The parties will continue to actively discuss health benefit issues with OE3, either as part of a City-wide discussion or with OE3 specifically, including but not limited to further plan design changes and OE3's interest in all OE3 represented employees at some future point moving from the City's medical plan to the Operating Engineers Health and Welfare Trust Fund medical plan.

6. Educational Incentive Pay, Special Drivers License Pay, Professional Growth/Longevity, Special Assignment Pay : Effective July 1, 2010, the City will provide a flat dollar amount equal to the currently applicable percentage amount for each represented classification

7. Vacation: Effective July 1, 2010, employees may sell back no more than forty hours per fiscal year.

8. Sick Leave: Effective July 1, 2010, employees may not cash out any unused sick leave but may use up to 100% of their unused sick leave for PERS service credit.

9. For Employees Hired on or after July 1, 2010 (i.e. New Hires):

   a. Retiree Health: All employees hired on or after July 1, 2010 will be eligible to receive retiree medical benefits through the OE3 VEBA (defined

contribution) plan. Employer contribution shall be an amount equal to 2% of base salary. Employee contribution shall be an amount equal to 3% of base salary.

b. Deferred Compensation/Salary: Effective July 1, 2010, roll City's contribution of 5.5% deferred compensation into base salary and City no longer contributes to deferred compensation.

c. CalPERS: For employees hired on or after July 1, 2010, and effective July 1, 2010, employees shall pay 7.0% of the *employer* contribution to the PERS retirement plan. Employees hired on or after July 1, 2010 shall receive the 2% at 60 CalPERS formula benefit (subject to completion of meet and confer process with other miscellaneous units) and also shall pay 7.0% of the *employer* contribution to PERS.

10. For Employees Hired Prior to July 1, 2010 (i.e. Current Employees):

a. Retiree Health: Employees with 15 or more years of service as of July 1, 2010 shall continue to be eligible for the benefit described in Section 14.4 of the MOU (i.e. at retirement only, if age 50 or older and 15 or more years of service shall receive the described medical coverage under the City's health plan *without having to make any employee contribution.*) In addition, employees who have 15 or more years of service on or before June 30, 2012 and retire with PERS on or before June 30, 2012 shall continue to be eligible for the benefit described in Section 14.4 of the MOU (i.e. at retirement only, if age 50 or older and 15 or more years of service shall receive the described medical coverage under the City's health plan *without having to make any employee contribution.*)

All employees hired prior to July 1, 2010 who either do not have 15 or more years of service as of July 1, 2010, or do not have 15 or more years of service on or before June 30, 2012 and retire with PERS on or before June 30, 2012, shall make a retiree health contribution of $100/$175 for ee/ee+1 toward health rates.

b. Deferred Compensation/Salary: Effective July 1, 2010, roll City's current contribution of 5.5% deferred compensation into base salary and City no longer contributes to deferred compensation.

c. CalPERS: For employees hired prior to July 1, 2010 (i.e. current employees), and effective July 1, 2010, employees shall pay 5.5% of the *employer* contribution to the PERS retirement plan; however, at such time as any other represented miscellaneous bargaining group is required to contribute more than 5.5% to PERS, employees in this bargaining unit shall at that same time be required to pay the same percentage up to a maximum of 7%.

Joe Santella, Lead Negotiator	Eddie Kreisberg, Lead Negotiator
Operating Engineers Local 3	City of Stockton
Dated: 6/9/10	Dated: 6/9/10

HUMAN RESOURCES DEPT.
2009 DEC -3 PM 2:42

AMENDMENT TO THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF STOCKTON AND THE OPERATING ENGINEERS LOCAL 3, AFL-CIO TRADES AND MAINTENANCE UNIT

UNION SECURITY ARRANGEMENT

WHEREAS, the City of Stockton ("City") and Operating Engineers Local 3, AFL-CIO, representing employees covered by the Trades and Maintenance Unit ("Union"), are parties to a Memorandum of Understanding ("MOU") covering the period July 1, 2006 through June 30, 2008, or until such time as a successor MOU is executed between the City and Union; and

WHEREAS, the parties desire to amend the provisions of the Union Security Agreement relating to dues check-off to modify existing obsolete language to conform to current practices; now, therefore

1. The parties hereto agree that section 2.1 of the MOU is hereby amended, and shall read as follows:

SECTION 2. UNION SECURITY

2.1 Dues Deduction

(a) General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation, or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

Additional authorization shall not be required for deduction of increased membership dues when such increase has been duly approved by the membership of the Union. Notification of such approval shall be forwarded to the City in the form of written notice on official Union letterhead and signed by the duly authorized Union official. Upon receipt of notification, the City shall authorize the payroll deduction of the increased amount.

If an employee is promoted to a position that is represented by another employee organization or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds, at the address specified.

In addition to the deduction of dues, the City will deduct from the paychecks of Union members who request it, premiums for group insurance and investment plans sponsored by the Union. Such deductions shall be made in one lump sum and only upon signed authorization from the employee upon a form satisfactory to the City.

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the City which would have been withheld if the employee had been in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

(b) Indemnity and Refund. The Union shall indemnify, defend, and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

AMENDMENT TO THE
MEMORANDUM OF UNDERSTANDING BETWEEN THE
CITY OF STOCKTON AND THE
OPERATING ENGINEERS LOCAL 3, AFL-CIO
TRADES AND MAINTENANCE UNIT

2. All other terms and conditions of employment set forth in the MOU not specifically changed by this amendment shall remain in full force and effect.

IN WITNESS WHEREOF, this Amendment has been attested to by the City Clerk, the City Seal affixed hereto, and the document subscribed to by the City of Stockton Employee Relations Officer and the duly authorized Representatives for the Trades and Maintenance Unit on the 16th day of November 2009, in accordance with the provisions of Stockton Municipal Code chapter 2.74.

CITY OF STOCKTON, a public agency
("City")

By: _____
Dianna R. Garcia
Its: Employee Relations Officer

ATTEST:

KATHERINE GONG MEISSNER
CITY CLERK

By: _____

Its: CITY CLERK

OPERATING ENGINEERS LOCAL 3
TRADES AND MAINTENANCE UNIT
("Union")

By: _____
Joe Santella
Its: Labor Representative

APPROVED AS TO FORM AND CONTENT

By _____
City Attorney

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SIDELETTER AGREEMENT
TO THE
MEMORANDUM OF UNDERSTANDING
TRADES AND MAINTENANCE UNIT
JANUARY 1, 1997 TO DECEMBER 31, 2002

99 JUN 14 PM 3:35
PERSONNEL DEPARTMENT

We the undersigned enter into the following agreement with regard to the combination of the following job specifications and their respective job duties:

Senior Plant Equipment Mechanic/Senior Mechanical Maintenance Worker

It is hereby agreed that Senior Mechanical Maintenance Workers will be reclassified to Senior Plant Equipment Mechanics, effective at the time that this agreement is executed. It is further agreed that this reclassification will allow Senior Plant Equipment Mechanics to perform all job duties associated with the Senior Mechanical Maintenance Worker classification, and such work will be accomplished by those employees wishing to take advantage of the promotional position until such time as the positions are formally reclassified. This reclassification will be made without any change in pay until such time as the City formalizes this reclassification through the Civil Service Commission, but not later than the expiration of this agreement on December 31, 2002. The City agrees to consider pay equity for all workers in this classification during the next equity review period. Recruitment for vacancies will be made through the Senior Plant Equipment Mechanic classification only.

Plant Equipment Mechanic/Mechanical Maintenance Worker II

It is hereby agreed that Mechanical Maintenance Worker II will be reclassified to Plant Equipment Mechanics, effective at the time that this agreement is executed. It is further agreed that this reclassification will allow Plant Equipment Mechanics to perform all job duties associated with the Mechanical Maintenance Worker II classification and such work will be accomplished by those employees wishing to take advantage of the promotional position until such time as the positions are formally reclassified. This reclassification will be made without any change in pay until such time as the City formalizes this reclassification through the Civil Service Commission, but not later than the expiration of this agreement on December 31, 2002. The City agrees to consider pay equity for all workers in this classification during the next equity review period. Recruitment for vacancies will be made through the Plant Equipment Mechanic classification only.

Senior Electrician/Electrician II/Senior Instrument Technician/Instrument Technician

It is hereby agreed that Senior Electrician, Electrician II and Instrument Technicians will be reclassified to Senior Instrument Technician, effective at the time that this agreement is executed. It is further agreed that this reclassification will allow Senior Instrument Technicians to perform all job duties associated with the Senior Electrician and Electrician II classifications and such work will be accomplished by those employees wishing to take advantage of the promotional position until such time as the

positions are formally reclassified. This reclassification will be made without any change in pay until such time as the City formalizes this reclassification through the Civil Service Commission, but not later than the expiration of this agreement on December 31, 2002. The City agrees to consider pay equity for all workers in this classification during the next equity review period. Recruitment for vacancies will be made through the Senior Instrument Technician classification only.

Dated: 6/9/99

Tami Huber, OE3 Business Rep.

Dated: 6-9-99

Joe Santella, Chief Steward

Dated: 6-9-99

Jack Hoagland, Chief Steward

Dated: 6-9-99

Kevin Huff, STAMA President

Dated: 6-30-99

Dwane Milnes, City Manager

Dated: 6-30-99

George Bist, Deputy Dir. Personnel

CITY OF STOCKTON

HUMAN RESOURCES DEPARTMENT
STEWART/EBERHARDT BUILDING • 22 E. Weber Avenue, Suite 150 • Stockton, CA 95202-2317
209/937-8233 • Fax 209/937-8558 • www.stocktongov.com

DATE: November 6, 2012

TO: City of Stockton Employees

FROM: Gregory S. Borboa, Deputy Director of Human Resources

SUBJECT: **DIRECTION OF MEDICAL TREATMENT FOR WORK-RELATED INJURIES/PRE-DESIGNATION**

As you will recall, the City as a result of recent labor negotiations, will be implementing changes to procedures and management of workers' compensation claims. These changes will facilitate the utilization of City designated medical providers for work related injuries or illnesses. Employees may continue to exercise control over treatment with the filing of an appropriate pre-designation of personal physician form with Human Resources.

All California employers have the right to direct medical care for the first 30 days of treatment for workers' compensation injuries per Labor Code Section 4600(c). If treatment is required after 30 days, an employee may seek treatment from a physician of their choosing. Effective immediately, the City of Stockton has designated Dameron Hospital Occupational Health Services (Dameron) as the primary industrial treating facility for any employee reporting a work related injury. Dameron's industrial clinic is located at 420 W. Acacia Street, Suite 2. All employees reporting a work related injury that have not exercised their right to pre-designate a treating physician shall be referred to and treated by Dameron for the first 30 days of treatment. All employees referred to Dameron must have an appropriately executed Medical Treatment Authorization Form (Attachment A) to take with them. The Medical Treatment Authorization Form will be provided to each employee by supervisory or designated staff at the time an injury is reported. This will authorize the treatment to be rendered to cure and relieve any industrial injury or illness.

The City is also in the process of developing a Medical Provider Network (MPN). An MPN is a network of medical providers that are designated by an employer and approved by the State Division of Workers' Compensation that permits medical control for the duration of treatment required for any work related injury. This MPN should be in place in the near future and information regarding implementation will be forthcoming. Employees have the right to pre-designate a personal physician to treat them in the event they sustain a work-related injury in lieu of the employer exercising 30 days of medical control or in the event an MPN is established. This designation must be made

before an injury occurs and must meet the criteria of Labor Code Section 4600(d) as follows:

(1) If an employee has notified his or her employer in writing prior to the date of injury that he or she has a personal physician, the employee shall have the right to be treated by that physician from the date of injury if either of the following conditions exists:

(A) The employer provides nonoccupational group health coverage in a health care service plan, licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code.

(B) The employer provides nonoccupational health coverage in a group health plan or a group health insurance policy as described in Section 4616.7.

(2) For purposes of paragraph (1), a personal physician shall meet all of the following conditions:

(A) Be the employee's regular physician and surgeon, licensed pursuant to Chapter 5 (commencing with Section 2000) of Division 2 of the Business and Professions Code.

(B) Be the employee's primary care physician and has previously directed the medical treatment of the employee, and who retains the employee's medical records, including his or her medical history. "Personal physician" includes a medical group, if the medical group is a single corporation or partnership composed of licensed doctors of medicine or osteopathy, which operates an integrated multispecialty medical group providing comprehensive medical services predominantly for nonoccupational illnesses and injuries.

(C) The physician agrees to be pre-designated.

The California Code of Regulations (CCR) Section 9780(f) further defines personal physician as the employee's regular physician and surgeon, licensed pursuant to Chapter 5 (commencing with section 2000) of Division 2 of the Business and Professions Code, (2) who has been the employee's primary care physician, and has previously directed the medical treatment of the employee, and (3) who retains the employee's medical records, including the employee's medical history.

According to CCR Section 9783, in the event you sustain an injury or illness related to your employment, you may be treated for such injury or illness by your personal medical doctor (M.D.), doctor of osteopathic medicine (D.O.) or medical group if:

- your employer offers group health coverage;
- the doctor is your regular physician, who shall be either a physician who has limited his or her practice of medicine to general practice or who is a board-certified or

board-eligible internist, pediatrician, obstetrician-gynecologist, or family practitioner, and has previously directed your medical treatment, and retains your medical records;

- prior to the injury your doctor agrees to treat you for work injuries or illnesses;
- prior to the injury you provided your employer the following in writing: (1) notice that you want your personal doctor to treat you for a work-related injury or illness, and (2) your personal doctor's name and business address.

If you wish to designate a physician to treat you in the event of a work-related injury, please complete the attached Pre-designation of Personal Physician (Attachment B) form along with signature and date, and have your physician sign and date the form. Forward this form to Risk Services, ATTN: Craig Castro. If you have any questions, please contact Craig Castro of Risk Services at 937-8629.

TERESIA HAASE
DIRECTOR OF HUMAN RESOURCES

GREGORY S. BORBOA
DEPUTY DIRECTOR OF HUMAN RESOURCES

TH:GB

cc: All Bargaining Units

Attachment A: Medical Treatment Authorization Form
Attachment B: Pre-Designation of Personal Physician Form

CITY OF STOCKTON
MEDICAL TREATMENT AUTHORIZATION FORM

Injured Employee _____ Birth Date _____ Soc. Sec. # _____

Employee Address _____ (Street Address) _____ (City) CA (State) _____ (Zip) Phone #(209) _____

Date of Injury _____ Time of Injury _____ ☐am ☐pm Department _____

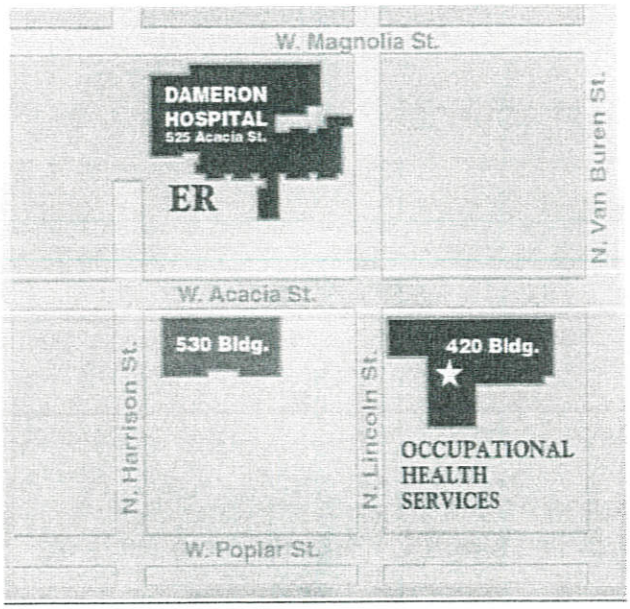
Our employee reports and injury to (body part) _____

While performing (describe how injury occurred) _____

PRIMARY TREATING FACILITY

Dameron Hospital Occupational Health Services
420 W. Acacia Street, Suite 2
Stockton, CA 95203
Monday through Friday
7:00 AM to 6:00 PM
(209) 461-3196, ext. 3802

DAMERON CAMPUS MAP



INJURIES REQUIRING HOSPITAL EMERGENCY MEDICAL TREATMENT:

Dameron Hospital Emergency Room
525 West Acacia Street
Stockton, CA 95203
(209) 944-5550

_____ Supervisor's Name _____ Supervisor's Signature _____ Date

Medical Provider: Please examine and provide treatment which may be required as a result of this injury.

Fax your Doctor's First Report of Work Injury to: (866) 430-4203
CorVel
P.O. Box 2288
Stockton, CA. 95201, Phone (866) 849-4344

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CITY OF STOCKTON
HUMAN RESOURCES DEPARTMENT
STEWART/EBERHARDT BUILDING 22 E. Weber Avenue, Suite 150 Stockton, CA 95202
(209) 937-8233 TELEPHONE (209) 937-5702 FAX
www.stocktongov.com

PREDESIGNATION OF PERSONAL PHYSICIAN

In the event you sustain an injury or illness related to your employment, you may be treated for such injury or illness by your personal medical doctor (M.D.), doctor of osteopathic medicine (D.O.) or medical group if:

- your employer offers group health coverage;
- the doctor is your regular physician, who shall be either a physician who has limited his or her practice of medicine to general practice or who is a board-certified or board-eligible internist, pediatrician, obstetrician-gynecologist, or family practitioner, and has previously directed your medical treatment, and retains your medical records;
- your "personal physician" may be a medical group if it is a single corporation or partnership composed of licensed doctors of medicine or osteopathy, which operates an integrated multispecialty medical group providing comprehensive medical services predominantly for non-occupational illnesses and injuries;
- prior to the injury your doctor agrees to treat you for work injuries or illnesses;
- prior to the injury you provided your employer the following in writing: (1) notice that you want your personal doctor to treat you for a work-related injury or illness, and (2) your personal doctor's name and business address.

You may use this form to notify your employer if you wish to have your personal medical doctor or a doctor of osteopathic medicine treat you for a work- related injury or illness and the above requirements are met.

NOTICE OF PREDESIGNATION OF PERSONAL PHYSICIAN

Employee: Complete this section.

To: _____ (name of employer) If I have a work-related injury or illness, I choose to be treated by:

_____
(name of doctor)(M.D., D.O., or medical group)

_____(street address, city, state, ZIP)

_____(telephone number)

Employee Name (please print):

_____

Employee's Address:

_____

Employee's
Signature_____Date:_____

Physician: I agree to this Predesignation:

Signature:_____Date:_____
(Physician or Designated Employee of the Physician or Medical Group)

The physician is not required to sign this form, however, if the physician or designated employee of the physician or medical group does not sign, other documentation of the physician's agreement to be predesignated will be required pursuant to Title 8, California Code of Regulations, section 9780.1(a)(3).

Title 8, California Code of Regulations, section 9783.
(Optional DWC Form 9783 March 1, 2007)

CITY OF STOCKTON

HUMAN RESOURCES DEPARTMENT
STEWART/EBERHARDT BUILDING • 22 E. Weber Avenue, Suite 150 • Stockton, CA 95202-2317
209/937-8233 • Fax 209/937-8558 • www.stocktongov.com

October 31, 2012

TO: City of Stockton Employees

FROM: Gregory S. Borboa, Deputy Director of Human Resources

SUBJECT: **LEAVE USAGE FOR REGULAR FOLLOW UP OR TREATMENTS RELATED TO A WORKERS' COMPENSATION ILLNESS OR INJURY AND INTEGRATION OF LEAVE WITH TEMPORARY DISABILITY BENEFITS**

This memo is provided to clarify two issues. The first issue relates to how to treat time off for employees that are actively working, but have to attend regular follow up visits for evaluation and treatment related to workers' compensation injuries. The second issue deals with the integration of accrued leave hours with temporary disability payments for employees off for extended periods of time for work related injuries.

Use of Accrued Leave for Workers' Compensation Follow Up Appointments

Recent collective bargaining resulted in the elimination of full salary continuation for all miscellaneous employees. The result of the bargaining process was that employees would receive benefits according to State law minimum requirements and schedules. Labor Code Section 4600(e)(1) allows for payment of temporary disability benefits for appointments that are mandated by the medical/legal process, but has been interpreted not to apply to general follow up appointments intended to cure and relieve the effects of injury. As the Labor Code is otherwise silent about any payment of benefits for general follow up appointments no temporary disability or other payment is provided as a benefit. Time off for follow up visits should be treated like any other absence for a medical appointment and employees will be required to use their sick or other leave accrual in order to be compensated for their absence from work per City leave policies.

This also applies to public safety staff members that are eligible for Labor Code 4850 benefits. 4850 benefits are designed to replace and enhance temporary disability benefits for periods of disability. If sworn or other safety staff have returned to work and are actively engaged in employment activities, then they are not disabled, temporarily or otherwise, and should be charged the appropriate sick leave for any appointments related to general injury follow up.

Integration of Leave to Supplement Payment of Temporary Disability

When a Workers' Compensation Claim is filed and an individual is off work for three days or more, an employee may be entitled to temporary disability benefits. Generally,

temporary disability pays two-thirds an individual's average weekly wage up to a set maximum amount. The recent collective bargaining that resulted in the elimination of full salary continuation for all miscellaneous employees also afforded the opportunity for employees to supplement any temporary disability benefits with accrued leave as a means of maintaining what equates to full salary. The City is instituting an Integration Program that allows employees the opportunity to supplement temporary disability payments using accumulated leave balances in order to maintain full salary. The integration process will not apply to safety employees unless Labor Code 4850 benefits are exhausted for any single injury. There are several advantages to participating in the Integration Program:

- As long as an employee has an adequate balance of leave time, they will continue on paid status and will receive what equates to their customary salary.
- While on paid status, the City will continue to make contributions for retirement and health insurance and the individual will continue to accrue leave time commensurate with the amount of leave time paid for in each pay period.

This program is an "opt out" program. Unless an individual chooses not to participate in the Integration Program by indicating so on an Integration Acknowledgement form, it will be presumed that they are participating in the program. Each employee shall be responsible to fill out the form as part of the processing of the workers' compensation claim filing process. It should be provided by the person responsible for assisting an employee in filing for workers' compensation benefits. If an individual chooses not to participate in the program for a particular injury, they will not be considered to be on paid status and would not be eligible for the benefits outlined above. The decision not to participate in the Integration Program for any particular injury is binding. Once an individual opts out they will not be permitted to participate in the program for that injury at any later date. This will ensure efficacy in identifying, tracking, and processing payroll transactions for those employees participating in the integration process.

If an employee is participating in the Integration Program, an accounting of any temporary disability payments will be provided by the workers' compensation third party administrator (TPA) to the City's Payroll Department. The Payroll Department will do a calculation of the difference between the temporary disability payment and the regular earnings, debit existing leave balances, and issue a payroll check to make up the difference in earnings. If no leave time is accrued and available, no payroll check will be issued.

Sick Leave Occurrences

Please note, use of sick leave to cover workers compensation leave or follow up doctor appointments will not be used as the basis for discipline under the City's Sick Leave Policy, Directive No. HR-20. Similarly, the sick leave hours coded for workers' compensation leave or follow up doctor appointments will not be considered when evaluating an employee's sick leave occurrences or attendance in annual performance reviews.

It is hoped that this information will assist in resolving any uncertainty or concern relative to this issue. Please feel free to contact me or other Risk Services staff if there are any further questions.

TERESIA HAASE
DIRECTOR OF HUMAN RESOURCES

GREGORY S. BORBOA
DEPUTY DIRECTOR OF HUMAN RESOURCES

TH:GB:svs

cc: All Bargaining Groups

2012-05-22.1205-02

LETTER OF AGREEMENT
BETWEEN THE CITY OF STOCKTON AND
OPERATING ENGINEER'S LOCAL 3, AFL-CIO
TRADES AND MAINTENANCE UNIT
Amendment to the July 1, 2011 – June 30, 2012 MOU Regarding Longevity Pay

RECITALS

This Letter of Agreement ("LOA") has been jointly prepared by the designated representatives of the City of Stockton ("City"), a public agency within the meaning of section 3501(c) of the Government Code of the State of California, and the designated representatives of the Operating Engineer's Local 3, AFL-CIO, the exclusively recognized employee organization for the Trades and Maintenance Unit ("Union"), to modify the Memorandum of Understanding between the City and Union for the period ending June 30, 2012 ("MOU") as follows;

WHEREAS, in light of the City's severe financial crisis and an estimated $37 million General Fund budget deficit in Fiscal Year 2011/2012 and the Union's desire to assist the City in addressing the financial crisis and the budget deficit, the parties entered into successor Memorandum of Understanding that included the elimination of Longevity Pay with a grandfather provision; and

AGREEMENT

NOW THEREFORE, the City and the Union, after meeting and conferring in good faith under section 3505 of the Government Code of the State of California, have agreed to amend the provisions of the MOU regarding Longevity Pay and reaffirm all remaining terms of the MOU:

1. Section 13.6 of the MOU, Longevity Pay, is amended as follows:

   13.6 Longevity Pay

   Effective August 1, 2011, longevity pay shall be eliminated. However, the City shall grandfather only those employees who completed twelve (12) continuous years of service with the City as of July 1, 2012~~July 31, 2011~~, longevity pay based on the flat dollar amount equal to two and one-half percent (2.5%) of top salary step of the employee's pay range as of July 1, 2010.

IN WITNESS WHEREOF, this Letter of Agreement was ratified by a secret ballot vote of the general membership of Trades and Maintenance Unit on 1/27/ 2012, and affirmed by an affirmative vote of the Stockton City Council on 5/22/ 2012, and is effective on this date first set forth above.

Operating Engineer's Local 3, AFL-CIO Trades and Maintenance Unit

By: _____
Joe Santella
Its: Business Representative for Operating Engineer's Local 3, AFL-CIO

By: _____

Its: President

CITY OF STOCKTON, a Municipal Corporation

By: _____
BOB DEIS
City Manager

By: _____
TERESIA HAASE
Director of Human Resources

ATTEST:

By: _____
BONNIE PAGE
City Clerk

APPROVED AS TO FORM:

By: _____
JOHN LUEBBERKE
City Attorney

2012 DEC 20 PM 12: 38

2012-10-23-1004-03 P

LETTER OF AGREEMENT #1
BETWEEN THE CITY OF STOCKTON AND
THE TRADES AND MAINTENANCE UNIT
Amendment to the July 1, 2012 - June 30, 2013 MOU

RECITALS

This Letter of Agreement (LOA) has been jointly prepared by the designated representatives of the City of Stockton (City), a public agency within the meaning of section 3501(c) of the Government Code of the State of California, and the designated representatives of the Trades and Maintenance Unit, represented by Operating Engineers' Local 3, AFL-CIO, to modify the Memorandum of Understanding between the City and Trades and Maintenance Unit for the period ending June 30, 2013 (MOU) as follows:

WHEREAS, under the parties' prior MOU effective July 1, 2010 through June 30, 2012 (prior MOU section 14.5), employees hired on or after July 1, 2010 were eligible to receive retiree medical benefits to be provided through a Voluntary Employee Benefits Association (VEBA) trust;

WHEREAS, prior MOU section 14.5 provided for an employer contribution equal to 2% of base salary and also provided for employee contributions equal to 3% of base salary; employer contributions were eliminated effective July 1, 2011 and employee contributions were deducted pre-tax from July 1, 2010 through approximately July 15, 2011;

WHEREAS, pursuant to the advice from the City's benefits counsel that until the City obtained a letter ruling from the Internal Revenue Service that the employee contributions were not taxable it should treat them as after-tax contributions, employee contributions were deducted after withholding applicable employment taxes from approximately July 16, 2011 through June 30, 2012;

WHEREAS, employer and employee contributions were held in an escrow account pending the establishment of a qualified VEBA vehicle for contributions, and as

OB 1369451

of June 30, 2012, employer and employee contributions had not been transferred to a VEBA; and

WHEREAS, the parties agreed to eliminate section 14.5 in the MOU effective July 1, 2012 through June 30, 2013.

AGREEMENT

NOW THEREFORE, based on the foregoing and on the City's current financial condition, the City and Trades and Maintenance Unit, after meeting and conferring in good faith under section 3505 of the Government Code of the State of California, have agreed that the contributions which would have been made to the VEBA should accrue to the benefit of the impacted bargaining unit employees. Therefore, the parties agree as follows:

1. Employer Contributions. In conjunction with the elimination of prior MOU section 14.5, the City shall, as soon as practicable, transfer all employer contributions made pursuant to prior MOU section 14.5 to Health Reimbursement Accounts (HRAs) established for the benefit of each affected bargaining unit member.

   a. If any members eligible for employer contributions left City employment on or before June 30, 2012, the employer contribution associated with those individuals shall be paid to those individuals, less any appropriate tax withholdings.

2. Employee Contributions. Employee contributions deducted from individual employee paychecks during the period from July 1, 2010 through June 30, 2012 will be paid to the individual members, including any members who have left City employment.

   a. For deductions which were made pre-tax, Trades and Maintenance acknowledges and agrees that this will result in a net increase in the employees' taxable wages for 2012 and may result in increased income tax liability. The City will report the amount of the lump sum distribution representing pre-tax contributions as the employee's wages and withhold all appropriate taxes before

making the lump sum distribution. The lump sum distribution and appropriate withholdings will be reflected on each member's 2012 Form W-2.

b. Deductions that were made on an after-tax basis will also be included in the lump sum but these will not be reported as the employee's wages nor will any taxes be withheld on these amounts.

3. The parties understand that the refund of contributions could create tax liability on behalf of both employees and the City and agree that each should bear their own tax liability. On behalf of itself and its members, Trades and Maintenance waives any cause of action based on City conduct regarding the tax treatment of the would-be contributions or benefits under prior MOU section 14.5 and releases the City from any liability or potential liability resulting therefrom.

4. In consideration for this agreement and for transferring the employer contributions to HRAs for individual bargaining unit members (or for providing the employer contribution to former bargaining unit members who have left City employment), Trades and Maintenance agrees that payments to current or former bargaining unit members shall be distributed in a lump sum only upon execution by the member of a waiver releasing the City from liability for (a) any conduct regarding the tax treatment of the would-be employee contributions or benefits under prior MOU section 14.5; and (b) any and all rights to receive any payment from a VEBA for retiree medical benefits upon retirement for the member and dependents. Sample employee waiver forms are included in Attachments A , B and C.

IN WITNESS WHEREOF, this Letter of Agreement was agreed to by Operating Engineers' Local 3, AFL, CIO representing Trades and Maintenance on July 12, 2012, and affirmed by an affirmative vote of the Stockton City Council on October 23, 2012, and is effective on this date first set forth above.

Operating Engineers Local No. 3

By: _____
JOE SANTELLA
Senior Business Representative

CITY OF STOCKTON, a Municipal Corporation

By: _____
BOB DEIS
City Manager

By: _____
TERESIA HAASE
Director of Human Resources

ATTEST:

By: _____
BONNIE PAGE
City Clerk

APPROVED AS TO FORM:

By: _____
JOHN LUEBBERKE
City Attorney

For Operating Engineers Local Union No. 3
of the International Union of Operating Engineers, AFL-CIO

Russ Burns
Business Manager

12/18/12
Date

Fred Herschbach
President

12/18/12
Date

Carl Goff
Vice-President

12/18/12
Date

James K. Sullivan
Recording-Corresponding Secretary

12/18/12
Date

Carl D. Carey
Director, Public Employees Division

12-17-12
Date

2013-01-31-S001 P

LETTER OF AGREEMENT
BETWEEN THE CITY OF STOCKTON AND
THE STOCKTON COALITION OF LABOR AND EMPLOYMENT UNIONS

The City of Stockton (the "City") and each of the following labor and employment unions: Stockton City Employees' Association; Mid-Management/Supervisory Level Unit; Stockton Police Management Association; Stockton Firefighters Local 456; Stockton Fire Management Unit; Operations and Maintenance Unit; Trades and Maintenance Unit; and Water Supervisory Unit (hereinafter referred to collectively as the Parties) are Parties to individual Memorandums of Understandings ("MOU's") covering the period of July 1, 2012 through June 30, 2013. The Parties met and conferred and jointly prepared this Letter of Agreement which is intended to alter their relative Appendix similarly entitled as "Union Proposal to Assume Administration of City Medical Plans" (incorporated herein by reference and attached hereto). Nothing in this Agreement shall alter the rights or obligations of the Parties set forth in their respective MOU's.

On July 24, 2012, and August 28, 2012, Council approved the Parties respective MOU's covering the period of July 1, 2012, through June 30, 2013. The relative Appendix of each MOU outlined terms and conditions regarding the unions collectively exploring the idea of a coalition representing all City unions (Labor Coalition) taking over responsibility for providing a medical insurance plan to city employees and retirees. This agreement required the Labor Coalition to provide to the City (October 1, 2012) its proposal, which, if agreed to by the City, would be implemented on January 1, 2013. As of October 1, 2012, the City did not receive notification of such medical plan proposal but instead received a request for an extension of that deadline. The City is agreeable to this extension if all other provisions of the original agreement are met.

All other terms and/or conditions of each MOU including the relative Appendix will remain in effect, the City agrees to only modify item number 6 of the relative Appendix to provide should the City accept the Labor Coalition proposal on healthcare, implementation shall be by January 1, 2014 of a Labor Coalition proposal presented no later than July 1, 2013.

The Stockton Police Officers Association (SPOA) as a member of the Labor Coalition also agreed to be a part of the "Union Proposal to Assume Administration of City

Medical Plans" as outlined in each MOU; as the City's agreement is contingent upon participation by all City Unions in the proposal to assume administration of the City's health plans.

Each person signing this Agreement represents and warrants that they are duly authorized to execute this Agreement.

This Agreement may be executed in counterparts, each of which when executed and delivered shall constitute an original of this agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on the 12TH day of DECEMBER 2012.

Stockton City Employees' Association By: Janie R. Smith Its: Legal Counsel or Labor Representative	**CITY OF STOCKTON, a Municipal Corporation** By: _____ BOB DEIS City Manager
Mid-Management/Supervisory Level Unit By: _____ Its: Legal Counsel or Labor Representative	By: Teresia A. Haase TERESIA HAASE Director of Human Resources
Stockton Police Management Association CHUCK FLESHER By: _____ Its: Legal Counsel or Labor Representative	APPROVED AS TO FORM: By: _____ JOHN LUEBBERKE City Attorney
Stockton Firefighters Local 456 DAVE MACEDO By: _____ Its: Legal Counsel or Labor Representative	**ATTEST:** **BONNIE L. PAIGE** **CLERK OF THE CITY OF STOCKTON**
Stockton Fire Management Unit DAVE MACEDO By: _____ Its: Legal Counsel or Labor Representative	**By** Lori Nelsen
Operations and Maintenance Unit By: Joe Santelli Its: Legal Counsel or Labor Representative	**Water Supervisory Unit** By: Joe Santelli Its: Legal Counsel or Labor Representative
Trades and Maintenance Unit By: Joe Santelli Its: Legal Counsel or Labor Representative	**Stockton Police Officers Association** By: _____ Its: Legal Counsel or Labor Representative

LETTER OF AGREEMENT
BETWEEN THE CITY OF STOCKTON
AND
OPERATING ENGINEERS' LOCAL 3

WHEREAS, the City of Stockton, hereby referred to as "City," and the Operating Engineers' Local 3, hereby referred to as "Union," are parties to a Memorandum of Understanding ("MOU") covering the period July 1, 2006 through June 30, 2008; and

WHEREAS, City and Union, after meeting and conferring in good faith under Section 3505 of the Government Code of the State of California, have reached an agreement to modify Sections 14.4 and 5.5 of the MOU for those employees who voluntarily participate in the CalPERS Two-Year Additional Service Credit offered by the City in April 2009 (hereinafter "the CalPERS Incentive") as follows:

1. **MOU Section 14.4.** Notwithstanding the 15-year eligibility requirement for retirement medical allowance for either normal service retirement or disability retirement under MOU Section 14.4, bargaining unit employees who voluntarily participate in the CalPERS Incentive and retire between June 30, 2009, and December 26, 2009, shall be eligible for retirement medical allowance with at least thirteen (13) years of City service at the time of their retirement.

2. **MOU Section 5.5.** Bargaining unit employees who elect to participate in the CalPERS Incentive and decide not to retire between June 30, 2009, and December 26, 2009, after the City Council adopts and implements the CalPERS Incentive pursuant to action taken during the May 12, 2009 City of Stockton Council meeting, shall waive their seniority rights for the purposes of layoff order and bumping under MOU Section 5.5 entitled "Employee Options."

3. Any dispute arising as to the interpretation and application of this Letter of Agreement shall be resolved in accordance with the grievance procedures set forth in Section 8 of the MOU.

This Letter of Agreement shall become effective upon signature of two members of the Executive Board of the Union and adopted by the Stockton City Council.

OPERATING ENGINEERS' LOCAL UNION NO. 3 of the International Union of Operating Engineers; AFL-CIO

By: _____
JOE SANTELLA
Its: Business Representative

By: _____
KEVIN HUFF
Its: Chief Steward

CITY OF STOCKTON, a Municipal Corporation

By: _____
J. GORDON PALMER, JR.
Its: City Manager

By: _____
DIANNA R. GARCIA
Its: Director of Human Resources

ATTEST:
CITY CLERK

APPROVED AS TO FORM:

RICHARD E. NOSKY
CITY ATTORNEY

By: _____
MICHON JOHNSON
Deputy City Attorney

7/29/04

LETTER OF UNDERSTANDING
AMENDING THE MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF STOCKTON
AND
OPERATING ENGINEERS' LOCAL NO. 3

CITY SELF-INSURED "MODIFIED EMPLOYEE MEDICAL PLAN" PPO NETWORK PROVIDER

WHEREAS, City of Stockton ("City") and Operating Engineers' Local No. 3 ("OE3") entered into a Memorandum of Understanding ("MOU") that governs the parties' understanding of the terms and conditions of employment for members of the Trades and Maintenance Unit for the period from January 1, 2004 through June 30, 2006, or until such time as a successor MOU is executed between the City and OE3; and

WHEREAS, the MOU contains Health and Welfare Benefits which provide comprehensive medical, dental/orthodontic, vision and prescription benefits; and

The MOU specified that the Medical Plan is the City self-insured "Modified Employee Medical Plan" ("Plan"), which was established in 1993 through the Health Advisory Committee involving representatives from each bargaining group; and

WHEREAS, the City has not implemented changes to the Plan for cost containment purposes since its adoption in 1993, and, whereas, the Plan claim cost per person increased modestly over the eight year period (1992-1993 through 1999-2000) with an average annual increase of 5.4%, but within the last three years the Plan claim cost per person has significantly increased (with hospital costs being a major contributor toward the increase trend):

2000 – 2001	+ 18.4% increase per person
2001 – 2002	+ 17.6% increase per person
2002 – 2003	+ 22.9% increase per person

WHEREAS, the Plan utilizes the San Joaquin Foundation for Medical Care ("SJFMC") Preferred Provider Network ("PPO") for hospitals, physicians, labs and other medical providers; the City has researched other PPO networks and the parties agree that a change in the PPO contracted network of medical providers, from its present provider SJFMC to Blue Cross, will result in projected savings of over two-million dollars per year to the Plan, while maintaining the same level of benefits with a larger panel of physicians, which includes at least 83% of the physicians currently utilized by our members statewide; and

WHEREAS, section 14.1(b) of the MOU states the Plan shall be administered by the SJFMC; and

NOW, THEREFORE, the parties agree to implement a change in the PPO network of medical providers from SJFMC to Blue Cross as soon as practical. Section 14.1(b) of the MOU is modified to reflect the change in the PPO network from SJFMC to Blue Cross; and

The City agrees to increase the overall life time maximum from 1-million to 2-million dollars per person; and

The City agrees to amend the Plan to provide birth control prescription coverage.

The projected savings generated by the change in network providers will be dedicated to paying the medical claims as long as the Plan remains self-funded; and

The City will establish a Joint Medical Benefits Task Force, comprised of two representatives from each bargaining unit, to make recommendations regarding the Plan that are in the interest of both the City and the employees. The Task Force shall complete the study and make recommendations to the parties by June 30, 2005.

IN WITNESS WHEREOF, the parties hereto have executed this Letter of Understanding this _____ day of August 2004.

OPERATING ENGINEERS' LOCAL NO. 3 of International Union of Operating Engineers, AFL-CIO

JOE SANTELLA, Business Representative
Operating Engineers' Local No. 3

KEVIN HUFF, Chief Steward
Operating Engineers' Local No. 3

CITY OF STOCKTON, a municipal corporation

MARK E. LEWIS, ESQ.
City Manager

TERRY PARKER, Director of Human Resources

Attest:

for KATHERINE GONG MEISSNER
City Clerk

APPROVED AS TO FORM:
~~JAYNE W. WILLIAMS, Interim~~ City Attorney

~~LORI WHITTAKER, Deputy City Attorney~~

MEMORANDUM

May 22, 2012

TO: All Employees

FROM: Teresia Haase, Director of Human Resources

SUBJECT: **Exceptions to Suspension of Separation Pay Outs**

The City Manager has provided direction to the Human Resources and Administrative Services Departments that effective immediately, the City will make separation pay out exception payments under the current temporary suspension of separation pay outs as follows:

For employees separating ***on or after*** February 16, 2012 but who declared their intention to resign or retire ***prior*** to February 16, 2012 (upon verification by the Department Head) – pay at separation 1/3rd of accrued vacation balance or $10,000, whichever is greater up to total pay out of accrued hours; at one year after separation pay 1/3rd of accrued vacation balance or $10,000, whichever is greater up to total pay out of accrued hours; and at two years after separation pay any remaining balance of accrued vacation.

The temporary suspension of separation pay outs is in effect through June 30, 2012. Leave pay outs for next fiscal year will be determined through the budget process and negotiated with all affected employee groups through contract negotiations or in AB506 mediation.

There is no change in the suspension of separation cash outs of sick leave. Please feel free to contact Human Resources at 209-937-8233 if you have any questions.

Sincerely,

Teresia Haase

TERESIA HAASE
HUMAN RESOURCES DIRECTOR

CITY OF STOCKTON

MEMORANDUM OF UNDERSTANDING
TRADES AND MAINTENANCE UNIT

Operating Engineers' Local 3, AFL-CIO and representatives of the City of Stockton have met and conferred in good faith regarding wages, hours and other terms and conditions of employment of employees in the representation unit identified in Section 1, have exchanged freely information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding is entered into pursuant to the Meyer-Milias-Brown Act (Government Code sections 3500-3510) and has been jointly prepared by the parties.

This Memorandum of Understanding shall be presented to the Stockton City Council as the joint recommendations of the undersigned for salary and benefit adjustments for the period commencing January 1, 2004, and ending June 30, 2006.

TRADES AND MAINTENANCE UNIT
MEMORANDUM OF UNDERSTANDING

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Section 1. Recognition

Operating Engineers' Local 3, AFL-CIO, hereinafter referred to as the "Union," is the recognized employee organization for the Trades and Maintenance Unit, certified pursuant to Resolution No. 32,548, adopted by the City Council on August 11, 1975.

Section 2. Union Security

2.1 Dues Deduction

(a) General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

If an employee is promoted to a position which is represented by another employee organization or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds, at the address specified.

In addition to the deduction of dues, the City will deduct from the paychecks of Union members who request it, premiums for group insurance and investment plans sponsored by the Union. Such deductions shall be made in one lump sum and only upon signed authorization from the employee upon a form satisfactory to the City. Such authorizations may be made or changed no more frequently than twice yearly.

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the City which would have been withheld if the employee had been

in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

(b) Indemnity and Refund. The Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

2.2 Agency Fee

(a) Employee Rights

(1) The City and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal, alternative right of employees to refuse to form, join and participate in employee organizations. Neither party shall exert pressure upon or discriminate against an employee in the exercise of these alternative rights.

(2) Accordingly, membership in the Union shall not be compulsory. A unit member has the right to choose, either: to become a member of the Union; or, to pay to the Union a fee for representation services; or, to refrain from either of the above courses of action upon the grounds set forth in Section (f) below.

(b) Unit Members' Obligation to Exclusive Representative

(1) A bargaining unit member who does not fall within one (1) of the exempted categories as set forth in Section (f) below, and who has not voluntarily made application for membership in the Union within the sixtieth (60) day following the date upon which said employee has been formally hired by the City as a bargaining unit employee, must as a condition of continued employment in the City pay to the Union a representation fee, in exchange for representation services necessarily performed by the Union in conformance with its legally imposed duty of fair representation on behalf of said unit member who is not a member of the Union.

(2) In the event that a unit member does not become a member of the Union or pay such fee directly to the Union, the City shall begin automatic payroll deduction. There shall be no charge to the Union for such mandatory agency fee deductions.

(3) Prior to beginning such automatic payroll deduction, the Business Representative of the Union will certify to the City in writing that the employee whose pay is to be affected by the deduction has: 1) refused to join the Union; and 2) has refused to tender the amount of the agency fee as defined herein; and 3) has not applied for an exemption under Section (f) herein. In addition the Union must also certify that it has provided the employee with a copy of the fee verification required by Section (e) herein.

(c) Definition of Agency Fee

(1) The agency fee collected pursuant to Section (b) above from unit members who are not members of the Union shall be an amount not to exceed the standard initiation fee, periodic dues and general assessments of the Union for the duration of this Agreement, minus any amount which is prohibited by the Constitution because such funds pay for political or ideological purposes not related to collective bargaining.

(2) Any dispute as to the amount of the representation fee shall be resolved pursuant to the provisions of Section (h) herein.

(d) Exceptions. Unit members on leave without pay and unit members who are in laid-off status shall be exempt from these provisions herein; except that the election as to membership or payment of a fee as set forth herein must be exercised within the first ten (10) work days upon return to paid status.

(e) Annual Verification of Agency Fee by the Union. Prior to January 31, of each year and before the collection of an agency fee from any unit member pursuant to these provisions herein, the Union shall submit a written certification to the fee payers verifying that the total amount of its representation fee conforms to Section (c) above, and itemizing all component parts of such fee which shall provide an adequate explanation for the basis of the fee. Each year such amount shall be verified and submitted in writing to the fee payers by the Union prior to January 31st. The Union will submit a copy of such verification to the Director of Human Resources of the City. The parties agree that such annual verification is a condition precedent to the collection by either the City or the Union of a representation fee from a unit member.

(f) Employees Exempted From Obligation to Pay Union

(1) Any unit member shall be exempt from the requirements of Section (b) above, if such employee has a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.

(2) Such exempt unit member shall, as an alternative to payment of a representation fee to the Union, pay an amount equivalent to such representation fee to:

a. United Way.
b. American Cancer Society.
c. Any charity jointly agreed in writing by the parties.

(3) If a unit member desires to be exempted for reasons set forth in Section (f) herein, the unit member must first request such exemption in writing from the Union setting forth briefly the rationale for the exemption. If the Union notifies the unit member in writing that the Union will not honor the request, then the matter shall be referred automatically to a panel for determination according to the procedure set forth below. The panel shall be composed of one (1) person selected by the Union, one (1) person selected by the unit member, and an arbitrator selected by the parties chosen from a list submitted by the State Conciliation Service. If either one or both parties fail to nominate a panel member, the process of hearing will continue without that party's panel member.

(4) The panel shall first receive arguments and evidence from the unit member requesting the exemption. Thereafter the Union may present any arguments or evidence. The proceedings shall be conducted in an informal manner, and the rules of evidence will not apply. The arbitrator shall act as chair and rule on all matters before the panel with the exception of the final determination of the panel. The panel shall prepare a written decision within fifteen (15) calendar days of the completion of the hearing which shall be final and binding upon the parties. Any expenses of the panel shall be borne by the parties incurring them.

(5) Upon receipt of the decision of the panel, the City shall release any funds held in escrow to the Union or to the charity. Any decision by the panel shall apply for the duration of this Memorandum of Understanding.

(6) In addition, the Union may require such exempt unit member to submit proof of payment of an amount equivalent to such representation fee to one (1) of the alternative funds or organizations listed above. If the bargaining unit member has not provided payment, the City will institute deductions pursuant to Section (b)(2), and forward such monies to a charity listed in Section (f)(2).

(7) Such payments shall be made on or before January 31, of each year or no more than thirty (30) days after commencing duties for any newly hired employee.

(g) Escrow Account. If any unit member either disputes the amount of the fee or disputes whether or not an exemption was appropriately denied, the City shall deposit the fee which was deducted and place such amount into a special escrow account established by the Union for such purposes.

(h) Procedure for a Unit Member Who Contests the Amount of the Fee

(1) The parties agree that in order to provide a uniform definition of the representation fee, any disputes involving the amount of such fee shall be referred to the Union's procedure for determination, provided that the parties have first complied with the other provisions of this Section.

(2) The Union shall notify the City in writing within twenty (20) days after it becomes aware that any employee disputes the amount of the fee.

(3) The Union will verify in writing to the City that all of the conditions of Section (b)(3) have been met prior to the City's initiation of the fee deductions set forth in Section (b)(2). Thereafter, the City will notify the affected employee in writing that such deductions will commence and a copy of the Union's written verification will be attached to the City's notice. Thereafter, the City will begin the deductions.

The monies held in escrow shall be released to the appropriate party upon the rendering of a final decision by the Union's internal procedure.

(i) Payment Method/Payroll Deduction

(1) A unit member may voluntarily sign and deliver to the City a written assignment authorizing deduction of the properly established representation fee as defined in Section (c) above, subject to the conditions set forth elsewhere in this agreement for payroll deductions, or the amount of the fee

will be deducted automatically in accordance with Section (b)(2) herein.

(2) The City is under no obligation to make payroll deductions for the periods during which a unit member is either terminated from active employment, or not on the City's active payroll for any reason, including, but not limited to, layoff and voluntary leave of absence for more than thirty (30) days.

(3) Upon the rehiring of any unit member, or upon the recalling of any unit member from layoff status, the City will resume or initiate dues deductions for such unit member.

(j) Obligations of Parties

(1) City's Obligations. The City's obligation under this Article is to notify any unit member who has failed to comply with the provisions of this Section that, as a condition of continued employment with the City, such unit member must become an Union member, or pay a representation fee, or establish an exemption status and make payment pursuant to provisions of Sections (b) and (f) of this Agreement. Under no circumstances shall the City be required to dismiss or otherwise discipline any unit member for failure to fulfill their obligations to pay the fees established herein.

(2) Union's Obligations. Except as specified herein, the Union and not the City, shall be responsible for requiring unit members to fulfill obligations defined herein. It is the obligation of the Union to collect any representation fees which may be due and payable to the Union in consideration for its services as the exclusive representative of unit employees.

(k) Hold Harmless Provision. The Union shall hold the City harmless, and shall fully and promptly reimburse the City for any fees, costs, charges or penalties incurred in responding to or defending against any claims, disputes, challenges, whether formal or informal, which are actually brought, or attempted or threatened to be brought, against the City or any of its agents, or employees, in connection with the interpretation, application, administration or enforcement of any Section of this Agreement pertaining to representation fee. Such reimbursement shall include, but not be limited to, court costs, litigation expenses, and attorney's fees incurred by the City. The City shall have the right to be represented by its own attorney in any action in which it is a named party to the action. Disputes over the amount of reimbursement shall be automatically submitted to the arbitration provisions of this Memorandum, Section 8.3(e).

2.3 Use of City Facilities

(a) The Union shall be allowed by the City department in which it represents employees' use of space on available bulletin boards for communications having to do with official Union business, such as times and places of meetings, provided such use does not interfere with the needs of the department. The Union may submit to the City Employee Relations Officer written communications having to do with official Union business for distribution by the City to identified shop stewards. Distribution may be by e-mail.

(b) Any representative of the Union shall give notice to the department head or designated representative when contacting department employees on City facilities during the duty period of the employees, provided that solicitation for membership or other internal Union business shall be conducted during the non-duty hours of all employees concerned. Pre-arrangement for routine contact may be made with individual department heads and when made shall continue until revoked by the department head.

(c) City buildings and other facilities may be made available for use by City Employees of the Union or their representatives in accordance with such administrative procedures as may be established by the City Manager or department heads concerned.

2.4 Advance Notice

Except in cases of emergency, reasonable advance written notice shall be given to the Union if affected by any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to negotiate if requested with the designated management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described above and be given an opportunity if requested to negotiate changes to said notice with the management representatives designated by the City Manager.

2.5 Attendance at Meetings by Employees

City employees who are official representatives or unit representatives of the Union shall be given reasonable time off with pay to attend meetings with City management representatives, or be present at City hearings where matters within the scope of representation or grievances are being considered. Such employee representatives shall submit a request for excused absence to their respective department heads, in a manner satisfactory prior to the scheduled meeting whenever possible. Except by mutual agreement the number of the employees excused for such purposes shall not exceed three (3) per recognized bargaining unit.

Time spent for this purpose during the representative's scheduled hours of work shall count as hours worked. Time spent for this purpose which may exceed the representative's regularly scheduled hours of work shall be compensated as overtime or compensatory time.

2.6 Maintenance of Membership

All employees in the Trades and Maintenance unit who are members of the Union, tendering periodic dues at the execution of this agreement, and all employees who thereafter become members of the Union shall, as a condition of employment, pay dues to the Union for the duration of this Memorandum of Understanding, and each year thereafter. For a period of thirty (30) days prior to January 1, 1989, and thirty (30) days prior to any January 1, thereafter, any employee in the aforementioned unit who is a member of the Union shall have the right to withdraw from the Union discontinuing dues payments and retain employment in the City, subject to provisions of Section 2.2. Agency Fee. Said withdrawal shall be communicated by the employee in writing to the City. The provisions of this section shall be operative only to the extent that they are permissible under California law.

2.7 Assignment of Classifications

New job classifications established by the City shall be assigned to the bargaining unit pursuant to Section 8 (b) of the City's Employer-Employee Relations Resolution after providing notice and the opportunity to consult with the Union regarding such matters.

Section 3. Compliance with Federal Laws/Safety

3.1 Non-Discrimination. The City and the Union agree that there shall be no discrimination of any kind because of race, creed, color, religion, national origin, sex, political affiliation or legitimate union activity against any employee or applicant for employment; and to the extent prohibited by applicable State and Federal law there shall be no discrimination because of age.

3.2 Fair Labor Standards Act. The Union agrees to cooperate with the City to insure its members' compliance with the provisions of the Fair Labor Standards Act.

3.3 Safety. The Union shall cooperate with the City in promoting safety objectives as defined in Federal, State and local regulations by actively supporting safety programs, promoting safe work habits of members and encouraging an ongoing, active participation by its members in safety related procedures and practices as offered and promulgated by the City of Stockton.

Section 4. Probation

4.1 Purpose

The probationary period shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to a position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

4.2 Original Entrance and Promotional Positions

All original and promotional appointments shall be tentative and subject to a probationary period of six (6) months, unless a longer probationary period is stated in the class specification. The probationary period may be extended up to an additional six (6) months in those cases where the appointing authority and the Director of Human Resources agree that such extension would be beneficial to the employee and the City.

4.3 Retention/Rejection of Probationer

At the end of the probationary period, if the service of the probationary employee has been satisfactory to the appointing authority, then the appointing authority shall file with the Director of Human Resources a statement in writing to such effect and stating that the retention of such employee in the service is desired. The City will make a good faith effort to notify a probationary employee two (2) weeks before the

end of the probationary period whether or not permanent status is granted; however, a failure on the part of the appointing authority to file such a statement at the end of the probationary period shall constitute a rejection of the probationer as defined in Civil Service Rules.

During the probationary period an employee may be rejected at any time by the appointing authority. Any employee rejected during the probationary period following a promotional appointment, shall be reinstated to the position from which promoted unless charges are filed and the employee is discharged in the manner provided in Section 7 of this Memorandum of Understanding and in the Civil Service Ordinance and Civil Service Rules, which are consistent therewith.

4.4 Alcohol and Drug Testing. All original and reemployed appointments must pass a drug and alcohol screening prior to being offered City employment. This shall include non-represented part-time, seasonal, provisional, and temporary appointments.

Section 5. Layoff

5.1 Layoff

Any employee may be laid off by an appointing authority in the event of the abolition of the employee's position by the City Council, or if a shortage of work or funds requires a reduction in personnel.

5.2 Layoff Scope

(a) Layoffs shall be within departments of the City.

(b) Departments of the City are defined as follows:

(1) City Attorney
(2) City Auditor
(3) City Clerk
(4) City Manager
(5) Community Development
(6) Administrative Services
(7) Fire
(8) Housing and Redevelopment
(9) Library
(10) Municipal Utilities
(11) Parks and Recreation

(12) Human Resources
(13) Police
(14) Public Works

5.3 Notice of Layoff

The City will give advance written notice of at least one pay period to employees who will be laid off.

5.4 Precedence by Employment Status

(a) No permanent employees shall be laid off while employees working in an extra help, seasonal, temporary, provisional, or probationary status are retained in the same classification as such permanent employee. The order of layoff among employees not having permanent status shall be according to the following categories:

(1) extra help or seasonal
(2) provisional
(3) temporary
(4) probationary

Layoffs shall be by job classification according to reverse order of seniority as determined by total service in the City, except as specified above. For the purpose of this procedure part-time classes shall be considered as separate from regular full-time classes.

The following provisions shall apply in computing total continuous service:

(1) Time worked in a permanent or probationary status shall count as service.
(2) Time spent on military leave shall count as service in the event the leave was taken subsequent to entry.
(3) Time worked in an extra help, seasonal, provisional, temporary, grant or other limited term status shall not count as service.

If two (2) or more employees have the same seniority, the most recent performance evaluation shall determine seniority.

(b) Any employee in the Trades and Maintenance Unit who is laid off may complete a City employment application for any position currently staffed by a part time, provisional, or temporary employee. The Human Resources Department will evaluate the employment application. If the laid off employee meets the minimum qualifications of that position, he/she shall have the option of displacing the part time, provisional, or temporary employee.

5.5 Employee Options

Employees laid off shall have any of the following choices:

(a) Displacing the employee in the same department and in the same or clearly comparable classification as determined by the Director of Human Resources as having the least (total service) seniority. This option shall be exercised before any other option.

(b) Taking a voluntary demotion within the department to a classification in which the employee had prior permanent status, thus displacing the employee working in the classification who has the least (total service) seniority.

5.6 Health and Welfare Benefits during Layoff

Permanent employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

Section 6. Reemployment

(a) The name of each employee who is laid off in accordance with Section 5. shall be placed at the head of the eligibility list for the class of positions which that employee held, and shall be given preference in filling vacancies in that class.

(b) An employee laid off in accordance with this Section shall be placed on the eligibility list or lists for any lower or comparable class or classes in the same department, provided that the appointing authority and the department head in charge of this lower or comparable class determine that the employee is competent to perform the duties thereof in strict accordance with the class specifications. This right of a laid off employee shall remain effective for two (2) years from the date of latest separation from the service. The employee shall not be placed on said eligibility list or lists without first submitting a written request. Employee's place on

said list or lists shall be at the head of the eligibility list for the class of positions for which qualified as hereinabove set forth and shall be given preference in filling vacancies except for those persons placed on said list or lists of reemployment in the same positions previously held. Upon certification for appointment to a new position never having been held by this employee, the probationary period must be completed as required in this Memorandum of Understanding.

Section 7. Discipline

Disciplinary action, including discharge, suspension, reduction in pay or demotion, may be taken against any employee for cause.

7.1 Predisciplinary Rights

An employee facing potential disciplinary action will be entitled to the following predisciplinary rights:

(a) Notice of proposed discipline.

(b) Date(s) proposed discipline will be effective.

(c) Reasons for the proposed discipline, the specific grounds and particular facts upon which the action is taken.

(d) Seven (7) calendar days in which an employee or the representative may respond either orally or in writing to the department head.

(e) The employee must be provided with any written materials, reports and documents upon which the action is based.

7.2 Administrative Leave

The City may place an employee on administrative leave pending the completion of the predisciplinary process.

7.3 Provisions

The appointing authority may discharge, suspend or demote any employee in the classified service provided the City Charter provisions and the rules and regulations of the Civil Service Commission and any applicable provisions of law are followed. Such provisions allow the employee suspended, demoted or discharged to appeal such action. The employee may take only one (1) of the following actions:

(a) File no appeal.

(b) File an appeal with the Civil Service Commission within ten (10) calendar days of written notification of the action. (Such filing will foreclose use of the grievance procedure.)

(c) File a grievance as provided for in Section 8 within ten (10) calendar days of written notification of the action.

If the employee fails to do (b) or (c) above within the prescribed time frames, these rights will have been waived.

Section 8. Grievance Procedures

8.1 Definition

A grievance is any dispute which involves the interpretation or application of those rules, regulations and resolutions which have been, or may hereafter be, adopted by the City Council to govern personnel practices and working conditions, including such rules, regulations and resolutions as may be adopted by either the City Council or the Civil Service Commission to affect Memoranda of Understanding which result from the meeting and conferring process.

8.2 Filing Deadline

(a) No grievance involving demotion, suspension, discharge or other employment penalty will be entertained unless it is filed in writing with the Director of Human Resources within ten (10) calendar days of the time at which the affected employee received written notification of such action. All other grievances must be filed within thirty (30) calendar days from the time the employee knew or had reason to know of the facts giving rise to the grievance.

(b) With written consent of the City Manager or his/her designee and the Union Business Agent or his/her designee, time limits may be extended and/or Steps 1, 2 and/or 3 of the Grievance Procedure waived.

8.3 Grievance Processing

(a) Step 1 - Departmental Review. Any employee claiming to have a grievance may discuss the complaint with such management official in the department where employed as the department head may designate. If the issue is not resolved within the department within twenty (20) days from the day of presentation or if the employee elects to submit the grievance directly to the Union recognized as the representative of that employee's classification, or if the employee/Union official notifies the Director of Human Resources, in writing, that a grievance exists, the procedure hereinafter specified may be invoked.

(b) Step 2 - Director of Human Resources Review. If the employee is not satisfied with the response at level one, then the employee may appeal the grievance to the Director of Human Resources within twenty (20) calendar days of the receipt of written response at level one. Such appeal must state with particularity: 1) the specific policy, rule or provision which is alleged to have been violated; 2) the statement of facts comprising the violation; and 3) the requested remedy. The Union may file and process grievance(s) on behalf of the specifically named employee. The Director of Human Resources shall have twenty (20) calendar days in which to investigate the issues, meet with the complainant and attempt to reach a satisfactory resolution of the problem. No grievance may be processed under the following two (2) paragraphs which has not first been filed and investigated in accordance with this paragraph, except for the resolution of compensation complaints.

(c) Step 3 - City Manager Review. Within twenty (20) calendar days of the receipt of the level two response, the grievance may be appealed to the City Manager or his designee. Such referral shall be in writing, detailing the specific issues involved in the referral together with a statement of the resolution desired. The City Manager shall designate a personal representative who shall not be the Director of Human Resources to investigate the merits of the complaint, to meet with the complainant, and if the complainant is not the Union, to meet also with the officials of the Union, and to settle the grievance or to make recommendations to the City Manager. A written response to the appeal will be provided within thirty (30) calendar days of the date of the appeal.

(d) Step 4 - Adjustment Board. If the parties are unable to reach a mutually satisfactory accord on any grievance which arises and is present during the terms of this Memorandum of Understanding, within twenty (20) calendar days of the receipt of the level three response, such grievance shall be submitted to an Adjustment Board comprised of three (3) Union representatives, no more than one (1) of whom shall be either an employee of the City or an elected or appointed official of the

Union and three (3) representatives of the City, no more than one (1) of whom shall be either an employee of the City or a member of the staff of any organization employed to represent the City in the meeting and conferring process.

(e) Step 5 - Arbitration. If an Adjustment Board is unable to arrive at a majority decision, within twenty (20) calendar days either the Union or the City may require that the grievance be referred to an impartial arbitrator mutually selected by the parties, or if the parties are unable to mutually agree, from a list of seven (7) arbitrators provided by the State Conciliation Service. The arbitrator shall be chosen by the alternative strike method, with first choice being determined by lot. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Union and City. Each party, however, shall bear the cost of its own presentation, including preparation and post hearing briefs, if any.

(f) Effect of Decision. Decisions of Adjustment Boards and arbitrators on matters properly before them shall be final and binding on the parties hereto except as provided otherwise herein.

8.4 Scope of Arbitration

(a) No Adjustment Board and no arbitrator shall entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union and unless such dispute falls within the definition of a grievance as set forth in paragraph 8.1.

(b) Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may be referred to arbitration under this Section. No Board of Adjustment or arbitrator selected pursuant to this Section shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

No changes in this Memorandum of Understanding or interpretations thereof (except interpretations resulting from Board of Adjustment or arbitration proceedings hereunder) will be recognized unless agreed to by the City Manager and the Union.

8.5 Other Provisions

If the Director of Human Resources or City Manager, in pursuance of the procedures outlined above, resolves a grievance which involved suspension or

discharge, they may agree to payment for lost time or to reinstatement with or without payment for lost time, but in the event the dispute is referred to arbitration and the arbitrator finds that the City had cause to take the action complained of, the arbitrator may not substitute his judgement for the judgment of management and if the findings are that the City had such right, the arbitrator may not order reinstatement and may not assess any penalty upon the City.

Complaints which allege the employee is not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances and processed pursuant to Section 8.3. Any other matters of compensation are to be resolved in the meeting and conferring process and if not detailed in the Memorandum of Understanding which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next open for such decision. No adjustment shall be retroactive for more than thirty (30) days from the date upon which the complaint was filed.

Specified time limits may be modified only in writing. All appeals and responses must be provided in writing.

A grievant will be provided release time without loss of pay for all required meetings with management. The City cannot discriminate or retaliate in any manner against an employee for filing a grievance or exercising rights under this Section.

The provisions of this Section shall not abridge any rights to which an employee may be entitled under the City Charter, nor shall it be administered in a manner which would abrogate any power which, under the City Charter, may be within the sole province and discretion of the Civil Service Commission.

All grievances of employees in representation units represented by the Union shall be processed under this Section. If the City Charter requires that a differing option be available to the employee, no action under paragraph (d) or (e) of Subsection 8.3 above shall be taken unless it is determined that the employee is not utilizing such option.

No action under paragraph (d) or (e) of Subsection 8.3 above shall be taken if action on the complaint or grievance has been taken by the Civil Service Commission or if the complaint or grievance is pending before the Civil Service Commission.

If any award by a Board of Adjustment or arbitrator requires action by the City Council or the Civil Service Commission before it can be placed in effect, the City Manager and the Director of Human Resources will recommend to the City Council

or the Civil Service Commission, as appropriate, that it follow such award.

Section 9. Leaves

9.1 Vacation Leaves

(a) Vacation Allowance. All regular employees, excluding provisional and temporary shall accrue vacation leave with pay in accordance with the following schedule:

(1) Less than one and one-half (1-1/2) years continuous employment 80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment120 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment160 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment 200 hours/year.

(5) Thereafter, eight (8) additional hours for each completed year of service in excess of twenty-five (25) years.

(6) An employee may be allowed to carry over up to 120 hours vacation more than the employee's regular vacation accrued for the preceding calendar year. Whenever an employee's accumulation of vacation hours exceed the maximum vacation carryover provision, the excess number of vacation hours shall automatically be credited and forwarded to the employee's sick leave accumulation balance at the end of the calendar year. However, employees may carryover unlimited vacation hours in excess of the maximum allowance when such vacation accrues while remaining in a pay status during a period of illness or injury which precluded liquidating vacation credits in excess of the maximum allowed.

(7) Employees shall accrue vacation on a twice-monthly payroll basis.

(b) Vacation Scheduling. Vacation leaves shall be scheduled with due

consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business.

(c) Holiday during Vacation. If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(d) Vacation Allowance for Separated Employees

(1) When an employee is separated from the service, remaining vacation allowance, if any, shall be added to final compensation.

(2) An employee who has resigned in good standing and is subsequently reinstated within two (2) years from the date of resignation shall have prior service counted in determining eligibility for vacation benefits, deducting therefrom the amount of time between the date of resignation and the date of reinstatement which shall not be counted in determining eligibility.

(e) Cash Payment Option for Vacation. An employee may elect to receive cash payment for up to a maximum of eighty (80) hours of his/her accumulated vacation balance upon commencement of a scheduled vacation for eighty (80) consecutive hours or more, or two (2) forty (40) consecutive hours or more. This option may be exercised pursuant to the above description up to a maximum of eighty (80) hours cash payment per calendar year.

An employee may elect to receive cash payment for two (2) days (16 hours) of his/her accumulated vacation balance for each one (1) day of scheduled vacation. This option may not exceed eighty (80) hours of cash payment per calendar year.

9.2 Sick Leave

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of ten (10) hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence without pay granted to the employee.

(b) Usage. Employees are entitled to sick leave pay for those days which the

employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery therefrom.

(c) Family Sick Leave. Employees may utilize sick leave in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care. Such sick leave shall be limited, by the department head, to the time reasonably required to make other arrangements for such care.

Such leave shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent and grandchild.

In special cases, with the approval of the City Manager, a department head may grant sick leave in other circumstances.

No sick leave shall be granted to an employee during any leave or leaves of absence without pay.

(d) Reporting Procedures for Sick Leave. When the requirement for sick leave is known to the employee in advance of the absence, (for example, included but not limited to scheduled medical, dental or vision appointments), the employee shall request authorization for such sick leave from the department head prior to such absence.

If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for the following disciplinary action:

(1) For the first time in a six (6) month period, a Memorandum of Discussion.

(2) For the second time within a six (6) month period, a Letter of Reprimand.

(3) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employee may be discharged.

The six (6) month period will be defined as six (6) months from the most recent incident.

Any Memorandum of Discussion or Letter of Reprimand regarding failure to notify the City as provided herein, which is more than six (6) months old, will be automatically sealed and can only be reopened upon court order.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a signed statement to the department head, on a prescribed form, stating the dates and hours of absence, the exact reason, and such other information as is necessary for the request to be evaluated. If an employee doesn't return to work prior to the preparation of the payroll, other arrangements may be made with the department head.

(2) Doctor's Certificate or Other Proof. If an employee's illness results in an absence from work for more than three (3) consecutive days, a doctor's certificate or other reasonable proof of illness may be required.

The Director of Human Resources may make such sick leave usage reviews and may require such additional documentation including a physician's statement as he deems necessary before approving the sick leave benefit.

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. The employee has the right to Union representation at such meeting. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Human Resources pursuant to (e)(2) above;

(b) Suspend the employee without pay for up to five (5)

days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave While on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or

(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

(g) Payment for Unused Sick Leave. Upon separation of employment by reason of death, service or disability retirement, the employee or the employee's estate will be paid 50% of the total unused sick leave at its current cash value.

9.3 Other Leaves with Pay

(a) Bereavement Leave. In the event of a death in the immediate family of an employee, the employee shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his accumulated sick leave credits or vacation eligibility. The City Manager may grant an additional two (2) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent and grandchild.

In the event of the death of a person not immediately related to an employee as defined above, the employee's department head may grant up to three (3) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

(b) Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized absence from duty for appearance in Court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said absence from duty including necessary travel time, will be with full pay for each day the employee serves on jury duty or testifies as a witness in a criminal case, other than as a defendant. As a condition of receiving such pay, the employee must remit to the City, through the employee's department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

Jury duty or witness duty appearances shall be considered in terms of "whole days" (8 hours) or "half days" (4 hours) of service. If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his usual morning schedule. If an employee is required to appear for a morning court session and is sent home before noon and not required to return in the afternoon, the employee will be expected to work his usual afternoon schedule.

Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be remitted to the City through the employee's department head.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is a party, together with travel time necessarily involved, shall not be considered absent from duty within the meaning of the Section.

(c) Military Leave. An employee of the City who is a member of the National Guard or Naval Militia or a member of the Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence without pay for duration of a national emergency who have been inducted into the Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the position they held when they were inducted into Military Service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.
In the case of a probationary employee having served a minimum probationary

period of six (6) months at the time of induction, it shall be optional with the department head and the City Manager to grant regular status to said employee before induction.

All probationary employees inducted into Military Service not having served the minimum probationary period of six (6) months, or having served the minimum probationary period of six (6) months, but not having received regular status shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.

Two (2) or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

9.4 Workers' Compensation Leave

(a) Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law.

(b) Payment. Workers' Compensation Leave will be paid in accordance with the following schedule:

Employees who have worked for the City more than twelve (12) months but less than twenty-four (24) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of two (2) months.

Employees who have worked for the City for twenty-four (24) or more continuous months but less than sixty (60) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of three (3) months.

Employees who have worked for the City for sixty (60) or more continuous months and who are unable to work shall receive their full salary for the term of their disability but not to exceed a period of twelve (12) months.

Reopener Clause. During the term of the agreement, the City and Operating Engineers' Local No. 3 shall reopen the agreement for the limited purpose of negotiating and reaching agreement on the payment percentage of salary continuation for workers' compensation with Operating Engineers' Local No. 3 and at least one (1) other miscellaneous bargaining unit.

Workers' Compensation Leave shall commence from the first day's absence.

(c) Forms and Procedures. Salary continuation approval will follow the same procedures as for sick leave approval. Salary continuation payments will be contingent on the City's acceptance of the injury as compensable under Workers' Compensation Law.

9.5 Leave of Absence Without Pay

(a) Entitlement. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that the granting of such leave is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. The granting of a leave of absence provides the employee the right to return to the position vacated.

(b) Approval. All leaves of absence without pay must be recommended by the department head and approved by the Director of Human Resources. No such leave may extend beyond twelve (12) months, except in the case of absence due to job incurred disability where a determination may be made based upon the needs of public service, or in the event an application for service connected disability retirement has been filed.

(c) Leaves of absence without pay for illness may only be approved following the expiration of entitlement of sick leave and vacation where applicable.

9.6 Absence Without Official Leave (AWOL)

(a) Refusal of Leave or Failure to Return after Leave. Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked, or canceled, or at the expiration of a leave, shall be considered an absence without official leave.

(b) Voluntary Resignation. Any employee in this bargaining unit absent without official leave for two (2) or more consecutive days without a satisfactory explanation shall be deemed to have voluntarily resigned from the City of Stockton. An

employee must provide a written statement to the Human Resources Department regarding a "satisfactory explanation", within ten (10) calendar days after the City mails a notice of voluntary resignation to the employee's last known address.

Section 10. Days and Hours of Work

10.1 Workweek

The normal workweek in this unit consists of five (5) consecutive eight (8) hour days or a total of forty (40) hours, generally Monday through Friday in a seven (7) day work period. Where operational requirements of a department require deviations from this schedule, the department head with City Manager approval may institute alternate work schedules as long as the City meets with the Union over the impact of such schedules and conforms to work period requirements of the Fair Labor Standards Act.

10.2 Meal Periods and Rest Periods

(a) Employees shall receive a one (1) hour meal period, without pay, each day and a fifteen (15) minute paid rest period during the first half of the work day and a second fifteen (15) minute paid rest period during the second half of the work day. Employees who exceed the time limits prescribed above for lunch and/or rest periods shall have their pay reduced accordingly.

(b) Where operational requirements of a department require deviations from this schedule, meal periods of other durations and alternate rest periods may be instituted with the approval of the City Manager.

10.3 Reporting to Work

Repeated failure to report to work on time may result in appropriate discipline as set forth below:

(a) For the first time in a six (6) month period, a Memorandum of Discussion.

(b) For the second time within a six (6) month period, a Letter of Reprimand.

(c) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employees may be discharged.

If an employee reports to the work site after the designated starting time, the

employee will be paid only for time actually worked; however, the employee may be allowed to utilize annual leave for lost pay, provided the employee's supervisor approves.

Any Memorandum of Discussion or Letter of Reprimand regarding tardiness which is more than six (6) months old will be automatically sealed and can only be reopened upon court order.

Section 11. Overtime

11.1 Overtime Authorization

All compensable overtime must be authorized by the department head or his designated representative in advance of being worked. If prior authorization is not feasible because of emergency conditions, a confirming authorization must be made on the next regular working day following the date on which the overtime was worked.

11.2 Definition

The following provisions pertaining to authorized overtime work shall apply to those employees whose normal work period is eight (8) hours per day and forty (40) hours per week:

(a) Time worked in excess of forty (40) hours in any workweek shall be paid for at time and one-half (1-1/2) including employees employed on a per hour basis or except as provided elsewhere herein.

(b) On a holiday observed by the City an employee shall be paid for a regular day plus time and one-half (1-1/2) for actual time worked not to exceed eight (8) hours including employees employed on a per hour or per day basis, or except as provided elsewhere herein.

(c) Any time worked in excess of eight (8) hours on a holiday observed by the City shall be paid for at double time and one-half (2-1/2) except for employees employed on a per hour or per day basis, except as provided elsewhere herein.

(d) The City may require mandatory overtime when operational needs if the City dictate the need to work such overtime. Work in excess of forty (40) hours in any workweek will be paid at time and one-half pay or CTO in accordance with Section 11.4 (b).

11.3 Standby Duty

When warranted and in the interest of the City operation, department heads may assign employees to "standby" status.

(a) Application of "standby" shall be as follows:

(1) Each employee so assigned to "standby" shall be provided with a pager while on standby and shall be able to report to the work site within forty-five (45) minutes.

(2) Employees on standby shall have the option to trade days and/or weeks of standby status with another qualified employee in the same unit or division with departmental approval.

(3) Standby shall be assigned in a minimum of eight (8) hours blocks, i.e., Monday - Friday work week standby can be 8, 16, 24 hour blocks. The block of standby will be to one (1) person per 24 hour period.

Standby for weekends i.e., Saturday, Sunday or extended holiday weekends (Friday – Sunday, or Saturday - Monday) will be assigned 8 - 48 hour blocks to one (1) person per weekend (up to 72 hours for holiday weekend).

(b) Compensation of "standby" shall be as follows:

(1) Employees assigned to standby duty shall be paid two (2) hours for every eight (8) hours of standby, and time and one-half (1-1/2) for all actual time worked while on standby duty status.

(2) Employees assigned to standby duty status on holidays observed by the City shall be paid two (2) hours for every eight (8) hours of standby, time and one-half (1-1/2) for all actual time worked while on standby duty status, and double time and one-half (2 1/2) for all actual time worked in excess of eight (8) hours while on standby duty status.

11.4 Call Back

Effective January 1, 2003, when an employee is called back to work from off duty status, the employee shall be compensated for a minimum of two (2) hours and forty-five (45) minutes pay at time and one-half (1-1/2) or actual time worked at time

and one-half (1-1/2), whichever is greater.

To be eligible for call-back pay, both of the following conditions must be met:

(a) The call-back must occur outside of the employee's regular work hours; including overtime.

(b) The call-back time worked must not be contiguous to the employee's regular work hours; including overtime.

11.5 Compensatory Time

(a) Definition. As used in this Section, the term Compensatory Time refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule.

(b) Accrual. For hours in excess of forty (40) hours in a seven (7) day work period, for which the employee is in a paid status, Compensatory Time may be earned at the rate of time and one-half (1-1/2). No more than sixty (60) hours (forty (40) hours worked at time and one-half [1-1/2]) may be carried on the books at any time.

(c) Use. Use of Compensatory Time shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of City business. Approval of requests for use of Compensatory Time shall be at the sole discretion of the department head, but once approved, cannot be changed unless an emergency situation arises.

(d) Payment. Once sixty (60) hours of Compensatory Time is accrued on the books, all other hours worked in excess of forty (40) hours in a seven (7) day work period will automatically be paid.

Any Compensatory Time balance remaining at the end of a fiscal year will automatically be paid.

11.6 Meal Allowance

The City shall provide a meal allowance of TEN DOLLARS AND NO CENTS ($10.00) for an employee who is held over and works a minimum of four (4) hours. Employees called back to work or called back from a day off with less than two (2) hours notice shall qualify for the TEN DOLLARS AND NO CENTS ($10.00) meal allowance when they work a minimum of four (4) hours. Extension of the work

schedule or call-back must be properly authorized by the employee's supervisor or other designated personnel.

Section 12. Holidays

12.1 Qualifying for Holiday Pay

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

12.2 Holidays Observed by the City

(1) January 1 ..... New Years' Day
(2) Third Monday in January ..... Martin Luther King Jr.'s Birthday
(3) Second Monday in February ..... Lincoln's Birthday
(4) Third Monday in February ..... Washington's Birthday
(5) March 31 ..... Cesar Chavez Birthday
(6) Last Monday in May ..... Memorial Day
(7) July 4 ..... Independence Day
(8) First Monday in September ..... Labor Day
(9) Second Monday in October ..... Columbus Day
(10) November 11 ..... Veteran's Day
(11) Fourth Thursday in November ..... Thanksgiving
(12) The day following the day known as Thanksgiving
(13) December 25 ..... Christmas Day
(14) Employee's Birthday

In addition, a day appointed by the President or Governor as a public holiday shall be observed by the City.

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.

Birthday Holiday Leave. If an employee's birthday falls on Saturday, Sunday or another recognized holiday; or if work requirements do not permit the employee to observe that day off, the department head may authorize a work day within fifteen (15) calendar days prior to or after the employee's actual birth date. An employee

will not be credited with a birthday holiday, if he/she terminates prior to the actual birth date.

12.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the City Manager except in emergency situations where said approval cannot be obtained beforehand.

Section 13. Compensation and Allowance Other Than Base Salary

13.1 Retirement Contribution Supplement

The City will pay seven percent (7%) of the employee's current base salary (employee's contribution) and other compensation as qualified by State law towards the Public Employees' Retirement System (P.E.R.S.). Such amounts will be applied to the employee's individual account in accordance with California Government Code section 20615.

The City's P.E.R.S. retirement plan is modified to reflect two percent (2%) at age 55, effective January 1993.

The City's P.E.R.S. retirement plan is modified to reflect California Government Code section 20930.3 (Military Service Credit as Public Service) and section 20930.33 (Military Service Credit for Retired Persons) effective upon adoption by Stockton City Council and Board Administration of the P.E.R.S.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 20692 (Employer Paid Member Contributions Converted to Payrate during the Final Compensation Period) as added P.E.R.S. benefits. At the beginning of employee's last year of employment, the employee will pay their employees' seven percent (7%) benefit cost through an automatic payroll deduction. The City will increase the base salary for those employees by the same seven percent (7%) for the last twelve (12) months of employment. Internal Revenue Service (IRS) Code 414H(2) will be concurrently implemented with P.E.R.S. California Government Code section 20692, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 20965 (Credit for Unused Sick Leave) as added P.E.R.S. benefits, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added P.E.R.S. benefits, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

The City will provide PERS California Government Code section 21335 (5% Annual Cost-of-Living Allowance, base year 2001) as added PERS benefit. The first application date is April 1, 2003.

13.2 Deferred Compensation

The City will provide, at no cost to the employee, deferred compensation as a supplement to voluntary deferred compensation plans, if any, for which the individual employee may be eligible. The City will contribute an amount equal to two and one-half percent (2.5%) of the employee's current base salary.

Effective January 1, 1997, the City will contribute an additional one percent (1%) for a total of three and one-half percent (3.5%) of the employee's current base salary.

Effective January 1, 1998, the City will contribute an additional one percent (1%) for a total of four and one-half percent (4.5%) of the employee's current base salary.

Effective January 1, 1999, the City will contribute an additional one percent (1%) for a total of five and one-half percent (5.5%) of the employee's current base salary.

13.3 Uniforms

(a) The City shall provide uniforms for all employees assigned to this unit.

(b) Safety Protective Footwear Reimbursement Allowance. Employees required to wear safety protective footwear in accordance with City Manager's Administrative Directive PER-034, and approved for safety protective footwear reimbursement, the City will authorize safety protective footwear reimbursement in the amount of ONE HUNDRED TWENTY DOLLARS ($120.00) upon adoption by Stockton City Council of Agreement. Effective January 1, 1998, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED THIRTY DOLLARS ($130.00); effective January 1, 1999, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED FORTY DOLLARS ($140.00); effective January 1, 2000, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED FIFTY DOLLARS ($150.00); effective January 1, 2001, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED SIXTY DOLLARS ($160.00); and effective January 1, 2002, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED SEVENTY

DOLLARS ($170.00)

13.4 Tool Allowance

(a) Mechanic class employees in the Central Garage who are required to personally supply their own set of Fleet Manager approved Mechanic's hand tools shall receive an annual tool replacement allowance of TWO HUNDRED DOLLARS ($200.00).

(b) The City shall pay for the replacement of tools lost through theft from City premises provided that such loss was absolutely no fault of the employee.

(c) Any tool required by the City beyond that initially approved by Fleet Manager shall be provided by the City.

13.5 Preventive Shots

Those employees in the Municipal Utilities Department whose work assignments involve potential exposure to hazardous waste water shall, at the employee's option, be provided all necessary medical immunization available for the prevention of job incurred illness.

13.6 Educational Incentive Pay

Employees with degrees/diplomas above and beyond that are required of their position shall be provided three percent (3%) of the top step of the position. Employees are limited to no more than three percent (3%) regardless of the number of degrees/diplomas above that required of the position. If the employee promotes to a position which matches his/her diploma/degree, the three percent (3%) will no longer be paid. Experience may not substitute for education. Other formal education/training programs may substitute for the actual degree/diploma.

Between January 1, 1992, and no later than June 30, 1992, the City will meet with a representative committee of bargaining members consisting of no more than four (4) bargaining representatives, and no more than four (4) management representatives to evaluate, discuss and identify other formal education/training programs which may substitute for actual degrees/diplomas.

The consensus recommendation of this joint labor/management committee will be forwarded to the City Manager's Office for review, modification and possible approval as education/training programs, which shall substitute for formal education/training.

13.7 Special Driver's License Pay

Effective January 1, 1994, job classifications requiring a Class A and/or Class B Driver's License will receive special pay equal to one percent (1%) of top step of job classification.

Effective January 1, 1995, job classifications requiring a Class A and/or Class B Driver's License will receive special pay equal to one and one-half percent (1-1/2%) of top step of job classification.

Special Driver's License Pay will only be implemented with the concurrent implementation of the Operating Engineers' Local No. 3 - City of Stockton, Drug/Alcohol Safety Program.

13.8 Professional Growth

Effective January 1, 2003, the City shall pay each employee who completes twelve (12) continuous years of service with the City, two and one-half percent (2.5%) of top salary step of the employee's pay range to the employee as a professional growth allowance.

13.9 Credit Union

The City will accommodate payroll deduction to Operating Engineers' Local No. 3 Credit Union, within the limitations of City payroll system. Any modification costs will be borne by Operating Engineers' Local No. 3.

Section 14. Insurance Plans and Retirement Benefits

14.1 Health and Welfare Benefits

(a) Effective January 1, 1993, the City will provide for hospitalization, medical, dental, prescription, and vision benefits.

(b) All bargaining unit members shall be covered under the Operating Engineers' Health and Welfare Trust Fund or the City of Stockton Employee Health Benefits Plan, which consist of medical and prescription coverage administered by the San Joaquin Foundation for Medical Care, Delta Dental or HBI Dental Plan, and Vision Care Plan (VSP). The City's health benefits plan include the medical plan as described in the Modified Employee Medical Plan, effective January 1, 1993.

The City shall pay for the full cost of the health benefits package for those

employees who choose the City's health benefits plan.

Effective January 1, 1997, the orthodontic benefits coverage will increase from ONE THOUSAND DOLLARS ($1,000.00) to TWO THOUSAND DOLLARS ($2,000.00) lifetime maximum for those employees who choose the City's health benefits plan.

Employees in this bargaining unit shall have the month of December of each year to elect their choice of either Operating Engineers' Health and Welfare Trust Fund or the City of Stockton's Employee Health Benefits Plan. Those employees changing benefits plans shall be transferred effective January 1 of each year.

Effective January 1, 1997, the premium amount contributed towards the Operating Engineers' Health and Welfare Trust Fund will not decrease during the term of this agreement regardless of any decrease premium that may occur to the City's Modified Employee Medical Plan.

For those employees who choose to remain in Operating Engineers' Health and Welfare Trust Fund, the City will contribute toward their premium, the same amount as it contributes toward the City's health benefits plan. The employee is responsible for the difference each month if the Operating Engineers' Health and Welfare Trust Fund premium is higher.

(c) When this agreement expires on June 30, 2006, then and in that event, any and all subsequent increased premium costs required to maintain the benefits as provided for in this Section shall be the responsibility of the employees and said increased costs shall be withheld from the employee's paychecks as may be necessary for the months subsequent to June 30, 2006, unless otherwise agreed to by the parties hereto.

(d) Regular employees shall become eligible for the benefits stated in this Section on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees must enroll eligible dependents within thirty (30) days of eligibility.

(e) Provisional and temporary employees are not eligible for any of the above benefits.

(f) Employees that promote, demote, or transfer from a classification in the Trades and Maintenance unit to an unrepresented classification shall continue to have the option to retain the Operating Engineers' Local No. 3 Health and Welfare Plan.

(g) Reopener Clause. During the term of the agreement, the City and Operating Engineers' Local No. 3 shall reopen the agreement for the limited purpose of negotiating and reaching agreement on the City's contribution toward health benefits, and other benefit changes, with Operating Engineers' Local No. 3 and all other miscellaneous bargaining units.

14.2 Long Term Disability Insurance

The City shall provide, at no cost to the employee, long term disability insurance coverage. Essentially, this is an income protection plan which provides disability income for employees including:

(a) Each disability - sixty-six and two thirds percent (66 2/3%) of salary.

(b) Disability income payments shall commence after the employee has utilized all sick leave benefits to which the employee is entitled or after a thirty (30) day waiting period whichever is longer.

(c) Benefit payable until age sixty-five (65).

(d) The City will provide, at no expense to the employee, medical coverage for a period of ninety (90) days. For the purpose of this section, medical coverage shall commence immediately after the employee has utilized all sick leave benefits to which the employee is entitled.

14.3 Life Insurance

The City shall provide, at no cost to the employee, a term life insurance policy, equal to one (1) times the employee's annual salary.

14.4 Retirement Medical Allowance

Effective January 1, 2003, at retirement only, an employee with fifteen (15) years of City service and who has attained the age of fifty (50) will be provided medical coverage consisting of hospitalization, medical and prescription benefits for the retiree and one (1) dependent until age sixty-five (65).

14.5 Retirement-Medicare Supplemental Plan

Employees retiring on or after January 1, 1997, who are eligible for the Retirement Medical Allowance, pursuant to section 14.4, will, at age 65, become eligible for Medicare Supplemental Coverage under the City's Modified Employee Medical

Plan. Coverage will be supplemental and secondary to Medicare (reduced by any amounts payable to Medicare). This lifetime benefit is provided to the employee and the employee's spouse. The employee shall be responsible for paying any associated costs for obtaining Medicare coverage Part A and Part B.

Section 15. Salaries

15.1 Salary Rates

The salary rates for all employees in the aforementioned representation unit will be as set forth in Appendix "A," which is attached hereto and made a part hereof.

Effective July 1, 2004, all salaries rates hereby established and explained in other parts of section 15 shall no longer be fitted to the Stockton Salary Matrix as set forth in the City of Stockton Salary Schedule. Instead, all salary rates hereby established and explained in other parts of section 15 shall be assigned a fixed percentage of 5.14% between salary steps.

The rates of pay set forth in Appendix "A" represent for each classification as set forth in Appendix "B," which is attached hereto and made a part hereof, the standard rate of pay for full time employment, unless the schedule specifically indicates otherwise.

The rates of pay set forth in Appendix "A" do not include reimbursement for actual and necessary expenses for traveling, subsistence and general expenses authorized and incurred incident to City employment.

15.2 Salary upon Appointment

Except as herein otherwise provided, the entrance salary for a new employee entering the classified service shall be the minimum salary for the class to which appointed. When circumstances warrant, the City Manager may approve an entrance salary which is more than the minimum salary for the class to which an employee is appointed. Such a salary may not be more than the maximum salary for the class to which that employee is appointed.

15.3 Salary Equivalents

Any monthly, daily or hourly rate of pay may be converted into an equivalent rate of pay or to any other time bases when, in the judgment of the City Manager, such a conversion is advisable. In determining equivalent amounts on different time bases the City shall provide tables or regulations for the calculation of payment for service

of less than full time, and for use in converting monthly salaries to hourly rates, as well as for calculating hourly rates. Overtime rate and premium pay shall be calculated according to the provisions of the Fair Labor Standards Act.

15.4 Salary Step Plan

(a) There shall be five (5) to seven (7) salary steps in each range.

The first step shall be the minimum rate and shall be the normal hiring rate for the class. (In a case where a person possesses unusual qualifications, the City Manager may authorize appointment above the first step after receiving the recommendation of the department head. The same provision shall apply to hourly paid and part-time employees.)

If a department head recommends to withhold increases to salary steps two (2) through seven (7) because an employee has not achieved the level of performance required, notice must be received by the City Manager at least four (4) weeks in advance of the employee's eligibility date. The affected employee shall be furnished a copy of the department head's recommendation. Failure to abide by the above four-week limitation shall not automatically cause a step increase to be granted; however, if an employee does not receive notice by the actual anniversary date, the increase shall be automatically granted.

The second step shall be paid upon the satisfactory completion of six (6) months service at the first step.

The third step shall be paid upon the satisfactory completion of one (1) year service at the second step.

The fourth step shall be paid upon the satisfactory completion of one (1) year service at the third step.

The fifth step shall be paid upon the satisfactory completion of one (1) year service at the fourth step and upon written recommendation of the department head.

The sixth step shall be paid upon the satisfactory completion of one (1) year service at the fifth step and upon written recommendation of the department head.

The seventh step shall be paid upon the satisfactory completion of one (1) year service at the sixth step and upon written recommendation of the department head.

Regardless of an employee's length of service, step advancements in any given

class may be made upon recommendation of the department head with the approval of the City Manager, but not above Step No. 7 for a given range.

Salary step increases shall be effective the first day of the pay period following appointment or revision. If the date of appointment or revision is the first day of a pay period, salary step increases shall be as of that date.

Changes in an employee's salary because of promotion, demotion, postponement of salary step increase or special merit increase will set a new salary anniversary date for that employee, which date shall be as stated in the preceding paragraph.

Salary range adjustments for a classification will not set a new salary anniversary date for employees serving in that classification.

(b) Salary Step Entry-Level Classifications. Effective January 1, 1997, the City Manager may create a ten percent (10%) salary step reduction to any entry-level classification represented by this bargaining unit. The next and all subsequent salary steps shall be paid upon the satisfactory completion of one (1) year service at current salary step.

15.5 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to the City service, are entitled to the automatic salary advancements within the range of their classification for the period they were in the military service.

15.6 Salary Step When Salary Range is Increased

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to the step in the revised range which corresponds to the employee's step held in the previous range, unless otherwise specifically provided for by the City Manager.

15.7 Salary Step After Promotion or Demotion

(a) When an employee is promoted from a position in one class to a position in a higher class, and at the time of promotion is receiving a salary equal to, or greater than, the minimum rate for the higher class, that employee shall be entitled to the next step in the salary scale of the higher class which is "approximately" five percent (5%) above the employee's current salary, except that the next step shall not exceed the maximum salary of the higher class.

(b) When an employee is demoted, whether such demotion is voluntary or otherwise, that employee's compensation shall be adjusted to the salary prescribed for the class to which demoted.

(1) "If the salary of the employee is reduced for cause or disciplinary reasons, the employee shall receive the salary at the same step prior to promotion."

(2) "If the salary of the employee is reduced through no fault of the employee (i.e., layoff), the salary at demotion shall be at the nearest lower salary to that which was received prior to the demotion."

15.8 Transfer

An employee may be transferred from a class in one department, or to a position of the same class in another department, or to a comparable class, with the approval of both the employee and Department Heads. In the case of a comparable class, the employee must be qualified, as determined by the Director of Human Resources. The Director of Human Resources, in making such a determination, must assure that the maximum salary rate for the classes in question are within two and one-half percent (2-1/2%), and shall consider, among other things, whether the employee possesses the minimum qualifications for such class, and is able to demonstrate through education, experience, or successful completion of pertinent test, that he/she is qualified for the transfer. If the transfer involves a change from the jurisdiction of one appointing authority to another, both must consent thereto.

15.9 Salary on Reinstatement

If a former employee is reinstated in the same position, previously held or to one carrying a similar salary range, the employee's salary shall not be higher than the salary at the time of separation unless there has been an increase within the salary range.

If a former employee is reinstated to a position in a lower class the employee's salary shall be set at the same step previously held, but in the pay range of the lower classification.

15.10 "Y" Rate

When an employee's classification is changed to a lower paid classification as the result of a classification study or other action, the employee may be placed on a "Y" rate. A "Y" rate means that the monthly compensation for the employee shall

remain in effect until such time as further changes in the pay range of the new classification exceeds the "Y" rate.

15.11 Acting Pay

(a) General Provisions. Any employee in this unit who is assigned by a supervisor to work in a higher paid classification for two (2) or more hours in one (1) day, shall receive the rate of pay in the step of the higher classification which would have been received if the employee had been promoted into that classification, or at least five percent (5%) more than the employee's salary in the present classification, whichever is greater. Out-of-class assignment pay during overtime status will commence at the first hour worked.

(b) When there is an existing promotional eligibility list, and acting pay assignment is expected to be for more than twenty (20) work days, acting pay shall be assigned from the top three (3) on the promotional eligibility list. If the assignment is for twenty work days or less, the highest ranking employee on the promotional list within the division shall be assigned. When there is no eligible list, section (c) below shall apply.

(c) If there is no existing list, acting pay selection shall be made from the five (5) most qualified employees in the section.

(1) Sections are defined, for the purpose of this clause only, as the sub-groups listed under the following three (3) departments:

Parks and Recreation Department – (1) Parks, (2) Golf Courses, and (3) Trees;

Municipal Utilities Department – (1) Water, (2) Sewer, (3) Wastewater Operations, and (4) Wastewater Maintenance; and

Public Works Department - (1) Street Maintenance, (2) Traffic Devices, (3) Electrical, (4) Fleet Maintenance, (5) Community Enhancement, and (6) Engineering.

(2) Qualifications for the purpose of this Section, as determined by the department head or designee, shall include all the following equal factors:

(a) Seniority in grade within any class immediately below the vacant position.

(b) Worker experience relative to the vacant position.

(c) Prior job performance and attendance.

(d) Certificates or other formal qualification devices such as eligibility lists.

If all things are equal based on above factors, the seniority within the City shall be considered.

(3) The opportunity for acting Pay shall be rotated among the five (5) most qualified employees within each section.

(d) Assignments from other than a promotional eligibility list shall not exceed 120 days per fiscal year per employee.

15.12 Special Assignment Pay

The City Manager may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned in writing by the supervisor to perform additional duties and responsibilities for the duration of the special assignment.

Any employee assigned to the Tree Spray Crew shall receive an additional five percent (5%) special assignment pay per day when assigned in writing by the supervisor to spray trees and performs such work four (4) or more hours in any one (1) day.

Any Senior Plant Operator who is assigned in writing by an appropriate authority to assume supervisory authority over another Senior Plant Operator shall receive an additional five percent (5%) special assignment pay per shift when so assigned.

15.13 Salary Survey

For salary adjustments to be effective July 1, 2005, the City of Stockton Salary Schedule shall be increased in accordance with the Cost-of-Living adjustment formula or the Salary Survey formula described below, whichever is greater.

The City and Union agree to conduct a joint salary survey of twelve (12) California agencies. The City and Union agree to begin the joint salary survey on April 1, 2005, for salary adjustments to be made effective July 1, 2005. The salary survey shall compare the top base salary to be effective as of July 1, 2005, of surveyed agencies to the City of Stockton top base salary to be effective as of July 1, 2005.

In conducting the salary survey pursuant to this section, the City and Union shall jointly work together in obtaining data of top base salaries for selected and mutually agreed upon City of Stockton job classifications from the following twelve (12) agencies:

No.	Agencies
1	City of Bakersfield
2	City of Livermore
3	City of Lodi
4	City of Fairfield
5	City of Merced
6	City of Modesto
7	City of Pleasanton
8	City of Riverside
9	City of Sacramento
10	City of Tracy
11	East Bay MUD
12	San Joaquin County

The salary survey data shall be arranged in descending rank order, and the City of Stockton job classification shall be adjusted by the percentage increase necessary to place the top base salary of the identified job classifications at a position at the bottom of the top one-third (1/3) of surveyed agencies, i.e., to a position equivalent to no less than the agency ranked fourth (4th). The adjustment would be made at the first step of the salary range for each job classification mutually agreed upon and those job classifications assigned within the job group, respectively.

Examples of how this provision shall be applied on July 1, 2005. If the salary survey conducted in 2005 indicates that as of July 1, 2005, it would take an increase of five percent (5%) to bring the top base salary (as defined in this section) to a position at the bottom of the top one-third (1/3) of the surveyed agencies, the Union members would received, effective July 1, 2005, a two and one-half percent (2.5%) adjustment as set forth in Appendix A, plus an additional two and one-half percent (2.5%) adjustment as a result of this section. If, on the other hand, the salary

survey conducted in 2005 indicates that as of July 1, 2005, it would take an adjustment of two percent (2%) to bring the top base salary to a position at the bottom of the top one-third (1/3) of the surveyed agencies, a two and one-half percent (2.5%) adjustment as set forth in Appendix A shall be applied, but no additional adjustment, as a result of this section, shall be applied.

Section 16. Separability of Provisions

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable that provision of the Memorandum of Understanding shall be null and void but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

In the event that Federal legislation changes the current applicability of the Fair Labor Standards Act, both parties agree to consult and/or confer on the impacts of such legislation to the extent required by law.

Section 17. Past Practices and Existing Memoranda of Understanding

Continuance of working conditions and practices not specifically authorized by ordinance or by resolution of the City Council is not guaranteed by this Memorandum of Understanding.

This Memorandum of Understanding shall supersede all existing Memoranda of Understanding between the City and the Union.

Section 18. Scope of Agreement

Except as otherwise specifically provided herein this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties on any and all matters subject to meeting and conferring. Neither party shall, during the term of this Memorandum of Understanding, demand any change therein nor shall either party be required to negotiate with respect to any matter; provided that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.

Section 19. Duration of Agreement

This Memorandum of Understanding shall be effective the date of execution, and shall remain in full force and effect to and including the 30th day of June, 2006 and shall continue thereafter from year to year unless at least sixty (60) days prior to July 1 either party shall file written notice with the other of its desire to amend, modify, or terminate this Memorandum of Understanding.

Section 20. Maintenance of Operations/City Rights

(a) It is recognized that the need for continued and uninterrupted operation of City services is of paramount importance. Therefore, the Union and each employee represented thereby agrees that from the date of execution, through exhaustion of the impasse process/mediation/fact finding as set forth in the Employer/Employee Relations Resolution Section 12 (g) the Union or any person acting in its behalf, or each employee in a classification represented by the Union, shall not cause, authorize, engage in, encourage, or sanction a work stoppage, slowdown, refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound), or picketing, other than informational picketing, against the City or the individual or concerted failure to report for duty or abstinence from the full and faithful performance of the duties of employment, including compliance with the request of another labor organization or bargaining unit to engage in such activity in an attempt to induce a change in wages, hours, and other terms and conditions of employment.

(b) An employee shall not be entitled to any wages or City paid benefits whatsoever if the City Council, by majority vote, determines to its satisfaction, that the employee is, or has, engaged in any activity prohibited by subsection (a) of this Section. The City may take other action which it deems appropriate.

(c) If the City Council, by majority vote, determines to its satisfaction, that subsection (a) of this Section has been violated by the Union, the City may take such remedial action as it deems appropriate.

(d) The Union recognizes the duty and obligation of its representatives and members to comply with the provisions of this Memorandum of Understanding and to make every effort toward inducing all employees in this unit to fully and faithfully perform their duties. In the event of any activity prohibited by subsection (a) hereinabove, the Union agrees to take supererogatory steps necessary to assure compliance with this Memorandum of Understanding.

(e) The rights of the City as set forth in Section 5 of Resolution No. 32,538, dated August 4, 1975, are incorporated herein by reference.

IN WITNESS WHEREOF the parties hereto have executed this Memorandum of Understanding this _____ day of July 2004.

OPERATING ENGINEERS' LOCAL UNION NO. 3 of the International Union of Operating Engineers', AFL-CIO

JOHN BONILLA, Business Manager

ROBERT MILLER, President

ROBERT L. WISE, Recording Corresponding Secretary

KURT BENFIELD, Director of Public Employee Division

JOE SANTELLA, Business Representative

KEVIN HUFF, OE3 Member

ANTHONY MARTINEZ, OE3 Member

TONY LAWRENCE, OE3 Member

CITY OF STOCKTON, a Municipal Corporation

MARK LEWIS, ESQ
City Manager

Johnny Ford for Christine Tien

CHRISTINE TIEN, Deputy City Manager

TERRY PARKER, Director of Human Resources

SYLVIA RAMIREZ, Senior Human Resources Analyst

APPROVED AS TO CONTENT
MARK LEWIS, ESQ, CITY MANAGER
BY: _____
City Manager

APPROVED AS TO FORM
JAYNE W. WILLIAMS, INTERIM CITY ATTORNEY
BY: _____
LORI WHITTAKER, Deputy City Attorney

CONTRACTS
DEC 0 8 2004

APPENDIX "A"
SALARY ADJUSTMENTS FOR CALENDAR YEAR 2004

Effective January 1, 2004, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 2004, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR FISCAL YEAR JULY 2004

Effective July 1, 2004, the Salary Schedule shall provide salary rates and ranges according to the following formula:

Salary increases effective July 1, 2004, shall be equal to one-hundred percent (100%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the April index of fiscal year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR FISCAL YEAR JULY 2005

Effective July 1, 2005, the Salary Schedule shall provide salary rates and ranges according to the following formula:

Salary increases effective July 1, 2005, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the April index of fiscal year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

APPENDIX "B"
REPRESENTED JOB CLASSIFICATIONS

Position Number	Job Title	Grade
30510	Auto Painter Repair Worker	30H
30781	Collection Systems Operator I	30T
30756	Collection Systems Operator II	30Q
30772	Craft Maintenance Worker I	3AA
30515	Craft Maintenance Worker II	30J
30775	Dispatcher	30Z
30825	Electrical Technician I	30C
30405	Electrical Technician II	30A
30612	Electrician I	3AA
30445	Electrician II	30C
30542	Environmental Control Officer	30L
30777	Equipment Service Worker	30Y
30965	Facilities Maintenance Worker I	3AK
30884	Facilities Maintenance Worker II	3AI
30769	Facilities Maintenance Worker III	3AC
30964	Facility Aide	3AK
30791	Fleet Equipment Parts Assistant	30Y
30446	Heating/Air Conditioning Mechanic	30D
30560	Heavy Equipment Operator	30K
30846	Hydrant Worker	3AD
30870	Industrial Electrical Apprentice	30R
30447	Instrument Repair Technician	30C
30885	Janitor	3AI
30763	Landfill Scale Operator	3AD
30444	Machinist	30F
30752	Maintenance Repair Technician I	3AZ
30742	Maintenance Repair Technician II	3AY
30816	Maintenance Worker I	3AG
30764	Maintenance Worker II	3AD
30743	Maintenance Worker III	3AN
30810	Materials Specialist	3AO
30794	Mechanic I	30Y
30571	Mechanic II	30N
30556	Mechanic III	30H
30872	Mechanic Maintenance Apprentice	30V
30762	Mechanical Maintenance Worker I	30R
30651	Mechanical Maintenance Worker II	30J
30670	Medium Equipment Operator	30S

30750	Park Equipment Operator	30X
30990	Park Aide	3AB
30862	Parks Worker I	3AJ
30835	Parks Worker II	3AF
30561	Plant Equipment Mechanic	30H
30444	Plant Maintenance Machinist	30F
30561	Plant Maintenance Mechanic	30C
30874	Plant Operator Apprentice	3AH
30609	Plant Operator I	3AR
30830	Plant Operator II	3AS
30898	Plant Operator-in-Training	3AH
30505	Public Works Equipment Training Officer	3AQ
30562	Public Works Heavy Equipment Operator	3BA
30700	Senior Collection Systems Operator	3OG
30300	Senior Electrician	3OA
30494	Senior Environmental Control Officer	3OA
30595	Senior Facilities Maintenance Worker	3OO
30630	Senior Hydrant Worker	3OI
30299	Senior Instrument Repair Technician	3OA
30770	Senior Janitor	3AC
30646	Senior Maintenance Worker	3BA
30516	Senior Mechanic	3OB
30564	Senior Mechanical Maintenance Worker	3OD
30725	Senior Parks Worker I	3OU
30705	Senior Parks Worker II	3OQ
30517	Senior Plant Maintenance Mechanic	3OA
30675	Senior Plant Operator	3AT
30666	Senior Traffic Maintenance Worker	3BA
30302	Senior Traffic Signal Electrician	3OA
30581	Senior Tree Surgeon	3OM
30703	Senior Water Systems Operator	3OG
30792	Service Writer	3OY
30544	Solid Waste Inspector	3OL
30590	Stage Maintenance Worker	3OO
30443	Traffic Signal Electrician	3OC
30905	Traffic Signal Electrician Trainee	3AA
30440	Traffic Signal Systems Operator	3OC
30699	Tree Surgeon	3OW
30766	Tree Worker	3AP
30783	Water Systems Operator I	3OT
30724	Water Systems Operator II	3OQ
30555	Welder/Fabricator	3OH

30513	Welder/Fabricator Specialist	3AW

LETTER OF UNDERSTANDING
BETWEEN
THE CITY OF STOCKTON AND
THE STOCKTON TRADES AND MAINTENANCE ASSOCIATION OF OPERATING ENGINEERS LOCAL UNION NO. 3

RETIREMENT MEDICAL ALLOWANCE

WHEREAS, the City of Stockton agrees to provide a one-time option for Retirement Medical Allowance benefits for bargaining unit members of Operating Engineers Local Union No. 3 who have attained ten (10) years of service with the City of Stockton and have reached sixty (60) years of age.

The term of the Agreement shall be upon the adoption and approval by the Stockton City Council of the new successor Memorandum of Understanding between the City of Stockton and Operating Engineers' Local Union No. 3, and shall sunset effective October 1, 2004.

WHEREAS, the Union agrees it shall be the sole responsibility of the bargaining unit member to exercise this one-time option before the deadline of October 1, 2004.

IN WITNESS WHEREOF, the parties hereto have executed this Letter of Understanding this _____ day of July 2004.

OPERATING ENGINEERS' LOCAL UNION NO. 3 of the International Union of Operating Engineers,' AFL-CIO

JOSEPH SANTELLA, Business Representative

KEVIN HUFF, OE3 Member

ANTHONY MARTINEZ, OE3 Member

TONY LAWRENCE, OE3 Member

CITY OF STOCKTON, a Municipal Corporation

MARK LEWIS, ESQ
City Manager

Johnny Ford for Christine Tien

CHRISTINE TIEN, Deputy City Manager

TERRY PARKER, Director of Human Resources

APPROVED AS TO FORM
JAYNE W. WILLIAMS, INTERIM CITY ATTORNEY
BY: _____
LORI WHITTAKER, Deputy City Attorney

TRADES AND MAINTENANCE UNIT
MEMORANDUM OF UNDERSTANDING

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CITY OF STOCKTON

MEMORANDUM OF UNDERSTANDING
TRADES AND MAINTENANCE UNIT

Operating Engineers' Local 3, AFL-CIO and representatives of the City of Stockton have met and conferred in good faith regarding wages, hours and other terms and conditions of employment of employees in the representation unit identified in Section 1, have exchanged freely information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding is entered into pursuant to the Meyer-Milias-Brown Act (Government Code sections 3500-3510) and has been jointly prepared by the parties.

This Memorandum of Understanding shall be presented to the Stockton City Council as the joint recommendations of the undersigned for salary and benefit adjustments for the period commencing July 1, 2006, and ending June 30, 2008.

TRADES AND MAINTENANCE UNIT
MEMORANDUM OF UNDERSTANDING

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Section 1. Recognition

Operating Engineers' Local 3, AFL-CIO, hereinafter referred to as the "Union," is the recognized employee organization for the Trades and Maintenance Unit, certified pursuant to Resolution No. 32,548, adopted by the City Council on August 11, 1975.

Section 2. Union Security

2.1 Dues Deduction

(a) General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

If an employee is promoted to a position which is represented by another employee organization or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds, at the address specified.

In addition to the deduction of dues, the City will deduct from the paychecks of Union members who request it, premiums for group insurance and investment plans sponsored by the Union. Such deductions shall be made in one lump sum and only upon signed authorization from the employee upon a form satisfactory to the City. Such authorizations may be made or changed no more frequently than twice yearly.

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the City which would have been withheld if the employee had been

in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

(b) Indemnity and Refund. The Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

2.2 Agency Fee

(a) Employee Rights

(1) The City and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal, alternative right of employees to refuse to form, join and participate in employee organizations. Neither party shall exert pressure upon or discriminate against an employee in the exercise of these alternative rights.

(2) Accordingly, membership in the Union shall not be compulsory. A unit member has the right to choose, either: to become a member of the Union; or, to pay to the Union a fee for representation services; or, to refrain from either of the above courses of action upon the grounds set forth in Section (f) below.

(b) Unit Members' Obligation to Exclusive Representative

(1) A bargaining unit member who does not fall within one (1) of the exempted categories as set forth in Section (f) below, and who has not voluntarily made application for membership in the Union within the sixtieth (60) day following the date upon which said employee has been formally hired by the City as a bargaining unit employee, must as a condition of continued employment in the City pay to the Union a representation fee, in exchange for representation services necessarily performed by the Union in conformance with its legally imposed duty of fair representation on behalf of said unit member who is not a member of the Union.

(2) In the event that a unit member does not become a member of the Union or pay such fee directly to the Union, the City shall begin automatic payroll deduction. There shall be no charge to the Union for such mandatory agency fee deductions.

(3) Prior to beginning such automatic payroll deduction, the Business Representative of the Union will certify to the City in writing that the employee whose pay is to be affected by the deduction has: 1) refused to join the Union; and 2) has refused to tender the amount of the agency fee as defined herein; and 3) has not applied for an exemption under Section (f) herein. In addition the Union must also certify that it has provided the employee with a copy of the fee verification required by Section (e) herein.

(c) Definition of Agency Fee

(1) The agency fee collected pursuant to Section (b) above from unit members who are not members of the Union shall be an amount not to exceed the standard initiation fee, periodic dues and general assessments of the Union for the duration of this Agreement, minus any amount which is prohibited by the Constitution because such funds pay for political or ideological purposes not related to collective bargaining.

(2) Any dispute as to the amount of the representation fee shall be resolved pursuant to the provisions of Section (h) herein.

(d) Exceptions. Unit members on leave without pay and unit members who are in laid-off status shall be exempt from these provisions herein; except that the election as to membership or payment of a fee as set forth herein must be exercised within the first ten (10) work days upon return to paid status.

(e) Annual Verification of Agency Fee by the Union. Prior to January 31, of each year and before the collection of an agency fee from any unit member pursuant to these provisions herein, the Union shall submit a written certification to the fee payers verifying that the total amount of its representation fee conforms to Section (c) above, and itemizing all component parts of such fee which shall provide an adequate explanation for the basis of the fee. Each year such amount shall be verified and submitted in writing to the fee payers by the Union prior to January 31st. The Union will submit a copy of such verification to the Director of Human Resources of the City. The parties agree that such annual verification is a condition precedent to the collection by either the City or the Union of a representation fee from a unit member.

(f) Employees Exempted From Obligation to Pay Union

(1) Any unit member shall be exempt from the requirements of Section (b) above, if such employee has a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.

(2) Such exempt unit member shall, as an alternative to payment of a representation fee to the Union, pay an amount equivalent to such representation fee to:

a. United Way.
b. American Cancer Society.
c. Any charity jointly agreed in writing by the parties.

(3) If a unit member desires to be exempted for reasons set forth in Section (f) herein, the unit member must first request such exemption in writing from the Union setting forth briefly the rationale for the exemption. If the Union notifies the unit member in writing that the Union will not honor the request, then the matter shall be referred automatically to a panel for determination according to the procedure set forth below. The panel shall be composed of one (1) person selected by the Union, one (1) person selected by the unit member, and an arbitrator selected by the parties chosen from a list submitted by the State Conciliation Service. If either one or both parties fail to nominate a panel member, the process of hearing will continue without that party's panel member.

(4) The panel shall first receive arguments and evidence from the unit member requesting the exemption. Thereafter the Union may present any arguments or evidence. The proceedings shall be conducted in an informal manner, and the rules of evidence will not apply. The arbitrator shall act as chair and rule on all matters before the panel with the exception of the final determination of the panel. The panel shall prepare a written decision within fifteen (15) calendar days of the completion of the hearing which shall be final and binding upon the parties. Any expenses of the panel shall be borne by the parties incurring them.

(5) Upon receipt of the decision of the panel, the City shall release any funds held in escrow to the Union or to the charity. Any decision by the panel shall apply for the duration of this Memorandum of Understanding.

(6) In addition, the Union may require such exempt unit member to submit proof of payment of an amount equivalent to such representation fee to one (1) of the alternative funds or organizations listed above. If the bargaining unit member has not provided payment, the City will institute deductions pursuant to Section (b)(2), and forward such monies to a charity listed in Section (f)(2).

(7) Such payments shall be made on or before January 31, of each year or no more than thirty (30) days after commencing duties for any newly hired employee.

(g) Escrow Account. If any unit member either disputes the amount of the fee or disputes whether or not an exemption was appropriately denied, the City shall deposit the fee which was deducted and place such amount into a special escrow account established by the Union for such purposes.

(h) Procedure for a Unit Member Who Contests the Amount of the Fee

(1) The parties agree that in order to provide a uniform definition of the representation fee, any disputes involving the amount of such fee shall be referred to the Union's procedure for determination, provided that the parties have first complied with the other provisions of this Section.

(2) The Union shall notify the City in writing within twenty (20) days after it becomes aware that any employee disputes the amount of the fee.

(3) The Union will verify in writing to the City that all of the conditions of Section (b)(3) have been met prior to the City's initiation of the fee deductions set forth in Section (b)(2). Thereafter, the City will notify the affected employee in writing that such deductions will commence and a copy of the Union's written verification will be attached to the City's notice. Thereafter, the City will begin the deductions.

The monies held in escrow shall be released to the appropriate party upon the rendering of a final decision by the Union's internal procedure.

(i) Payment Method/Payroll Deduction

(1) A unit member may voluntarily sign and deliver to the City a written assignment authorizing deduction of the properly established representation fee as defined in Section (c) above, subject to the conditions set forth elsewhere in this agreement for payroll deductions, or the amount of the fee

will be deducted automatically in accordance with Section (b)(2) herein.

(2) The City is under no obligation to make payroll deductions for the periods during which a unit member is either terminated from active employment, or not on the City's active payroll for any reason, including, but not limited to, layoff and voluntary leave of absence for more than thirty (30) days.

(3) Upon the rehiring of any unit member, or upon the recalling of any unit member from layoff status, the City will resume or initiate dues deductions for such unit member.

(j) Obligations of Parties

(1) City's Obligations. The City's obligation under this Article is to notify any unit member who has failed to comply with the provisions of this Section that, as a condition of continued employment with the City, such unit member must become an Union member, or pay a representation fee, or establish an exemption status and make payment pursuant to provisions of Sections (b) and (f) of this Agreement. Under no circumstances shall the City be required to dismiss or otherwise discipline any unit member for failure to fulfill their obligations to pay the fees established herein.

(2) Union's Obligations. Except as specified herein, the Union and not the City, shall be responsible for requiring unit members to fulfill obligations defined herein. It is the obligation of the Union to collect any representation fees which may be due and payable to the Union in consideration for its services as the exclusive representative of unit employees.

(k) Hold Harmless Provision. The Union shall hold the City harmless, and shall fully and promptly reimburse the City for any fees, costs, charges or penalties incurred in responding to or defending against any claims, disputes, challenges, whether formal or informal, which are actually brought, or attempted or threatened to be brought, against the City or any of its agents, or employees, in connection with the interpretation, application, administration or enforcement of any Section of this Agreement pertaining to representation fee. Such reimbursement shall include, but not be limited to, court costs, litigation expenses, and attorney's fees incurred by the City. The City shall have the right to be represented by its own attorney in any action in which it is a named party to the action. Disputes over the amount of reimbursement shall be automatically submitted to the arbitration provisions of this Memorandum, Section 8.3(e).

2.3 Use of City Facilities

(a) The Union shall be allowed by the City department in which it represents employees' use of space on available bulletin boards for communications having to do with official Union business, such as times and places of meetings, provided such use does not interfere with the needs of the department. The Union may submit to the City Employee Relations Officer written communications having to do with official Union business for distribution by the City to identified shop stewards. Distribution may be by e-mail.

(b) Any representative of the Union shall give notice to the department head or designated representative when contacting department employees on City facilities during the duty period of the employees, provided that solicitation for membership or other internal Union business shall be conducted during the non-duty hours of all employees concerned. Pre-arrangement for routine contact may be made with individual department heads and when made shall continue until revoked by the department head.

(c) City buildings and other facilities may be made available for use by City Employees of the Union or their representatives in accordance with such administrative procedures as may be established by the City Manager or department heads concerned.

2.4 Advance Notice

Except in cases of emergency, reasonable advance written notice shall be given to the Union if affected by any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to negotiate if requested with the designated management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described above and be given an opportunity if requested to negotiate changes to said notice with the management representatives designated by the City Manager.

2.5 Attendance at Meetings by Employees

City employees who are official representatives or unit representatives of the Union shall be given reasonable time off with pay to attend meetings with City management representatives, or be present at City hearings where matters within the scope of representation or grievances are being considered. Such employee representatives shall submit a request for excused absence to their respective department heads, in a manner satisfactory prior to the scheduled meeting whenever possible. Except by mutual agreement the number of the employees excused for such purposes shall not exceed three (3) per recognized bargaining unit.

Time spent for this purpose during the representative's scheduled hours of work shall count as hours worked. Time spent for this purpose which may exceed the representative's regularly scheduled hours of work shall be compensated as overtime or compensatory time.

2.6 Maintenance of Membership

All employees in the Trades and Maintenance unit who are members of the Union, tendering periodic dues at the execution of this agreement, and all employees who thereafter become members of the Union shall, as a condition of employment, pay dues to the Union for the duration of this Memorandum of Understanding, and each year thereafter. For a period of thirty (30) days prior to January 1, 1989, and thirty (30) days prior to any January 1, thereafter, any employee in the aforementioned unit who is a member of the Union shall have the right to withdraw from the Union discontinuing dues payments and retain employment in the City, subject to provisions of Section 2.2. Agency Fee. Said withdrawal shall be communicated by the employee in writing to the City. The provisions of this section shall be operative only to the extent that they are permissible under California law.

2.7 Assignment of Classifications

New job classifications established by the City shall be assigned to the bargaining unit pursuant to Section 8 (b) of the City's Employer-Employee Relations Resolution after providing notice and the opportunity to consult with the Union regarding such matters.

Section 3. Compliance with Federal Laws/Safety

3.1 Non-Discrimination. The City and the Union agree that there shall be no discrimination of any kind because of race, creed, color, religion, national origin, sex, political affiliation or legitimate union activity against any employee or applicant for employment; and to the extent prohibited by applicable State and Federal law there shall be no discrimination because of age.

3.2 Fair Labor Standards Act. The Union agrees to cooperate with the City to insure its members' compliance with the provisions of the Fair Labor Standards Act.

3.3 Safety. The Union shall cooperate with the City in promoting safety objectives as defined in Federal, State and local regulations by actively supporting safety programs, promoting safe work habits of members and encouraging an ongoing, active participation by its members in safety related procedures and practices as offered and promulgated by the City of Stockton.

Section 4. Probation

4.1 Purpose

The probationary period shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to a position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

4.2 Original Entrance and Promotional Positions

All original and promotional appointments shall be tentative and subject to a probationary period of six (6) months, unless a longer probationary period is stated in the class specification. The probationary period may be extended up to an additional six (6) months in those cases where the appointing authority and the Director of Human Resources agree that such extension would be beneficial to the employee and the City.

4.3 Retention/Rejection of Probationer

At the end of the probationary period, if the service of the probationary employee has been satisfactory to the appointing authority, then the appointing authority shall file with the Director of Human Resources a statement in writing to such effect and stating that the retention of such employee in the service is desired. The City will make a good faith effort to notify a probationary employee two (2) weeks before the end of the probationary period whether or not permanent status is granted; however, a failure on the part of the appointing authority to file such a statement at the end of the probationary period shall constitute a rejection of the probationer as defined in Civil Service Rules.

During the probationary period an employee may be rejected at any time by the appointing authority. Any employee rejected during the probationary period following a promotional appointment, shall be reinstated to the position from which promoted unless charges are filed and the employee is discharged in the manner provided in Section 7 of this Memorandum of Understanding and in the Civil Service Ordinance and Civil Service Rules, which are consistent therewith.

4.4 Alcohol and Drug Testing. All original and reemployed appointments must pass a drug and alcohol screening prior to being offered City employment. This shall include non-represented part-time, seasonal, provisional, and temporary appointments.

Section 5. Layoff

5.1 Layoff

Any employee may be laid off by an appointing authority in the event of the abolition of the employee's position by the City Council, or if a shortage of work or funds requires a reduction in personnel.

5.2 Layoff Scope

(a) Layoffs shall be within departments of the City.

(b) Departments of the City are defined as follows:

(1) City Attorney
(2) City Auditor
(3) City Clerk
(4) City Manager
(5) Community Development
(6) Administrative Services
(7) Fire
(8) Housing and Redevelopment
(9) Library
(10) Municipal Utilities
(11) Parks and Recreation
(12) Human Resources
(13) Police
(14) Public Works

5.3 Notice of Layoff

The City will give advance written notice of at least one pay period to employees who will be laid off.

5.4 Precedence by Employment Status

(a) No permanent employees shall be laid off while employees working in an extra help, seasonal, temporary, provisional, or probationary status are retained in the same classification as such permanent employee. The order of layoff among employees not having permanent status shall be according to the following categories:

(1) extra help or seasonal

(2) provisional
(3) temporary
(4) probationary

Layoffs shall be by job classification according to reverse order of seniority as determined by total service in the City, except as specified above. For the purpose of this procedure part-time classes shall be considered as separate from regular full-time classes.

The following provisions shall apply in computing total continuous service:

(1) Time worked in a permanent or probationary status shall count as service.
(2) Time spent on military leave shall count as service in the event the leave was taken subsequent to entry.
(3) Time worked in an extra help, seasonal, provisional, temporary, grant or other limited term status shall not count as service.

If two (2) or more employees have the same seniority, the most recent performance evaluation shall determine seniority.

(b) Any employee in the Trades and Maintenance Unit who is laid off may complete a City employment application for any position currently staffed by a part time, provisional, or temporary employee. The Human Resources Department will evaluate the employment application. If the laid off employee meets the minimum qualifications of that position, he/she shall have the option of displacing the part time, provisional, or temporary employee.

5.5 Employee Options

Employees laid off shall have any of the following choices:

(a) Displacing the employee in the same department and in the same or clearly comparable classification as determined by the Director of Human Resources as having the least (total service) seniority. This option shall be exercised before any other option.

(b) Taking a voluntary demotion within the department to a classification in which the employee had prior permanent status, thus displacing the employee working in the classification who has the least (total service) seniority.

5.6 Health and Welfare Benefits during Layoff

Permanent employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

Section 6. Reemployment

(a) The name of each employee who is laid off in accordance with Section 5. shall be placed at the head of the eligibility list for the class of positions which that employee held, and shall be given preference in filling vacancies in that class.

(b) An employee laid off in accordance with this Section shall be placed on the eligibility list or lists for any lower or comparable class or classes in the same department, provided that the appointing authority and the department head in charge of this lower or comparable class determine that the employee is competent to perform the duties thereof in strict accordance with the class specifications. This right of a laid off employee shall remain effective for two (2) years from the date of latest separation from the service. The employee shall not be placed on said eligibility list or lists without first submitting a written request. Employee's place on said list or lists shall be at the head of the eligibility list for the class of positions for which qualified as hereinabove set forth and shall be given preference in filling vacancies except for those persons placed on said list or lists of reemployment in the same positions previously held. Upon certification for appointment to a new position never having been held by this employee, the probationary period must be completed as required in this Memorandum of Understanding.

Section 7. Discipline

Disciplinary action, including discharge, suspension, reduction in pay or demotion, may be taken against any employee for cause.

7.1 Predisciplinary Rights

An employee facing potential disciplinary action will be entitled to the following predisciplinary rights:

(a) Notice of proposed discipline.

(b) Date(s) proposed discipline will be effective.

(c) Reasons for the proposed discipline, the specific grounds and particular facts upon which the action is taken.

(d) Seven (7) calendar days in which an employee or the representative may respond either orally or in writing to the department head.

(e) The employee must be provided with any written materials, reports and documents upon which the action is based.

7.2 Administrative Leave

The City may place an employee on administrative leave pending the completion of the predisciplinary process.

7.3 Provisions

The appointing authority may discharge, suspend or demote any employee in the classified service provided the City Charter provisions and the rules and regulations of the Civil Service Commission and any applicable provisions of law are followed. Such provisions allow the employee suspended, demoted or discharged to appeal such action. The employee may take only one (1) of the following actions:

(a) File no appeal.

(b) File an appeal with the Civil Service Commission within ten (10) calendar days of written notification of the action. (Such filing will foreclose use of the grievance procedure.)

(c) File a grievance as provided for in Section 8 within ten (10) calendar days of

written notification of the action.

If the employee fails to do (b) or (c) above within the prescribed time frames, these rights will have been waived.

Section 8. Grievance Procedures

8.1 Definition

A grievance is any dispute which involves the interpretation or application of those rules, regulations and resolutions which have been, or may hereafter be, adopted by the City Council to govern personnel practices and working conditions, including such rules, regulations and resolutions as may be adopted by either the City Council or the Civil Service Commission to affect Memoranda of Understanding which result from the meeting and conferring process.

8.2 Filing Deadline

(a) No grievance involving demotion, suspension, discharge or other employment penalty will be entertained unless it is filed in writing with the Director of Human Resources within ten (10) calendar days of the time at which the affected employee received written notification of such action. All other grievances must be filed within thirty (30) calendar days from the time the employee knew or had reason to know of the facts giving rise to the grievance.

(b) With written consent of the City Manager or his/her designee and the Union Business Agent or his/her designee, time limits may be extended and/or Steps 1, 2 and/or 3 of the Grievance Procedure waived.

8.3 Grievance Processing

(a) Step 1 - Departmental Review. Any employee claiming to have a grievance may discuss the complaint with such management official in the department where employed as the department head may designate. If the issue is not resolved within the department within twenty (20) days from the day of presentation or if the employee elects to submit the grievance directly to the Union recognized as the representative of that employee's classification, or if the employee/Union official notifies the Director of Human Resources, in writing, that a grievance exists, the procedure hereinafter specified may be invoked.

(b) Step 2 - Director of Human Resources Review. If the employee is not satisfied with the response at level one, then the employee may appeal the grievance to the Director of Human Resources within twenty (20) calendar days of the receipt of written response at level one. Such appeal must state with particularity: 1) the specific policy, rule or provision which is alleged to have been violated; 2) the statement of facts comprising the violation; and 3) the requested remedy. The Union may file and process grievance(s) on behalf of the specifically

named employee. The Director of Human Resources shall have twenty (20) calendar days in which to investigate the issues, meet with the complainant and attempt to reach a satisfactory resolution of the problem. No grievance may be processed under the following two (2) paragraphs which has not first been filed and investigated in accordance with this paragraph, except for the resolution of compensation complaints.

(c) Step 3 - City Manager Review. Within twenty (20) calendar days of the receipt of the level two response, the grievance may be appealed to the City Manager or his designee. Such referral shall be in writing, detailing the specific issues involved in the referral together with a statement of the resolution desired. The City Manager shall designate a personal representative who shall not be the Director of Human Resources to investigate the merits of the complaint, to meet with the complainant, and if the complainant is not the Union, to meet also with the officials of the Union, and to settle the grievance or to make recommendations to the City Manager. A written response to the appeal will be provided within thirty (30) calendar days of the date of the appeal.

(d) Step 4 - Adjustment Board. If the parties are unable to reach a mutually satisfactory accord on any grievance which arises and is present during the terms of this Memorandum of Understanding, within twenty (20) calendar days of the receipt of the level three response, such grievance shall be submitted to an Adjustment Board comprised of three (3) Union representatives, no more than one (1) of whom shall be either an employee of the City or an elected or appointed official of the Union and three (3) representatives of the City, no more than one (1) of whom shall be either an employee of the City or a member of the staff of any organization employed to represent the City in the meeting and conferring process.

(e) Step 5 - Arbitration. If an Adjustment Board is unable to arrive at a majority decision, within twenty (20) calendar days either the Union or the City may require that the grievance be referred to an impartial arbitrator mutually selected by the parties, or if the parties are unable to mutually agree, from a list of seven (7) arbitrators provided by the State Conciliation Service. The arbitrator shall be chosen by the alternative strike method, with first choice being determined by lot. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Union and City. Each party, however, shall bear the cost of its own presentation, including preparation and post hearing briefs, if any.

(f) Effect of Decision. Decisions of Adjustment Boards and arbitrators on matters properly before them shall be final and binding on the parties hereto except as provided otherwise herein.

8.4 Scope of Arbitration

(a) No Adjustment Board and no arbitrator shall entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union and unless such dispute falls within the definition of a grievance as set forth in paragraph 8.1.

(b) Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may be referred to arbitration under this Section. No Board of Adjustment or arbitrator selected pursuant to this Section shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

No changes in this Memorandum of Understanding or interpretations thereof (except interpretations resulting from Board of Adjustment or arbitration proceedings hereunder) will be recognized unless agreed to by the City Manager and the Union.

8.5 Other Provisions

If the Director of Human Resources or City Manager, in pursuance of the procedures outlined above, resolves a grievance which involved suspension or discharge, they may agree to payment for lost time or to reinstatement with or without payment for lost time, but in the event the dispute is referred to arbitration and the arbitrator finds that the City had cause to take the action complained of, the arbitrator may not substitute his judgement for the judgment of management and if the findings are that the City had such right, the arbitrator may not order reinstatement and may not assess any penalty upon the City.

Complaints which allege the employee is not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances and processed pursuant to Section 8.3. Any other matters of compensation are to be resolved in the meeting and conferring process and if not detailed in the Memorandum of Understanding which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next open for such decision. No adjustment shall be retroactive for more than thirty (30) days from the date upon which the complaint was filed.

Specified time limits may be modified only in writing. All appeals and responses must be provided in writing.

A grievant will be provided release time without loss of pay for all required meetings with management. The City cannot discriminate or retaliate in any manner against an employee for filing a grievance or exercising rights under this Section.

The provisions of this Section shall not abridge any rights to which an employee may be entitled under the City Charter, nor shall it be administered in a manner which would abrogate any power which, under the City Charter, may be within the sole province and discretion of the Civil Service Commission.

All grievances of employees in representation units represented by the Union shall be processed under this Section. If the City Charter requires that a differing option be available to the employee, no action under paragraph (d) or (e) of Subsection 8.3 above shall be taken unless it is determined that the employee is not utilizing such option.

No action under paragraph (d) or (e) of Subsection 8.3 above shall be taken if action on the complaint or grievance has been taken by the Civil Service Commission or if the complaint or grievance is pending before the Civil Service Commission.

If any award by a Board of Adjustment or arbitrator requires action by the City Council or the Civil Service Commission before it can be placed in effect, the City Manager and the Director of Human Resources will recommend to the City Council or the Civil Service Commission, as appropriate, that it follow such award.

Section 9. Leaves

9.1 Vacation Leaves

(a) Vacation Allowance. All regular employees, excluding provisional and temporary shall accrue vacation leave with pay in accordance with the following schedule:

(1) Less than one and one-half (1-1/2) years continuous employment 80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment120 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment160 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment 200 hours/year.

(5) Thereafter, eight (8) additional hours for each completed year of service in excess of twenty-five (25) years.

(6) An employee may be allowed to carry over up to 120 hours vacation more than the employee's regular vacation accrued for the preceding calendar year. Whenever an employee's accumulation of vacation hours exceed the maximum vacation carryover provision, the excess number of vacation hours shall automatically be credited and forwarded to the employee's sick leave accumulation balance at the end of the calendar year. However, employees may carryover unlimited vacation hours in excess of the maximum allowance when such vacation accrues while remaining in a pay status during a period of illness or injury which precluded liquidating vacation credits in excess of the maximum allowed.

(7) Employees shall accrue vacation on a twice-monthly payroll basis.

(b) Vacation Scheduling. Vacation leaves shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business.

(c) Holiday during Vacation. If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(d) Vacation Allowance for Separated Employees

(1) When an employee is separated from the service, remaining vacation allowance, if any, shall be added to final compensation.

(2) An employee who has resigned in good standing and is subsequently reinstated within two (2) years from the date of resignation shall have prior service counted in determining eligibility for vacation benefits, deducting therefrom the amount of time between the date of resignation and the date of reinstatement which shall not be counted in determining eligibility.

(e) Cash Payment Option for Vacation. An employee may elect to receive cash payment for up to a maximum of eighty (80) hours of his/her accumulated vacation balance upon commencement of a scheduled vacation for eighty (80) consecutive hours or more, or two (2) forty (40) consecutive hours or more. This option may be exercised pursuant to the above description up to a maximum of eighty (80) hours cash payment per calendar year.

An employee may elect to receive cash payment for two (2) days (16 hours) of his/her accumulated vacation balance for each one (1) day of scheduled vacation. This option may not exceed eighty (80) hours of cash payment per calendar year.

9.2 Sick Leave

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of ten (10) hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence without pay granted to the employee.

(b) Usage. Employees are entitled to sick leave pay for those days which the employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery therefrom.

(c) Family Sick Leave. Employees may utilize sick leave in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care. Such sick leave shall be limited, by the department head, to the time reasonably required to make other arrangements for such care.

Such leave shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent and grandchild.

In special cases, with the approval of the Director of Human Resources, a department head may grant sick leave in other circumstances.

No sick leave shall be granted to an employee during any leave or leaves of absence without pay.

(d) Reporting Procedures for Sick Leave. When the requirement for sick leave is known to the employee in advance of the absence, (for example, included but not limited to scheduled medical, dental or vision appointments), the employee shall request authorization for such sick leave from the department head prior to such absence.

If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for the following disciplinary action:

(1) For the first time in a six (6) month period, a Memorandum of Discussion.

(2) For the second time within a six (6) month period, a Letter of Reprimand.

(3) For any subsequent time within a six (6) month period,

suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employee may be discharged.

The six (6) month period will be defined as six (6) months from the most recent incident.

Any Memorandum of Discussion or Letter of Reprimand regarding failure to notify the City as provided herein, which is more than six (6) months old, will be automatically sealed and can only be reopened upon court order.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a signed statement to the department head, on a prescribed form, stating the dates and hours of absence, the exact reason, and such other information as is necessary for the request to be evaluated. If an employee doesn't return to work prior to the preparation of the payroll, other arrangements may be made with the department head.

(2) Doctor's Certificate or Other Proof. If an employee's illness results in an absence from work for more than three (3) consecutive days, a doctor's certificate or other reasonable proof of illness may be required.

The Director of Human Resources may make such sick leave usage reviews and may require such additional documentation including a physician's statement as he deems necessary before approving the sick leave benefit.

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. The employee has the right to Union representation at such meeting. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Human Resources pursuant to (e)(2) above;

(b) Suspend the employee without pay for up to five (5) days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave While on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or

(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

(g) Payment for Unused Sick Leave. Upon separation of employment by reason of death, service or disability retirement, the employee or the employee's estate will be paid 50% of the total unused sick leave at its current cash value.

9.3 Other Leaves with Pay

(a) Bereavement Leave. In the event of a death in the immediate family of an employee, the employee shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his accumulated sick leave credits or vacation eligibility. The Director of Human Resources may grant an additional two (2) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent and grandchild.

In the event of the death of a person not immediately related to an employee as defined above, the employee's department head may grant up to three (3) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

(b) Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized absence from duty for appearance in Court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said absence from duty including necessary travel time, will be with full pay for each day the employee serves on jury duty or testifies as a witness in a criminal case, other than as a defendant. As a condition of receiving such pay, the employee must remit to the City, through the employee's department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

Jury duty or witness duty appearances shall be considered in terms of "whole days" (8 hours) or "half days" (4 hours) of service. If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his usual morning schedule. If an employee is required to appear for a morning court session and is sent home before noon and not required to return in the afternoon, the employee will be expected to work his usual afternoon schedule.

Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be remitted to the City through the employee's department head.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is a party, together with travel time necessarily involved, shall not be considered absent from duty within the meaning of the Section.

(c) Military Leave. An employee of the City who is a member of the National Guard or Naval Militia or a member of the Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence without pay for duration of a national emergency who have been inducted into the Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the position they held when they were inducted into Military Service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.

In the case of a probationary employee having served a minimum probationary

period of six (6) months at the time of induction, it shall be optional with the department head and the City Manager to grant regular status to said employee before induction.

All probationary employees inducted into Military Service not having served the minimum probationary period of six (6) months, or having served the minimum probationary period of six (6) months, but not having received regular status shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.

Two (2) or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

9.4 Workers' Compensation Leave

(a) Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law.

(b) Payment. Workers' Compensation Leave will be paid in accordance with the following schedule:

Employees who have worked for the City more than twelve (12) months but less than twenty-four (24) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of two (2) months.

Employees who have worked for the City for twenty-four (24) or more continuous months but less than sixty (60) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of three (3) months.

Employees who have worked for the City for sixty (60) or more continuous months and who are unable to work shall receive their full salary for the term of their disability but not to exceed a period of twelve (12) months.

Reopener Clause. During the term of the agreement, the City and Operating Engineers' Local No. 3 shall reopen the agreement for the limited purpose of negotiating and reaching agreement on the payment percentage of salary continuation for workers' compensation with Operating Engineers' Local No. 3 and at least one (1) other miscellaneous bargaining unit.

Workers' Compensation Leave shall commence from the first day's absence.

(c) Forms and Procedures. Salary continuation approval will follow the same procedures as for sick leave approval. Salary continuation payments will be contingent on the City's acceptance of the injury as compensable under Workers' Compensation Law.

9.5 Leave of Absence Without Pay

(a) Entitlement. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that the granting of such leave is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. The granting of a leave of absence provides the employee the right to return to the position vacated.

(b) Approval. All leaves of absence without pay must be recommended by the department head and approved by the Director of Human Resources. No such leave may extend beyond twelve (12) months, except in the case of absence due to job incurred disability where a determination may be made based upon the needs of public service, or in the event an application for service connected disability retirement has been filed.

(c) Leaves of absence without pay for illness may only be approved following the expiration of entitlement of sick leave and vacation where applicable.

9.6 Absence Without Official Leave (AWOL)

(a) Refusal of Leave or Failure to Return after Leave. Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked, or canceled, or at the expiration of a leave, shall be considered an absence without official leave.

(b) Voluntary Resignation. Any employee in this bargaining unit absent without official leave for two (2) or more consecutive days without a satisfactory explanation shall be deemed to have voluntarily resigned from the City of Stockton. An

employee must provide a written statement to the Human Resources Department regarding a "satisfactory explanation", within ten (10) calendar days after the City mails a notice of voluntary resignation to the employee's last known address.

Section 10. Days and Hours of Work

10.1 Workweek

The normal workweek in this unit consists of five (5) consecutive eight (8) hour days or a total of forty (40) hours, generally Monday through Friday in a seven (7) day work period. Where operational requirements of a department require deviations from this schedule, the department head with City Manager approval may institute alternate work schedules as long as the City meets with the Union over the impact of such schedules and conforms to work period requirements of the Fair Labor Standards Act.

10.2 Meal Periods and Rest Periods

(a) Employees shall receive a one (1) hour meal period, without pay, each day and a fifteen (15) minute paid rest period during the first half of the work day and a second fifteen (15) minute paid rest period during the second half of the work day. Employees who exceed the time limits prescribed above for lunch and/or rest periods shall have their pay reduced accordingly.

(b) Where operational requirements of a department require deviations from this schedule, meal periods of other durations and alternate rest periods may be instituted with the approval of the City Manager.

10.3 Reporting to Work

Repeated failure to report to work on time may result in appropriate discipline as set forth below:

(a) For the first time in a six (6) month period, a Memorandum of Discussion.

(b) For the second time within a six (6) month period, a Letter of Reprimand.

(c) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employees may be discharged.

If an employee reports to the work site after the designated starting time, the employee will be paid only for time actually worked; however, the employee may be allowed to utilize annual leave for lost pay, provided the employee's supervisor approves.

Any Memorandum of Discussion or Letter of Reprimand regarding tardiness which is more than six (6) months old will be automatically sealed and can only be reopened upon court order.

Section 11. Overtime

11.1 Overtime Authorization

All compensable overtime must be authorized by the department head or his designated representative in advance of being worked. If prior authorization is not feasible because of emergency conditions, a confirming authorization must be made on the next regular working day following the date on which the overtime was worked.

11.2 Definition

The following provisions pertaining to authorized overtime work shall apply to those employees whose normal work period is eight (8) hours per day and forty (40) hours per week:

(a) Time worked in excess of forty (40) hours in any workweek shall be paid for at time and one-half (1-1/2) including employees employed on a per hour basis or except as provided elsewhere herein.

(b) On a holiday observed by the City an employee shall be paid for a regular day plus time and one-half (1-1/2) for actual time worked not to exceed eight (8) hours including employees employed on a per hour or per day basis, or except as provided elsewhere herein.

(c) Any time worked in excess of eight (8) hours on a holiday observed by the City shall be paid for at double time and one-half (2-1/2) except for employees employed on a per hour or per day basis, except as provided elsewhere herein.

(d) The City may require mandatory overtime when operational needs if the City dictate the need to work such overtime. Work in excess of forty (40) hours in any workweek will be paid at time and one-half pay or CTO in accordance with Section 11.4 (b).

11.3 Standby Duty

When warranted and in the interest of the City operation, department heads may assign employees to "standby" status.

(a) Application of "standby" shall be as follows:

(1) Each employee so assigned to "standby" shall be provided with

a pager while on standby and shall be able to report to the work site within forty-five (45) minutes.

(2) Employees on standby shall have the option to trade days and/or weeks of standby status with another qualified employee in the same unit or division with departmental approval.

(3) Standby shall be assigned in a minimum of eight (8) hours blocks, i.e., Monday - Friday work week standby can be 8, 16, 24 hour blocks. The block of standby will be to one (1) person per 24 hour period.

Standby for weekends i.e., Saturday, Sunday or extended holiday weekends (Friday – Sunday, or Saturday - Monday) will be assigned 8 - 48 hour blocks to one (1) person per weekend (up to 72 hours for holiday weekend).

(b) Compensation of "standby" shall be as follows:

(1) Employees assigned to standby duty shall be paid two (2) hours for every eight (8) hours of standby, and time and one-half (1-1/2) for all actual time worked while on standby duty status.

(2) Employees assigned to standby duty status on holidays observed by the City shall be paid two (2) hours for every eight (8) hours of standby, time and one-half (1-1/2) for all actual time worked while on standby duty status, and double time and one-half (2 1/2) for all actual time worked in excess of eight (8) hours while on standby duty status.

11.4 Call Back

Effective January 1, 2003, when an employee is called back to work from off duty status, the employee shall be compensated for a minimum of two (2) hours and forty-five (45) minutes pay at time and one-half (1-1/2) or actual time worked at time and one-half (1-1/2), whichever is greater.

To be eligible for call-back pay, both of the following conditions must be met:

(a) The call-back must occur outside of the employee's regular work hours; including overtime.

(b) The call-back time worked must not be contiguous to the employee's

regular work hours; including overtime.

11.5 Compensatory Time

(a) Definition. As used in this Section, the term Compensatory Time refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule.

(b) Accrual. For hours in excess of forty (40) hours in a seven (7) day work period, for which the employee is in a paid status, Compensatory Time may be earned at the rate of time and one-half (1-1/2). No more than eighty (80) hours (forty (40) hours worked at time and one-half [1-1/2]) may be carried on the books at any time.

(c) Use. Use of Compensatory Time shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of City business. Approval of requests for use of Compensatory Time shall be at the sole discretion of the department head, but once approved, cannot be changed unless an emergency situation arises.

(d) Payment. Once eighty (80) hours of Compensatory Time is accrued on the books, all other hours worked in excess of forty (40) hours in a seven (7) day work period will automatically be paid.

Any Compensatory Time balance remaining at the end of a fiscal year will automatically be paid.

11.6 Meal Allowance

The City shall provide a meal allowance of TEN DOLLARS AND NO CENTS ($10.00) for an employee who is held over and works a minimum of four (4) hours. Employees called back to work or called back from a day off with less than two (2) hours notice shall qualify for the TEN DOLLARS AND NO CENTS ($10.00) meal allowance when they work a minimum of four (4) hours. Extension of the work schedule or call-back must be properly authorized by the employee's supervisor or other designated personnel.

Section 12. Holidays

12.1 Qualifying for Holiday Pay

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

12.2 Holidays Observed by the City

(1) January 1 ..... New Years' Day
(2) Third Monday in January ..... Martin Luther King Jr.'s Birthday
(3) Second Monday in February ..... Lincoln's Birthday
(4) Third Monday in February ..... Washington's Birthday
(5) March 31 ..... Cesar Chavez Birthday
(6) Last Monday in May ..... Memorial Day
(7) July 4 ..... Independence Day
(8) First Monday in September ..... Labor Day
(9) Second Monday in October ..... Columbus Day
(10) November 11 ..... Veteran's Day
(11) Fourth Thursday in November ..... Thanksgiving
(12) The day following the day known as Thanksgiving
(13) December 25 ..... Christmas Day
(14) Employee's Birthday

In addition, a day appointed by the President or Governor as a public holiday shall be observed by the City.

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.

Birthday Holiday Leave. If an employee's birthday falls on Saturday, Sunday or another recognized holiday; or if work requirements do not permit the employee to observe that day off, the department head may authorize a work day within fifteen (15) calendar days prior to or after the employee's actual birth date. An employee will not be credited with a birthday holiday, if he/she terminates prior to the actual birth date.

12.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the City Manager except in emergency situations where said approval cannot be obtained beforehand.

Section 13. Compensation and Allowance Other Than Base Salary

13.1 Retirement Contribution Supplement

The City will pay seven percent (7%) of the employee's current base salary (employee's contribution) and other compensation as qualified by State law towards the Public Employees' Retirement System (P.E.R.S.). Such amounts will be applied to the employee's individual account in accordance with California Government Code section 20615.

The City's P.E.R.S. retirement plan is modified to reflect two percent (2%) at age 55, effective January 1993.

The City's P.E.R.S. retirement plan is modified to reflect California Government Code section 20930.3 (Military Service Credit as Public Service) and section 20930.33 (Military Service Credit for Retired Persons) effective upon adoption by Stockton City Council and Board Administration of the P.E.R.S.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 20692 (Employer Paid Member Contributions Converted to Payrate during the Final Compensation Period) as added P.E.R.S. benefits. At the beginning of employee's last year of employment, the employee will pay their employees' seven percent (7%) benefit cost through an automatic payroll deduction. The City will increase the base salary for those employees by the same seven percent (7%) for the last twelve (12) months of employment. Internal Revenue Service (IRS) Code 414H(2) will be concurrently implemented with P.E.R.S. California Government Code section 20692, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 20965 (Credit for Unused Sick Leave) as added P.E.R.S. benefits, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added P.E.R.S. benefits, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

The City will provide PERS California Government Code section 21335 (5% Annual Cost-of-Living Allowance, base year 2001) as added PERS benefit. The first application date is April 1, 2003.

13.2 Deferred Compensation

The City will provide, at no cost to the employee, deferred compensation as a supplement to voluntary deferred compensation plans, if any, for which the individual employee may be eligible. The City will contribute an amount equal to two and one-half percent (2.5%) of the employee's current base salary.

Effective January 1, 1997, the City will contribute an additional one percent (1%) for a total of three and one-half percent (3.5%) of the employee's current base salary.

Effective January 1, 1998, the City will contribute an additional one percent (1%) for a total of four and one-half percent (4.5%) of the employee's current base salary.

Effective January 1, 1999, the City will contribute an additional one percent (1%) for a total of five and one-half percent (5.5%) of the employee's current base salary.

13.3 Uniforms

(a) The City shall provide uniforms for all employees assigned to this unit.

(b) Safety Protective Footwear Reimbursement Allowance. Employees required to wear safety protective footwear in accordance with City Manager's Administrative Directive PER-034, and approved for safety protective footwear reimbursement, the City will authorize safety protective footwear reimbursement in the amount of ONE HUNDRED TWENTY DOLLARS ($120.00) upon adoption by Stockton City Council of Agreement. Effective January 1, 1998, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED THIRTY DOLLARS ($130.00); effective January 1, 1999, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED FORTY DOLLARS ($140.00); effective January 1, 2000, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED FIFTY DOLLARS ($150.00); effective January 1, 2001, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED SIXTY DOLLARS ($160.00); and effective January 1, 2002, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED SEVENTY DOLLARS ($170.00)

13.4 Tool Allowance

(a) Mechanic class employees in the Central Garage who are required to personally supply their own set of Fleet Manager approved Mechanic's hand tools shall receive an annual tool replacement allowance of FOUR HUNDRED DOLLARS ($400.00).

(b) The City shall pay for the replacement of tools lost through theft from City premises provided that such loss was absolutely no fault of the employee.

(c) Any tool required by the City beyond that initially approved by Fleet Manager shall be provided by the City.

13.5 Preventive Shots

Those employees in the Municipal Utilities Department whose work assignments involve potential exposure to hazardous waste water shall, at the employee's option, be provided all necessary medical immunization available for the prevention of job incurred illness.

13.6 Educational Incentive Pay

Employees with degrees/diplomas above and beyond that are required of their position shall be provided three percent (3%) of the top step of the position. Employees are limited to no more than three percent (3%) regardless of the number of degrees/diplomas above that required of the position. If the employee promotes to a position which matches his/her diploma/degree, the three percent (3%) will no longer be paid. Experience may not substitute for education. Other formal education/training programs may substitute for the actual degree/diploma.

Between January 1, 1992, and no later than June 30, 1992, the City will meet with a representative committee of bargaining members consisting of no more than four (4) bargaining representatives, and no more than four (4) management representatives to evaluate, discuss and identify other formal education/training programs which may substitute for actual degrees/diplomas.

The consensus recommendation of this joint labor/management committee will be forwarded to the City Manager's Office for review, modification and possible approval as education/training programs, which shall substitute for formal education/training.

13.7 Special Driver's License Pay

Effective January 1, 1994, job classifications requiring a Class A and/or Class B Driver's License will receive special pay equal to one percent (1%) of top step of job classification.

Effective January 1, 1995, job classifications requiring a Class A and/or Class B

Driver's License will receive special pay equal to one and one-half percent (1-1/2%) of top step of job classification.

Special Driver's License Pay will only be implemented with the concurrent implementation of the Operating Engineers' Local No. 3 - City of Stockton, Drug/Alcohol Safety Program.

13.8 Professional Growth

Effective January 1, 2003, the City shall pay each employee who completes twelve (12) continuous years of service with the City, two and one-half percent (2.5%) of top salary step of the employee's pay range to the employee as a professional growth allowance.

13.9 Credit Union

The City will accommodate payroll deduction to Operating Engineers' Local No. 3 Credit Union, within the limitations of City payroll system. Any modification costs will be borne by Operating Engineers' Local No. 3.

Section 14. Insurance Plans and Retirement Benefits

14.1 Health and Welfare Benefits

(a) Effective January 1, 1993, the City will provide for hospitalization, medical, dental, prescription, and vision benefits.

(b) All bargaining unit members shall be covered under the Operating Engineers' Health and Welfare Trust Fund or the City of Stockton Employee Health Benefits Plan, which consist of medical and prescription coverage administered by the San Joaquin Foundation for Medical Care, Delta Dental or HBI Dental Plan, and Vision Care Plan (VSP). The City's health benefits plan include the medical plan as described in the Modified Employee Medical Plan, effective January 1, 1993.

The City shall pay for the full cost of the health benefits package for those employees who choose the City's health benefits plan.

Effective January 1, 1997, the orthodontic benefits coverage will increase from ONE THOUSAND DOLLARS ($1,000.00) to TWO THOUSAND DOLLARS ($2,000.00) lifetime maximum for those employees who choose the City's health benefits plan.

The annual dental maximum coverage shall be increased from ONE THOUSAND DOLLARS ($1,000.00) to ONE THOUSAND AND TWO HUNDRED DOLLARS ($1,200.00)

Employees in this bargaining unit shall have the month of December of each year to elect their choice of either Operating Engineers' Health and Welfare Trust Fund or the City of Stockton's Employee Health Benefits Plan. Those employees changing benefits plans shall be transferred effective January 1 of each year.

Effective January 1, 1997, the premium amount contributed towards the Operating Engineers' Health and Welfare Trust Fund will not decrease during the term of this agreement regardless of any decrease premium that may occur to the City's Modified Employee Medical Plan.

For those employees who choose to remain in Operating Engineers' Health and Welfare Trust Fund, the City will contribute toward their premium, the same amount as it contributes toward the City's health benefits plan. The employee is responsible for the difference each month if the Operating Engineers' Health and Welfare Trust Fund premium is higher.

(c) When this agreement expires on June 30, 2008, then and in that event, any

and all subsequent increased premium costs required to maintain the benefits as provided for in this Section shall be the responsibility of the employees and said increased costs shall be withheld from the employee's paychecks as may be necessary for the months subsequent to June 30, 2008, unless otherwise agreed to by the parties hereto.

(d) Regular employees shall become eligible for the benefits stated in this Section on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees must enroll eligible dependents within thirty (30) days of eligibility.

(e) Provisional and temporary employees are not eligible for any of the above benefits.

(f) Employees that promote, demote, or transfer from a classification in the Trades and Maintenance unit to an unrepresented classification shall continue to have the option to retain the Operating Engineers' Local No. 3 Health and Welfare Plan.

(g) Reopener Clause. During the term of the agreement, the City and Operating Engineers' Local No. 3 agreed to reopen contract discussion in July 2007, for total compensation (e.g. salary, benefits, retiree medical trust, and enhanced retiree pension) negotiations for a July 1, 2008, successor collective bargaining agreement. Operating Engineers' Local No. 3 also committed to participate in the total compensation negotiations with the other miscellaneous bargaining units (Stockton City Employees' Association and Management B and C Association) as a coalition, as requested by the City, should the other units also agree.

14.2 Long Term Disability Insurance

The City shall provide, at no cost to the employee, long term disability insurance coverage. Essentially, this is an income protection plan which provides disability income for employees including:

(a) Each disability - sixty-six and two thirds percent (66 2/3%) of salary.

(b) Disability income payments shall commence after the employee has utilized all sick leave benefits to which the employee is entitled or after a thirty (30) day waiting period whichever is longer.

(c) Benefit payable until age sixty-five (65).

(d) The City will provide, at no expense to the employee, medical coverage for a period of ninety (90) days. For the purpose of this section, medical coverage shall commence immediately after the employee has utilized all sick leave benefits to which the employee is entitled.

14.3 Life Insurance

The City shall provide, at no cost to the employee, a term life insurance policy, equal to one and one-half (1-1/2) times the employee's annual salary.

14.4 Retirement Medical Allowance

Effective January 1, 2003, at retirement only, an employee with fifteen (15) years of City service and who has attained the age of fifty (50) will be provided medical coverage consisting of hospitalization, medical and prescription benefits for the retiree and one (1) dependent until age sixty-five (65).

14.5 Retirement-Medicare Supplemental Plan

Employees retiring on or after January 1, 1997, who are eligible for the Retirement Medical Allowance, pursuant to section 14.4, will, at age 65, become eligible for Medicare Supplemental Coverage under the City's Modified Employee Medical Plan. Coverage will be supplemental and secondary to Medicare (reduced by any amounts payable to Medicare). This lifetime benefit is provided to the employee and the employee's spouse. The employee shall be responsible for paying any associated costs for obtaining Medicare coverage Part A and Part B.

Section 15. Salaries

15.1 Salary Rates

The salary rates for all employees in the aforementioned representation unit will be as set forth in Appendix "A," which is attached hereto and made a part hereof.

Effective July 1, 2004, all salaries rates hereby established and explained in other parts of section 15 shall no longer be fitted to the Stockton Salary Matrix as set forth in the City of Stockton Salary Schedule. Instead, all salary rates hereby established and explained in other parts of section 15 shall be assigned a fixed percentage of 5.14% between salary steps.

The rates of pay set forth in Appendix "A" represent for each classification as set forth in Appendix "B," which is attached hereto and made a part hereof, the standard rate of pay for full time employment, unless the schedule specifically indicates otherwise.

The rates of pay set forth in Appendix "A" do not include reimbursement for actual and necessary expenses for traveling, subsistence and general expenses authorized and incurred incident to City employment.

15.2 Salary upon Appointment

Except as herein otherwise provided, the entrance salary for a new employee entering the classified service shall be the minimum salary for the class to which appointed. When circumstances warrant, the Director of Human Resources may approve an entrance salary which is more than the minimum salary for the class to which an employee is appointed. Such a salary may not be more than the maximum salary for the class to which that employee is appointed.

15.3 Salary Equivalents

Any monthly, daily or hourly rate of pay may be converted into an equivalent rate of pay or to any other time bases when, in the judgment of the City Manager, such a conversion is advisable. In determining equivalent amounts on different time bases the City shall provide tables or regulations for the calculation of payment for service of less than full time, and for use in converting monthly salaries to hourly rates, as well as for calculating hourly rates. Overtime rate and premium pay shall be calculated according to the provisions of the Fair Labor Standards Act.

15.4 Salary Step Plan

(a) There shall be five (5) to seven (7) salary steps in each range.

The first step shall be the minimum rate and shall be the normal hiring rate for the class. (In a case where a person possesses unusual qualifications, the Director of Human Resources may authorize appointment above the first step after receiving the recommendation of the department head. The same provision shall apply to hourly paid and part-time employees.)

If a department head recommends to withhold increases to salary steps two (2) through seven (7) because an employee has not achieved the level of performance required, notice must be received by the City Manager at least four (4) weeks in advance of the employee's eligibility date. The affected employee shall be furnished a copy of the department head's recommendation. Failure to abide by the above four-week limitation shall not automatically cause a step increase to be granted; however, if an employee does not receive notice by the actual anniversary date, the increase shall be automatically granted.

The second step shall be paid upon the satisfactory completion of six (6) months service at the first step.

The third step shall be paid upon the satisfactory completion of one (1) year service at the second step.

The fourth step shall be paid upon the satisfactory completion of one (1) year service at the third step.

The fifth step shall be paid upon the satisfactory completion of one (1) year service at the fourth step and upon written recommendation of the department head.

The sixth step shall be paid upon the satisfactory completion of one (1) year service at the fifth step and upon written recommendation of the department head.

The seventh step shall be paid upon the satisfactory completion of one (1) year service at the sixth step and upon written recommendation of the department head.

Regardless of an employee's length of service, step advancements in any given class may be made upon recommendation of the department head with the approval of the Director of Human Resources, but not above Step No. 7 for a given range.

Salary step increases shall be effective the first day of the pay period following appointment or revision. If the date of appointment or revision is the first day of a pay period, salary step increases shall be as of that date.

Changes in an employee's salary because of promotion, demotion, postponement of salary step increase or special merit increase will set a new salary anniversary date for that employee, which date shall be as stated in the preceding paragraph.

Salary range adjustments for a classification will not set a new salary anniversary date for employees serving in that classification.

(b) Salary Step Entry-Level Classifications. Effective January 1, 1997, the City Manager may create a ten percent (10%) salary step reduction to any entry-level classification represented by this bargaining unit. The next and all subsequent salary steps shall be paid upon the satisfactory completion of one (1) year service at current salary step.

15.5 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to the City service, are entitled to the automatic salary advancements within the range of their classification for the period they were in the military service.

15.6 Salary Step When Salary Range is Increased

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to the step in the revised range which corresponds to the employee's step held in the previous range, unless otherwise specifically provided for by the City Manager.

15.7 Salary Step After Promotion or Demotion

(a) When an employee is promoted from a position in one class to a position in a higher class, and at the time of promotion is receiving a salary equal to, or greater than, the minimum rate for the higher class, that employee shall be entitled to the next step in the salary scale of the higher class which is "approximately" five percent (5%) above the employee's current salary, except that the next step shall not exceed the maximum salary of the higher class.

(b) When an employee is demoted, whether such demotion is voluntary or otherwise, that employee's compensation shall be adjusted to the salary prescribed for the class to which demoted.

(1) "If the salary of the employee is reduced for cause or disciplinary reasons, the employee shall receive the salary at the same step prior to promotion."

(2) "If the salary of the employee is reduced through no fault of the employee (i.e., layoff), the salary at demotion shall be at the nearest lower salary to that which was received prior to the demotion."

15.8 Transfer

An employee may be transferred from a class in one department, or to a position of the same class in another department, or to a comparable class, with the approval of both the employee and Department Heads. In the case of a comparable class, the employee must be qualified, as determined by the Director of Human Resources. The Director of Human Resources, in making such a determination, must assure that the maximum salary rate for the classes in question are within two and one-half percent (2-1/2%), and shall consider, among other things, whether the employee possesses the minimum qualifications for such class, and is able to demonstrate through education, experience, or successful completion of pertinent test, that he/she is qualified for the transfer. If the transfer involves a change from the jurisdiction of one appointing authority to another, both must consent thereto.

15.9 Salary on Reinstatement

If a former employee is reinstated in the same position, previously held or to one carrying a similar salary range, the employee's salary shall not be higher than the salary at the time of separation unless there has been an increase within the salary range.

If a former employee is reinstated to a position in a lower class the employee's salary shall be set at the same step previously held, but in the pay range of the lower classification.

15.10 "Y" Rate

When an employee's classification is changed to a lower paid classification as the result of a classification study or other action, the employee may be placed on a "Y" rate. A "Y" rate means that the monthly compensation for the employee shall remain in effect until such time as further changes in the pay range of the new classification exceeds the "Y" rate.

15.11 Acting Pay

(a) General Provisions. Any employee in this unit who is assigned by a supervisor to work in a higher paid classification for two (2) or more hours in one (1) day, shall receive the rate of pay in the step of the higher classification which would have been received if the employee had been promoted into that classification, or at least five percent (5%) more than the employee's salary in the present classification, whichever is greater. Out-of-class assignment pay during overtime status will commence at the first hour worked.

(b) When there is an existing promotional eligibility list, and acting pay assignment is expected to be for more than twenty (20) work days, acting pay shall be assigned from the top three (3) on the promotional eligibility list. If the assignment is for twenty work days or less, the highest ranking employee on the promotional list within the division shall be assigned. When there is no eligible list, section (c) below shall apply.

(c) If there is no existing list, acting pay selection shall be made from the five (5) most qualified employees in the section.

(1) Sections are defined, for the purpose of this clause only, as the sub-groups listed under the following three (3) departments:

Parks and Recreation Department – (1) Parks, (2) Golf Courses, and (3) Trees;

Municipal Utilities Department – (1) Water, (2) Sewer, (3) Wastewater Operations, and (4) Wastewater Maintenance; and

Public Works Department - (1) Street Maintenance, (2) Traffic Devices, (3) Electrical, (4) Fleet Maintenance, (5) Community Enhancement, and (6) Engineering.

(2) Qualifications for the purpose of this Section, as determined by the department head or designee, shall include all the following equal factors:

(a) Seniority in grade within any class immediately below the vacant position.
(b) Worker experience relative to the vacant position.

(c) Prior job performance and attendance.

(d) Certificates or other formal qualification devices such as eligibility lists.

If all things are equal based on above factors, the seniority within the City shall be considered.

(3) The opportunity for acting Pay shall be rotated among the five (5) most qualified employees within each section.

(d) Assignments from other than a promotional eligibility list shall not exceed 120 days per fiscal year per employee.

15.12 Special Assignment Pay

The City Manager may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned in writing by the supervisor to perform additional duties and responsibilities for the duration of the special assignment.

Any employee assigned to the Tree Spray Crew shall receive an additional five percent (5%) special assignment pay per day when assigned in writing by the supervisor to spray trees and performs such work four (4) or more hours in any one (1) day.

Any Senior Plant Operator who is assigned in writing by an appropriate authority to assume supervisory authority over another Senior Plant Operator shall receive an additional five percent (5%) special assignment pay per shift when so assigned.

15.13 Salary Survey

For salary adjustments to be effective July 1, 2005, the City of Stockton Salary Schedule shall be increased in accordance with the Cost-of-Living adjustment formula or the Salary Survey formula described below, whichever is greater.

The City and Union agree to conduct a joint salary survey of twelve (12) California agencies. The City and Union agree to begin the joint salary survey on April 1, 2005, for salary adjustments to be made effective July 1, 2005. The salary survey shall compare the top base salary to be effective as of July 1, 2005, of surveyed agencies to the City of Stockton top base salary to be effective as of July 1, 2005.

In conducting the salary survey pursuant to this section, the City and Union shall

jointly work together in obtaining data of top base salaries for selected and mutually agreed upon City of Stockton job classifications from the following twelve (12) agencies:

No.	Agencies
1	City of Bakersfield
2	City of Livermore
3	City of Lodi
4	City of Fairfield
5	City of Merced
6	City of Modesto
7	City of Pleasanton
8	City of Riverside
9	City of Sacramento
10	City of Tracy
11	East Bay MUD
12	San Joaquin County

The salary survey data shall be arranged in descending rank order, and the City of Stockton job classification shall be adjusted by the percentage increase necessary to place the top base salary of the identified job classifications at a position at the bottom of the top one-third (1/3) of surveyed agencies, i.e., to a position equivalent to no less than the agency ranked fourth (4th). The adjustment would be made at the first step of the salary range for each job classification mutually agreed upon and those job classifications assigned within the job group, respectively.

Examples of how this provision shall be applied on July 1, 2005. If the salary survey conducted in 2005 indicates that as of July 1, 2005, it would take an increase of five percent (5%) to bring the top base salary (as defined in this section) to a position at the bottom of the top one-third (1/3) of the surveyed agencies, the Union members would received, effective July 1, 2005, a two and one-half percent (2.5%) adjustment as set forth in Appendix A, plus an additional two and one-half percent (2.5%) adjustment as a result of this section. If, on the other hand, the salary survey conducted in 2005 indicates that as of July 1, 2005, it would take an adjustment of two percent (2%) to bring the top base salary to a position at the bottom of the top one-third (1/3) of the surveyed agencies, a two and one-half percent (2.5%) adjustment as set forth in Appendix A shall be applied, but no additional adjustment, as a result of this section, shall be applied.

Section 16. Separability of Provisions

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable that provision of the Memorandum of Understanding shall be null and void but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

In the event that Federal legislation changes the current applicability of the Fair Labor Standards Act, both parties agree to consult and/or confer on the impacts of such legislation to the extent required by law.

Section 17. Past Practices and Existing Memoranda of Understanding

Continuance of working conditions and practices not specifically authorized by ordinance or by resolution of the City Council is not guaranteed by this Memorandum of Understanding.

This Memorandum of Understanding shall supersede all existing Memoranda of Understanding between the City and the Union.

Section 18. Scope of Agreement

Except as otherwise specifically provided herein this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties on any and all matters subject to meeting and conferring. Neither party shall, during the term of this Memorandum of Understanding, demand any change therein nor shall either party be required to negotiate with respect to any matter; provided that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.

Section 19. Duration of Agreement

This Memorandum of Understanding shall be effective the date of execution, and shall remain in full force and effect to and including the 30th day of June, 2006 and shall continue thereafter from year to year unless at least sixty (60) days prior to July 1 either party shall file written notice with the other of its desire to amend, modify, or terminate this Memorandum of Understanding.

Section 20. Maintenance of Operations/City Rights

(a) It is recognized that the need for continued and uninterrupted operation of City services is of paramount importance. Therefore, the Union and each employee represented thereby agrees that from the date of execution, through exhaustion of the impasse process/mediation/fact finding as set forth in the Employer/Employee Relations Resolution Section 12 (g) the Union or any person acting in its behalf, or each employee in a classification represented by the Union, shall not cause, authorize, engage in, encourage, or sanction a work stoppage, slowdown, refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound), or picketing, other than informational picketing, against the City or the individual or concerted failure to report for duty or abstinence from the full and faithful performance of the duties of employment, including compliance with the request of another labor organization or bargaining unit to engage in such activity in an attempt to induce a change in wages, hours, and other terms and conditions of employment.

(b) An employee shall not be entitled to any wages or City paid benefits whatsoever if the City Council, by majority vote, determines to its satisfaction, that the employee is, or has, engaged in any activity prohibited by subsection (a) of this Section. The City may take other action which it deems appropriate.

(c) If the City Council, by majority vote, determines to its satisfaction, that subsection (a) of this Section has been violated by the Union, the City may take such remedial action as it deems appropriate.

(d) The Union recognizes the duty and obligation of its representatives and members to comply with the provisions of this Memorandum of Understanding and to make every effort toward inducing all employees in this unit to fully and faithfully perform their duties. In the event of any activity prohibited by subsection (a) hereinabove, the Union agrees to take supererogatory steps necessary to assure compliance with this Memorandum of Understanding.

(e) The rights of the City as set forth in Section 5 of Resolution No. 32,538, dated August 4, 1975, are incorporated herein by reference.

IN WITNESS WHEREOF the parties hereto have executed this Memorandum of Understanding this 11th day of May 2007.

OPERATING ENGINEERS' LOCAL UNION NO. 3 of the International Union of Operating Engineers', AFL-CIO

RUSS BURNS, Business Manager

FRED HERSCHBACH, President

ROBERT L. WISE, Recording Corresponding Secretary

DON DIETRICH, Director of Public Employee Division

JOE SANTELLA, Business Representative

KEVIN HUFF, Chief Steward

ANTHONY MARTINEZ, STAMA President

CITY OF STOCKTON, a Municipal Corporation

J. GORDON PALMER, JR.
City Manager

CHRISTINE TIEN, Deputy City Manager

DIANNA R. GARCIA, Director of Human Resources

DI SMITH, Deputy Director of Human Resources

APPROVED AS TO FORM
RICHARD E. NOSKY JR., CITY ATTORNEY
BY: _____
~~MICHON JOHNSON, Deputy~~ City Attorney

APPENDIX "A"

SALARY ADJUSTMENTS FOR FISCAL YEAR JULY 2006

The Salary Schedule shall provide salary rates and ranges according to the following formula:

Effective April 16, 2007, the base wage increase for July 1, 2006, shall be equal to one-hundred percent (100%) of the July 2006 Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W). The base wage increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR FISCAL YEAR JULY 2007

The Salary Schedule shall provide salary rates and ranges according to the following formula:

Effective July 1, 2007, the base wage increase shall be equal to one-hundred percent (100%) of the November 2006 Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W). The base wage increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase). The City shall use the November Consumer Price Index for Urban Wage Earners' and Clerical Workers' U.S. City Average henceforward when applying CPI adjustments.

APPENDIX "B"
REPRESENTED JOB CLASSIFICATIONS

Position Number	Job Title	Grade
30510	Auto Painter Repair Worker	30H
30781	Collection Systems Operator I	30T
30756	Collection Systems Operator II	30Q
30772	Craft Maintenance Worker I	3AA
30515	Craft Maintenance Worker II	30J
30775	Dispatcher	30Z
30825	Electrical Technician I	30C
30405	Electrical Technician II	30A
30612	Electrician I	3AA
30445	Electrician II	30C
30542	Environmental Control Officer	30L
30777	Equipment Service Worker	30Y
30965	Facilities Maintenance Worker I	3AK
30884	Facilities Maintenance Worker II	3AI
30769	Facilities Maintenance Worker III	3AC
30964	Facility Aide	3AK
30791	Fleet Equipment Parts Assistant	30Y
30446	Heating/Air Conditioning Mechanic	30D
30560	Heavy Equipment Operator	30K
30846	Hydrant Worker	3AD
30870	Industrial Electrical Apprentice	30R
30447	Instrument Repair Technician	30C
30885	Janitor	3AI
30763	Landfill Scale Operator	3AD
30444	Machinist	30F
30752	Maintenance Repair Technician I	3AZ
30742	Maintenance Repair Technician II	3AY
30816	Maintenance Worker I	3AG
30764	Maintenance Worker II	3AD
30743	Maintenance Worker III	3AN
30810	Materials Specialist	3AO
30794	Mechanic I	30Y
30571	Mechanic II	30N
30556	Mechanic III	30H
30872	Mechanic Maintenance Apprentice	30V
30762	Mechanical Maintenance Worker I	30R
30651	Mechanical Maintenance Worker II	30J

30670	Medium Equipment Operator	30S
30750	Park Equipment Operator	30X
30990	Park Aide	3AB
30862	Parks Worker I	3AJ
30835	Parks Worker II	3AF
30561	Plant Equipment Mechanic	30H
30444	Plant Maintenance Machinist	30F
30561	Plant Maintenance Mechanic	30C
30874	Plant Operator Apprentice	3AH
30609	Plant Operator I	3AR
30830	Plant Operator II	3AS
30898	Plant Operator-in-Training	3AH
30505	Public Works Equipment Training Officer	3AQ
30562	Public Works Heavy Equipment Operator	3BA
30700	Senior Collection Systems Operator	3OG
30300	Senior Electrician	3OA
30494	Senior Environmental Control Officer	3OA
30595	Senior Facilities Maintenance Worker	3OO
30630	Senior Hydrant Worker	3OI
30299	Senior Instrument Repair Technician	3OA
30770	Senior Janitor	3AC
30646	Senior Maintenance Worker	3BA
30516	Senior Mechanic	3OB
30564	Senior Mechanical Maintenance Worker	3OD
30725	Senior Parks Worker I	3OU
30705	Senior Parks Worker II	3OQ
30517	Senior Plant Maintenance Mechanic	3OA
30675	Senior Plant Operator	3AT
30666	Senior Traffic Maintenance Worker	3BA
30302	Senior Traffic Signal Electrician	3OA
30581	Senior Tree Surgeon	3OM
30703	Senior Water Systems Operator	3OG
30792	Service Writer	3OY
30544	Solid Waste Inspector	3OL
30590	Stage Maintenance Worker	3OO
30443	Traffic Signal Electrician	3OC
30905	Traffic Signal Electrician Trainee	3AA
30440	Traffic Signal Systems Operator	3OC
30699	Tree Surgeon	3OW
30766	Tree Worker	3AP
30783	Water Systems Operator I	3OT
30724	Water Systems Operator II	3OQ

30555	Welder/Fabricator	3OH
30513	Welder/Fabricator Specialist	3AW

TRADES AND MAINTENANCE UNIT
MEMORANDUM OF UNDERSTANDING

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CITY OF STOCKTON

MEMORANDUM OF UNDERSTANDING
TRADES AND MAINTENANCE UNIT

Operating Engineers' Local 3, AFL-CIO and representatives of the City of Stockton have met and conferred in good faith regarding wages, hours and other terms and conditions of employment of employees in the representation unit identified in Section 1, have exchanged freely information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding is entered into pursuant to the Meyer-Milias-Brown Act (Government Code sections 3500-3510) and has been jointly prepared by the parties.

This Memorandum of Understanding shall be presented to the Stockton City Council as the joint recommendations of the undersigned for salary and benefit adjustments for the period commencing July 1, 2006, and ending June 30, 2008.

TRADES AND MAINTENANCE UNIT
MEMORANDUM OF UNDERSTANDING

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Section 1. Recognition

Operating Engineers' Local 3, AFL-CIO, hereinafter referred to as the "Union," is the recognized employee organization for the Trades and Maintenance Unit, certified pursuant to Resolution No. 32,548, adopted by the City Council on August 11, 1975.

Section 2. Union Security

2.1 Dues Deduction

(a) General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

If an employee is promoted to a position which is represented by another employee organization or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds, at the address specified.

In addition to the deduction of dues, the City will deduct from the paychecks of Union members who request it, premiums for group insurance and investment plans sponsored by the Union. Such deductions shall be made in one lump sum and only upon signed authorization from the employee upon a form satisfactory to the City. Such authorizations may be made or changed no more frequently than twice yearly.

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the City which would have been withheld if the employee had been

in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

(b) Indemnity and Refund. The Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

2.2 Agency Fee

(a) Employee Rights

(1) The City and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal, alternative right of employees to refuse to form, join and participate in employee organizations. Neither party shall exert pressure upon or discriminate against an employee in the exercise of these alternative rights.

(2) Accordingly, membership in the Union shall not be compulsory. A unit member has the right to choose, either: to become a member of the Union; or, to pay to the Union a fee for representation services; or, to refrain from either of the above courses of action upon the grounds set forth in Section (f) below.

(b) Unit Members' Obligation to Exclusive Representative

(1) A bargaining unit member who does not fall within one (1) of the exempted categories as set forth in Section (f) below, and who has not voluntarily made application for membership in the Union within the sixtieth (60) day following the date upon which said employee has been formally hired by the City as a bargaining unit employee, must as a condition of continued employment in the City pay to the Union a representation fee, in exchange for representation services necessarily performed by the Union in conformance with its legally imposed duty of fair representation on behalf of said unit member who is not a member of the Union.

(2) In the event that a unit member does not become a member of the Union or pay such fee directly to the Union, the City shall begin automatic payroll deduction. There shall be no charge to the Union for such mandatory agency fee deductions.

(3) Prior to beginning such automatic payroll deduction, the Business Representative of the Union will certify to the City in writing that the employee whose pay is to be affected by the deduction has: 1) refused to join the Union; and 2) has refused to tender the amount of the agency fee as defined herein; and 3) has not applied for an exemption under Section (f) herein. In addition the Union must also certify that it has provided the employee with a copy of the fee verification required by Section (e) herein.

(c) Definition of Agency Fee

(1) The agency fee collected pursuant to Section (b) above from unit members who are not members of the Union shall be an amount not to exceed the standard initiation fee, periodic dues and general assessments of the Union for the duration of this Agreement, minus any amount which is prohibited by the Constitution because such funds pay for political or ideological purposes not related to collective bargaining.

(2) Any dispute as to the amount of the representation fee shall be resolved pursuant to the provisions of Section (h) herein.

(d) Exceptions. Unit members on leave without pay and unit members who are in laid-off status shall be exempt from these provisions herein; except that the election as to membership or payment of a fee as set forth herein must be exercised within the first ten (10) work days upon return to paid status.

(e) Annual Verification of Agency Fee by the Union. Prior to January 31, of each year and before the collection of an agency fee from any unit member pursuant to these provisions herein, the Union shall submit a written certification to the fee payers verifying that the total amount of its representation fee conforms to Section (c) above, and itemizing all component parts of such fee which shall provide an adequate explanation for the basis of the fee. Each year such amount shall be verified and submitted in writing to the fee payers by the Union prior to January 31st. The Union will submit a copy of such verification to the Director of Human Resources of the City. The parties agree that such annual verification is a condition precedent to the collection by either the City or the Union of a representation fee from a unit member.

(f) Employees Exempted From Obligation to Pay Union

(1) Any unit member shall be exempt from the requirements of Section (b) above, if such employee has a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.

(2) Such exempt unit member shall, as an alternative to payment of a representation fee to the Union, pay an amount equivalent to such representation fee to:

a. United Way.
b. American Cancer Society.
c. Any charity jointly agreed in writing by the parties.

(3) If a unit member desires to be exempted for reasons set forth in Section (f) herein, the unit member must first request such exemption in writing from the Union setting forth briefly the rationale for the exemption. If the Union notifies the unit member in writing that the Union will not honor the request, then the matter shall be referred automatically to a panel for determination according to the procedure set forth below. The panel shall be composed of one (1) person selected by the Union, one (1) person selected by the unit member, and an arbitrator selected by the parties chosen from a list submitted by the State Conciliation Service. If either one or both parties fail to nominate a panel member, the process of hearing will continue without that party's panel member.

(4) The panel shall first receive arguments and evidence from the unit member requesting the exemption. Thereafter the Union may present any arguments or evidence. The proceedings shall be conducted in an informal manner, and the rules of evidence will not apply. The arbitrator shall act as chair and rule on all matters before the panel with the exception of the final determination of the panel. The panel shall prepare a written decision within fifteen (15) calendar days of the completion of the hearing which shall be final and binding upon the parties. Any expenses of the panel shall be borne by the parties incurring them.

(5) Upon receipt of the decision of the panel, the City shall release any funds held in escrow to the Union or to the charity. Any decision by the panel shall apply for the duration of this Memorandum of Understanding.

(6) In addition, the Union may require such exempt unit member to submit proof of payment of an amount equivalent to such representation fee to one (1) of the alternative funds or organizations listed above. If the bargaining unit member has not provided payment, the City will institute deductions pursuant to Section (b)(2), and forward such monies to a charity listed in Section (f)(2).

(7) Such payments shall be made on or before January 31, of each year or no more than thirty (30) days after commencing duties for any newly hired employee.

(g) Escrow Account. If any unit member either disputes the amount of the fee or disputes whether or not an exemption was appropriately denied, the City shall deposit the fee which was deducted and place such amount into a special escrow account established by the Union for such purposes.

(h) Procedure for a Unit Member Who Contests the Amount of the Fee

(1) The parties agree that in order to provide a uniform definition of the representation fee, any disputes involving the amount of such fee shall be referred to the Union's procedure for determination, provided that the parties have first complied with the other provisions of this Section.

(2) The Union shall notify the City in writing within twenty (20) days after it becomes aware that any employee disputes the amount of the fee.

(3) The Union will verify in writing to the City that all of the conditions of Section (b)(3) have been met prior to the City's initiation of the fee deductions set forth in Section (b)(2). Thereafter, the City will notify the affected employee in writing that such deductions will commence and a copy of the Union's written verification will be attached to the City's notice. Thereafter, the City will begin the deductions.

The monies held in escrow shall be released to the appropriate party upon the rendering of a final decision by the Union's internal procedure.

(i) Payment Method/Payroll Deduction

(1) A unit member may voluntarily sign and deliver to the City a written assignment authorizing deduction of the properly established representation fee as defined in Section (c) above, subject to the conditions set forth elsewhere in this agreement for payroll deductions, or the amount of the fee

will be deducted automatically in accordance with Section (b)(2) herein.

(2) The City is under no obligation to make payroll deductions for the periods during which a unit member is either terminated from active employment, or not on the City's active payroll for any reason, including, but not limited to, layoff and voluntary leave of absence for more than thirty (30) days.

(3) Upon the rehiring of any unit member, or upon the recalling of any unit member from layoff status, the City will resume or initiate dues deductions for such unit member.

(j) Obligations of Parties

(1) City's Obligations. The City's obligation under this Article is to notify any unit member who has failed to comply with the provisions of this Section that, as a condition of continued employment with the City, such unit member must become an Union member, or pay a representation fee, or establish an exemption status and make payment pursuant to provisions of Sections (b) and (f) of this Agreement. Under no circumstances shall the City be required to dismiss or otherwise discipline any unit member for failure to fulfill their obligations to pay the fees established herein.

(2) Union's Obligations. Except as specified herein, the Union and not the City, shall be responsible for requiring unit members to fulfill obligations defined herein. It is the obligation of the Union to collect any representation fees which may be due and payable to the Union in consideration for its services as the exclusive representative of unit employees.

(k) Hold Harmless Provision. The Union shall hold the City harmless, and shall fully and promptly reimburse the City for any fees, costs, charges or penalties incurred in responding to or defending against any claims, disputes, challenges, whether formal or informal, which are actually brought, or attempted or threatened to be brought, against the City or any of its agents, or employees, in connection with the interpretation, application, administration or enforcement of any Section of this Agreement pertaining to representation fee. Such reimbursement shall include, but not be limited to, court costs, litigation expenses, and attorney's fees incurred by the City. The City shall have the right to be represented by its own attorney in any action in which it is a named party to the action. Disputes over the amount of reimbursement shall be automatically submitted to the arbitration provisions of this Memorandum, Section 8.3(e).

2.3 Use of City Facilities

(a) The Union shall be allowed by the City department in which it represents employees' use of space on available bulletin boards for communications having to do with official Union business, such as times and places of meetings, provided such use does not interfere with the needs of the department. The Union may submit to the City Employee Relations Officer written communications having to do with official Union business for distribution by the City to identified shop stewards. Distribution may be by e-mail.

(b) Any representative of the Union shall give notice to the department head or designated representative when contacting department employees on City facilities during the duty period of the employees, provided that solicitation for membership or other internal Union business shall be conducted during the non-duty hours of all employees concerned. Pre-arrangement for routine contact may be made with individual department heads and when made shall continue until revoked by the department head.

(c) City buildings and other facilities may be made available for use by City Employees of the Union or their representatives in accordance with such administrative procedures as may be established by the City Manager or department heads concerned.

2.4 Advance Notice

Except in cases of emergency, reasonable advance written notice shall be given to the Union if affected by any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to negotiate if requested with the designated management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described above and be given an opportunity if requested to negotiate changes to said notice with the management representatives designated by the City Manager.

2.5 Attendance at Meetings by Employees

City employees who are official representatives or unit representatives of the Union shall be given reasonable time off with pay to attend meetings with City management representatives, or be present at City hearings where matters within the scope of representation or grievances are being considered. Such employee representatives shall submit a request for excused absence to their respective department heads, in a manner satisfactory prior to the scheduled meeting whenever possible. Except by mutual agreement the number of the employees excused for such purposes shall not exceed three (3) per recognized bargaining unit.

Time spent for this purpose during the representative's scheduled hours of work shall count as hours worked. Time spent for this purpose which may exceed the representative's regularly scheduled hours of work shall be compensated as overtime or compensatory time.

2.6 Maintenance of Membership

All employees in the Trades and Maintenance unit who are members of the Union, tendering periodic dues at the execution of this agreement, and all employees who thereafter become members of the Union shall, as a condition of employment, pay dues to the Union for the duration of this Memorandum of Understanding, and each year thereafter. For a period of thirty (30) days prior to January 1, 1989, and thirty (30) days prior to any January 1, thereafter, any employee in the aforementioned unit who is a member of the Union shall have the right to withdraw from the Union discontinuing dues payments and retain employment in the City, subject to provisions of Section 2.2. Agency Fee. Said withdrawal shall be communicated by the employee in writing to the City. The provisions of this section shall be operative only to the extent that they are permissible under California law.

2.7 Assignment of Classifications

New job classifications established by the City shall be assigned to the bargaining unit pursuant to Section 8 (b) of the City's Employer-Employee Relations Resolution after providing notice and the opportunity to consult with the Union regarding such matters.

Section 3. Compliance with Federal Laws/Safety

3.1 Non-Discrimination. The City and the Union agree that there shall be no discrimination of any kind because of race, creed, color, religion, national origin, sex, political affiliation or legitimate union activity against any employee or applicant for employment; and to the extent prohibited by applicable State and Federal law there shall be no discrimination because of age.

3.2 Fair Labor Standards Act. The Union agrees to cooperate with the City to insure its members' compliance with the provisions of the Fair Labor Standards Act.

3.3 Safety. The Union shall cooperate with the City in promoting safety objectives as defined in Federal, State and local regulations by actively supporting safety programs, promoting safe work habits of members and encouraging an ongoing, active participation by its members in safety related procedures and practices as offered and promulgated by the City of Stockton.

Section 4. Probation

4.1 Purpose

The probationary period shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to a position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

4.2 Original Entrance and Promotional Positions

All original and promotional appointments shall be tentative and subject to a probationary period of six (6) months, unless a longer probationary period is stated in the class specification. The probationary period may be extended up to an additional six (6) months in those cases where the appointing authority and the Director of Human Resources agree that such extension would be beneficial to the employee and the City.

4.3 Retention/Rejection of Probationer

At the end of the probationary period, if the service of the probationary employee has been satisfactory to the appointing authority, then the appointing authority shall file with the Director of Human Resources a statement in writing to such effect and stating that the retention of such employee in the service is desired. The City will make a good faith effort to notify a probationary employee two (2) weeks before the end of the probationary period whether or not permanent status is granted; however, a failure on the part of the appointing authority to file such a statement at the end of the probationary period shall constitute a rejection of the probationer as defined in Civil Service Rules.

During the probationary period an employee may be rejected at any time by the appointing authority. Any employee rejected during the probationary period following a promotional appointment, shall be reinstated to the position from which promoted unless charges are filed and the employee is discharged in the manner provided in Section 7 of this Memorandum of Understanding and in the Civil Service Ordinance and Civil Service Rules, which are consistent therewith.

4.4 Alcohol and Drug Testing. All original and reemployed appointments must pass a drug and alcohol screening prior to being offered City employment. This shall include non-represented part-time, seasonal, provisional, and temporary appointments.

Section 5. Layoff

5.1 Layoff

Any employee may be laid off by an appointing authority in the event of the abolition of the employee's position by the City Council, or if a shortage of work or funds requires a reduction in personnel.

5.2 Layoff Scope

(a) Layoffs shall be within departments of the City.

(b) Departments of the City are defined as follows:

(1) City Attorney
(2) City Auditor
(3) City Clerk
(4) City Manager
(5) Community Development
(6) Administrative Services
(7) Fire
(8) Housing and Redevelopment
(9) Library
(10) Municipal Utilities
(11) Parks and Recreation
(12) Human Resources
(13) Police
(14) Public Works

5.3 Notice of Layoff

The City will give advance written notice of at least one pay period to employees who will be laid off.

5.4 Precedence by Employment Status

(a) No permanent employees shall be laid off while employees working in an extra help, seasonal, temporary, provisional, or probationary status are retained in the same classification as such permanent employee. The order of layoff among employees not having permanent status shall be according to the following categories:

(1) extra help or seasonal

(2) provisional
(3) temporary
(4) probationary

Layoffs shall be by job classification according to reverse order of seniority as determined by total service in the City, except as specified above. For the purpose of this procedure part-time classes shall be considered as separate from regular full-time classes.

The following provisions shall apply in computing total continuous service:

(1) Time worked in a permanent or probationary status shall count as service.
(2) Time spent on military leave shall count as service in the event the leave was taken subsequent to entry.
(3) Time worked in an extra help, seasonal, provisional, temporary, grant or other limited term status shall not count as service.

If two (2) or more employees have the same seniority, the most recent performance evaluation shall determine seniority.

(b) Any employee in the Trades and Maintenance Unit who is laid off may complete a City employment application for any position currently staffed by a part time, provisional, or temporary employee. The Human Resources Department will evaluate the employment application. If the laid off employee meets the minimum qualifications of that position, he/she shall have the option of displacing the part time, provisional, or temporary employee.

5.5 Employee Options

Employees laid off shall have any of the following choices:

(a) Displacing the employee in the same department and in the same or clearly comparable classification as determined by the Director of Human Resources as having the least (total service) seniority. This option shall be exercised before any other option.

(b) Taking a voluntary demotion within the department to a classification in which the employee had prior permanent status, thus displacing the employee working in the classification who has the least (total service) seniority.

5.6 Health and Welfare Benefits during Layoff

Permanent employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

Section 6. Reemployment

(a) The name of each employee who is laid off in accordance with Section 5. shall be placed at the head of the eligibility list for the class of positions which that employee held, and shall be given preference in filling vacancies in that class.

(b) An employee laid off in accordance with this Section shall be placed on the eligibility list or lists for any lower or comparable class or classes in the same department, provided that the appointing authority and the department head in charge of this lower or comparable class determine that the employee is competent to perform the duties thereof in strict accordance with the class specifications. This right of a laid off employee shall remain effective for two (2) years from the date of latest separation from the service. The employee shall not be placed on said eligibility list or lists without first submitting a written request. Employee's place on said list or lists shall be at the head of the eligibility list for the class of positions for which qualified as hereinabove set forth and shall be given preference in filling vacancies except for those persons placed on said list or lists of reemployment in the same positions previously held. Upon certification for appointment to a new position never having been held by this employee, the probationary period must be completed as required in this Memorandum of Understanding.

Section 7. Discipline

Disciplinary action, including discharge, suspension, reduction in pay or demotion, may be taken against any employee for cause.

7.1 Predisciplinary Rights

An employee facing potential disciplinary action will be entitled to the following predisciplinary rights:

(a) Notice of proposed discipline.

(b) Date(s) proposed discipline will be effective.

(c) Reasons for the proposed discipline, the specific grounds and particular facts upon which the action is taken.

(d) Seven (7) calendar days in which an employee or the representative may respond either orally or in writing to the department head.

(e) The employee must be provided with any written materials, reports and documents upon which the action is based.

7.2 Administrative Leave

The City may place an employee on administrative leave pending the completion of the predisciplinary process.

7.3 Provisions

The appointing authority may discharge, suspend or demote any employee in the classified service provided the City Charter provisions and the rules and regulations of the Civil Service Commission and any applicable provisions of law are followed. Such provisions allow the employee suspended, demoted or discharged to appeal such action. The employee may take only one (1) of the following actions:

(a) File no appeal.

(b) File an appeal with the Civil Service Commission within ten (10) calendar days of written notification of the action. (Such filing will foreclose use of the grievance procedure.)

(c) File a grievance as provided for in Section 8 within ten (10) calendar days of

written notification of the action.

If the employee fails to do (b) or (c) above within the prescribed time frames, these rights will have been waived.

Section 8. Grievance Procedures

8.1 Definition

A grievance is any dispute which involves the interpretation or application of those rules, regulations and resolutions which have been, or may hereafter be, adopted by the City Council to govern personnel practices and working conditions, including such rules, regulations and resolutions as may be adopted by either the City Council or the Civil Service Commission to affect Memoranda of Understanding which result from the meeting and conferring process.

8.2 Filing Deadline

(a) No grievance involving demotion, suspension, discharge or other employment penalty will be entertained unless it is filed in writing with the Director of Human Resources within ten (10) calendar days of the time at which the affected employee received written notification of such action. All other grievances must be filed within thirty (30) calendar days from the time the employee knew or had reason to know of the facts giving rise to the grievance.

(b) With written consent of the City Manager or his/her designee and the Union Business Agent or his/her designee, time limits may be extended and/or Steps 1, 2 and/or 3 of the Grievance Procedure waived.

8.3 Grievance Processing

(a) Step 1 - Departmental Review. Any employee claiming to have a grievance may discuss the complaint with such management official in the department where employed as the department head may designate. If the issue is not resolved within the department within twenty (20) days from the day of presentation or if the employee elects to submit the grievance directly to the Union recognized as the representative of that employee's classification, or if the employee/Union official notifies the Director of Human Resources, in writing, that a grievance exists, the procedure hereinafter specified may be invoked.

(b) Step 2 - Director of Human Resources Review. If the employee is not satisfied with the response at level one, then the employee may appeal the grievance to the Director of Human Resources within twenty (20) calendar days of the receipt of written response at level one. Such appeal must state with particularity: 1) the specific policy, rule or provision which is alleged to have been violated; 2) the statement of facts comprising the violation; and 3) the requested remedy. The Union may file and process grievance(s) on behalf of the specifically

named employee. The Director of Human Resources shall have twenty (20) calendar days in which to investigate the issues, meet with the complainant and attempt to reach a satisfactory resolution of the problem. No grievance may be processed under the following two (2) paragraphs which has not first been filed and investigated in accordance with this paragraph, except for the resolution of compensation complaints.

(c) Step 3 - City Manager Review. Within twenty (20) calendar days of the receipt of the level two response, the grievance may be appealed to the City Manager or his designee. Such referral shall be in writing, detailing the specific issues involved in the referral together with a statement of the resolution desired. The City Manager shall designate a personal representative who shall not be the Director of Human Resources to investigate the merits of the complaint, to meet with the complainant, and if the complainant is not the Union, to meet also with the officials of the Union, and to settle the grievance or to make recommendations to the City Manager. A written response to the appeal will be provided within thirty (30) calendar days of the date of the appeal.

(d) Step 4 - Adjustment Board. If the parties are unable to reach a mutually satisfactory accord on any grievance which arises and is present during the terms of this Memorandum of Understanding, within twenty (20) calendar days of the receipt of the level three response, such grievance shall be submitted to an Adjustment Board comprised of three (3) Union representatives, no more than one (1) of whom shall be either an employee of the City or an elected or appointed official of the Union and three (3) representatives of the City, no more than one (1) of whom shall be either an employee of the City or a member of the staff of any organization employed to represent the City in the meeting and conferring process.

(e) Step 5 - Arbitration. If an Adjustment Board is unable to arrive at a majority decision, within twenty (20) calendar days either the Union or the City may require that the grievance be referred to an impartial arbitrator mutually selected by the parties, or if the parties are unable to mutually agree, from a list of seven (7) arbitrators provided by the State Conciliation Service. The arbitrator shall be chosen by the alternative strike method, with first choice being determined by lot. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Union and City. Each party, however, shall bear the cost of its own presentation, including preparation and post hearing briefs, if any.

(f) Effect of Decision. Decisions of Adjustment Boards and arbitrators on matters properly before them shall be final and binding on the parties hereto except as provided otherwise herein.

8.4 Scope of Arbitration

(a) No Adjustment Board and no arbitrator shall entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union and unless such dispute falls within the definition of a grievance as set forth in paragraph 8.1.

(b) Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may be referred to arbitration under this Section. No Board of Adjustment or arbitrator selected pursuant to this Section shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

No changes in this Memorandum of Understanding or interpretations thereof (except interpretations resulting from Board of Adjustment or arbitration proceedings hereunder) will be recognized unless agreed to by the City Manager and the Union.

8.5 Other Provisions

If the Director of Human Resources or City Manager, in pursuance of the procedures outlined above, resolves a grievance which involved suspension or discharge, they may agree to payment for lost time or to reinstatement with or without payment for lost time, but in the event the dispute is referred to arbitration and the arbitrator finds that the City had cause to take the action complained of, the arbitrator may not substitute his judgement for the judgment of management and if the findings are that the City had such right, the arbitrator may not order reinstatement and may not assess any penalty upon the City.

Complaints which allege the employee is not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances and processed pursuant to Section 8.3. Any other matters of compensation are to be resolved in the meeting and conferring process and if not detailed in the Memorandum of Understanding which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next open for such decision. No adjustment shall be retroactive for more than thirty (30) days from the date upon which the complaint was filed.

Specified time limits may be modified only in writing. All appeals and responses must be provided in writing.

A grievant will be provided release time without loss of pay for all required meetings with management. The City cannot discriminate or retaliate in any manner against an employee for filing a grievance or exercising rights under this Section.

The provisions of this Section shall not abridge any rights to which an employee may be entitled under the City Charter, nor shall it be administered in a manner which would abrogate any power which, under the City Charter, may be within the sole province and discretion of the Civil Service Commission.

All grievances of employees in representation units represented by the Union shall be processed under this Section. If the City Charter requires that a differing option be available to the employee, no action under paragraph (d) or (e) of Subsection 8.3 above shall be taken unless it is determined that the employee is not utilizing such option.

No action under paragraph (d) or (e) of Subsection 8.3 above shall be taken if action on the complaint or grievance has been taken by the Civil Service Commission or if the complaint or grievance is pending before the Civil Service Commission.

If any award by a Board of Adjustment or arbitrator requires action by the City Council or the Civil Service Commission before it can be placed in effect, the City Manager and the Director of Human Resources will recommend to the City Council or the Civil Service Commission, as appropriate, that it follow such award.

Section 9. Leaves

9.1 Vacation Leaves

(a) Vacation Allowance. All regular employees, excluding provisional and temporary shall accrue vacation leave with pay in accordance with the following schedule:

(1) Less than one and one-half (1-1/2) years continuous employment 80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment120 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment160 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment 200 hours/year.

(5) Thereafter, eight (8) additional hours for each completed year of service in excess of twenty-five (25) years.

(6) An employee may be allowed to carry over up to 120 hours vacation more than the employee's regular vacation accrued for the preceding calendar year. Whenever an employee's accumulation of vacation hours exceed the maximum vacation carryover provision, the excess number of vacation hours shall automatically be credited and forwarded to the employee's sick leave accumulation balance at the end of the calendar year. However, employees may carryover unlimited vacation hours in excess of the maximum allowance when such vacation accrues while remaining in a pay status during a period of illness or injury which precluded liquidating vacation credits in excess of the maximum allowed.

(7) Employees shall accrue vacation on a twice-monthly payroll basis.

(b) Vacation Scheduling. Vacation leaves shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business.

(c) Holiday during Vacation. If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(d) Vacation Allowance for Separated Employees

(1) When an employee is separated from the service, remaining vacation allowance, if any, shall be added to final compensation.

(2) An employee who has resigned in good standing and is subsequently reinstated within two (2) years from the date of resignation shall have prior service counted in determining eligibility for vacation benefits, deducting therefrom the amount of time between the date of resignation and the date of reinstatement which shall not be counted in determining eligibility.

(e) Cash Payment Option for Vacation. An employee may elect to receive cash payment for up to a maximum of eighty (80) hours of his/her accumulated vacation balance upon commencement of a scheduled vacation for eighty (80) consecutive hours or more, or two (2) forty (40) consecutive hours or more. This option may be exercised pursuant to the above description up to a maximum of eighty (80) hours cash payment per calendar year.

An employee may elect to receive cash payment for two (2) days (16 hours) of his/her accumulated vacation balance for each one (1) day of scheduled vacation. This option may not exceed eighty (80) hours of cash payment per calendar year.

9.2 Sick Leave

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of ten (10) hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence without pay granted to the employee.

(b) Usage. Employees are entitled to sick leave pay for those days which the employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery therefrom.

(c) Family Sick Leave. Employees may utilize sick leave in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care. Such sick leave shall be limited, by the department head, to the time reasonably required to make other arrangements for such care.

Such leave shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent and grandchild.

In special cases, with the approval of the Director of Human Resources, a department head may grant sick leave in other circumstances.

No sick leave shall be granted to an employee during any leave or leaves of absence without pay.

(d) Reporting Procedures for Sick Leave. When the requirement for sick leave is known to the employee in advance of the absence, (for example, included but not limited to scheduled medical, dental or vision appointments), the employee shall request authorization for such sick leave from the department head prior to such absence.

If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for the following disciplinary action:

(1) For the first time in a six (6) month period, a Memorandum of Discussion.

(2) For the second time within a six (6) month period, a Letter of Reprimand.

(3) For any subsequent time within a six (6) month period,

suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employee may be discharged.

The six (6) month period will be defined as six (6) months from the most recent incident.

Any Memorandum of Discussion or Letter of Reprimand regarding failure to notify the City as provided herein, which is more than six (6) months old, will be automatically sealed and can only be reopened upon court order.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a signed statement to the department head, on a prescribed form, stating the dates and hours of absence, the exact reason, and such other information as is necessary for the request to be evaluated. If an employee doesn't return to work prior to the preparation of the payroll, other arrangements may be made with the department head.

(2) Doctor's Certificate or Other Proof. If an employee's illness results in an absence from work for more than three (3) consecutive days, a doctor's certificate or other reasonable proof of illness may be required.

The Director of Human Resources may make such sick leave usage reviews and may require such additional documentation including a physician's statement as he deems necessary before approving the sick leave benefit.

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. The employee has the right to Union representation at such meeting. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Human Resources pursuant to (e)(2) above;

(b) Suspend the employee without pay for up to five (5) days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave While on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or

(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

(g) Payment for Unused Sick Leave. Upon separation of employment by reason of death, service or disability retirement, the employee or the employee's estate will be paid 50% of the total unused sick leave at its current cash value.

9.3 Other Leaves with Pay

(a) Bereavement Leave. In the event of a death in the immediate family of an employee, the employee shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his accumulated sick leave credits or vacation eligibility. The Director of Human Resources may grant an additional two (2) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent and grandchild.

In the event of the death of a person not immediately related to an employee as defined above, the employee's department head may grant up to three (3) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

(b) Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized absence from duty for appearance in Court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said absence from duty including necessary travel time, will be with full pay for each day the employee serves on jury duty or testifies as a witness in a criminal case, other than as a defendant. As a condition of receiving such pay, the employee must remit to the City, through the employee's department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

Jury duty or witness duty appearances shall be considered in terms of "whole days" (8 hours) or "half days" (4 hours) of service. If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his usual morning schedule. If an employee is required to appear for a morning court session and is sent home before noon and not required to return in the afternoon, the employee will be expected to work his usual afternoon schedule.

Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be remitted to the City through the employee's department head.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is a party, together with travel time necessarily involved, shall not be considered absent from duty within the meaning of the Section.

(c) Military Leave. An employee of the City who is a member of the National Guard or Naval Militia or a member of the Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence without pay for duration of a national emergency who have been inducted into the Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the position they held when they were inducted into Military Service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.

In the case of a probationary employee having served a minimum probationary

period of six (6) months at the time of induction, it shall be optional with the department head and the City Manager to grant regular status to said employee before induction.

All probationary employees inducted into Military Service not having served the minimum probationary period of six (6) months, or having served the minimum probationary period of six (6) months, but not having received regular status shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.

Two (2) or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

9.4 Workers' Compensation Leave

(a) Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law.

(b) Payment. Workers' Compensation Leave will be paid in accordance with the following schedule:

Employees who have worked for the City more than twelve (12) months but less than twenty-four (24) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of two (2) months.

Employees who have worked for the City for twenty-four (24) or more continuous months but less than sixty (60) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of three (3) months.

Employees who have worked for the City for sixty (60) or more continuous months and who are unable to work shall receive their full salary for the term of their disability but not to exceed a period of twelve (12) months.

Reopener Clause. During the term of the agreement, the City and Operating Engineers' Local No. 3 shall reopen the agreement for the limited purpose of negotiating and reaching agreement on the payment percentage of salary continuation for workers' compensation with Operating Engineers' Local No. 3 and at least one (1) other miscellaneous bargaining unit.

Workers' Compensation Leave shall commence from the first day's absence.

(c) Forms and Procedures. Salary continuation approval will follow the same procedures as for sick leave approval. Salary continuation payments will be contingent on the City's acceptance of the injury as compensable under Workers' Compensation Law.

9.5 Leave of Absence Without Pay

(a) Entitlement. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that the granting of such leave is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. The granting of a leave of absence provides the employee the right to return to the position vacated.

(b) Approval. All leaves of absence without pay must be recommended by the department head and approved by the Director of Human Resources. No such leave may extend beyond twelve (12) months, except in the case of absence due to job incurred disability where a determination may be made based upon the needs of public service, or in the event an application for service connected disability retirement has been filed.

(c) Leaves of absence without pay for illness may only be approved following the expiration of entitlement of sick leave and vacation where applicable.

9.6 Absence Without Official Leave (AWOL)

(a) Refusal of Leave or Failure to Return after Leave. Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked, or canceled, or at the expiration of a leave, shall be considered an absence without official leave.

(b) Voluntary Resignation. Any employee in this bargaining unit absent without official leave for two (2) or more consecutive days without a satisfactory explanation shall be deemed to have voluntarily resigned from the City of Stockton. An

employee must provide a written statement to the Human Resources Department regarding a "satisfactory explanation", within ten (10) calendar days after the City mails a notice of voluntary resignation to the employee's last known address.

Section 10. Days and Hours of Work

10.1 Workweek

The normal workweek in this unit consists of five (5) consecutive eight (8) hour days or a total of forty (40) hours, generally Monday through Friday in a seven (7) day work period. Where operational requirements of a department require deviations from this schedule, the department head with City Manager approval may institute alternate work schedules as long as the City meets with the Union over the impact of such schedules and conforms to work period requirements of the Fair Labor Standards Act.

10.2 Meal Periods and Rest Periods

(a) Employees shall receive a one (1) hour meal period, without pay, each day and a fifteen (15) minute paid rest period during the first half of the work day and a second fifteen (15) minute paid rest period during the second half of the work day. Employees who exceed the time limits prescribed above for lunch and/or rest periods shall have their pay reduced accordingly.

(b) Where operational requirements of a department require deviations from this schedule, meal periods of other durations and alternate rest periods may be instituted with the approval of the City Manager.

10.3 Reporting to Work

Repeated failure to report to work on time may result in appropriate discipline as set forth below:

(a) For the first time in a six (6) month period, a Memorandum of Discussion.

(b) For the second time within a six (6) month period, a Letter of Reprimand.

(c) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employees may be discharged.

If an employee reports to the work site after the designated starting time, the employee will be paid only for time actually worked; however, the employee may be allowed to utilize annual leave for lost pay, provided the employee's supervisor approves.

Any Memorandum of Discussion or Letter of Reprimand regarding tardiness which is more than six (6) months old will be automatically sealed and can only be reopened upon court order.

Section 11. Overtime

11.1 Overtime Authorization

All compensable overtime must be authorized by the department head or his designated representative in advance of being worked. If prior authorization is not feasible because of emergency conditions, a confirming authorization must be made on the next regular working day following the date on which the overtime was worked.

11.2 Definition

The following provisions pertaining to authorized overtime work shall apply to those employees whose normal work period is eight (8) hours per day and forty (40) hours per week:

(a) Time worked in excess of forty (40) hours in any workweek shall be paid for at time and one-half (1-1/2) including employees employed on a per hour basis or except as provided elsewhere herein.

(b) On a holiday observed by the City an employee shall be paid for a regular day plus time and one-half (1-1/2) for actual time worked not to exceed eight (8) hours including employees employed on a per hour or per day basis, or except as provided elsewhere herein.

(c) Any time worked in excess of eight (8) hours on a holiday observed by the City shall be paid for at double time and one-half (2-1/2) except for employees employed on a per hour or per day basis, except as provided elsewhere herein.

(d) The City may require mandatory overtime when operational needs if the City dictate the need to work such overtime. Work in excess of forty (40) hours in any workweek will be paid at time and one-half pay or CTO in accordance with Section 11.4 (b).

11.3 Standby Duty

When warranted and in the interest of the City operation, department heads may assign employees to "standby" status.

(a) Application of "standby" shall be as follows:

(1) Each employee so assigned to "standby" shall be provided with

a pager while on standby and shall be able to report to the work site within forty-five (45) minutes.

(2) Employees on standby shall have the option to trade days and/or weeks of standby status with another qualified employee in the same unit or division with departmental approval.

(3) Standby shall be assigned in a minimum of eight (8) hours blocks, i.e., Monday - Friday work week standby can be 8, 16, 24 hour blocks. The block of standby will be to one (1) person per 24 hour period.

Standby for weekends i.e., Saturday, Sunday or extended holiday weekends (Friday – Sunday, or Saturday - Monday) will be assigned 8 - 48 hour blocks to one (1) person per weekend (up to 72 hours for holiday weekend).

(b) Compensation of "standby" shall be as follows:

(1) Employees assigned to standby duty shall be paid two (2) hours for every eight (8) hours of standby, and time and one-half (1-1/2) for all actual time worked while on standby duty status.

(2) Employees assigned to standby duty status on holidays observed by the City shall be paid two (2) hours for every eight (8) hours of standby, time and one-half (1-1/2) for all actual time worked while on standby duty status, and double time and one-half (2 1/2) for all actual time worked in excess of eight (8) hours while on standby duty status.

11.4 Call Back

Effective January 1, 2003, when an employee is called back to work from off duty status, the employee shall be compensated for a minimum of two (2) hours and forty-five (45) minutes pay at time and one-half (1-1/2) or actual time worked at time and one-half (1-1/2), whichever is greater.

To be eligible for call-back pay, both of the following conditions must be met:

(a) The call-back must occur outside of the employee's regular work hours; including overtime.

(b) The call-back time worked must not be contiguous to the employee's

regular work hours; including overtime.

11.5 Compensatory Time

(a) Definition. As used in this Section, the term Compensatory Time refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule.

(b) Accrual. For hours in excess of forty (40) hours in a seven (7) day work period, for which the employee is in a paid status, Compensatory Time may be earned at the rate of time and one-half (1-1/2). No more than eighty (80) hours (forty (40) hours worked at time and one-half [1-1/2]) may be carried on the books at any time.

(c) Use. Use of Compensatory Time shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of City business. Approval of requests for use of Compensatory Time shall be at the sole discretion of the department head, but once approved, cannot be changed unless an emergency situation arises.

(d) Payment. Once eighty (80) hours of Compensatory Time is accrued on the books, all other hours worked in excess of forty (40) hours in a seven (7) day work period will automatically be paid.

Any Compensatory Time balance remaining at the end of a fiscal year will automatically be paid.

11.6 Meal Allowance

The City shall provide a meal allowance of TEN DOLLARS AND NO CENTS ($10.00) for an employee who is held over and works a minimum of four (4) hours. Employees called back to work or called back from a day off with less than two (2) hours notice shall qualify for the TEN DOLLARS AND NO CENTS ($10.00) meal allowance when they work a minimum of four (4) hours. Extension of the work schedule or call-back must be properly authorized by the employee's supervisor or other designated personnel.

Section 12. Holidays

12.1 Qualifying for Holiday Pay

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

12.2 Holidays Observed by the City

(1) January 1 ..... New Years' Day
(2) Third Monday in January ..... Martin Luther King Jr.'s Birthday
(3) Second Monday in February ..... Lincoln's Birthday
(4) Third Monday in February ..... Washington's Birthday
(5) March 31 ..... Cesar Chavez Birthday
(6) Last Monday in May ..... Memorial Day
(7) July 4 ..... Independence Day
(8) First Monday in September ..... Labor Day
(9) Second Monday in October ..... Columbus Day
(10) November 11 ..... Veteran's Day
(11) Fourth Thursday in November ..... Thanksgiving
(12) The day following the day known as Thanksgiving
(13) December 25 ..... Christmas Day
(14) Employee's Birthday

In addition, a day appointed by the President or Governor as a public holiday shall be observed by the City.

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.

Birthday Holiday Leave. If an employee's birthday falls on Saturday, Sunday or another recognized holiday; or if work requirements do not permit the employee to observe that day off, the department head may authorize a work day within fifteen (15) calendar days prior to or after the employee's actual birth date. An employee will not be credited with a birthday holiday, if he/she terminates prior to the actual birth date.

12.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the City Manager except in emergency situations where said approval cannot be obtained beforehand.

Section 13. Compensation and Allowance Other Than Base Salary

13.1 Retirement Contribution Supplement

The City will pay seven percent (7%) of the employee's current base salary (employee's contribution) and other compensation as qualified by State law towards the Public Employees' Retirement System (P.E.R.S.). Such amounts will be applied to the employee's individual account in accordance with California Government Code section 20615.

The City's P.E.R.S. retirement plan is modified to reflect two percent (2%) at age 55, effective January 1993.

The City's P.E.R.S. retirement plan is modified to reflect California Government Code section 20930.3 (Military Service Credit as Public Service) and section 20930.33 (Military Service Credit for Retired Persons) effective upon adoption by Stockton City Council and Board Administration of the P.E.R.S.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 20692 (Employer Paid Member Contributions Converted to Payrate during the Final Compensation Period) as added P.E.R.S. benefits. At the beginning of employee's last year of employment, the employee will pay their employees' seven percent (7%) benefit cost through an automatic payroll deduction. The City will increase the base salary for those employees by the same seven percent (7%) for the last twelve (12) months of employment. Internal Revenue Service (IRS) Code 414H(2) will be concurrently implemented with P.E.R.S. California Government Code section 20692, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 20965 (Credit for Unused Sick Leave) as added P.E.R.S. benefits, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added P.E.R.S. benefits, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

The City will provide PERS California Government Code section 21335 (5% Annual Cost-of-Living Allowance, base year 2001) as added PERS benefit. The first application date is April 1, 2003.

13.2 Deferred Compensation

The City will provide, at no cost to the employee, deferred compensation as a supplement to voluntary deferred compensation plans, if any, for which the individual employee may be eligible. The City will contribute an amount equal to two and one-half percent (2.5%) of the employee's current base salary.

Effective January 1, 1997, the City will contribute an additional one percent (1%) for a total of three and one-half percent (3.5%) of the employee's current base salary.

Effective January 1, 1998, the City will contribute an additional one percent (1%) for a total of four and one-half percent (4.5%) of the employee's current base salary.

Effective January 1, 1999, the City will contribute an additional one percent (1%) for a total of five and one-half percent (5.5%) of the employee's current base salary.

13.3 Uniforms

(a) The City shall provide uniforms for all employees assigned to this unit.

(b) Safety Protective Footwear Reimbursement Allowance. Employees required to wear safety protective footwear in accordance with City Manager's Administrative Directive PER-034, and approved for safety protective footwear reimbursement, the City will authorize safety protective footwear reimbursement in the amount of ONE HUNDRED TWENTY DOLLARS ($120.00) upon adoption by Stockton City Council of Agreement. Effective January 1, 1998, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED THIRTY DOLLARS ($130.00); effective January 1, 1999, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED FORTY DOLLARS ($140.00); effective January 1, 2000, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED FIFTY DOLLARS ($150.00); effective January 1, 2001, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED SIXTY DOLLARS ($160.00); and effective January 1, 2002, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED SEVENTY DOLLARS ($170.00)

13.4 Tool Allowance

(a) Mechanic class employees in the Central Garage who are required to personally supply their own set of Fleet Manager approved Mechanic's hand tools shall receive an annual tool replacement allowance of FOUR HUNDRED DOLLARS ($400.00).

(b) The City shall pay for the replacement of tools lost through theft from City premises provided that such loss was absolutely no fault of the employee.

(c) Any tool required by the City beyond that initially approved by Fleet Manager shall be provided by the City.

13.5 Preventive Shots

Those employees in the Municipal Utilities Department whose work assignments involve potential exposure to hazardous waste water shall, at the employee's option, be provided all necessary medical immunization available for the prevention of job incurred illness.

13.6 Educational Incentive Pay

Employees with degrees/diplomas above and beyond that are required of their position shall be provided three percent (3%) of the top step of the position. Employees are limited to no more than three percent (3%) regardless of the number of degrees/diplomas above that required of the position. If the employee promotes to a position which matches his/her diploma/degree, the three percent (3%) will no longer be paid. Experience may not substitute for education. Other formal education/training programs may substitute for the actual degree/diploma.

Between January 1, 1992, and no later than June 30, 1992, the City will meet with a representative committee of bargaining members consisting of no more than four (4) bargaining representatives, and no more than four (4) management representatives to evaluate, discuss and identify other formal education/training programs which may substitute for actual degrees/diplomas.

The consensus recommendation of this joint labor/management committee will be forwarded to the City Manager's Office for review, modification and possible approval as education/training programs, which shall substitute for formal education/training.

13.7 Special Driver's License Pay

Effective January 1, 1994, job classifications requiring a Class A and/or Class B Driver's License will receive special pay equal to one percent (1%) of top step of job classification.

Effective January 1, 1995, job classifications requiring a Class A and/or Class B

Driver's License will receive special pay equal to one and one-half percent (1-1/2%) of top step of job classification.

Special Driver's License Pay will only be implemented with the concurrent implementation of the Operating Engineers' Local No. 3 - City of Stockton, Drug/Alcohol Safety Program.

13.8 Professional Growth

Effective January 1, 2003, the City shall pay each employee who completes twelve (12) continuous years of service with the City, two and one-half percent (2.5%) of top salary step of the employee's pay range to the employee as a professional growth allowance.

13.9 Credit Union

The City will accommodate payroll deduction to Operating Engineers' Local No. 3 Credit Union, within the limitations of City payroll system. Any modification costs will be borne by Operating Engineers' Local No. 3.

Section 14. Insurance Plans and Retirement Benefits

14.1 Health and Welfare Benefits

(a) Effective January 1, 1993, the City will provide for hospitalization, medical, dental, prescription, and vision benefits.

(b) All bargaining unit members shall be covered under the Operating Engineers' Health and Welfare Trust Fund or the City of Stockton Employee Health Benefits Plan, which consist of medical and prescription coverage administered by the San Joaquin Foundation for Medical Care, Delta Dental or HBI Dental Plan, and Vision Care Plan (VSP). The City's health benefits plan include the medical plan as described in the Modified Employee Medical Plan, effective January 1, 1993.

The City shall pay for the full cost of the health benefits package for those employees who choose the City's health benefits plan.

Effective January 1, 1997, the orthodontic benefits coverage will increase from ONE THOUSAND DOLLARS ($1,000.00) to TWO THOUSAND DOLLARS ($2,000.00) lifetime maximum for those employees who choose the City's health benefits plan.

The annual dental maximum coverage shall be increased from ONE THOUSAND DOLLARS ($1,000.00) to ONE THOUSAND AND TWO HUNDRED DOLLARS ($1,200.00)

Employees in this bargaining unit shall have the month of December of each year to elect their choice of either Operating Engineers' Health and Welfare Trust Fund or the City of Stockton's Employee Health Benefits Plan. Those employees changing benefits plans shall be transferred effective January 1 of each year.

Effective January 1, 1997, the premium amount contributed towards the Operating Engineers' Health and Welfare Trust Fund will not decrease during the term of this agreement regardless of any decrease premium that may occur to the City's Modified Employee Medical Plan.

For those employees who choose to remain in Operating Engineers' Health and Welfare Trust Fund, the City will contribute toward their premium, the same amount as it contributes toward the City's health benefits plan. The employee is responsible for the difference each month if the Operating Engineers' Health and Welfare Trust Fund premium is higher.

(c) When this agreement expires on June 30, 2008, then and in that event, any

and all subsequent increased premium costs required to maintain the benefits as provided for in this Section shall be the responsibility of the employees and said increased costs shall be withheld from the employee's paychecks as may be necessary for the months subsequent to June 30, 2008, unless otherwise agreed to by the parties hereto.

(d) Regular employees shall become eligible for the benefits stated in this Section on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees must enroll eligible dependents within thirty (30) days of eligibility.

(e) Provisional and temporary employees are not eligible for any of the above benefits.

(f) Employees that promote, demote, or transfer from a classification in the Trades and Maintenance unit to an unrepresented classification shall continue to have the option to retain the Operating Engineers' Local No. 3 Health and Welfare Plan.

(g) Reopener Clause. During the term of the agreement, the City and Operating Engineers' Local No. 3 agreed to reopen contract discussion in July 2007, for total compensation (e.g. salary, benefits, retiree medical trust, and enhanced retiree pension) negotiations for a July 1, 2008, successor collective bargaining agreement. Operating Engineers' Local No. 3 also committed to participate in the total compensation negotiations with the other miscellaneous bargaining units (Stockton City Employees' Association and Management B and C Association) as a coalition, as requested by the City, should the other units also agree.

14.2 Long Term Disability Insurance

The City shall provide, at no cost to the employee, long term disability insurance coverage. Essentially, this is an income protection plan which provides disability income for employees including:

(a) Each disability - sixty-six and two thirds percent (66 2/3%) of salary.

(b) Disability income payments shall commence after the employee has utilized all sick leave benefits to which the employee is entitled or after a thirty (30) day waiting period whichever is longer.

(c) Benefit payable until age sixty-five (65).

(d) The City will provide, at no expense to the employee, medical coverage for a period of ninety (90) days. For the purpose of this section, medical coverage shall commence immediately after the employee has utilized all sick leave benefits to which the employee is entitled.

14.3 Life Insurance

The City shall provide, at no cost to the employee, a term life insurance policy, equal to one and one-half (1-1/2) times the employee's annual salary.

14.4 Retirement Medical Allowance

Effective January 1, 2003, at retirement only, an employee with fifteen (15) years of City service and who has attained the age of fifty (50) will be provided medical coverage consisting of hospitalization, medical and prescription benefits for the retiree and one (1) dependent until age sixty-five (65).

14.5 Retirement-Medicare Supplemental Plan

Employees retiring on or after January 1, 1997, who are eligible for the Retirement Medical Allowance, pursuant to section 14.4, will, at age 65, become eligible for Medicare Supplemental Coverage under the City's Modified Employee Medical Plan. Coverage will be supplemental and secondary to Medicare (reduced by any amounts payable to Medicare). This lifetime benefit is provided to the employee and the employee's spouse. The employee shall be responsible for paying any associated costs for obtaining Medicare coverage Part A and Part B.

Section 15. Salaries

15.1 Salary Rates

The salary rates for all employees in the aforementioned representation unit will be as set forth in Appendix "A," which is attached hereto and made a part hereof.

Effective July 1, 2004, all salaries rates hereby established and explained in other parts of section 15 shall no longer be fitted to the Stockton Salary Matrix as set forth in the City of Stockton Salary Schedule. Instead, all salary rates hereby established and explained in other parts of section 15 shall be assigned a fixed percentage of 5.14% between salary steps.

The rates of pay set forth in Appendix "A" represent for each classification as set forth in Appendix "B," which is attached hereto and made a part hereof, the standard rate of pay for full time employment, unless the schedule specifically indicates otherwise.

The rates of pay set forth in Appendix "A" do not include reimbursement for actual and necessary expenses for traveling, subsistence and general expenses authorized and incurred incident to City employment.

15.2 Salary upon Appointment

Except as herein otherwise provided, the entrance salary for a new employee entering the classified service shall be the minimum salary for the class to which appointed. When circumstances warrant, the Director of Human Resources may approve an entrance salary which is more than the minimum salary for the class to which an employee is appointed. Such a salary may not be more than the maximum salary for the class to which that employee is appointed.

15.3 Salary Equivalents

Any monthly, daily or hourly rate of pay may be converted into an equivalent rate of pay or to any other time bases when, in the judgment of the City Manager, such a conversion is advisable. In determining equivalent amounts on different time bases the City shall provide tables or regulations for the calculation of payment for service of less than full time, and for use in converting monthly salaries to hourly rates, as well as for calculating hourly rates. Overtime rate and premium pay shall be calculated according to the provisions of the Fair Labor Standards Act.

15.4 Salary Step Plan

(a) There shall be five (5) to seven (7) salary steps in each range.

The first step shall be the minimum rate and shall be the normal hiring rate for the class. (In a case where a person possesses unusual qualifications, the Director of Human Resources may authorize appointment above the first step after receiving the recommendation of the department head. The same provision shall apply to hourly paid and part-time employees.)

If a department head recommends to withhold increases to salary steps two (2) through seven (7) because an employee has not achieved the level of performance required, notice must be received by the City Manager at least four (4) weeks in advance of the employee's eligibility date. The affected employee shall be furnished a copy of the department head's recommendation. Failure to abide by the above four-week limitation shall not automatically cause a step increase to be granted; however, if an employee does not receive notice by the actual anniversary date, the increase shall be automatically granted.

The second step shall be paid upon the satisfactory completion of six (6) months service at the first step.

The third step shall be paid upon the satisfactory completion of one (1) year service at the second step.

The fourth step shall be paid upon the satisfactory completion of one (1) year service at the third step.

The fifth step shall be paid upon the satisfactory completion of one (1) year service at the fourth step and upon written recommendation of the department head.

The sixth step shall be paid upon the satisfactory completion of one (1) year service at the fifth step and upon written recommendation of the department head.

The seventh step shall be paid upon the satisfactory completion of one (1) year service at the sixth step and upon written recommendation of the department head.

Regardless of an employee's length of service, step advancements in any given class may be made upon recommendation of the department head with the approval of the Director of Human Resources, but not above Step No. 7 for a given range.

Salary step increases shall be effective the first day of the pay period following appointment or revision. If the date of appointment or revision is the first day of a pay period, salary step increases shall be as of that date.

Changes in an employee's salary because of promotion, demotion, postponement of salary step increase or special merit increase will set a new salary anniversary date for that employee, which date shall be as stated in the preceding paragraph.

Salary range adjustments for a classification will not set a new salary anniversary date for employees serving in that classification.

(b) Salary Step Entry-Level Classifications. Effective January 1, 1997, the City Manager may create a ten percent (10%) salary step reduction to any entry-level classification represented by this bargaining unit. The next and all subsequent salary steps shall be paid upon the satisfactory completion of one (1) year service at current salary step.

15.5 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to the City service, are entitled to the automatic salary advancements within the range of their classification for the period they were in the military service.

15.6 Salary Step When Salary Range is Increased

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to the step in the revised range which corresponds to the employee's step held in the previous range, unless otherwise specifically provided for by the City Manager.

15.7 Salary Step After Promotion or Demotion

(a) When an employee is promoted from a position in one class to a position in a higher class, and at the time of promotion is receiving a salary equal to, or greater than, the minimum rate for the higher class, that employee shall be entitled to the next step in the salary scale of the higher class which is "approximately" five percent (5%) above the employee's current salary, except that the next step shall not exceed the maximum salary of the higher class.

(b) When an employee is demoted, whether such demotion is voluntary or otherwise, that employee's compensation shall be adjusted to the salary prescribed for the class to which demoted.

(1) "If the salary of the employee is reduced for cause or disciplinary reasons, the employee shall receive the salary at the same step prior to promotion."

(2) "If the salary of the employee is reduced through no fault of the employee (i.e., layoff), the salary at demotion shall be at the nearest lower salary to that which was received prior to the demotion."

15.8 Transfer

An employee may be transferred from a class in one department, or to a position of the same class in another department, or to a comparable class, with the approval of both the employee and Department Heads. In the case of a comparable class, the employee must be qualified, as determined by the Director of Human Resources. The Director of Human Resources, in making such a determination, must assure that the maximum salary rate for the classes in question are within two and one-half percent (2-1/2%), and shall consider, among other things, whether the employee possesses the minimum qualifications for such class, and is able to demonstrate through education, experience, or successful completion of pertinent test, that he/she is qualified for the transfer. If the transfer involves a change from the jurisdiction of one appointing authority to another, both must consent thereto.

15.9 Salary on Reinstatement

If a former employee is reinstated in the same position, previously held or to one carrying a similar salary range, the employee's salary shall not be higher than the salary at the time of separation unless there has been an increase within the salary range.

If a former employee is reinstated to a position in a lower class the employee's salary shall be set at the same step previously held, but in the pay range of the lower classification.

15.10 "Y" Rate

When an employee's classification is changed to a lower paid classification as the result of a classification study or other action, the employee may be placed on a "Y" rate. A "Y" rate means that the monthly compensation for the employee shall remain in effect until such time as further changes in the pay range of the new classification exceeds the "Y" rate.

15.11 Acting Pay

(a) General Provisions. Any employee in this unit who is assigned by a supervisor to work in a higher paid classification for two (2) or more hours in one (1) day, shall receive the rate of pay in the step of the higher classification which would have been received if the employee had been promoted into that classification, or at least five percent (5%) more than the employee's salary in the present classification, whichever is greater. Out-of-class assignment pay during overtime status will commence at the first hour worked.

(b) When there is an existing promotional eligibility list, and acting pay assignment is expected to be for more than twenty (20) work days, acting pay shall be assigned from the top three (3) on the promotional eligibility list. If the assignment is for twenty work days or less, the highest ranking employee on the promotional list within the division shall be assigned. When there is no eligible list, section (c) below shall apply.

(c) If there is no existing list, acting pay selection shall be made from the five (5) most qualified employees in the section.

(1) Sections are defined, for the purpose of this clause only, as the sub-groups listed under the following three (3) departments:

Parks and Recreation Department – (1) Parks, (2) Golf Courses, and (3) Trees;

Municipal Utilities Department – (1) Water, (2) Sewer, (3) Wastewater Operations, and (4) Wastewater Maintenance; and

Public Works Department - (1) Street Maintenance, (2) Traffic Devices, (3) Electrical, (4) Fleet Maintenance, (5) Community Enhancement, and (6) Engineering.

(2) Qualifications for the purpose of this Section, as determined by the department head or designee, shall include all the following equal factors:

(a) Seniority in grade within any class immediately below the vacant position.
(b) Worker experience relative to the vacant position.

(c) Prior job performance and attendance.

(d) Certificates or other formal qualification devices such as eligibility lists.

If all things are equal based on above factors, the seniority within the City shall be considered.

(3) The opportunity for acting Pay shall be rotated among the five (5) most qualified employees within each section.

(d) Assignments from other than a promotional eligibility list shall not exceed 120 days per fiscal year per employee.

15.12 Special Assignment Pay

The City Manager may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned in writing by the supervisor to perform additional duties and responsibilities for the duration of the special assignment.

Any employee assigned to the Tree Spray Crew shall receive an additional five percent (5%) special assignment pay per day when assigned in writing by the supervisor to spray trees and performs such work four (4) or more hours in any one (1) day.

Any Senior Plant Operator who is assigned in writing by an appropriate authority to assume supervisory authority over another Senior Plant Operator shall receive an additional five percent (5%) special assignment pay per shift when so assigned.

15.13 Salary Survey

For salary adjustments to be effective July 1, 2005, the City of Stockton Salary Schedule shall be increased in accordance with the Cost-of-Living adjustment formula or the Salary Survey formula described below, whichever is greater.

The City and Union agree to conduct a joint salary survey of twelve (12) California agencies. The City and Union agree to begin the joint salary survey on April 1, 2005, for salary adjustments to be made effective July 1, 2005. The salary survey shall compare the top base salary to be effective as of July 1, 2005, of surveyed agencies to the City of Stockton top base salary to be effective as of July 1, 2005.

In conducting the salary survey pursuant to this section, the City and Union shall

jointly work together in obtaining data of top base salaries for selected and mutually agreed upon City of Stockton job classifications from the following twelve (12) agencies:

No.	Agencies
1	City of Bakersfield
2	City of Livermore
3	City of Lodi
4	City of Fairfield
5	City of Merced
6	City of Modesto
7	City of Pleasanton
8	City of Riverside
9	City of Sacramento
10	City of Tracy
11	East Bay MUD
12	San Joaquin County

The salary survey data shall be arranged in descending rank order, and the City of Stockton job classification shall be adjusted by the percentage increase necessary to place the top base salary of the identified job classifications at a position at the bottom of the top one-third (1/3) of surveyed agencies, i.e., to a position equivalent to no less than the agency ranked fourth (4th). The adjustment would be made at the first step of the salary range for each job classification mutually agreed upon and those job classifications assigned within the job group, respectively.

Examples of how this provision shall be applied on July 1, 2005. If the salary survey conducted in 2005 indicates that as of July 1, 2005, it would take an increase of five percent (5%) to bring the top base salary (as defined in this section) to a position at the bottom of the top one-third (1/3) of the surveyed agencies, the Union members would received, effective July 1, 2005, a two and one-half percent (2.5%) adjustment as set forth in Appendix A, plus an additional two and one-half percent (2.5%) adjustment as a result of this section. If, on the other hand, the salary survey conducted in 2005 indicates that as of July 1, 2005, it would take an adjustment of two percent (2%) to bring the top base salary to a position at the bottom of the top one-third (1/3) of the surveyed agencies, a two and one-half percent (2.5%) adjustment as set forth in Appendix A shall be applied, but no additional adjustment, as a result of this section, shall be applied.

Section 16. Separability of Provisions

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable that provision of the Memorandum of Understanding shall be null and void but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

In the event that Federal legislation changes the current applicability of the Fair Labor Standards Act, both parties agree to consult and/or confer on the impacts of such legislation to the extent required by law.

Section 17. Past Practices and Existing Memoranda of Understanding

Continuance of working conditions and practices not specifically authorized by ordinance or by resolution of the City Council is not guaranteed by this Memorandum of Understanding.

This Memorandum of Understanding shall supersede all existing Memoranda of Understanding between the City and the Union.

Section 18. Scope of Agreement

Except as otherwise specifically provided herein this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties on any and all matters subject to meeting and conferring. Neither party shall, during the term of this Memorandum of Understanding, demand any change therein nor shall either party be required to negotiate with respect to any matter; provided that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.

Section 19. Duration of Agreement

This Memorandum of Understanding shall be effective the date of execution, and shall remain in full force and effect to and including the 30th day of June, 2006 and shall continue thereafter from year to year unless at least sixty (60) days prior to July 1 either party shall file written notice with the other of its desire to amend, modify, or terminate this Memorandum of Understanding.

Section 20. Maintenance of Operations/City Rights

(a) It is recognized that the need for continued and uninterrupted operation of City services is of paramount importance. Therefore, the Union and each employee represented thereby agrees that from the date of execution, through exhaustion of the impasse process/mediation/fact finding as set forth in the Employer/Employee Relations Resolution Section 12 (g) the Union or any person acting in its behalf, or each employee in a classification represented by the Union, shall not cause, authorize, engage in, encourage, or sanction a work stoppage, slowdown, refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound), or picketing, other than informational picketing, against the City or the individual or concerted failure to report for duty or abstinence from the full and faithful performance of the duties of employment, including compliance with the request of another labor organization or bargaining unit to engage in such activity in an attempt to induce a change in wages, hours, and other terms and conditions of employment.

(b) An employee shall not be entitled to any wages or City paid benefits whatsoever if the City Council, by majority vote, determines to its satisfaction, that the employee is, or has, engaged in any activity prohibited by subsection (a) of this Section. The City may take other action which it deems appropriate.

(c) If the City Council, by majority vote, determines to its satisfaction, that subsection (a) of this Section has been violated by the Union, the City may take such remedial action as it deems appropriate.

(d) The Union recognizes the duty and obligation of its representatives and members to comply with the provisions of this Memorandum of Understanding and to make every effort toward inducing all employees in this unit to fully and faithfully perform their duties. In the event of any activity prohibited by subsection (a) hereinabove, the Union agrees to take supererogatory steps necessary to assure compliance with this Memorandum of Understanding.

(e) The rights of the City as set forth in Section 5 of Resolution No. 32,538, dated August 4, 1975, are incorporated herein by reference.

IN WITNESS WHEREOF the parties hereto have executed this Memorandum of Understanding this 11th day of May 2007.

OPERATING ENGINEERS' LOCAL UNION NO. 3 of the International Union of Operating Engineers', AFL-CIO

RUSS BURNS, Business Manager

FRED HERSCHBACH, President

ROBERT L. WISE, Recording Corresponding Secretary

DON DIETRICH, Director of Public Employee Division

JOE SANTELLA, Business Representative

KEVIN HUFF, Chief Steward

ANTHONY MARTINEZ, STAMA President

CITY OF STOCKTON, a Municipal Corporation

J. GORDON PALMER, JR.
City Manager

CHRISTINE TIEN, Deputy City Manager

DIANNA R. GARCIA, Director of Human Resources

DI SMITH, Deputy Director of Human Resources

APPROVED AS TO FORM
RICHARD E. NOSKY JR., CITY ATTORNEY
BY: _____
~~MICHON JOHNSON, Deputy~~ City Attorney

APPENDIX "A"

SALARY ADJUSTMENTS FOR FISCAL YEAR JULY 2006

The Salary Schedule shall provide salary rates and ranges according to the following formula:

Effective April 16, 2007, the base wage increase for July 1, 2006, shall be equal to one-hundred percent (100%) of the July 2006 Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W). The base wage increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR FISCAL YEAR JULY 2007

The Salary Schedule shall provide salary rates and ranges according to the following formula:

Effective July 1, 2007, the base wage increase shall be equal to one-hundred percent (100%) of the November 2006 Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W). The base wage increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase). The City shall use the November Consumer Price Index for Urban Wage Earners' and Clerical Workers' U.S. City Average henceforward when applying CPI adjustments.

APPENDIX "B"
REPRESENTED JOB CLASSIFICATIONS

Position Number	Job Title	Grade
30510	Auto Painter Repair Worker	30H
30781	Collection Systems Operator I	30T
30756	Collection Systems Operator II	30Q
30772	Craft Maintenance Worker I	3AA
30515	Craft Maintenance Worker II	30J
30775	Dispatcher	30Z
30825	Electrical Technician I	30C
30405	Electrical Technician II	30A
30612	Electrician I	3AA
30445	Electrician II	30C
30542	Environmental Control Officer	30L
30777	Equipment Service Worker	30Y
30965	Facilities Maintenance Worker I	3AK
30884	Facilities Maintenance Worker II	3AI
30769	Facilities Maintenance Worker III	3AC
30964	Facility Aide	3AK
30791	Fleet Equipment Parts Assistant	30Y
30446	Heating/Air Conditioning Mechanic	30D
30560	Heavy Equipment Operator	30K
30846	Hydrant Worker	3AD
30870	Industrial Electrical Apprentice	30R
30447	Instrument Repair Technician	30C
30885	Janitor	3AI
30763	Landfill Scale Operator	3AD
30444	Machinist	30F
30752	Maintenance Repair Technician I	3AZ
30742	Maintenance Repair Technician II	3AY
30816	Maintenance Worker I	3AG
30764	Maintenance Worker II	3AD
30743	Maintenance Worker III	3AN
30810	Materials Specialist	3AO
30794	Mechanic I	30Y
30571	Mechanic II	30N
30556	Mechanic III	30H
30872	Mechanic Maintenance Apprentice	30V
30762	Mechanical Maintenance Worker I	30R
30651	Mechanical Maintenance Worker II	30J

30670	Medium Equipment Operator	30S
30750	Park Equipment Operator	30X
30990	Park Aide	3AB
30862	Parks Worker I	3AJ
30835	Parks Worker II	3AF
30561	Plant Equipment Mechanic	30H
30444	Plant Maintenance Machinist	30F
30561	Plant Maintenance Mechanic	30C
30874	Plant Operator Apprentice	3AH
30609	Plant Operator I	3AR
30830	Plant Operator II	3AS
30898	Plant Operator-in-Training	3AH
30505	Public Works Equipment Training Officer	3AQ
30562	Public Works Heavy Equipment Operator	3BA
30700	Senior Collection Systems Operator	3OG
30300	Senior Electrician	3OA
30494	Senior Environmental Control Officer	3OA
30595	Senior Facilities Maintenance Worker	3OO
30630	Senior Hydrant Worker	3OI
30299	Senior Instrument Repair Technician	3OA
30770	Senior Janitor	3AC
30646	Senior Maintenance Worker	3BA
30516	Senior Mechanic	3OB
30564	Senior Mechanical Maintenance Worker	3OD
30725	Senior Parks Worker I	3OU
30705	Senior Parks Worker II	3OQ
30517	Senior Plant Maintenance Mechanic	3OA
30675	Senior Plant Operator	3AT
30666	Senior Traffic Maintenance Worker	3BA
30302	Senior Traffic Signal Electrician	3OA
30581	Senior Tree Surgeon	3OM
30703	Senior Water Systems Operator	3OG
30792	Service Writer	3OY
30544	Solid Waste Inspector	3OL
30590	Stage Maintenance Worker	3OO
30443	Traffic Signal Electrician	3OC
30905	Traffic Signal Electrician Trainee	3AA
30440	Traffic Signal Systems Operator	3OC
30699	Tree Surgeon	3OW
30766	Tree Worker	3AP
30783	Water Systems Operator I	3OT
30724	Water Systems Operator II	3OQ

30555	Welder/Fabricator	3OH
30513	Welder/Fabricator Specialist	3AW

TRADES AND MAINTENANCE UNIT
MEMORANDUM OF UNDERSTANDING

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CITY OF STOCKTON

MEMORANDUM OF UNDERSTANDING
TRADES AND MAINTENANCE UNIT

Operating Engineers' Local 3, AFL-CIO and representatives of the City of Stockton have met and conferred in good faith regarding wages, hours and other terms and conditions of employment of employees in the representation unit identified in Section 1, have exchanged freely information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding is entered into pursuant to the Meyer-Milias-Brown Act (Government Code sections 3500-3510) and has been jointly prepared by the parties.

This Memorandum of Understanding shall be presented to the Stockton City Council as the joint recommendations of the undersigned for salary and benefit adjustments for the period commencing January 1, 1997, and ending December 31, 2003.

TRADES AND MAINTENANCE UNIT
MEMORANDUM OF UNDERSTANDING

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Section 1. Recognition

Operating Engineers' Local 3, AFL-CIO, hereinafter referred to as the "Union," is the recognized employee organization for the Trades and Maintenance Unit, certified pursuant to Resolution No. 32,548, adopted by the City Council on August 11, 1975.

Section 2. Union Security

2.1 Dues Deduction

(a) General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

If an employee is promoted to a position which is represented by another employee organization or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds, at the address specified.

In addition to the deduction of dues, the City will deduct from the paychecks of Union members who request it, premiums for group insurance and investment plans sponsored by the Union. Such deductions shall be made in one lump sum and only upon signed authorization from the employee upon a form satisfactory to the City. Such authorizations may be made or changed no more frequently than twice yearly.

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the City which would have been withheld if the employee had been in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

(b) Indemnity and Refund. The Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

2.2 Agency Fee

(a) Employee Rights

(1) The City and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal, alternative right of employees to refuse to form, join and participate in employee organizations. Neither party shall exert pressure upon or discriminate against an employee in the exercise of these alternative rights.

(2) Accordingly, membership in the Union shall not be compulsory. A unit member has the right to choose, either: to become a member of the Union; or, to pay to the Union a fee for representation services; or, to refrain from either of the above courses of action upon the grounds set forth in Section (f) below.

(b) Unit Members' Obligation to Exclusive Representative

(1) A bargaining unit member who does not fall within one (1) of the exempted categories as set forth in Section (f) below, and who has not voluntarily made application for membership in the Union within the sixtieth (60) day following the date upon which said employee has been formally hired by the City as a bargaining unit employee, must as a condition of continued employment in the City pay to the Union a representation fee, in exchange for representation services necessarily performed by the Union in conformance with its legally imposed duty of fair representation on behalf of said unit member who is not a member of the Union.

(2) In the event that a unit member does not become a member of the Union or pay such fee directly to the Union, the City shall begin automatic payroll deduction. There shall be no charge to the Union for such mandatory agency fee deductions.

(3) Prior to beginning such automatic payroll deduction, the Business Representative of the Union will certify to the City in writing that the employee whose pay is to be affected by the deduction has: 1) refused to join the Union; and 2) has refused to tender the amount of the agency fee as

defined herein; and 3) has not applied for an exemption under Section (f) herein. In addition the Union must also certify that it has provided the employee with a copy of the fee verification required by Section (e) herein.

(c) Definition of Agency Fee

(1) The agency fee collected pursuant to Section (b) above from unit members who are not members of the Union shall be an amount not to exceed the standard initiation fee, periodic dues and general assessments of the Union for the duration of this Agreement, minus any amount which is prohibited by the Constitution because such funds pay for political or ideological purposes not related to collective bargaining.

(2) Any dispute as to the amount of the representation fee shall be resolved pursuant to the provisions of Section (h) herein.

(d) Exceptions. Unit members on leave without pay and unit members who are in laid-off status shall be exempt from these provisions herein; except that the election as to membership or payment of a fee as set forth herein must be exercised within the first ten (10) work days upon return to paid status.

(e) Annual Verification of Agency Fee by the Union. Prior to January 31, of each year and before the collection of an agency fee from any unit member pursuant to these provisions herein, the Union shall submit a written certification to the fee payers verifying that the total amount of its representation fee conforms to Section (c) above, and itemizing all component parts of such fee which shall provide an adequate explanation for the basis of the fee. Each year such amount shall be verified and submitted in writing to the fee payers by the Union prior to January 31st. The Union will submit a copy of such verification to the Director of Personnel Services of the City. The parties agree that such annual verification is a condition precedent to the collection by either the City or the Union of a representation fee from a unit member.

(f) Employees Exempted From Obligation to Pay Union

(1) Any unit member shall be exempt from the requirements of Section (b) above, if such employee has a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.

(2) Such exempt unit member shall, as an alternative to payment of a

representation fee to the Union, pay an amount equivalent to such representation fee to:

a. United Way.
b. American Cancer Society.
c. Any charity jointly agreed in writing by the parties.

(3) If a unit member desires to be exempted for reasons set forth in Section (f) herein, the unit member must first request such exemption in writing from the Union setting forth briefly the rationale for the exemption. If the Union notifies the unit member in writing that the Union will not honor the request, then the matter shall be referred automatically to a panel for determination according to the procedure set forth below. The panel shall be composed of one (1) person selected by the Union, one (1) person selected by the unit member, and an arbitrator selected by the parties chosen from a list submitted by the State Conciliation Service. If either one or both parties fail to nominate a panel member, the process of hearing will continue without that party's panel member.

(4) The panel shall first receive arguments and evidence from the unit member requesting the exemption. Thereafter the Union may present any arguments or evidence. The proceedings shall be conducted in an informal manner, and the rules of evidence will not apply. The arbitrator shall act as chair and rule on all matters before the panel with the exception of the final determination of the panel. The panel shall prepare a written decision within fifteen (15) calendar days of the completion of the hearing which shall be final and binding upon the parties. Any expenses of the panel shall be borne by the parties incurring them.

(5) Upon receipt of the decision of the panel, the City shall release any funds held in escrow to the Union or to the charity. Any decision by the panel shall apply for the duration of this Memorandum of Understanding.

(6) In addition, the Union may require such exempt unit member to submit proof of payment of an amount equivalent to such representation fee to one (I) of the alternative funds or organizations listed above. If the bargaining unit member has not provided payment, the City will institute deductions pursuant to Section (b)(2), and forward such monies to a charity listed in Section (f)(2).

(7) Such payments shall be made on or before January 31, of each year or no more than thirty (30) days after commencing duties for any newly hired employee.

(g) Escrow Account. If any unit member either disputes the amount of the fee or disputes whether or not an exemption was appropriately denied, the City shall deposit the fee which was deducted and place such amount into a special escrow account established by the Union for such purposes.

(h) Procedure for a Unit Member Who Contests the Amount of the Fee

(1) The parties agree that in order to provide a uniform definition of the representation fee, any disputes involving the amount of such fee shall be referred to the Union's procedure for determination, provided that the parties have first complied with the other provisions of this Section.

(2) The Union shall notify the City in writing within twenty (20) days after it becomes aware that any employee disputes the amount of the fee.

(3) The Union will verify in writing to the City that all of the conditions of Section (b)(3) have been met prior to the City's initiation of the fee deductions set forth in Section (b)(2). Thereafter, the City will notify the affected employee in writing that such deductions will commence and a copy of the Union's written verification will be attached to the City's notice. Thereafter, the City will begin the deductions.

The monies held in escrow shall be released to the appropriate party upon the rendering of a final decision by the Union's internal procedure.

(i) Payment Method/Payroll Deduction

(1) A unit member may voluntarily sign and deliver to the City a written assignment authorizing deduction of the properly established representation fee as defined in Section (c) above, subject to the conditions set forth elsewhere in this agreement for payroll deductions, or the amount of the fee

will be deducted automatically in accordance with Section (b)(2) herein.

(2) The City is under no obligation to make payroll deductions for the periods during which a unit member is either terminated from active employment, or not on the City's active payroll for any reason, including, but not limited to, layoff and voluntary leave of absence for more than thirty (30) days.

(3) Upon the rehiring of any unit member, or upon the recalling of any unit member from layoff status, the City will resume or initiate dues deductions for such unit member.

(j) Obligations of Parties

(1) City's Obligations. The City's obligation under this Article is to notify any unit member who has failed to comply with the provisions of this Section that, as a condition of continued employment with the City, such unit member must become an Union member, or pay a representation fee, or establish an exemption status and make payment pursuant to provisions of Sections (b) and (f) of this Agreement. Under no circumstances shall the City be required to dismiss or otherwise discipline any unit member for failure to fulfill their obligations to pay the fees established herein.

(2) Union's Obligations. Except as specified herein, the Union and not the City, shall be responsible for requiring unit members to fulfill obligations defined herein. It is the obligation of the Union to collect any representation fees which may be due and payable to the Union in consideration for its services as the exclusive representative of unit employees.

(k) Hold Harmless Provision. The Union shall hold the City harmless, and shall fully and promptly reimburse the City for any fees, costs, charges or penalties incurred in responding to or defending against any claims, disputes, challenges, whether formal or informal, which are actually brought, or attempted or threatened to be brought, against the City or any of its agents, or employees, in connection with the interpretation, application, administration or enforcement of any Section of this Agreement pertaining to representation fee. Such reimbursement shall include, but not be limited to, court costs, litigation expenses, and attorney's fees incurred by the City. The City shall have the right to be represented by its own attorney in any action in which it is a named party to the action. Disputes over the amount of reimbursement shall be automatically submitted to the arbitration provisions of this Memorandum, Section 8.3(e).

2.3 Use of City Facilities

(a) The Union shall be allowed by the City department in which it represents employees' use of space on available bulletin boards for communications having to do with official Union business, such as times and places of meetings, provided such use does not interfere with the needs of the department. The Union may submit to the City Employee Relations Officer written communications having to do with official Union business for distribution by the City to identified shop stewards. Distribution may be by e-mail.

(b) Any representative of the Union shall give notice to the department head or designated representative when contacting department employees on City facilities during the duty period of the employees, provided that solicitation for membership or other internal Union business shall be conducted during the non-duty hours of all employees concerned. Pre-arrangement for routine contact may be made with individual department heads and when made shall continue until revoked by the department head.

(c) City buildings and other facilities may be made available for use by City Employees of the Union or their representatives in accordance with such administrative procedures as may be established by the City Manager or department heads concerned.

2.4 Advance Notice

Except in cases of emergency, reasonable advance written notice shall be given to the Union if affected by any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to negotiate if requested with the designated management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described above and be given an opportunity if requested to negotiate changes to said notice with the management representatives designated by the City Manager.

2.5 Attendance at Meetings by Employees

City employees who are official representatives or unit representatives of the Union shall be given reasonable time off with pay to attend meetings with City management representatives, or be present at City hearings where matters within the scope of representation or grievances are being considered. Such employee representatives shall submit a request for excused absence to their respective department heads, in a manner satisfactory prior to the scheduled meeting whenever possible. Except by mutual agreement the number of the employees excused for such purposes shall not exceed three (3) per recognized bargaining unit.

Time spent for this purpose during the representatives scheduled hours of work shall count as hours worked.

Attendance at meetings during non-work hours will not be counted as hours worked except in extraordinary circumstances as determined by the City.

2.6 Maintenance of Membership

All employees in the Trades and Maintenance unit who are members of the Union, tendering periodic dues at the execution of this agreement, and all employees who thereafter become members of the Union shall, as a condition of employment, pay dues to the Union for the duration of this Memorandum of Understanding, and each year thereafter. For a period of thirty (30) days prior to January 1, l989, and thirty (30) days prior to any January l, thereafter, any employee in the aforementioned unit who is a member of the Union shall have the right to withdraw from the Union

discontinuing dues payments and retain employment in the City, subject to provisions of Section 2.2. Agency Fee. Said withdrawal shall be communicated by the employee in writing to the City. The provisions of this section shall be operative only to the extent that they are permissible under California law.

2.7 Assignment of Classifications

New job classifications established by the City shall be assigned to the bargaining unit pursuant to Section 8 (b) of the City's Employer-Employee Relations Resolution after providing notice and the opportunity to consult with the Union regarding such matters.

Section 3. Compliance with Federal Laws/Safety

3.1 Non-Discrimination. The City and the Union agree that there shall be no discrimination of any kind because of race, creed, color, religion, national origin, sex, political affiliation or legitimate union activity against any employee or applicant for employment; and to the extent prohibited by applicable State and Federal law there shall be no discrimination because of age.

3.2 Fair Labor Standards Act. The Union agrees to cooperate with the City to insure its members' compliance with the provisions of the Fair Labor Standards Act.

3.3 Safety. The Union shall cooperate with the City in promoting safety objectives as defined in Federal, State and local regulations by actively supporting safety programs, promoting safe work habits of members and encouraging an ongoing, active participation by its members in safety related procedures and practices as offered and promulgated by the City of Stockton.

Section 4. Probation

4.1 Purpose

The probationary period shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to a position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

4.2 Original Entrance and Promotional Positions

All original and promotional appointments shall be tentative and subject to a probationary period of six (6) months, unless a longer probationary period is stated in the class specification. The probationary period may be extended up to an additional six (6) months in those cases where the appointing authority and the Director of Personnel Services agree that such extension would be beneficial to the employee and the City.

4.3 Retention/Rejection of Probationer

At the end of the probationary period, if the service of the probationary employee has been satisfactory to the appointing authority, then the appointing authority shall file with the Director of Personnel Services a statement in writing to such effect and stating that the retention of such employee in the service is desired. The City will make a good faith effort to notify a probationary employee two (2) weeks before the end of the probationary period whether or not permanent status is granted; however, a failure on the part of the appointing authority to file such a statement at the end of the probationary period shall constitute a rejection of the probationer as defined in Civil Service Rules.

During the probationary period an employee may be rejected at any time by the appointing authority. Any employee rejected during the probationary period following a promotional appointment, shall be reinstated to the position from which promoted unless charges are filed and the employee is discharged in the manner provided in Section 7 of this Memorandum of Understanding and in the Civil Service Ordinance and Civil Service Rules, which are consistent therewith.

4.4 Alcohol and Drug Testing. All original and reemployed appointments must pass a drug and alcohol screening prior to being offered City employment. This shall include non-represented part-time, seasonal, provisional, and temporary appointments.

Section 5. Layoff

5.1 Layoff

Any employee may be laid off by an appointing authority in the event of the abolition of the employee's position by the City Council, or if a shortage of work or funds requires a reduction in personnel.

5.2 Layoff Scope

(a) Layoffs shall be within departments of the City.

(b) Departments of the City are defined as follows:

(1) City Attorney
(2) City Auditor
(3) City Clerk
(4) City Manager
(5) Community Development
(6) Finance
(7) Fire
(8) Housing and Redevelopment
(9) Library
(10) Management Information Services
(11) Municipal Utilities
(12) Parks and Recreation
(13) Personnel Services
(14) Police
(15) Public Works

5.3 Notice of Layoff

The City will give advance written notice of at least one pay period to employees who will be laid off.

5.4 Precedence by Employment Status

(a) No permanent employees shall be laid off while employees working in an extra help, seasonal, temporary, provisional, or probationary status are retained in the same classification as such permanent employee. The order of layoff among employees not having permanent status shall be according to the following categories:

(1) extra help or seasonal
(2) provisional
(3) temporary
(4) probationary

Layoffs shall be by job classification according to reverse order of seniority as determined by total service in the City, except as specified above. For the purpose of this procedure part-time classes shall be considered as separate from regular full-time classes.

The following provisions shall apply in computing total continuous service:

(1) Time worked in a permanent or probationary status shall count as service.
(2) Time spent on military leave shall count as service in the event the leave was taken subsequent to entry.
(3) Time worked in an extra help, seasonal, provisional, temporary, grant or other limited term status shall not count as service.

If two (2) or more employees have the same seniority, the most recent performance evaluation shall determine seniority.

(b) Any employee in the Trades and Maintenance Unit who is laid off may complete a City employment application for any position currently staffed by a part time, provisional, or temporary employee. The Personnel Services Department will evaluate the employment application. If the laid off employee meets the minimum qualifications of that position, he/she shall have the option of displacing the part time, provisional, or temporary employee.

5.5 Employee Options

Employees laid off shall have any of the following choices:

(a) Displacing the employee in the same department and in the same or clearly comparable classification as determined by the Director of Personnel as having the least (total service) seniority. This option shall be exercised before any other option.

(b) Taking a voluntary demotion within the department to a classification in which the employee had prior permanent status, thus displacing the employee working in the classification who has the least (total service) seniority.

5.6 Health and Welfare Benefits during Layoff

Permanent employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

Section 6. Reemployment

(a) The name of each employee who is laid off in accordance with Section 5. shall be placed at the head of the eligibility list for the class of positions which that employee held, and shall be given preference in filling vacancies in that class.

(b) An employee laid off in accordance with this Section shall be placed on the eligibility list or lists for any lower or comparable class or classes in the same department, provided that the appointing authority and the department head in charge of this lower or comparable class determine that the employee is competent to perform the duties thereof in strict accordance with the class specifications. This right of a laid off employee shall remain effective for two (2) years from the date of latest separation from the service. The employee shall not be placed on said eligibility list or lists without first submitting a written request. Employee's place on said list or lists shall be at the head of the eligibility list for the class of positions for which qualified as hereinabove set forth and shall be given preference in filling vacancies except for those persons placed on said list or lists of reemployment in the same positions previously held. Upon certification for appointment to a new position never having been held by this employee, the probationary period must be completed as required in this Memorandum of Understanding.

Section 7. Discipline

Disciplinary action, including discharge, suspension, reduction in pay or demotion, may be taken against any employee for cause.

7.1 Predisciplinary Rights

An employee facing potential disciplinary action will be entitled to the following predisciplinary rights:

(a) Notice of proposed discipline.

(b) Date(s) proposed discipline will be effective.

(c) Reasons for the proposed discipline, the specific grounds and particular facts upon which the action is taken.

(d) Seven (7) calendar days in which an employee or the representative may respond either orally or in writing to the department head.

(e) The employee must be provided with any written materials, reports and documents upon which the action is based.

7.2 Administrative Leave

The City may place an employee on administrative leave pending the completion of the predisciplinary process.

7.3 Provisions

The appointing authority may discharge, suspend or demote any employee in the classified service provided the City Charter provisions and the rules and regulations of the Civil Service Commission and any applicable provisions of law are followed. Such provisions allow the employee suspended, demoted or discharged to appeal such action. The employee may take only one (1) of the following actions:

(a) File no appeal.

(b) File an appeal with the Civil Service Commission within ten (10) calendar days of written notification of the action. (Such filing will foreclose use of the grievance procedure.)

(c) File a grievance as provided for in Section 8 within ten (10) calendar days of written notification of the action.

If the employee fails to do (b) or (c) above within the prescribed time frames, these rights will have been waived.

Section 8. Grievance Procedures

8.1 Definition

A grievance is any dispute which involves the interpretation or application of those rules, regulations and resolutions which have been, or may hereafter be, adopted by the City Council to govern personnel practices and working conditions, including such rules, regulations and resolutions as may be adopted by either the City Council or the Civil Service Commission to affect Memoranda of Understanding which result from the meeting and conferring process.

8.2 Filing Deadline

(a) No grievance involving demotion, suspension, discharge or other employment penalty will be entertained unless it is filed in writing with the Director of Personnel Services within ten (10) calendar days of the time at which the affected employee received written notification of such action. All other grievances must be filed within thirty (30) calendar days from the time the employee knew or had reason to know of the facts giving rise to the grievance.

(b) With written consent of the City Manager or his/her designee and the Union Business Agent or his/her designee, time limits may be extended and/or Steps 1, 2 and/or 3 of the Grievance Procedure waived.

8.3 Grievance Processing

(a) Step 1 - Departmental Review. Any employee claiming to have a grievance may discuss the complaint with such management official in the department where employed as the department head may designate. If the issue is not resolved within the department within twenty (20) days from the day of presentation or if the employee elects to submit the grievance directly to the Union recognized as the representative of that employee's classification, or if the employee/Union official notifies the Director of Personnel Services, in writing, that a grievance exists, the procedure hereinafter specified may be invoked.

(b) Step 2 - Director of Personnel Services Review. If the employee is not satisfied with the response at level one, then the employee may appeal the grievance to the Director of Personnel Services within twenty (20) calendar days of the receipt of written response at level one. Such appeal must state with particularity: 1) the specific policy, rule or provision which is alleged to have been violated; 2) the statement of facts comprising the violation; and 3) the requested remedy. The Union may file and process grievance(s) on behalf of the specifically

named employee. The Director of Personnel Services shall have twenty (20) calendar days in which to investigate the issues, meet with the complainant and attempt to reach a satisfactory resolution of the problem. No grievance may be processed under the following two (2) paragraphs which has not first been filed and investigated in accordance with this paragraph, except for the resolution of compensation complaints.

(c) Step 3 - City Manager Review. Within twenty (20) calendar days of the receipt of the level two response, the grievance may be appealed to the City Manager or his designee. Such referral shall be in writing, detailing the specific issues involved in the referral together with a statement of the resolution desired. The City Manager shall designate a personal representative who shall not be the Director of Personnel Services to investigate the merits of the complaint, to meet with the complainant, and if the complainant is not the Union, to meet also with the officials of the Union, and to settle the grievance or to make recommendations to the City Manager. A written response to the appeal will be provided within thirty (30) calendar days of the date of the appeal.

(d) Step 4 - Adjustment Board. If the parties are unable to reach a mutually satisfactory accord on any grievance which arises and is present during the terms of this Memorandum of Understanding, within twenty (20) calendar days of the receipt of the level three response, such grievance shall be submitted to an Adjustment Board comprised of three (3) Union representatives, no more than one (1) of whom shall be either an employee of the City or an elected or appointed official of the Union and three (3) representatives of the City, no more than one (1) of whom shall be either an employee of the City or a member of the staff of any organization employed to represent the City in the meeting and conferring process.

(e) Step 5 - Arbitration. If an Adjustment Board is unable to arrive at a majority decision, within twenty (20) calendar days either the Union or the City may require that the grievance be referred to an impartial arbitrator mutually selected by the parties, or if the parties are unable to mutually agree, from a list of seven (7) arbitrators provided by the State Conciliation Service. The arbitrator shall be chosen by the alternative strike method, with first choice being determined by lot. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Union and City. Each party, however, shall bear the cost of its own presentation, including preparation and post hearing briefs, if any.

(f) Effect of Decision. Decisions of Adjustment Boards and arbitrators on matters properly before them shall be final and binding on the parties hereto except as provided otherwise herein.

8.4 Scope of Arbitration

(a) No Adjustment Board and no arbitrator shall entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union and unless such dispute falls within the definition of a grievance as set forth in paragraph 8.1.

(b) Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may be referred to arbitration under this Section. No Board of Adjustment or arbitrator selected pursuant to this Section shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

No changes in this Memorandum of Understanding or interpretations thereof (except interpretations resulting from Board of Adjustment or arbitration proceedings hereunder) will be recognized unless agreed to by the City Manager and the Union.

8.5 Other Provisions

If the Director of Personnel Services or City Manager, in pursuance of the procedures outlined above, resolves a grievance which involved suspension or discharge, they may agree to payment for lost time or to reinstatement with or without payment for lost time, but in the event the dispute is referred to arbitration and the arbitrator finds that the City had cause to take the action complained of, the arbitrator may not substitute his judgement for the judgment of management and if the findings are that the City had such right, the arbitrator may not order reinstatement and may not assess any penalty upon the City.

Complaints which allege the employee is not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances and processed pursuant to Section 8.3. Any other matters of compensation are to be resolved in the meeting and conferring process and if not detailed in the Memorandum of Understanding which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next open for such decision. No adjustment shall be retroactive for more than thirty (30) days from the date upon which the complaint was filed.

Specified time limits may be modified only in writing. All appeals and responses must be provided in writing.

A grievant will be provided release time without loss of pay for all required meetings with management. The City cannot discriminate or retaliate in any manner against an employee for filing a grievance or exercising rights under this Section.

The provisions of this Section shall not abridge any rights to which an employee may be entitled under the City Charter, nor shall it be administered in a manner which would abrogate any power which, under the City Charter, may be within the sole province and discretion of the Civil Service Commission.

All grievances of employees in representation units represented by the Union shall be processed under this Section. If the City Charter requires that a differing option be available to the employee, no action under paragraph (d) or (e) of Subsection 8.3 above shall be taken unless it is determined that the employee is not utilizing such option.

No action under paragraph (d) or (e) of Subsection 8.3 above shall be taken if action on the complaint or grievance has been taken by the Civil Service Commission or if the complaint or grievance is pending before the Civil Service Commission.

If any award by a Board of Adjustment or arbitrator requires action by the City Council or the Civil Service Commission before it can be placed in effect, the City Manager and the Director of Personnel Services will recommend to the City Council or the Civil Service Commission, as appropriate, that it follow such award.

Section 9. Leaves

9.1 Vacation Leaves

(a) Vacation Allowance. All regular employees, excluding provisional and temporary shall accrue vacation leave with pay in accordance with the following schedule:

(1) Less than one and one-half (1-1/2) years continuous employment 80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment120 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment160 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment 200 hours/year.

(5) Thereafter, eight (8) additional hours for each completed year of service in excess of twenty-five (25) years.

(6) An employee may be allowed to carry over up to 120 hours vacation more than the employee's regular vacation accrued for the preceding calendar year. However, employees may carry over unlimited vacation time in excess of the maximum allowance when such vacation accrues while remaining in a pay status during a period of illness or injury which precluded liquidating vacation credits in excess of the maximum allowed.

(7) Employees shall accrue vacation on a twice monthly payroll basis.

(b) Vacation Scheduling. Vacation leaves shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business.

(c) Holiday during Vacation. If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(d) Vacation Allowance for Separated Employees

(1) When an employee is separated from the service, remaining vacation allowance, if any, shall be added to final compensation.

(2) An employee who has resigned in good standing and is subsequently reinstated within two (2) years from the date of resignation shall have prior service counted in determining eligibility for vacation benefits, deducting therefrom the amount of time between the date of resignation and the date of reinstatement which shall not be counted in determining eligibility.

(e) Cash Payment Option for Vacation. An employee may elect to receive cash payment for up to a maximum of eighty (80) hours of his/her accumulated vacation balance upon commencement of a scheduled vacation for eighty (80) consecutive hours or more, or two (2) forty (40) consecutive hours or more. This option may be exercised pursuant to the above description up to a maximum of eighty (80) hours cash payment per calendar year.

An employee may elect to receive cash payment for two (2) days (16 hours) of his/her accumulated vacation balance for each one (1) day of scheduled vacation. This option may not exceed eighty (80) hours of cash payment per calendar year.

9.2 Sick Leave

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of ten (10) hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence without pay granted to the employee.

(b) Usage. Employees are entitled to sick leave pay for those days which the employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery therefrom.

(c) Family Sick Leave. Employees may utilize sick leave in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care. Such sick leave shall be limited, by the department head, to the time reasonably required to make other arrangements for such care.

Such leave shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent and grandchild.

In special cases, with the approval of the City Manager, a department head may grant sick leave in other circumstances.

No sick leave shall be granted to an employee during any leave or leaves of absence without pay.

(d) Reporting Procedures for Sick Leave. When the requirement for sick leave is known to the employee in advance of the absence, (for example, included but not limited to scheduled medical, dental or vision appointments), the employee shall request authorization for such sick leave from the department head prior to such absence.

If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for the following disciplinary action:

(1) For the first time in a six (6) month period, a Memorandum of Discussion.
(2) For the second time within a six (6) month period, a Letter of Reprimand.

(3) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employee may be discharged.

The six (6) month period will be defined as six (6) months from the most recent incident.

Any Memorandum of Discussion or Letter of Reprimand regarding failure to notify the City as provided herein, which is more than six (6) months old, will be automatically sealed and can only be reopened upon court order.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a signed statement to the department head, on a prescribed form, stating the dates and hours of absence, the exact reason, and such other information as is necessary for the request to be evaluated. If an employee doesn't return to work prior to the preparation of the payroll, other arrangements may be made with the department head.

(2) Doctor's Certificate or Other Proof. If an employee's illness results in an absence from work for more than three (3) consecutive days, a doctor's certificate or other reasonable proof of illness may be required.

The Director of Personnel Services may make such sick leave usage reviews and may require such additional documentation including a physician's statement as he deems necessary before approving the sick leave benefit.

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. The employee has the right to Union representation at such meeting. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Personnel Services pursuant to (e)(2) above;

(b) Suspend the employee without pay for up to five (5) days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave While on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or

(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

(g) Payment for Unused Sick Leave. Upon separation of employment by reason of death, service or disability retirement, the employee or the employee's estate will be paid 50% of the total unused sick leave at its current cash value.

9.3 Other Leaves with Pay

(a) Bereavement Leave. In the event of a death in the immediate family of an employee, the employee shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his accumulated sick leave credits or vacation eligibility. The City Manager may grant an additional two (2) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent and grandchild. In the event of the death of a person not immediately related to an employee as defined above, the employee's department head may grant up to three (3) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

(b) Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized

absence from duty for appearance in Court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said absence from duty including necessary travel time, will be with full pay for each day the employee serves on jury duty or testifies as a witness in a criminal case, other than as a defendant. As a condition of receiving such pay, the employee must remit to the City Treasurer, through the employee's department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

Jury duty or witness duty appearances shall be considered in terms of "whole days" (8 hours) or "half days" (4 hours) of service. If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his usual morning schedule. If an employee is required to appear for a morning court session and is sent home before noon and not required to return in the afternoon, the employee will be expected to work his usual afternoon schedule.

Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be remitted to the City Treasurer through the employee's department head.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is a party, together with travel time necessarily involved, shall not be considered absent from duty within the meaning of the Section.

(c) Military Leave. An employee of the City who is a member of the National Guard or Naval Militia or a member of the Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence without pay for duration of a national emergency who have been inducted into the Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the position they held when they were inducted into Military Service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.

In the case of a probationary employee having served a minimum probationary period of six (6) months at the time of induction, it shall be optional with the department head and the City Manager to grant regular status to said employee before induction.

All probationary employees inducted into Military Service not having served the minimum probationary period of six (6) months, or having served the minimum probationary period of six (6) months, but not having received regular status shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.

Two (2) or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

9.4 Workers' Compensation Leave

(a) Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law.

(b) Payment. Workers' Compensation Leave will be paid in accordance with the following schedule:

Employees who have worked for the City more than twelve (12) months but less than twenty-four (24) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of two (2) months.

Employees who have worked for the City for twenty-four (24) or more continuous months but less than sixty (60) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of three (3) months.

Employees who have worked for the City for sixty (60) or more continuous months and who are unable to work shall receive their full salary for the term of their disability but not to exceed a period of twelve (12) months.

Workers' Compensation Leave shall commence from the first day's absence.

(c) Forms and Procedures. Salary continuation approval will follow the same procedures as for sick leave approval. Salary continuation payments will be contingent on the City's acceptance of the injury as compensable under Workers' Compensation Law.

9.5 Leave of Absence Without Pay

(a) Entitlement. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that the granting of such leave is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. The granting of a leave of absence provides the employee the right to return to the position vacated.

(b) Approval. All leaves of absence without pay must be recommended by the department head and approved by the Director of Personnel Services. No such leave.may extend beyond twelve (12) months, except in the case of absence due to job incurred disability where a determination may be made based upon the needs of public service, or in the event an application for service connected disability retirement has been filed.

(c) Leaves of absence without pay for illness may only be approved following the expiration of entitlement of sick leave and vacation where applicable.

9.6 Absence Without Official Leave (AWOL)

(a) Refusal of Leave or Failure to Return after Leave. Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked, or canceled, or at the expiration of a leave, shall be considered an absence without official leave.

(b) Voluntary Resignation. Any employee in this bargaining unit absent without official leave for two (2) or more consecutive days without a satisfactory explanation shall be deemed to have voluntarily resigned from the City of Stockton. An employee must provide a written statement to the Personnel Department regarding a "satisfactory explanation", within ten (10) calendar days after the City mails a notice of voluntary resignation to the employee's last known address.

Section 10. Days and Hours of Work

10.1 Workweek

The normal workweek in this unit consists of five (5) consecutive eight (8) hour days or a total of forty (40) hours, generally Monday through Friday in a seven (7) day work period. Where operational requirements of a department require deviations from this schedule, the department head with City Manager approval may institute alternate work schedules as long as the City meets with the Union over the impact of such schedules and conforms to work period requirements of the Fair Labor Standards Act.

10.2 Meal Periods and Rest Periods

(a) Employees shall receive a one (1) hour meal period, without pay, each day and a fifteen (15) minute paid rest period during the first half of the work day and a second fifteen (15) minute paid rest period during the second half of the work day. Employees who exceed the time limits prescribed above for lunch and/or rest periods shall have their pay reduced accordingly.

(b) Where operational requirements of a department require deviations from this schedule, meal periods of other durations and alternate rest periods may be instituted with the approval of the City Manager.

10.3 Reporting to Work

Repeated failure to report to work on time may result in appropriate discipline as set forth below:

(a) For the first time in a six (6) month period, a Memorandum of Discussion.

(b) For the second time within a six (6) month period, a Letter of Reprimand.

(c) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employees may be discharged.

If an employee reports to the work site after the designated starting time, the employee will be paid only for time actually worked; however, the employee may be allowed to utilize annual leave for lost pay, provided the employee's supervisor approves.

Any Memorandum of Discussion or Letter of Reprimand regarding tardiness which is more than six (6) months old will be automatically sealed and can only be reopened upon court order.

Section 11. Overtime

11.1 Overtime Authorization

All compensable overtime must be authorized by the department head or his designated representative in advance of being worked. If prior authorization is not feasible because of emergency conditions, a confirming authorization must be made on the next regular working day following the date on which the overtime was worked.

11.2 Definition

The following provisions pertaining to authorized overtime work shall apply to those employees whose normal work period is eight (8) hours per day and forty (40) hours per week:

(a) Time worked in excess of forty (40) hours in any workweek shall be paid for at time and one-half (1-1/2) including employees employed on a per hour basis or except as provided elsewhere herein.

(b) On a holiday observed by the City an employee shall be paid for a regular day plus time and one-half (1-1/2) for actual time worked not to exceed eight (8) hours including employees employed on a per hour or per day basis, or except as provided elsewhere herein.

(c) Any time worked in excess of eight (8) hours on a holiday observed by the City shall be paid for at double time and one-half (2-1/2) except for employees employed on a per hour or per day basis, except as provided elsewhere herein.

(d) The City may require mandatory overtime when operational needs if the City dictate the need to work such overtime. Work in excess of forty (40) hours in any workweek will be paid at time and one-half pay or CTO in accordance with Section 11.4 (b).

11.3 Standby Duty

When warranted and in the interest of the City operation, department heads may assign employees to "standby" status.

(a) Application of "standby" shall be as follows:

(1) Each employee so assigned to "standby" shall be provided with a pager while on standby and shall be able to report to the work site within forty-five (45) minutes.

(2) Employees on standby shall have the option to trade days and/or weeks of standby status with another qualified employee in the same unit or division with departmental approval.

(3) Standby shall be assigned in a minimum of eight (8) hours blocks, i.e., Monday - Friday work week standby can be 8, 16, 24 hour blocks. The block of standby will be to one (1) person per 24 hour period.

Standby for weekends i.e., Saturday, Sunday or extended holiday weekends (Friday - Sunday or Saturday - Monday) will be assigned 8 - 48 hour blocks to one (1) person per weekend (up to 72 hours for holiday weekend).

(b) Compensation of "standby" shall be as follows:

(1) Employees assigned to standby duty shall be paid two (2) hours for every eight (8) hours of standby, and time and one-half (1 1/2) for all actual time worked while on standby duty status.

(2) Employees assigned to standby duty status on holidays observed by the City shall be paid two (2) hours for every eight (8) hours of standby, time and one-half (1-1/2) for all actual time worked while on standby duty status, and double time and one-half (2 1/2) for all actual time worked in excess of eight (8) hours while on standby duty status.

11.4 Call Back

Effective January 1, 2003, when an employee is called back to work from off duty status, the employee shall be compensated for a minimum of two (2) hours and forty-five (45) minutes pay at time and one-half (1-1/2) or actual time worked at time and one-half (1-1/2), whichever is greater.

To be eligible for call-back pay, both of the following conditions must be met:

(a) The call-back must occur outside of the employee's regular work hours; including overtime.

(b) The call-back time worked must not be contiguous to the employee's regular work hours; including overtime.

11.5 Compensatory Time

(a) Definition. As used in this Section, the term Compensatory Time refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule.

(b) Accrual. For hours in excess of forty (40) hours in a seven (7) day work period, for which the employee is in a paid status, Compensatory Time may be earned at the rate of time and one-half (1-1/2). No more than sixty (60) hours (forty (40) hours worked at time and one-half [1-1/2]) may be carried on the books at any time.

(c) Use. Use of Compensatory Time shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of City business. Approval of requests for use of Compensatory Time shall be at the sole discretion of the department head, but once approved, cannot be changed unless an emergency situation arises.

(d) Payment. Once sixty (60) hours of Compensatory Time is accrued on the books, all other hours worked in excess of forty (40) hours in a seven (7) day work period will automatically be paid.

Any Compensatory Time balance remaining at the end of a fiscal year will automatically be paid.

11.6 Meal Allowance

The City shall provide a meal allowance of TEN DOLLARS AND NO CENTS ($10.00) for an employee who is held over and works a minimum of four (4) hours. Employees called back to work or called back from a day off with less than two (2) hours notice shall qualify for the TEN DOLLARS AND NO CENTS ($10.00) meal allowance when they work a minimum of four (4) hours. Extension of the work schedule or call-back must be properly authorized by the employee's supervisor or other designated personnel.

Section 12. Holidays

12.1 Qualifying for Holiday Pay

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

12.2 Holidays Observed by the City

(1) January 1 ..... New Years' Day
(2) Third Monday in January ..... Martin Luther King Jr.'s Birthday
(3) Second Monday in February ..... Lincoln's Birthday
(4) Third Monday in February ..... Washington's Birthday
(5) Last Monday in May ..... Memorial Day
(6) July 4 ..... Independence Day
(7) First Monday in September ..... Labor Day
(8) Second Monday in October ..... Columbus Day
(9) November 11 ..... Veteran's Day
(10) Fourth Thursday in November ..... Thanksgiving
(11) The day following the day known as Thanksgiving
(12) December 25 ..... Christmas Day
(13) Employee's Birthday

In addition, a day appointed by the President or Governor as a public holiday shall be observed by the City.

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.

Birthday Holiday Leave. If an employee's birthday falls on Saturday, Sunday or another recognized holiday; or if work requirements do not permit the employee to observe that day off, the department head may authorize a work day within fifteen (15) calendar days prior to or after the employee's actual birth date. An employee will not be credited with a birthday holiday, if he/she terminates prior to the actual birth date.

12.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the City Manager except in emergency situations where said approval cannot be obtained beforehand.

Section 13. Compensation and Allowance Other Than Base Salary

13.1 Retirement Contribution Supplement

The City will pay seven percent (7%) of the employee's current base salary (employee's contribution) and other compensation as qualified by State law towards the Public Employees' Retirement System (P.E.R.S.). Such amounts will be applied to the employee's individual account in accordance with California Government Code section 20615.

The City's P.E.R.S. retirement plan is modified to reflect two percent (2%) at age 55, effective January 1993.

The City's P.E.R.S. retirement plan is modified to reflect California Government Code section 20930.3 (Military Service Credit as Public Service) and section 20930.33 (Military Service Credit for Retired Persons) effective upon adoption by Stockton City Council and Board Administration of the P.E.R.S.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 20692 (Employer Paid Member Contributions Converted to Payrate during the Final Compensation Period) as added P.E.R.S. benefits. At the beginning of employee's last year of employment, the employee will pay their employees' seven percent (7%) benefit cost through an automatic payroll deduction. The City will increase the base salary for those employees by the same seven percent (7%) for the last twelve (12) months of employment. Internal Revenue Service (IRS) Code 414H(2) will be concurrently implemented with P.E.R.S. California Government Code section 20692, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 20965 (Credit for Unused Sick Leave) as added P.E.R.S. benefits, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added P.E.R.S. benefits, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

The City will provide PERS California Government Code section 21335 (5% Annual Cost-of-Living Allowance, base year 2001) as added PERS benefit. The first application date is April 1, 2003.

13.2 Deferred Compensation

The City will provide, at no cost to the employee, deferred compensation as a supplement to voluntary deferred compensation plans, if any, for which the individual employee may be eligible. The City will contribute an amount equal to two and one-half percent (2.5%) of the employee's current base salary.

Effective January 1, 1997, the City will contribute an additional one percent (1%) for a total of three and one-half percent (3.5%) of the employee's current base salary.

Effective January 1, 1998, the City will contribute an additional one percent (1%) for a total of four and one-half percent (4.5%) of the employee's current base salary.

Effective January 1, 1999, the City will contribute an additional one percent (1%) for a total of five and one-half percent (5.5%) of the employee's current base salary.

13.3 Uniforms

(a) The City shall provide uniforms for all employees assigned to this unit.

(b) Safety Protective Footwear Reimbursement Allowance. Employees required to wear safety protective footwear in accordance with City Manager's Administrative Directive PER-034, and approved for safety protective footwear reimbursement, the City will authorize safety protective footwear reimbursement in the amount of ONE HUNDRED TWENTY DOLLARS ($120.00) upon adoption by Stockton City Council of Agreement. Effective January 1, 1998, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED THIRTY DOLLARS ($130.00); effective January 1, 1999, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED FORTY DOLLARS ($140.00); effective January 1, 2000, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED FIFTY DOLLARS ($150.00); effective January 1, 2001, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED SIXTY DOLLARS ($160.00); and effective January 1, 2002, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED SEVENTY DOLLARS ($170.00)

13.4 Tool Allowance

(a) Mechanic class employees in the Central Garage who are required to personally supply their own set of Fleet Manager approved Mechanic's hand tools shall receive an annual tool replacement allowance of TWO HUNDRED DOLLARS ($200.00).

(b) The City shall pay for the replacement of tools lost through theft from City premises provided that such loss was absolutely no fault of the employee.

(c) Any tool required by the City beyond that initially approved by Fleet Manager shall be provided by the City.

13.5 Preventive Shots

Those employees in the Municipal Utilities Department whose work assignments involve potential exposure to hazardous waste water shall, at the employee's option, be provided all necessary medical immunization available for the prevention of job incurred illness.

13.6 Educational Incentive Pay

Employees with degrees/diplomas above and beyond that are required of their position shall be provided three percent (3%) of the top step of the position. Employees are limited to no more than three percent (3%) regardless of the number of degrees/diplomas above that required of the position. If the employee promotes to a position which matches his/her diploma/degree, the three percent (3%) will no longer be paid. Experience may not substitute for education. Other formal education/training programs may substitute for the actual degree/diploma.

Between January 1, 1992, and no later than June 30, 1992, the City will meet with a representative committee of bargaining members consisting of no more than four (4) bargaining representatives, and no more than four (4) management representatives to evaluate, discuss and identify other formal education/training programs which may substitute for actual degrees/diplomas.

The consensus recommendation of this joint labor/management committee will be forwarded to the City Manager's Office for review, modification and possible approval as education/training programs, which shall substitute for formal education/training.

13.7 Special Driver's License Pay

Effective January 1, 1994, job classifications requiring a Class A and/or Class B Driver's License will receive special pay equal to one percent (1%) of top step of job classification.

Effective January 1, 1995, job classifications requiring a Class A and/or Class B Driver's License will receive special pay equal to one and one-half percent (1 1/2%) of top step of job classification.

Special Driver's License Pay will only be implemented with the concurrent implementation of the Operating Engineers' Local No. 3 - City of Stockton, Drug/Alcohol Safety Program.

13.8 Professional Growth

Effective January 1, 2003, the City shall pay each employee who completes twelve (12) continuous years of service with the City, two and one-half percent (2.5%) of top salary step of the employee's pay range to the employee as a professional growth allowance.

13.9 Credit Union

The City will accommodate payroll deduction to Operating Engineers' Local No. 3 Credit Union, within the limitations of City payroll system. Any modification costs will be borne by Operating Engineers' Local No. 3.

Section 14. Insurance Plans and Retirement Benefits.

14.1 Health and Welfare Benefits

(a) Effective January 1, 1993, the City will provide for hospitalization, medical, dental, prescription, and vision benefits.

(b) All bargaining unit members shall be covered under the Operating Engineers' Health and Welfare Trust Fund or the City of Stockton Employee Health Benefits Plan, which consist of medical and prescription coverage administered by the San Joaquin Foundation for Medical Care, Delta Dental or HBI Dental Plan, and Vision Care Plan (VSP). The City's health benefits plan include the medical plan as described in the Modified Employee Medical Plan, effective January 1, 1993.

The City shall pay for the full cost of the health benefits package for those employees who choose the City's health benefits plan.

Effective January 1, 1997, the orthodontic benefits coverage will increase from ONE THOUSAND DOLLARS ($1,000.00) to TWO THOUSAND DOLLARS ($2,000.00) lifetime maximum for those employees who choose the City's health benefits plan.

Employees in this bargaining unit shall have the month of December of each year to elect their choice of either Operating Engineers' Health and Welfare Trust Fund or the City of Stockton's Employee Health Benefits Plan. Those employees changing benefits plans shall be transferred effective January 1 of each year.

Effective January 1, 1997, the premium amount contributed towards the Operating Engineers' Health and Welfare Trust Fund will not decrease during the term of this agreement regardless of any decrease premium that may occur to the City's Modified Employee Medical Plan.

For those employees who choose to remain in Operating Engineers' Health and Welfare Trust Fund, the City will contribute toward their premium, the same amount as it contributes toward the City's health benefits plan. The employee is responsible for the difference each month if the Operating Engineers' Health and Welfare Trust Fund premium is higher.

(c) When this agreement expires on December 31, 2003, then and in that event, any and all subsequent increased premium costs required to maintain the benefits as provided for in this Section shall be the responsibility of the employees and said increased costs shall be withheld from the employee's paychecks as may be necessary for the months subsequent to December 31, 2003, unless otherwise agreed to by the parties hereto.

(d) Regular employees shall become eligible for the benefits stated in this Section on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees must enroll eligible dependents within thirty (30) days of eligibility.

(e) Provisional and temporary employees are not eligible for any of the above benefits.

(f) Employees that promote, demote, or transfer from a classification in the Trades and Maintenance unit to an unrepresented classification shall continue to have the option to retain the Operating Engineers' Local No. 3 Health and Welfare Plan.

14.2 Long Term Disability Insurance

The City shall provide, at no cost to the employee, long term disability insurance coverage. Essentially, this is an income protection plan which provides disability income for employees including:

(a) Each disability - sixty-six and two thirds percent (66 2/3%) of salary.

(b) Disability income payments shall commence after the employee has utilized all sick leave benefits to which the employee is entitled or after a thirty (30) day waiting period whichever is longer.

(c) Benefit payable until age sixty-five (65).

(d) The City will provide, at no expense to the employee, medical coverage for a period of ninety (90) days. For the purpose of this section, medical coverage shall commence immediately after the employee has utilized all sick leave benefits to which the employee is entitled.

14.3 Life Insurance

The City shall provide, at no cost to the employee, a term life insurance policy, equal to one (1) times the employee's annual salary.

14.4 Retirement Medical Allowance

Effective January 1, 2003, at retirement only, an employee with fifteen (15) year of City service and who has attained the age of fifty (50) will be provided medical coverage consisting of hospitalization, medical and prescription benefits for the retiree and one (1) dependent until age sixty-five (65).

14.5 Retirement-Medicare Supplemental Plan

Employees retiring on or after January 1, 1997, who are eligible for the Retirement Medical Allowance, pursuant to section 14.4, will, at age 65, become eligible for Medicare Supplemental Coverage under the City's Modified Employee Medical Plan. Coverage will be supplemental and secondary to Medicare (reduced by any amounts payable to Medicare). This lifetime benefit is provided to the employee and the employee's spouse. The employee shall be responsible for paying any associated costs for obtaining Medicare coverage Part A and Part B.

Section 15. Salaries

15.1 Salary Rates

The salary rates for all employees in the aforementioned representation unit will be as set forth in Appendix "A," which is attached hereto and made a part hereof.

The rates of pay set forth in Appendix "A" represent for each classification as set forth in Appendix "B," which is attached hereto and made a part hereof, the standard rate of pay for full time employment, unless the schedule specifically indicates otherwise.

The rates of pay set forth in Appendix "A" do not include reimbursement for actual and necessary expenses for traveling, subsistence and general expenses authorized and incurred incident to City employment.

15.2 Salary upon Appointment

Except as herein otherwise provided, the entrance salary for a new employee entering the classified service shall be the minimum salary for the class to which appointed. When circumstances warrant, the City Manager may approve an entrance salary which is more than the minimum salary for the class to which an employee is appointed. Such a salary may not be more than the maximum salary for the class to which that employee is appointed.

15.3 Salary Equivalents

Any monthly, daily or hourly rate of pay may be converted into an equivalent rate of pay or to any other time bases when, in the judgment of the City Manager, such a conversion is advisable. In determining equivalent amounts on different time bases the City shall provide tables or regulations for the calculation of payment for service of less than full time, and for use in converting monthly salaries to hourly rates, as well as for calculating hourly rates. Overtime rate and premium pay shall be calculated according to the provisions of the Fair Labor Standards Act.

15.4 Salary Step Plan

(a) There shall be five salary steps in each range.

The first step shall be the minimum rate and shall be the normal hiring rate for the class. (In a case where a person possesses unusual qualifications, the City Manager may authorize appointment above the first step after receiving the recommendation of the department head. The same provision shall apply to hourly paid and part-time employees.)

If a department head recommends to withhold increases to salary steps two (2) through five (5) because an employee has not achieved the level of performance required, notice must be received by the City Manager at least four weeks in advance of the employee's eligibility date. The affected employee shall be furnished a copy of the department head's recommendation. Failure to abide by the above four-week limitation shall not automatically cause a step increase to be granted; however, if an employee does not receive notice by the actual anniversary date, the increase shall be automatically granted.

The second step shall be paid upon the satisfactory completion of six (6) months service at the first step.

The third step shall be paid upon the satisfactory completion of one (1) year service at the second step.

The fourth step shall be paid upon the satisfactory completion of one (1) year service at the third step.

The fifth step shall be paid upon the satisfactory completion of one (1) year service at the fourth step and upon written recommendation of the department head.

Regardless of an employee's length of service, step advancements in any given class may be made upon recommendation of the department head with the approval of the City Manager, but not above Step No. 5 for a given range.

Salary step increases shall be effective the first day of the pay period following appointment or revision. If the date of appointment or revision is the first day of a pay period, salary step increases shall be as of that date.

Changes in an employee's salary because of promotion, demotion, postponement of salary step increase or special merit increase will set a new salary anniversary date for that employee, which date shall be as stated in the preceding paragraph.

Salary range adjustments for a classification will not set a new salary anniversary date for employees serving in that classification.

(b) Salary Step Entry-Level Classifications. Effective January 1, 1997, the City Manager may create a ten percent (10%) salary step reduction to any entry-level classification represented by this bargaining unit. The next and all subsequent salary steps shall be paid upon the satisfactory completion of one (1) year service at current salary step.

15.5 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to the City service, are entitled to the automatic salary advancements within the range of their classification for the period they were in the military service.

15.6 Salary Step When Salary Range is Increased

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to the step in the revised range which corresponds to the employee's step held in the previous range, unless otherwise specifically provided for by the City Manager.

15.7 Salary Step After Promotion or Demotion

(a) When an employee is promoted from a position in one class to a position in a higher class, and at the time of promotion is receiving a salary equal to, or greater than, the minimum rate for the higher class, that employee shall be entitled to the next step in the salary scale of the higher class which is "approximately" five percent (5%) above the employee's current salary, except that the next step shall not exceed the maximum salary of the higher class.

(b) When an employee is demoted, whether such demotion is voluntary or otherwise, that employee's compensation shall be adjusted to the salary prescribed for the class to which demoted.

(1) "If the salary of the employee is reduced for cause or disciplinary reasons, the employee shall receive the salary at the same step prior to promotion."

(2) "If the salary of the employee is reduced through no fault of the employee (i.e., layoff), the salary at demotion shall be at the nearest lower salary to that which was received prior to the demotion."

15.8 Transfer

An employee may be transferred from a class in one department, or to a position of the same class in another department, or to a comparable class, with the approval of both the employee and Department Heads. In the case of a comparable class, the employee must be qualified, as determined by the Personnel Director. The Personnel Director, in making such a determination, must assure that the maximum salary rate for the classes in question are within two and one-half percent (2 1/2%), and shall consider, among other things, whether the employee possesses the minimum qualifications for such class, and is able to demonstrate through education, experience, or successful completion of pertinent test, that he/she is qualified for the transfer. If the transfer involves a change from the jurisdiction of one appointing authority to another, both must consent thereto.

15.9 Salary on Reinstatement

If a former employee is reinstated in the same position, previously held or to one carrying a similar salary range, the employee's salary shall not be higher than the salary at the time of separation unless there has been an increase within the salary range.

If a former employee is reinstated to a position in a lower class the employee's salary shall be set at the same step previously held, but in the pay range of the lower classification.

15.10 "Y" Rate

When an employee's classification is changed to a lower paid classification as the result of a classification study or other action, the employee may be placed on a "Y" rate. A "Y" rate means that the monthly compensation for the employee shall remain in effect until such time as further changes in the pay range of the new classification exceeds the "Y" rate.

15.11 Acting Pay

(a) General Provisions. Any employee in this unit who is assigned by a supervisor to work in a higher paid classification for two (2) or more hours in one (1) day, shall receive the rate of pay in the step of the higher classification which would have been received if the employee had been promoted into that classification, or at least five percent (5%) more than the employee's salary in the present classification, whichever is greater. Out-of-class assignment pay during overtime status will commence at the first hour worked.

(b) When there is an existing promotional eligibility list, and acting pay assignment is expected to be for more than twenty (20) work days, acting pay shall be assigned from the top three (3) on the promotional eligibility list. If the assignment is for twenty work days or less, the highest ranking employee on the promotional list within the division shall be assigned. When there is no eligible list, section (c) below shall apply.

(c) If there is no existing list, acting pay selection shall be made from the five (5) most qualified employees in the section.

(1) Sections are defined, for the purpose of this clause only, as the sub-groups listed under the following three (3) departments:

Parks and Recreation Department - 1) Parks, 2) Golf Courses, and 3) Trees;

Municipal Utilities Department - 1) Water, 2) Sewer, 3) Wastewater Operations, and 4) Wastewater Maintenance;

Public Works Department - 1) Street Maintenance, 2) Street Sweeping, 3) Garden Refuse, 4) Traffic Devices, 5) Electrical, 6) Fleet Garage, and 7) Engineering.

(2) Qualifications for the purpose of this Section, as determined by the department head or designee, shall include all the following equal factors:

(a) Seniority in grade within any class immediately below the vacant position.
(b) Worker experience relative to the vacant position.
(c) Prior job performance and attendance.

(d) Certificates or other formal qualification devices such as eligibility lists.

If all things are equal based on above factors, the seniority within the City shall be considered.

(3) The opportunity for acting Pay shall be rotated among the five (5) most qualified employees within each section.

(d) Assignments from other than a promotional eligibility list shall not exceed 120 days per fiscal year per employee.

15.12 Special Assignment Pay

The City Manager may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned in writing by the supervisor to perform additional duties and responsibilities for the duration of the special assignment.

Any employee assigned to the Tree Spray Crew shall receive an additional five percent (5%) special assignment pay per day when assigned in writing by the supervisor to spray trees and performs such work four (4) or more hours in any one (1) day.

Any Senior Plant Operator who is assigned in writing by an appropriate authority to assume supervisory authority over another Senior Plant Operator shall receive an additional five percent (5%) special assignment pay per shift when so assigned.

Section 16. Separability of Provisions

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable that provision of the Memorandum of Understanding shall be null and void but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

In the event that Federal legislation changes the current applicability of the Fair Labor Standards Act, both parties agree to consult and/or confer on the impacts of such legislation to the extent required by law.

Section 17. Past Practices and Existing Memoranda of Understanding

Continuance of working conditions and practices not specifically authorized by ordinance or by resolution of the City Council is not guaranteed by this Memorandum of Understanding.

This Memorandum of Understanding shall supersede all existing Memoranda of Understanding between the City and the Union.

Section 18. Scope of Agreement

Except as otherwise specifically provided herein this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties on any and all matters subject to meeting and conferring. Neither party shall, during the term of this Memorandum of Understanding, demand any change therein nor shall either party be required to negotiate with respect to any matter; provided that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.

Section 19. Duration of Agreement

This Memorandum of Understanding shall be effective the date of execution, and shall remain in full force and effect to and including the 31 day of December, 2003, and shall continue thereafter from year to year unless at least sixty (60) days prior to January 1, of any subsequent year either party shall file written notice with the other of its desire to amend, modify, or terminate this Memorandum of Understanding.

Section 20. Maintenance of Operations/City Rights

(a) It is recognized that the need for continued and uninterrupted operation of City services is of paramount importance. Therefore, the Union and each employee represented thereby agrees that from the date of execution, through exhaustion of the impasse process/mediation/fact finding as set forth in the Employer/Employee Relations Resolution Section 12 (g) the Union or any person acting in its behalf, or each employee in a classification represented by the Union, shall not cause, authorize, engage in, encourage, or sanction a work stoppage, slowdown, refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound), or picketing, other than informational picketing, against the City or the individual or concerted failure to report for duty or abstinence from the full and faithful performance of the duties of employment, including compliance with the request of another labor organization or bargaining unit to engage in such activity in an attempt to induce a change in wages, hours, and other terms and conditions of employment.

(b) An employee shall not be entitled to any wages or City paid benefits whatsoever if the City Council, by majority vote, determines to its satisfaction, that the employee is, or has, engaged in any activity prohibited by subsection (a) of this Section. The City may take other action which it deems appropriate.

(c) If the City Council, by majority vote, determines to its satisfaction, that subsection (a) of this Section has been violated by the Union, the City may take such remedial action as it deems appropriate.

(d) The Union recognizes the duty and obligation of its representatives and members to comply with the provisions of this Memorandum of Understanding and to make every effort toward inducing all employees in this unit to fully and faithfully perform their duties. In the event of any activity prohibited by subsection (a) hereinabove, the Union agrees to take supererogatory steps necessary to assure compliance with this Memorandum of Understanding.

(e) The rights of the City as set forth in Section 5 of Resolution No. 32,538, dated August 4, 1975, are incorporated herein by reference.

IN WITNESS WHEREOF the parties hereto have executed this Memorandum of Understanding this _____ day of June 2003.

UNION:

OPERATING ENGINEERS'
LOCAL UNION NO. 3 of the International Union of Operating Engineers, AFL-CIO

JOHN BONILLA, President

ROBERT L. WISE, Recording-Corresponding Secretary

DONALD R. DOSER, Business Manager

DEAN COFER, Business Representative

JOE SANTELLA, Business Representative

KEVIN HUFF, Chief Union Steward

EMPLOYER:

CITY OF STOCKTON, a municipal corporation

MARK LEWIS, ESQ.
City Manager

ROGER STOREY, Deputy City Manager

TERRY PARKER, Director of Human Resources

SYLVIA RAMIREZ, Senior Human Resources Analyst

APPROVED AS TO CONTENT:
MARK LEWIS, ESQ, CITY MANAGER
BY: _____
City Manager

APPROVED AS TO FORM:
JAYNE W. WILLIAMS, INTERIM CITY ATTORNEY
BY: _____
LORI WHITTAKER, Deputy City Attorney

APPENDIX "A"

SALARY ADJUSTMENTS FOR CALENDAR YEAR 1997

Effective January 1, 1997, the Salary Schedule shall provide an adjusted of two percent (2%) as best fitted to the Stockton Salary Matrix.

Effective January 1, 1997, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 1997, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR CALENDAR YEAR 1998

Effective January 1, 1998, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 1998, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR CALENDAR YEAR 1999

Effective January 1, 1999, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 1999, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR CALENDAR YEAR 2000

Effective January 1, 2000, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 2000, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR CALENDAR YEAR 2001

Effective January 1, 2001, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 2001, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR CALENDAR YEAR 2002

Effective January 1, 2002, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 2002, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR CALENDAR YEAR 2003

Effective January 1, 2003, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 2003, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

APPENDIX "B"
REPRESENTED JOB CLASSIFICATIONS

Position Number	Job Title	Grade
30510	Auto Painter Repair Worker	30H
30781	Collection Systems Operator I	30T
30756	Collection Systems Operator II	30Q
30772	Craft Maintenance Worker I	3AA
30515	Craft Maintenance Worker II	30J
30775	Dispatcher	30Z
30612	Electrician I	3AA
30445	Electrician II	30C
30542	Environmental Control Officer	30L
30777	Equipment Service Worker	30Y
30964	Facility Aide	3AK
30791	Fleet Equipment Parts Assistant	30Y
30446	Heating/Air Condition Mechanic	30D
30560	Heavy Equipment Operator	30K
30846	Hydrant Worker	3AD
30870	Industrial Electrical Apprentice	30R
30447	Instrument Repair Technician	30C
30885	Janitor	3AI
30763	Landfill Scale Operator	3AD
30444	Machinist	30F
30816	Maintenance Worker I	3AG
30764	Maintenance Worker II	3AD
30794	Mechanic I	30Y
30571	Mechanic II	30N
30556	Mechanic III	30H
30872	Mechanic Maintenance Apprentice	30V
30762	Mechanical Maintenance Worker I	30R
30651	Mechanical Maintenance Worker II	30J
30670	Medium Equipment Operator	30S
30645	Motor Sweeper Operator	30P
30750	Park Equipment Operator	30X
30862	Parks Worker I	3AJ
30835	Parks Worker II	3AF
30561	Plant Equipment Mechanic	30H

APPENDIX "B" (contd.)
REPRESENTED JOB CLASSIFICATIONS

Position Number	Job Title	Grade
30874	Plant Operator Apprentice	3AH
30609	Plant Operator I	30T
30830	Plant Operator II	30Q
30690	Public Works Equipment Operator I	3AN
30632	Public Works Equipment Operator II	3AM
30505	Public Works Equipment Training Officer	3AL
30562	Public Works Heavy Equipment Operator	30K
30817	Public Works Maintenance Worker	3AG
30700	Senior Collection Systems Operator	30G
30300	Senior Electrician	30A
30494	Senior Environmental Control Officer	30E
30630	Senior Hydrant Worker	30M
30299	Senior Instrument Repair Technician	30A
30770	Senior Janitor	3AC
30646	Senior Maintenance Worker	30I
30516	Senior Mechanic	30B
30564	Senior Mechanical Maintenance Worker	30D
30725	Senior Parks Worker	30U
30675	Senior Plant Operator	30G
30666	Senior Traffic Maintenance Worker	30I
30302	Senior Traffic Signal Electrician	30A
30581	Senior Tree Surgeon	30M
30703	Senior Water Systems Operator	30G
30792	Service Writer	30Y
30544	Solid Waste Inspector	30L
30590	Stage Maintenance Worker	30O
30822	Traffic Maintenance Worker I	3AE
30765	Traffic Maintenance Worker II	30T
30443	Traffic Signal Electrician	30C
30699	Tree Surgeon	30W
30766	Tree Worker	3AD
30810	Warehouse Assistant	3AI
30783	Water Systems Operator I	30T
30724	Water Systems Operator II	30Q
30555	Welder/Fabricator	30H
30513	Welder/Fabricator Specialist	30B

TRADES AND MAINTENANCE UNIT
MEMORANDUM OF UNDERSTANDING

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CITY OF STOCKTON

MEMORANDUM OF UNDERSTANDING
TRADES AND MAINTENANCE UNIT

Operating Engineers' Local 3, AFL-CIO and representatives of the City of Stockton have met and conferred in good faith regarding wages, hours and other terms and conditions of employment of employees in the representation unit identified in Section 1, have exchanged freely information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding is entered into pursuant to the Meyer-Milias-Brown Act (Government Code sections 3500-3510) and has been jointly prepared by the parties.

This Memorandum of Understanding shall be presented to the Stockton City Council as the joint recommendations of the undersigned for salary and benefit adjustments for the period commencing January 1, 1997, and ending December 31, 2003.

TRADES AND MAINTENANCE UNIT
MEMORANDUM OF UNDERSTANDING

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Section 1. Recognition

Operating Engineers' Local 3, AFL-CIO, hereinafter referred to as the "Union," is the recognized employee organization for the Trades and Maintenance Unit, certified pursuant to Resolution No. 32,548, adopted by the City Council on August 11, 1975.

Section 2. Union Security

2.1 Dues Deduction

(a) General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

If an employee is promoted to a position which is represented by another employee organization or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds, at the address specified.

In addition to the deduction of dues, the City will deduct from the paychecks of Union members who request it, premiums for group insurance and investment plans sponsored by the Union. Such deductions shall be made in one lump sum and only upon signed authorization from the employee upon a form satisfactory to the City. Such authorizations may be made or changed no more frequently than twice yearly.

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the City which would have been withheld if the employee had been in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

(b) Indemnity and Refund. The Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

2.2 Agency Fee

(a) Employee Rights

(1) The City and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal, alternative right of employees to refuse to form, join and participate in employee organizations. Neither party shall exert pressure upon or discriminate against an employee in the exercise of these alternative rights.

(2) Accordingly, membership in the Union shall not be compulsory. A unit member has the right to choose, either: to become a member of the Union; or, to pay to the Union a fee for representation services; or, to refrain from either of the above courses of action upon the grounds set forth in Section (f) below.

(b) Unit Members' Obligation to Exclusive Representative

(1) A bargaining unit member who does not fall within one (1) of the exempted categories as set forth in Section (f) below, and who has not voluntarily made application for membership in the Union within the sixtieth (60) day following the date upon which said employee has been formally hired by the City as a bargaining unit employee, must as a condition of continued employment in the City pay to the Union a representation fee, in exchange for representation services necessarily performed by the Union in conformance with its legally imposed duty of fair representation on behalf of said unit member who is not a member of the Union.

(2) In the event that a unit member does not become a member of the Union or pay such fee directly to the Union, the City shall begin automatic payroll deduction. There shall be no charge to the Union for such mandatory agency fee deductions.

(3) Prior to beginning such automatic payroll deduction, the Business Representative of the Union will certify to the City in writing that the employee whose pay is to be affected by the deduction has: 1) refused to join the Union; and 2) has refused to tender the amount of the agency fee as

defined herein; and 3) has not applied for an exemption under Section (f) herein. In addition the Union must also certify that it has provided the employee with a copy of the fee verification required by Section (e) herein.

(c) Definition of Agency Fee

(1) The agency fee collected pursuant to Section (b) above from unit members who are not members of the Union shall be an amount not to exceed the standard initiation fee, periodic dues and general assessments of the Union for the duration of this Agreement, minus any amount which is prohibited by the Constitution because such funds pay for political or ideological purposes not related to collective bargaining.

(2) Any dispute as to the amount of the representation fee shall be resolved pursuant to the provisions of Section (h) herein.

(d) Exceptions. Unit members on leave without pay and unit members who are in laid-off status shall be exempt from these provisions herein; except that the election as to membership or payment of a fee as set forth herein must be exercised within the first ten (10) work days upon return to paid status.

(e) Annual Verification of Agency Fee by the Union. Prior to January 31, of each year and before the collection of an agency fee from any unit member pursuant to these provisions herein, the Union shall submit a written certification to the fee payers verifying that the total amount of its representation fee conforms to Section (c) above, and itemizing all component parts of such fee which shall provide an adequate explanation for the basis of the fee. Each year such amount shall be verified and submitted in writing to the fee payers by the Union prior to January 31st. The Union will submit a copy of such verification to the Director of Personnel Services of the City. The parties agree that such annual verification is a condition precedent to the collection by either the City or the Union of a representation fee from a unit member.

(f) Employees Exempted From Obligation to Pay Union

(1) Any unit member shall be exempt from the requirements of Section (b) above, if such employee has a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.

(2) Such exempt unit member shall, as an alternative to payment of a

representation fee to the Union, pay an amount equivalent to such representation fee to:

a. United Way.
b. American Cancer Society.
c. Any charity jointly agreed in writing by the parties.

(3) If a unit member desires to be exempted for reasons set forth in Section (f) herein, the unit member must first request such exemption in writing from the Union setting forth briefly the rationale for the exemption. If the Union notifies the unit member in writing that the Union will not honor the request, then the matter shall be referred automatically to a panel for determination according to the procedure set forth below. The panel shall be composed of one (1) person selected by the Union, one (1) person selected by the unit member, and an arbitrator selected by the parties chosen from a list submitted by the State Conciliation Service. If either one or both parties fail to nominate a panel member, the process of hearing will continue without that party's panel member.

(4) The panel shall first receive arguments and evidence from the unit member requesting the exemption. Thereafter the Union may present any arguments or evidence. The proceedings shall be conducted in an informal manner, and the rules of evidence will not apply. The arbitrator shall act as chair and rule on all matters before the panel with the exception of the final determination of the panel. The panel shall prepare a written decision within fifteen (15) calendar days of the completion of the hearing which shall be final and binding upon the parties. Any expenses of the panel shall be borne by the parties incurring them.

(5) Upon receipt of the decision of the panel, the City shall release any funds held in escrow to the Union or to the charity. Any decision by the panel shall apply for the duration of this Memorandum of Understanding.

(6) In addition, the Union may require such exempt unit member to submit proof of payment of an amount equivalent to such representation fee to one (I) of the alternative funds or organizations listed above. If the bargaining unit member has not provided payment, the City will institute deductions pursuant to Section (b)(2), and forward such monies to a charity listed in Section (f)(2).

(7) Such payments shall be made on or before January 31, of each year or no more than thirty (30) days after commencing duties for any newly hired employee.

(g) Escrow Account. If any unit member either disputes the amount of the fee or disputes whether or not an exemption was appropriately denied, the City shall deposit the fee which was deducted and place such amount into a special escrow account established by the Union for such purposes.

(h) Procedure for a Unit Member Who Contests the Amount of the Fee

(1) The parties agree that in order to provide a uniform definition of the representation fee, any disputes involving the amount of such fee shall be referred to the Union's procedure for determination, provided that the parties have first complied with the other provisions of this Section.

(2) The Union shall notify the City in writing within twenty (20) days after it becomes aware that any employee disputes the amount of the fee.

(3) The Union will verify in writing to the City that all of the conditions of Section (b)(3) have been met prior to the City's initiation of the fee deductions set forth in Section (b)(2). Thereafter, the City will notify the affected employee in writing that such deductions will commence and a copy of the Union's written verification will be attached to the City's notice. Thereafter, the City will begin the deductions.

The monies held in escrow shall be released to the appropriate party upon the rendering of a final decision by the Union's internal procedure.

(i) Payment Method/Payroll Deduction

(1) A unit member may voluntarily sign and deliver to the City a written assignment authorizing deduction of the properly established representation fee as defined in Section (c) above, subject to the conditions set forth elsewhere in this agreement for payroll deductions, or the amount of the fee

will be deducted automatically in accordance with Section (b)(2) herein.

(2) The City is under no obligation to make payroll deductions for the periods during which a unit member is either terminated from active employment, or not on the City's active payroll for any reason, including, but not limited to, layoff and voluntary leave of absence for more than thirty (30) days.

(3) Upon the rehiring of any unit member, or upon the recalling of any unit member from layoff status, the City will resume or initiate dues deductions for such unit member.

(j) Obligations of Parties

(1) City's Obligations. The City's obligation under this Article is to notify any unit member who has failed to comply with the provisions of this Section that, as a condition of continued employment with the City, such unit member must become an Union member, or pay a representation fee, or establish an exemption status and make payment pursuant to provisions of Sections (b) and (f) of this Agreement. Under no circumstances shall the City be required to dismiss or otherwise discipline any unit member for failure to fulfill their obligations to pay the fees established herein.

(2) Union's Obligations. Except as specified herein, the Union and not the City, shall be responsible for requiring unit members to fulfill obligations defined herein. It is the obligation of the Union to collect any representation fees which may be due and payable to the Union in consideration for its services as the exclusive representative of unit employees.

(k) Hold Harmless Provision. The Union shall hold the City harmless, and shall fully and promptly reimburse the City for any fees, costs, charges or penalties incurred in responding to or defending against any claims, disputes, challenges, whether formal or informal, which are actually brought, or attempted or threatened to be brought, against the City or any of its agents, or employees, in connection with the interpretation, application, administration or enforcement of any Section of this Agreement pertaining to representation fee. Such reimbursement shall include, but not be limited to, court costs, litigation expenses, and attorney's fees incurred by the City. The City shall have the right to be represented by its own attorney in any action in which it is a named party to the action. Disputes over the amount of reimbursement shall be automatically submitted to the arbitration provisions of this Memorandum, Section 8.3(e).

2.3 Use of City Facilities

(a) The Union shall be allowed by the City department in which it represents employees' use of space on available bulletin boards for communications having to do with official Union business, such as times and places of meetings, provided such use does not interfere with the needs of the department. The Union may submit to the City Employee Relations Officer written communications having to do with official Union business for distribution by the City to identified shop stewards. Distribution may be by e-mail.

(b) Any representative of the Union shall give notice to the department head or designated representative when contacting department employees on City facilities during the duty period of the employees, provided that solicitation for membership or other internal Union business shall be conducted during the non-duty hours of all employees concerned. Pre-arrangement for routine contact may be made with individual department heads and when made shall continue until revoked by the department head.

(c) City buildings and other facilities may be made available for use by City Employees of the Union or their representatives in accordance with such administrative procedures as may be established by the City Manager or department heads concerned.

2.4 Advance Notice

Except in cases of emergency, reasonable advance written notice shall be given to the Union if affected by any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to negotiate if requested with the designated management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described above and be given an opportunity if requested to negotiate changes to said notice with the management representatives designated by the City Manager.

2.5 Attendance at Meetings by Employees

City employees who are official representatives or unit representatives of the Union shall be given reasonable time off with pay to attend meetings with City management representatives, or be present at City hearings where matters within the scope of representation or grievances are being considered. Such employee representatives shall submit a request for excused absence to their respective department heads, in a manner satisfactory prior to the scheduled meeting whenever possible. Except by mutual agreement the number of the employees excused for such purposes shall not exceed three (3) per recognized bargaining unit.

Time spent for this purpose during the representatives scheduled hours of work shall count as hours worked.

Attendance at meetings during non-work hours will not be counted as hours worked except in extraordinary circumstances as determined by the City.

2.6 Maintenance of Membership

All employees in the Trades and Maintenance unit who are members of the Union, tendering periodic dues at the execution of this agreement, and all employees who thereafter become members of the Union shall, as a condition of employment, pay dues to the Union for the duration of this Memorandum of Understanding, and each year thereafter. For a period of thirty (30) days prior to January 1, l989, and thirty (30) days prior to any January l, thereafter, any employee in the aforementioned unit who is a member of the Union shall have the right to withdraw from the Union

discontinuing dues payments and retain employment in the City, subject to provisions of Section 2.2. Agency Fee. Said withdrawal shall be communicated by the employee in writing to the City. The provisions of this section shall be operative only to the extent that they are permissible under California law.

2.7 Assignment of Classifications

New job classifications established by the City shall be assigned to the bargaining unit pursuant to Section 8 (b) of the City's Employer-Employee Relations Resolution after providing notice and the opportunity to consult with the Union regarding such matters.

Section 3. Compliance with Federal Laws/Safety

3.1 Non-Discrimination. The City and the Union agree that there shall be no discrimination of any kind because of race, creed, color, religion, national origin, sex, political affiliation or legitimate union activity against any employee or applicant for employment; and to the extent prohibited by applicable State and Federal law there shall be no discrimination because of age.

3.2 Fair Labor Standards Act. The Union agrees to cooperate with the City to insure its members' compliance with the provisions of the Fair Labor Standards Act.

3.3 Safety. The Union shall cooperate with the City in promoting safety objectives as defined in Federal, State and local regulations by actively supporting safety programs, promoting safe work habits of members and encouraging an ongoing, active participation by its members in safety related procedures and practices as offered and promulgated by the City of Stockton.

Section 4. Probation

4.1 Purpose

The probationary period shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to a position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

4.2 Original Entrance and Promotional Positions

All original and promotional appointments shall be tentative and subject to a probationary period of six (6) months, unless a longer probationary period is stated in the class specification. The probationary period may be extended up to an additional six (6) months in those cases where the appointing authority and the Director of Personnel Services agree that such extension would be beneficial to the employee and the City.

4.3 Retention/Rejection of Probationer

At the end of the probationary period, if the service of the probationary employee has been satisfactory to the appointing authority, then the appointing authority shall file with the Director of Personnel Services a statement in writing to such effect and stating that the retention of such employee in the service is desired. The City will make a good faith effort to notify a probationary employee two (2) weeks before the end of the probationary period whether or not permanent status is granted; however, a failure on the part of the appointing authority to file such a statement at the end of the probationary period shall constitute a rejection of the probationer as defined in Civil Service Rules.

During the probationary period an employee may be rejected at any time by the appointing authority. Any employee rejected during the probationary period following a promotional appointment, shall be reinstated to the position from which promoted unless charges are filed and the employee is discharged in the manner provided in Section 7 of this Memorandum of Understanding and in the Civil Service Ordinance and Civil Service Rules, which are consistent therewith.

4.4 Alcohol and Drug Testing. All original and reemployed appointments must pass a drug and alcohol screening prior to being offered City employment. This shall include non-represented part-time, seasonal, provisional, and temporary appointments.

Section 5. Layoff

5.1 Layoff

Any employee may be laid off by an appointing authority in the event of the abolition of the employee's position by the City Council, or if a shortage of work or funds requires a reduction in personnel.

5.2 Layoff Scope

(a) Layoffs shall be within departments of the City.

(b) Departments of the City are defined as follows:

(1) City Attorney
(2) City Auditor
(3) City Clerk
(4) City Manager
(5) Community Development
(6) Finance
(7) Fire
(8) Housing and Redevelopment
(9) Library
(10) Management Information Services
(11) Municipal Utilities
(12) Parks and Recreation
(13) Personnel Services
(14) Police
(15) Public Works

5.3 Notice of Layoff

The City will give advance written notice of at least one pay period to employees who will be laid off.

5.4 Precedence by Employment Status

(a) No permanent employees shall be laid off while employees working in an extra help, seasonal, temporary, provisional, or probationary status are retained in the same classification as such permanent employee. The order of layoff among employees not having permanent status shall be according to the following categories:

(1) extra help or seasonal
(2) provisional
(3) temporary
(4) probationary

Layoffs shall be by job classification according to reverse order of seniority as determined by total service in the City, except as specified above. For the purpose of this procedure part-time classes shall be considered as separate from regular full-time classes.

The following provisions shall apply in computing total continuous service:

(1) Time worked in a permanent or probationary status shall count as service.
(2) Time spent on military leave shall count as service in the event the leave was taken subsequent to entry.
(3) Time worked in an extra help, seasonal, provisional, temporary, grant or other limited term status shall not count as service.

If two (2) or more employees have the same seniority, the most recent performance evaluation shall determine seniority.

(b) Any employee in the Trades and Maintenance Unit who is laid off may complete a City employment application for any position currently staffed by a part time, provisional, or temporary employee. The Personnel Services Department will evaluate the employment application. If the laid off employee meets the minimum qualifications of that position, he/she shall have the option of displacing the part time, provisional, or temporary employee.

5.5 Employee Options

Employees laid off shall have any of the following choices:

(a) Displacing the employee in the same department and in the same or clearly comparable classification as determined by the Director of Personnel as having the least (total service) seniority. This option shall be exercised before any other option.

(b) Taking a voluntary demotion within the department to a classification in which the employee had prior permanent status, thus displacing the employee working in the classification who has the least (total service) seniority.

5.6 Health and Welfare Benefits during Layoff

Permanent employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

Section 6. Reemployment

(a) The name of each employee who is laid off in accordance with Section 5. shall be placed at the head of the eligibility list for the class of positions which that employee held, and shall be given preference in filling vacancies in that class.

(b) An employee laid off in accordance with this Section shall be placed on the eligibility list or lists for any lower or comparable class or classes in the same department, provided that the appointing authority and the department head in charge of this lower or comparable class determine that the employee is competent to perform the duties thereof in strict accordance with the class specifications. This right of a laid off employee shall remain effective for two (2) years from the date of latest separation from the service. The employee shall not be placed on said eligibility list or lists without first submitting a written request. Employee's place on said list or lists shall be at the head of the eligibility list for the class of positions for which qualified as hereinabove set forth and shall be given preference in filling vacancies except for those persons placed on said list or lists of reemployment in the same positions previously held. Upon certification for appointment to a new position never having been held by this employee, the probationary period must be completed as required in this Memorandum of Understanding.

Section 7. Discipline

Disciplinary action, including discharge, suspension, reduction in pay or demotion, may be taken against any employee for cause.

7.1 Predisciplinary Rights

An employee facing potential disciplinary action will be entitled to the following predisciplinary rights:

(a) Notice of proposed discipline.

(b) Date(s) proposed discipline will be effective.

(c) Reasons for the proposed discipline, the specific grounds and particular facts upon which the action is taken.

(d) Seven (7) calendar days in which an employee or the representative may respond either orally or in writing to the department head.

(e) The employee must be provided with any written materials, reports and documents upon which the action is based.

7.2 Administrative Leave

The City may place an employee on administrative leave pending the completion of the predisciplinary process.

7.3 Provisions

The appointing authority may discharge, suspend or demote any employee in the classified service provided the City Charter provisions and the rules and regulations of the Civil Service Commission and any applicable provisions of law are followed. Such provisions allow the employee suspended, demoted or discharged to appeal such action. The employee may take only one (1) of the following actions:

(a) File no appeal.

(b) File an appeal with the Civil Service Commission within ten (10) calendar days of written notification of the action. (Such filing will foreclose use of the grievance procedure.)

(c) File a grievance as provided for in Section 8 within ten (10) calendar days of written notification of the action.

If the employee fails to do (b) or (c) above within the prescribed time frames, these rights will have been waived.

Section 8. Grievance Procedures

8.1 Definition

A grievance is any dispute which involves the interpretation or application of those rules, regulations and resolutions which have been, or may hereafter be, adopted by the City Council to govern personnel practices and working conditions, including such rules, regulations and resolutions as may be adopted by either the City Council or the Civil Service Commission to affect Memoranda of Understanding which result from the meeting and conferring process.

8.2 Filing Deadline

(a) No grievance involving demotion, suspension, discharge or other employment penalty will be entertained unless it is filed in writing with the Director of Personnel Services within ten (10) calendar days of the time at which the affected employee received written notification of such action. All other grievances must be filed within thirty (30) calendar days from the time the employee knew or had reason to know of the facts giving rise to the grievance.

(b) With written consent of the City Manager or his/her designee and the Union Business Agent or his/her designee, time limits may be extended and/or Steps 1, 2 and/or 3 of the Grievance Procedure waived.

8.3 Grievance Processing

(a) Step 1 - Departmental Review. Any employee claiming to have a grievance may discuss the complaint with such management official in the department where employed as the department head may designate. If the issue is not resolved within the department within twenty (20) days from the day of presentation or if the employee elects to submit the grievance directly to the Union recognized as the representative of that employee's classification, or if the employee/Union official notifies the Director of Personnel Services, in writing, that a grievance exists, the procedure hereinafter specified may be invoked.

(b) Step 2 - Director of Personnel Services Review. If the employee is not satisfied with the response at level one, then the employee may appeal the grievance to the Director of Personnel Services within twenty (20) calendar days of the receipt of written response at level one. Such appeal must state with particularity: 1) the specific policy, rule or provision which is alleged to have been violated; 2) the statement of facts comprising the violation; and 3) the requested remedy. The Union may file and process grievance(s) on behalf of the specifically

named employee. The Director of Personnel Services shall have twenty (20) calendar days in which to investigate the issues, meet with the complainant and attempt to reach a satisfactory resolution of the problem. No grievance may be processed under the following two (2) paragraphs which has not first been filed and investigated in accordance with this paragraph, except for the resolution of compensation complaints.

(c) Step 3 - City Manager Review. Within twenty (20) calendar days of the receipt of the level two response, the grievance may be appealed to the City Manager or his designee. Such referral shall be in writing, detailing the specific issues involved in the referral together with a statement of the resolution desired. The City Manager shall designate a personal representative who shall not be the Director of Personnel Services to investigate the merits of the complaint, to meet with the complainant, and if the complainant is not the Union, to meet also with the officials of the Union, and to settle the grievance or to make recommendations to the City Manager. A written response to the appeal will be provided within thirty (30) calendar days of the date of the appeal.

(d) Step 4 - Adjustment Board. If the parties are unable to reach a mutually satisfactory accord on any grievance which arises and is present during the terms of this Memorandum of Understanding, within twenty (20) calendar days of the receipt of the level three response, such grievance shall be submitted to an Adjustment Board comprised of three (3) Union representatives, no more than one (1) of whom shall be either an employee of the City or an elected or appointed official of the Union and three (3) representatives of the City, no more than one (1) of whom shall be either an employee of the City or a member of the staff of any organization employed to represent the City in the meeting and conferring process.

(e) Step 5 - Arbitration. If an Adjustment Board is unable to arrive at a majority decision, within twenty (20) calendar days either the Union or the City may require that the grievance be referred to an impartial arbitrator mutually selected by the parties, or if the parties are unable to mutually agree, from a list of seven (7) arbitrators provided by the State Conciliation Service. The arbitrator shall be chosen by the alternative strike method, with first choice being determined by lot. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Union and City. Each party, however, shall bear the cost of its own presentation, including preparation and post hearing briefs, if any.

(f) Effect of Decision. Decisions of Adjustment Boards and arbitrators on matters properly before them shall be final and binding on the parties hereto except as provided otherwise herein.

8.4 Scope of Arbitration

(a) No Adjustment Board and no arbitrator shall entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union and unless such dispute falls within the definition of a grievance as set forth in paragraph 8.1.

(b) Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may be referred to arbitration under this Section. No Board of Adjustment or arbitrator selected pursuant to this Section shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

No changes in this Memorandum of Understanding or interpretations thereof (except interpretations resulting from Board of Adjustment or arbitration proceedings hereunder) will be recognized unless agreed to by the City Manager and the Union.

8.5 Other Provisions

If the Director of Personnel Services or City Manager, in pursuance of the procedures outlined above, resolves a grievance which involved suspension or discharge, they may agree to payment for lost time or to reinstatement with or without payment for lost time, but in the event the dispute is referred to arbitration and the arbitrator finds that the City had cause to take the action complained of, the arbitrator may not substitute his judgement for the judgment of management and if the findings are that the City had such right, the arbitrator may not order reinstatement and may not assess any penalty upon the City.

Complaints which allege the employee is not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances and processed pursuant to Section 8.3. Any other matters of compensation are to be resolved in the meeting and conferring process and if not detailed in the Memorandum of Understanding which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next open for such decision. No adjustment shall be retroactive for more than thirty (30) days from the date upon which the complaint was filed.

Specified time limits may be modified only in writing. All appeals and responses must be provided in writing.

A grievant will be provided release time without loss of pay for all required meetings with management. The City cannot discriminate or retaliate in any manner against an employee for filing a grievance or exercising rights under this Section.

The provisions of this Section shall not abridge any rights to which an employee may be entitled under the City Charter, nor shall it be administered in a manner which would abrogate any power which, under the City Charter, may be within the sole province and discretion of the Civil Service Commission.

All grievances of employees in representation units represented by the Union shall be processed under this Section. If the City Charter requires that a differing option be available to the employee, no action under paragraph (d) or (e) of Subsection 8.3 above shall be taken unless it is determined that the employee is not utilizing such option.

No action under paragraph (d) or (e) of Subsection 8.3 above shall be taken if action on the complaint or grievance has been taken by the Civil Service Commission or if the complaint or grievance is pending before the Civil Service Commission.

If any award by a Board of Adjustment or arbitrator requires action by the City Council or the Civil Service Commission before it can be placed in effect, the City Manager and the Director of Personnel Services will recommend to the City Council or the Civil Service Commission, as appropriate, that it follow such award.

Section 9. Leaves

9.1 Vacation Leaves

(a) Vacation Allowance. All regular employees, excluding provisional and temporary shall accrue vacation leave with pay in accordance with the following schedule:

(1) Less than one and one-half (1-1/2) years continuous employment 80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment120 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment160 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment 200 hours/year.

(5) Thereafter, eight (8) additional hours for each completed year of service in excess of twenty-five (25) years.

(6) An employee may be allowed to carry over up to 120 hours vacation more than the employee's regular vacation accrued for the preceding calendar year. However, employees may carry over unlimited vacation time in excess of the maximum allowance when such vacation accrues while remaining in a pay status during a period of illness or injury which precluded liquidating vacation credits in excess of the maximum allowed.

(7) Employees shall accrue vacation on a twice monthly payroll basis.

(b) Vacation Scheduling. Vacation leaves shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business.

(c) Holiday during Vacation. If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(d) Vacation Allowance for Separated Employees

(1) When an employee is separated from the service, remaining vacation allowance, if any, shall be added to final compensation.

(2) An employee who has resigned in good standing and is subsequently reinstated within two (2) years from the date of resignation shall have prior service counted in determining eligibility for vacation benefits, deducting therefrom the amount of time between the date of resignation and the date of reinstatement which shall not be counted in determining eligibility.

(e) Cash Payment Option for Vacation. An employee may elect to receive cash payment for up to a maximum of eighty (80) hours of his/her accumulated vacation balance upon commencement of a scheduled vacation for eighty (80) consecutive hours or more, or two (2) forty (40) consecutive hours or more. This option may be exercised pursuant to the above description up to a maximum of eighty (80) hours cash payment per calendar year.

An employee may elect to receive cash payment for two (2) days (16 hours) of his/her accumulated vacation balance for each one (1) day of scheduled vacation. This option may not exceed eighty (80) hours of cash payment per calendar year.

9.2 Sick Leave

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of ten (10) hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence without pay granted to the employee.

(b) Usage. Employees are entitled to sick leave pay for those days which the employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery therefrom.

(c) Family Sick Leave. Employees may utilize sick leave in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care. Such sick leave shall be limited, by the department head, to the time reasonably required to make other arrangements for such care.

Such leave shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent and grandchild.

In special cases, with the approval of the City Manager, a department head may grant sick leave in other circumstances.

No sick leave shall be granted to an employee during any leave or leaves of absence without pay.

(d) Reporting Procedures for Sick Leave. When the requirement for sick leave is known to the employee in advance of the absence, (for example, included but not limited to scheduled medical, dental or vision appointments), the employee shall request authorization for such sick leave from the department head prior to such absence.

If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for the following disciplinary action:

(1) For the first time in a six (6) month period, a Memorandum of Discussion.
(2) For the second time within a six (6) month period, a Letter of Reprimand.

(3) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employee may be discharged.

The six (6) month period will be defined as six (6) months from the most recent incident.

Any Memorandum of Discussion or Letter of Reprimand regarding failure to notify the City as provided herein, which is more than six (6) months old, will be automatically sealed and can only be reopened upon court order.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a signed statement to the department head, on a prescribed form, stating the dates and hours of absence, the exact reason, and such other information as is necessary for the request to be evaluated. If an employee doesn't return to work prior to the preparation of the payroll, other arrangements may be made with the department head.

(2) Doctor's Certificate or Other Proof. If an employee's illness results in an absence from work for more than three (3) consecutive days, a doctor's certificate or other reasonable proof of illness may be required.

The Director of Personnel Services may make such sick leave usage reviews and may require such additional documentation including a physician's statement as he deems necessary before approving the sick leave benefit.

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. The employee has the right to Union representation at such meeting. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Personnel Services pursuant to (e)(2) above;

(b) Suspend the employee without pay for up to five (5) days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave While on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or

(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

(g) Payment for Unused Sick Leave. Upon separation of employment by reason of death, service or disability retirement, the employee or the employee's estate will be paid 50% of the total unused sick leave at its current cash value.

9.3 Other Leaves with Pay

(a) Bereavement Leave. In the event of a death in the immediate family of an employee, the employee shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his accumulated sick leave credits or vacation eligibility. The City Manager may grant an additional two (2) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent and grandchild. In the event of the death of a person not immediately related to an employee as defined above, the employee's department head may grant up to three (3) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

(b) Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized

absence from duty for appearance in Court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said absence from duty including necessary travel time, will be with full pay for each day the employee serves on jury duty or testifies as a witness in a criminal case, other than as a defendant. As a condition of receiving such pay, the employee must remit to the City Treasurer, through the employee's department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

Jury duty or witness duty appearances shall be considered in terms of "whole days" (8 hours) or "half days" (4 hours) of service. If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his usual morning schedule. If an employee is required to appear for a morning court session and is sent home before noon and not required to return in the afternoon, the employee will be expected to work his usual afternoon schedule.

Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be remitted to the City Treasurer through the employee's department head.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is a party, together with travel time necessarily involved, shall not be considered absent from duty within the meaning of the Section.

(c) Military Leave. An employee of the City who is a member of the National Guard or Naval Militia or a member of the Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence without pay for duration of a national emergency who have been inducted into the Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the position they held when they were inducted into Military Service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.

In the case of a probationary employee having served a minimum probationary period of six (6) months at the time of induction, it shall be optional with the department head and the City Manager to grant regular status to said employee before induction.

All probationary employees inducted into Military Service not having served the minimum probationary period of six (6) months, or having served the minimum probationary period of six (6) months, but not having received regular status shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.

Two (2) or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

9.4 Workers' Compensation Leave

(a) Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law.

(b) Payment. Workers' Compensation Leave will be paid in accordance with the following schedule:

Employees who have worked for the City more than twelve (12) months but less than twenty-four (24) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of two (2) months.

Employees who have worked for the City for twenty-four (24) or more continuous months but less than sixty (60) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of three (3) months.

Employees who have worked for the City for sixty (60) or more continuous months and who are unable to work shall receive their full salary for the term of their disability but not to exceed a period of twelve (12) months.

Workers' Compensation Leave shall commence from the first day's absence.

(c) Forms and Procedures. Salary continuation approval will follow the same procedures as for sick leave approval. Salary continuation payments will be contingent on the City's acceptance of the injury as compensable under Workers' Compensation Law.

9.5 Leave of Absence Without Pay

(a) Entitlement. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that the granting of such leave is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. The granting of a leave of absence provides the employee the right to return to the position vacated.

(b) Approval. All leaves of absence without pay must be recommended by the department head and approved by the Director of Personnel Services. No such leave.may extend beyond twelve (12) months, except in the case of absence due to job incurred disability where a determination may be made based upon the needs of public service, or in the event an application for service connected disability retirement has been filed.

(c) Leaves of absence without pay for illness may only be approved following the expiration of entitlement of sick leave and vacation where applicable.

9.6 Absence Without Official Leave (AWOL)

(a) Refusal of Leave or Failure to Return after Leave. Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked, or canceled, or at the expiration of a leave, shall be considered an absence without official leave.

(b) Voluntary Resignation. Any employee in this bargaining unit absent without official leave for two (2) or more consecutive days without a satisfactory explanation shall be deemed to have voluntarily resigned from the City of Stockton. An employee must provide a written statement to the Personnel Department regarding a "satisfactory explanation", within ten (10) calendar days after the City mails a notice of voluntary resignation to the employee's last known address.

Section 10. Days and Hours of Work

10.1 Workweek

The normal workweek in this unit consists of five (5) consecutive eight (8) hour days or a total of forty (40) hours, generally Monday through Friday in a seven (7) day work period. Where operational requirements of a department require deviations from this schedule, the department head with City Manager approval may institute alternate work schedules as long as the City meets with the Union over the impact of such schedules and conforms to work period requirements of the Fair Labor Standards Act.

10.2 Meal Periods and Rest Periods

(a) Employees shall receive a one (1) hour meal period, without pay, each day and a fifteen (15) minute paid rest period during the first half of the work day and a second fifteen (15) minute paid rest period during the second half of the work day. Employees who exceed the time limits prescribed above for lunch and/or rest periods shall have their pay reduced accordingly.

(b) Where operational requirements of a department require deviations from this schedule, meal periods of other durations and alternate rest periods may be instituted with the approval of the City Manager.

10.3 Reporting to Work

Repeated failure to report to work on time may result in appropriate discipline as set forth below:

(a) For the first time in a six (6) month period, a Memorandum of Discussion.

(b) For the second time within a six (6) month period, a Letter of Reprimand.

(c) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employees may be discharged.

If an employee reports to the work site after the designated starting time, the employee will be paid only for time actually worked; however, the employee may be allowed to utilize annual leave for lost pay, provided the employee's supervisor approves.

Any Memorandum of Discussion or Letter of Reprimand regarding tardiness which is more than six (6) months old will be automatically sealed and can only be reopened upon court order.

Section 11. Overtime

11.1 Overtime Authorization

All compensable overtime must be authorized by the department head or his designated representative in advance of being worked. If prior authorization is not feasible because of emergency conditions, a confirming authorization must be made on the next regular working day following the date on which the overtime was worked.

11.2 Definition

The following provisions pertaining to authorized overtime work shall apply to those employees whose normal work period is eight (8) hours per day and forty (40) hours per week:

(a) Time worked in excess of forty (40) hours in any workweek shall be paid for at time and one-half (1-1/2) including employees employed on a per hour basis or except as provided elsewhere herein.

(b) On a holiday observed by the City an employee shall be paid for a regular day plus time and one-half (1-1/2) for actual time worked not to exceed eight (8) hours including employees employed on a per hour or per day basis, or except as provided elsewhere herein.

(c) Any time worked in excess of eight (8) hours on a holiday observed by the City shall be paid for at double time and one-half (2-1/2) except for employees employed on a per hour or per day basis, except as provided elsewhere herein.

(d) The City may require mandatory overtime when operational needs if the City dictate the need to work such overtime. Work in excess of forty (40) hours in any workweek will be paid at time and one-half pay or CTO in accordance with Section 11.4 (b).

11.3 Standby Duty

When warranted and in the interest of the City operation, department heads may assign employees to "standby" status.

(a) Application of "standby" shall be as follows:

(1) Each employee so assigned to "standby" shall be provided with a pager while on standby and shall be able to report to the work site within forty-five (45) minutes.

(2) Employees on standby shall have the option to trade days and/or weeks of standby status with another qualified employee in the same unit or division with departmental approval.

(3) Standby shall be assigned in a minimum of eight (8) hours blocks, i.e., Monday - Friday work week standby can be 8, 16, 24 hour blocks. The block of standby will be to one (1) person per 24 hour period.

Standby for weekends i.e., Saturday, Sunday or extended holiday weekends (Friday - Sunday or Saturday - Monday) will be assigned 8 - 48 hour blocks to one (1) person per weekend (up to 72 hours for holiday weekend).

(b) Compensation of "standby" shall be as follows:

(1) Employees assigned to standby duty shall be paid two (2) hours for every eight (8) hours of standby, and time and one-half (1 1/2) for all actual time worked while on standby duty status.

(2) Employees assigned to standby duty status on holidays observed by the City shall be paid two (2) hours for every eight (8) hours of standby, time and one-half (1-1/2) for all actual time worked while on standby duty status, and double time and one-half (2 1/2) for all actual time worked in excess of eight (8) hours while on standby duty status.

11.4 Call Back

Effective January 1, 2003, when an employee is called back to work from off duty status, the employee shall be compensated for a minimum of two (2) hours and forty-five (45) minutes pay at time and one-half (1-1/2) or actual time worked at time and one-half (1-1/2), whichever is greater.

To be eligible for call-back pay, both of the following conditions must be met:

(a) The call-back must occur outside of the employee's regular work hours; including overtime.

(b) The call-back time worked must not be contiguous to the employee's regular work hours; including overtime.

11.5 Compensatory Time

(a) Definition. As used in this Section, the term Compensatory Time refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule.

(b) Accrual. For hours in excess of forty (40) hours in a seven (7) day work period, for which the employee is in a paid status, Compensatory Time may be earned at the rate of time and one-half (1-1/2). No more than sixty (60) hours (forty (40) hours worked at time and one-half [1-1/2]) may be carried on the books at any time.

(c) Use. Use of Compensatory Time shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of City business. Approval of requests for use of Compensatory Time shall be at the sole discretion of the department head, but once approved, cannot be changed unless an emergency situation arises.

(d) Payment. Once sixty (60) hours of Compensatory Time is accrued on the books, all other hours worked in excess of forty (40) hours in a seven (7) day work period will automatically be paid.

Any Compensatory Time balance remaining at the end of a fiscal year will automatically be paid.

11.6 Meal Allowance

The City shall provide a meal allowance of TEN DOLLARS AND NO CENTS ($10.00) for an employee who is held over and works a minimum of four (4) hours. Employees called back to work or called back from a day off with less than two (2) hours notice shall qualify for the TEN DOLLARS AND NO CENTS ($10.00) meal allowance when they work a minimum of four (4) hours. Extension of the work schedule or call-back must be properly authorized by the employee's supervisor or other designated personnel.

Section 12. Holidays

12.1 Qualifying for Holiday Pay

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

12.2 Holidays Observed by the City

(1) January 1 ..... New Years' Day
(2) Third Monday in January ..... Martin Luther King Jr.'s Birthday
(3) Second Monday in February ..... Lincoln's Birthday
(4) Third Monday in February ..... Washington's Birthday
(5) Last Monday in May ..... Memorial Day
(6) July 4 ..... Independence Day
(7) First Monday in September ..... Labor Day
(8) Second Monday in October ..... Columbus Day
(9) November 11 ..... Veteran's Day
(10) Fourth Thursday in November ..... Thanksgiving
(11) The day following the day known as Thanksgiving
(12) December 25 ..... Christmas Day
(13) Employee's Birthday

In addition, a day appointed by the President or Governor as a public holiday shall be observed by the City.

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.

Birthday Holiday Leave. If an employee's birthday falls on Saturday, Sunday or another recognized holiday; or if work requirements do not permit the employee to observe that day off, the department head may authorize a work day within fifteen (15) calendar days prior to or after the employee's actual birth date. An employee will not be credited with a birthday holiday, if he/she terminates prior to the actual birth date.

12.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the City Manager except in emergency situations where said approval cannot be obtained beforehand.

Section 13. Compensation and Allowance Other Than Base Salary

13.1 Retirement Contribution Supplement

The City will pay seven percent (7%) of the employee's current base salary (employee's contribution) and other compensation as qualified by State law towards the Public Employees' Retirement System (P.E.R.S.). Such amounts will be applied to the employee's individual account in accordance with California Government Code section 20615.

The City's P.E.R.S. retirement plan is modified to reflect two percent (2%) at age 55, effective January 1993.

The City's P.E.R.S. retirement plan is modified to reflect California Government Code section 20930.3 (Military Service Credit as Public Service) and section 20930.33 (Military Service Credit for Retired Persons) effective upon adoption by Stockton City Council and Board Administration of the P.E.R.S.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 20692 (Employer Paid Member Contributions Converted to Payrate during the Final Compensation Period) as added P.E.R.S. benefits. At the beginning of employee's last year of employment, the employee will pay their employees' seven percent (7%) benefit cost through an automatic payroll deduction. The City will increase the base salary for those employees by the same seven percent (7%) for the last twelve (12) months of employment. Internal Revenue Service (IRS) Code 414H(2) will be concurrently implemented with P.E.R.S. California Government Code section 20692, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 20965 (Credit for Unused Sick Leave) as added P.E.R.S. benefits, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

Effective January 1, 1998, the City will make application to provide P.E.R.S. California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added P.E.R.S. benefits, to be effective upon adoption by the Stockton City Council and P.E.R.S. Administration Board.

The City will provide PERS California Government Code section 21335 (5% Annual Cost-of-Living Allowance, base year 2001) as added PERS benefit. The first application date is April 1, 2003.

13.2 Deferred Compensation

The City will provide, at no cost to the employee, deferred compensation as a supplement to voluntary deferred compensation plans, if any, for which the individual employee may be eligible. The City will contribute an amount equal to two and one-half percent (2.5%) of the employee's current base salary.

Effective January 1, 1997, the City will contribute an additional one percent (1%) for a total of three and one-half percent (3.5%) of the employee's current base salary.

Effective January 1, 1998, the City will contribute an additional one percent (1%) for a total of four and one-half percent (4.5%) of the employee's current base salary.

Effective January 1, 1999, the City will contribute an additional one percent (1%) for a total of five and one-half percent (5.5%) of the employee's current base salary.

13.3 Uniforms

(a) The City shall provide uniforms for all employees assigned to this unit.

(b) Safety Protective Footwear Reimbursement Allowance. Employees required to wear safety protective footwear in accordance with City Manager's Administrative Directive PER-034, and approved for safety protective footwear reimbursement, the City will authorize safety protective footwear reimbursement in the amount of ONE HUNDRED TWENTY DOLLARS ($120.00) upon adoption by Stockton City Council of Agreement. Effective January 1, 1998, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED THIRTY DOLLARS ($130.00); effective January 1, 1999, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED FORTY DOLLARS ($140.00); effective January 1, 2000, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED FIFTY DOLLARS ($150.00); effective January 1, 2001, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED SIXTY DOLLARS ($160.00); and effective January 1, 2002, an additional TEN DOLLARS ($10.00) for a total of ONE HUNDRED SEVENTY DOLLARS ($170.00)

13.4 Tool Allowance

(a) Mechanic class employees in the Central Garage who are required to personally supply their own set of Fleet Manager approved Mechanic's hand tools shall receive an annual tool replacement allowance of TWO HUNDRED DOLLARS ($200.00).

(b) The City shall pay for the replacement of tools lost through theft from City premises provided that such loss was absolutely no fault of the employee.

(c) Any tool required by the City beyond that initially approved by Fleet Manager shall be provided by the City.

13.5 Preventive Shots

Those employees in the Municipal Utilities Department whose work assignments involve potential exposure to hazardous waste water shall, at the employee's option, be provided all necessary medical immunization available for the prevention of job incurred illness.

13.6 Educational Incentive Pay

Employees with degrees/diplomas above and beyond that are required of their position shall be provided three percent (3%) of the top step of the position. Employees are limited to no more than three percent (3%) regardless of the number of degrees/diplomas above that required of the position. If the employee promotes to a position which matches his/her diploma/degree, the three percent (3%) will no longer be paid. Experience may not substitute for education. Other formal education/training programs may substitute for the actual degree/diploma.

Between January 1, 1992, and no later than June 30, 1992, the City will meet with a representative committee of bargaining members consisting of no more than four (4) bargaining representatives, and no more than four (4) management representatives to evaluate, discuss and identify other formal education/training programs which may substitute for actual degrees/diplomas.

The consensus recommendation of this joint labor/management committee will be forwarded to the City Manager's Office for review, modification and possible approval as education/training programs, which shall substitute for formal education/training.

13.7 Special Driver's License Pay

Effective January 1, 1994, job classifications requiring a Class A and/or Class B Driver's License will receive special pay equal to one percent (1%) of top step of job classification.

Effective January 1, 1995, job classifications requiring a Class A and/or Class B Driver's License will receive special pay equal to one and one-half percent (1 1/2%) of top step of job classification.

Special Driver's License Pay will only be implemented with the concurrent implementation of the Operating Engineers' Local No. 3 - City of Stockton, Drug/Alcohol Safety Program.

13.8 Professional Growth

Effective January 1, 2003, the City shall pay each employee who completes twelve (12) continuous years of service with the City, two and one-half percent (2.5%) of top salary step of the employee's pay range to the employee as a professional growth allowance.

13.9 Credit Union

The City will accommodate payroll deduction to Operating Engineers' Local No. 3 Credit Union, within the limitations of City payroll system. Any modification costs will be borne by Operating Engineers' Local No. 3.

Section 14. Insurance Plans and Retirement Benefits.

14.1 Health and Welfare Benefits

(a) Effective January 1, 1993, the City will provide for hospitalization, medical, dental, prescription, and vision benefits.

(b) All bargaining unit members shall be covered under the Operating Engineers' Health and Welfare Trust Fund or the City of Stockton Employee Health Benefits Plan, which consist of medical and prescription coverage administered by the San Joaquin Foundation for Medical Care, Delta Dental or HBI Dental Plan, and Vision Care Plan (VSP). The City's health benefits plan include the medical plan as described in the Modified Employee Medical Plan, effective January 1, 1993.

The City shall pay for the full cost of the health benefits package for those employees who choose the City's health benefits plan.

Effective January 1, 1997, the orthodontic benefits coverage will increase from ONE THOUSAND DOLLARS ($1,000.00) to TWO THOUSAND DOLLARS ($2,000.00) lifetime maximum for those employees who choose the City's health benefits plan.

Employees in this bargaining unit shall have the month of December of each year to elect their choice of either Operating Engineers' Health and Welfare Trust Fund or the City of Stockton's Employee Health Benefits Plan. Those employees changing benefits plans shall be transferred effective January 1 of each year.

Effective January 1, 1997, the premium amount contributed towards the Operating Engineers' Health and Welfare Trust Fund will not decrease during the term of this agreement regardless of any decrease premium that may occur to the City's Modified Employee Medical Plan.

For those employees who choose to remain in Operating Engineers' Health and Welfare Trust Fund, the City will contribute toward their premium, the same amount as it contributes toward the City's health benefits plan. The employee is responsible for the difference each month if the Operating Engineers' Health and Welfare Trust Fund premium is higher.

(c) When this agreement expires on December 31, 2003, then and in that event, any and all subsequent increased premium costs required to maintain the benefits as provided for in this Section shall be the responsibility of the employees and said increased costs shall be withheld from the employee's paychecks as may be necessary for the months subsequent to December 31, 2003, unless otherwise agreed to by the parties hereto.

(d) Regular employees shall become eligible for the benefits stated in this Section on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees must enroll eligible dependents within thirty (30) days of eligibility.

(e) Provisional and temporary employees are not eligible for any of the above benefits.

(f) Employees that promote, demote, or transfer from a classification in the Trades and Maintenance unit to an unrepresented classification shall continue to have the option to retain the Operating Engineers' Local No. 3 Health and Welfare Plan.

14.2 Long Term Disability Insurance

The City shall provide, at no cost to the employee, long term disability insurance coverage. Essentially, this is an income protection plan which provides disability income for employees including:

(a) Each disability - sixty-six and two thirds percent (66 2/3%) of salary.

(b) Disability income payments shall commence after the employee has utilized all sick leave benefits to which the employee is entitled or after a thirty (30) day waiting period whichever is longer.

(c) Benefit payable until age sixty-five (65).

(d) The City will provide, at no expense to the employee, medical coverage for a period of ninety (90) days. For the purpose of this section, medical coverage shall commence immediately after the employee has utilized all sick leave benefits to which the employee is entitled.

14.3 Life Insurance

The City shall provide, at no cost to the employee, a term life insurance policy, equal to one (1) times the employee's annual salary.

14.4 Retirement Medical Allowance

Effective January 1, 2003, at retirement only, an employee with fifteen (15) year of City service and who has attained the age of fifty (50) will be provided medical coverage consisting of hospitalization, medical and prescription benefits for the retiree and one (1) dependent until age sixty-five (65).

14.5 Retirement-Medicare Supplemental Plan

Employees retiring on or after January 1, 1997, who are eligible for the Retirement Medical Allowance, pursuant to section 14.4, will, at age 65, become eligible for Medicare Supplemental Coverage under the City's Modified Employee Medical Plan. Coverage will be supplemental and secondary to Medicare (reduced by any amounts payable to Medicare). This lifetime benefit is provided to the employee and the employee's spouse. The employee shall be responsible for paying any associated costs for obtaining Medicare coverage Part A and Part B.

Section 15. Salaries

15.1 Salary Rates

The salary rates for all employees in the aforementioned representation unit will be as set forth in Appendix "A," which is attached hereto and made a part hereof.

The rates of pay set forth in Appendix "A" represent for each classification as set forth in Appendix "B," which is attached hereto and made a part hereof, the standard rate of pay for full time employment, unless the schedule specifically indicates otherwise.

The rates of pay set forth in Appendix "A" do not include reimbursement for actual and necessary expenses for traveling, subsistence and general expenses authorized and incurred incident to City employment.

15.2 Salary upon Appointment

Except as herein otherwise provided, the entrance salary for a new employee entering the classified service shall be the minimum salary for the class to which appointed. When circumstances warrant, the City Manager may approve an entrance salary which is more than the minimum salary for the class to which an employee is appointed. Such a salary may not be more than the maximum salary for the class to which that employee is appointed.

15.3 Salary Equivalents

Any monthly, daily or hourly rate of pay may be converted into an equivalent rate of pay or to any other time bases when, in the judgment of the City Manager, such a conversion is advisable. In determining equivalent amounts on different time bases the City shall provide tables or regulations for the calculation of payment for service of less than full time, and for use in converting monthly salaries to hourly rates, as well as for calculating hourly rates. Overtime rate and premium pay shall be calculated according to the provisions of the Fair Labor Standards Act.

15.4 Salary Step Plan

(a) There shall be five salary steps in each range.

The first step shall be the minimum rate and shall be the normal hiring rate for the class. (In a case where a person possesses unusual qualifications, the City Manager may authorize appointment above the first step after receiving the recommendation of the department head. The same provision shall apply to hourly paid and part-time employees.)

If a department head recommends to withhold increases to salary steps two (2) through five (5) because an employee has not achieved the level of performance required, notice must be received by the City Manager at least four weeks in advance of the employee's eligibility date. The affected employee shall be furnished a copy of the department head's recommendation. Failure to abide by the above four-week limitation shall not automatically cause a step increase to be granted; however, if an employee does not receive notice by the actual anniversary date, the increase shall be automatically granted.

The second step shall be paid upon the satisfactory completion of six (6) months service at the first step.

The third step shall be paid upon the satisfactory completion of one (1) year service at the second step.

The fourth step shall be paid upon the satisfactory completion of one (1) year service at the third step.

The fifth step shall be paid upon the satisfactory completion of one (1) year service at the fourth step and upon written recommendation of the department head.

Regardless of an employee's length of service, step advancements in any given class may be made upon recommendation of the department head with the approval of the City Manager, but not above Step No. 5 for a given range.

Salary step increases shall be effective the first day of the pay period following appointment or revision. If the date of appointment or revision is the first day of a pay period, salary step increases shall be as of that date.

Changes in an employee's salary because of promotion, demotion, postponement of salary step increase or special merit increase will set a new salary anniversary date for that employee, which date shall be as stated in the preceding paragraph.

Salary range adjustments for a classification will not set a new salary anniversary date for employees serving in that classification.

(b) Salary Step Entry-Level Classifications. Effective January 1, 1997, the City Manager may create a ten percent (10%) salary step reduction to any entry-level classification represented by this bargaining unit. The next and all subsequent salary steps shall be paid upon the satisfactory completion of one (1) year service at current salary step.

15.5 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to the City service, are entitled to the automatic salary advancements within the range of their classification for the period they were in the military service.

15.6 Salary Step When Salary Range is Increased

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to the step in the revised range which corresponds to the employee's step held in the previous range, unless otherwise specifically provided for by the City Manager.

15.7 Salary Step After Promotion or Demotion

(a) When an employee is promoted from a position in one class to a position in a higher class, and at the time of promotion is receiving a salary equal to, or greater than, the minimum rate for the higher class, that employee shall be entitled to the next step in the salary scale of the higher class which is "approximately" five percent (5%) above the employee's current salary, except that the next step shall not exceed the maximum salary of the higher class.

(b) When an employee is demoted, whether such demotion is voluntary or otherwise, that employee's compensation shall be adjusted to the salary prescribed for the class to which demoted.

(1) "If the salary of the employee is reduced for cause or disciplinary reasons, the employee shall receive the salary at the same step prior to promotion."

(2) "If the salary of the employee is reduced through no fault of the employee (i.e., layoff), the salary at demotion shall be at the nearest lower salary to that which was received prior to the demotion."

15.8 Transfer

An employee may be transferred from a class in one department, or to a position of the same class in another department, or to a comparable class, with the approval of both the employee and Department Heads. In the case of a comparable class, the employee must be qualified, as determined by the Personnel Director. The Personnel Director, in making such a determination, must assure that the maximum salary rate for the classes in question are within two and one-half percent (2 1/2%), and shall consider, among other things, whether the employee possesses the minimum qualifications for such class, and is able to demonstrate through education, experience, or successful completion of pertinent test, that he/she is qualified for the transfer. If the transfer involves a change from the jurisdiction of one appointing authority to another, both must consent thereto.

15.9 Salary on Reinstatement

If a former employee is reinstated in the same position, previously held or to one carrying a similar salary range, the employee's salary shall not be higher than the salary at the time of separation unless there has been an increase within the salary range.

If a former employee is reinstated to a position in a lower class the employee's salary shall be set at the same step previously held, but in the pay range of the lower classification.

15.10 "Y" Rate

When an employee's classification is changed to a lower paid classification as the result of a classification study or other action, the employee may be placed on a "Y" rate. A "Y" rate means that the monthly compensation for the employee shall remain in effect until such time as further changes in the pay range of the new classification exceeds the "Y" rate.

15.11 Acting Pay

(a) General Provisions. Any employee in this unit who is assigned by a supervisor to work in a higher paid classification for two (2) or more hours in one (1) day, shall receive the rate of pay in the step of the higher classification which would have been received if the employee had been promoted into that classification, or at least five percent (5%) more than the employee's salary in the present classification, whichever is greater. Out-of-class assignment pay during overtime status will commence at the first hour worked.

(b) When there is an existing promotional eligibility list, and acting pay assignment is expected to be for more than twenty (20) work days, acting pay shall be assigned from the top three (3) on the promotional eligibility list. If the assignment is for twenty work days or less, the highest ranking employee on the promotional list within the division shall be assigned. When there is no eligible list, section (c) below shall apply.

(c) If there is no existing list, acting pay selection shall be made from the five (5) most qualified employees in the section.

(1) Sections are defined, for the purpose of this clause only, as the sub-groups listed under the following three (3) departments:

Parks and Recreation Department - 1) Parks, 2) Golf Courses, and 3) Trees;

Municipal Utilities Department - 1) Water, 2) Sewer, 3) Wastewater Operations, and 4) Wastewater Maintenance;

Public Works Department - 1) Street Maintenance, 2) Street Sweeping, 3) Garden Refuse, 4) Traffic Devices, 5) Electrical, 6) Fleet Garage, and 7) Engineering.

(2) Qualifications for the purpose of this Section, as determined by the department head or designee, shall include all the following equal factors:

(a) Seniority in grade within any class immediately below the vacant position.
(b) Worker experience relative to the vacant position.
(c) Prior job performance and attendance.

(d) Certificates or other formal qualification devices such as eligibility lists.

If all things are equal based on above factors, the seniority within the City shall be considered.

(3) The opportunity for acting Pay shall be rotated among the five (5) most qualified employees within each section.

(d) Assignments from other than a promotional eligibility list shall not exceed 120 days per fiscal year per employee.

15.12 Special Assignment Pay

The City Manager may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned in writing by the supervisor to perform additional duties and responsibilities for the duration of the special assignment.

Any employee assigned to the Tree Spray Crew shall receive an additional five percent (5%) special assignment pay per day when assigned in writing by the supervisor to spray trees and performs such work four (4) or more hours in any one (1) day.

Any Senior Plant Operator who is assigned in writing by an appropriate authority to assume supervisory authority over another Senior Plant Operator shall receive an additional five percent (5%) special assignment pay per shift when so assigned.

Section 16. Separability of Provisions

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable that provision of the Memorandum of Understanding shall be null and void but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

In the event that Federal legislation changes the current applicability of the Fair Labor Standards Act, both parties agree to consult and/or confer on the impacts of such legislation to the extent required by law.

Section 17. Past Practices and Existing Memoranda of Understanding

Continuance of working conditions and practices not specifically authorized by ordinance or by resolution of the City Council is not guaranteed by this Memorandum of Understanding.

This Memorandum of Understanding shall supersede all existing Memoranda of Understanding between the City and the Union.

Section 18. Scope of Agreement

Except as otherwise specifically provided herein this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties on any and all matters subject to meeting and conferring. Neither party shall, during the term of this Memorandum of Understanding, demand any change therein nor shall either party be required to negotiate with respect to any matter; provided that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.

Section 19. Duration of Agreement

This Memorandum of Understanding shall be effective the date of execution, and shall remain in full force and effect to and including the 31 day of December, 2003, and shall continue thereafter from year to year unless at least sixty (60) days prior to January 1, of any subsequent year either party shall file written notice with the other of its desire to amend, modify, or terminate this Memorandum of Understanding.

Section 20. Maintenance of Operations/City Rights

(a) It is recognized that the need for continued and uninterrupted operation of City services is of paramount importance. Therefore, the Union and each employee represented thereby agrees that from the date of execution, through exhaustion of the impasse process/mediation/fact finding as set forth in the Employer/Employee Relations Resolution Section 12 (g) the Union or any person acting in its behalf, or each employee in a classification represented by the Union, shall not cause, authorize, engage in, encourage, or sanction a work stoppage, slowdown, refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound), or picketing, other than informational picketing, against the City or the individual or concerted failure to report for duty or abstinence from the full and faithful performance of the duties of employment, including compliance with the request of another labor organization or bargaining unit to engage in such activity in an attempt to induce a change in wages, hours, and other terms and conditions of employment.

(b) An employee shall not be entitled to any wages or City paid benefits whatsoever if the City Council, by majority vote, determines to its satisfaction, that the employee is, or has, engaged in any activity prohibited by subsection (a) of this Section. The City may take other action which it deems appropriate.

(c) If the City Council, by majority vote, determines to its satisfaction, that subsection (a) of this Section has been violated by the Union, the City may take such remedial action as it deems appropriate.

(d) The Union recognizes the duty and obligation of its representatives and members to comply with the provisions of this Memorandum of Understanding and to make every effort toward inducing all employees in this unit to fully and faithfully perform their duties. In the event of any activity prohibited by subsection (a) hereinabove, the Union agrees to take supererogatory steps necessary to assure compliance with this Memorandum of Understanding.

(e) The rights of the City as set forth in Section 5 of Resolution No. 32,538, dated August 4, 1975, are incorporated herein by reference.

IN WITNESS WHEREOF the parties hereto have executed this Memorandum of Understanding this _____ day of June 2003.

UNION:

OPERATING ENGINEERS'
LOCAL UNION NO. 3 of the International Union of Operating Engineers, AFL-CIO

JOHN BONILLA, President

ROBERT L. WISE, Recording-Corresponding Secretary

DONALD R. DOSER, Business Manager

DEAN COFER, Business Representative

JOE SANTELLA, Business Representative

KEVIN HUFF, Chief Union Steward

EMPLOYER:

CITY OF STOCKTON, a municipal corporation

MARK LEWIS, ESQ.
City Manager

ROGER STOREY, Deputy City Manager

TERRY PARKER, Director of Human Resources

SYLVIA RAMIREZ, Senior Human Resources Analyst

APPROVED AS TO CONTENT:
MARK LEWIS, ESQ, CITY MANAGER
BY: _____
City Manager

APPROVED AS TO FORM:
JAYNE W. WILLIAMS, INTERIM CITY ATTORNEY
BY: _____
LORI WHITTAKER, Deputy City Attorney

APPENDIX "A"

SALARY ADJUSTMENTS FOR CALENDAR YEAR 1997

Effective January 1, 1997, the Salary Schedule shall provide an adjusted of two percent (2%) as best fitted to the Stockton Salary Matrix.

Effective January 1, 1997, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 1997, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR CALENDAR YEAR 1998

Effective January 1, 1998, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 1998, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR CALENDAR YEAR 1999

Effective January 1, 1999, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 1999, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR CALENDAR YEAR 2000

Effective January 1, 2000, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 2000, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR CALENDAR YEAR 2001

Effective January 1, 2001, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 2001, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR CALENDAR YEAR 2002

Effective January 1, 2002, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 2002, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

SALARY ADJUSTMENTS FOR CALENDAR YEAR 2003

Effective January 1, 2003, the Salary Schedule shall provide salary rates and ranges according to the following formula as best fitted to the Stockton Salary Matrix:

Salary increases effective January 1, 2003, shall be equal to eighty percent (80%) of the Consumer Price Index for Urban Wage Earners and Clerical Workers U.S. City Average (CPI-W), for the twelve (12) month period concluding with the November index of each preceding year. The salary increase shall be a minimum of two and one-half percent (2.5%) but not to exceed six percent (6%) (e.g., CPI-W increase of nine percent (9%) would still result in a six percent (6%) increase).

APPENDIX "B"
REPRESENTED JOB CLASSIFICATIONS

Position Number	Job Title	Grade
30510	Auto Painter Repair Worker	30H
30781	Collection Systems Operator I	30T
30756	Collection Systems Operator II	30Q
30772	Craft Maintenance Worker I	3AA
30515	Craft Maintenance Worker II	30J
30775	Dispatcher	30Z
30612	Electrician I	3AA
30445	Electrician II	30C
30542	Environmental Control Officer	30L
30777	Equipment Service Worker	30Y
30964	Facility Aide	3AK
30791	Fleet Equipment Parts Assistant	30Y
30446	Heating/Air Condition Mechanic	30D
30560	Heavy Equipment Operator	30K
30846	Hydrant Worker	3AD
30870	Industrial Electrical Apprentice	30R
30447	Instrument Repair Technician	30C
30885	Janitor	3AI
30763	Landfill Scale Operator	3AD
30444	Machinist	30F
30816	Maintenance Worker I	3AG
30764	Maintenance Worker II	3AD
30794	Mechanic I	30Y
30571	Mechanic II	30N
30556	Mechanic III	30H
30872	Mechanic Maintenance Apprentice	30V
30762	Mechanical Maintenance Worker I	30R
30651	Mechanical Maintenance Worker II	30J
30670	Medium Equipment Operator	30S
30645	Motor Sweeper Operator	30P
30750	Park Equipment Operator	30X
30862	Parks Worker I	3AJ
30835	Parks Worker II	3AF
30561	Plant Equipment Mechanic	30H

APPENDIX "B" (contd.)
REPRESENTED JOB CLASSIFICATIONS

Position Number	Job Title	Grade
30874	Plant Operator Apprentice	3AH
30609	Plant Operator I	30T
30830	Plant Operator II	30Q
30690	Public Works Equipment Operator I	3AN
30632	Public Works Equipment Operator II	3AM
30505	Public Works Equipment Training Officer	3AL
30562	Public Works Heavy Equipment Operator	30K
30817	Public Works Maintenance Worker	3AG
30700	Senior Collection Systems Operator	30G
30300	Senior Electrician	30A
30494	Senior Environmental Control Officer	30E
30630	Senior Hydrant Worker	30M
30299	Senior Instrument Repair Technician	30A
30770	Senior Janitor	3AC
30646	Senior Maintenance Worker	30I
30516	Senior Mechanic	30B
30564	Senior Mechanical Maintenance Worker	30D
30725	Senior Parks Worker	30U
30675	Senior Plant Operator	30G
30666	Senior Traffic Maintenance Worker	30I
30302	Senior Traffic Signal Electrician	30A
30581	Senior Tree Surgeon	30M
30703	Senior Water Systems Operator	30G
30792	Service Writer	30Y
30544	Solid Waste Inspector	30L
30590	Stage Maintenance Worker	30O
30822	Traffic Maintenance Worker I	3AE
30765	Traffic Maintenance Worker II	30T
30443	Traffic Signal Electrician	30C
30699	Tree Surgeon	30W
30766	Tree Worker	3AD
30810	Warehouse Assistant	3AI
30783	Water Systems Operator I	30T
30724	Water Systems Operator II	30Q
30555	Welder/Fabricator	30H
30513	Welder/Fabricator Specialist	30B

TRADES AND MAINTENANCE UNIT
MEMORANDUM OF UNDERSTANDING

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CITY OF STOCKTON

MEMORANDUM OF UNDERSTANDING
TRADES AND MAINTENANCE UNIT

02 MAR 25 PM 12: 16
PERSONNEL DEPARTMENT

Representatives from the Operating Engineers' Local 3, AFL-CIO Trades and Maintenance Union and representatives from the Department of Public Works have met and conferred on the issue of a four-day workweek for the mechanics in Fleet Maintenance. The essential details of this shift schedule would be as follows:

1. The proposed shift will cover Monday through Friday with some personnel being off duty on Monday and others being off duty on Fridays. Mid-week days will not be scheduled as off-duty days.

2. During any week that includes a holiday, the schedule will revert back to five, eight-hour days (i.e.: during that week all staff will work 8-hour shifts Tuesday through Friday). During their birthday holiday week, the individual affected staff member will work five, eight-hour days.

3. Sick time will be charged according to the schedule in effect at the time the absence occurred (i.e.: if scheduled for a ten-hour shift, ten hours of sick time will be charged).

4. The Supervising Mechanic will be included in the four-day workweek and will be on duty Monday through Thursday. The two Mechanic III's (one Heavy Duty and one Light Duty), or Mechanic II's upgraded to Mechanic III's, will act as team leaders on Friday or any other day where the Supervising Mechanic is absent. The Light Duty Mechanic will lead the Light Duty Team, and the Heavy Duty Mechanic will lead the Heavy Duty Team.

5. Public Works management will retain the right to revert back to five eight-hour days if deemed necessary. The Union may opt to revert back to five eight-hour days as well, subject to a requirement for a written notice period of two weeks.

Both parties are in agreement that implementation of this four-day workweek for the night shift in Fleet Maintenance would be desirable. It is our intention to implement this new schedule beginning on Monday, March 25, 2002. Other shifts may be changed to a four-day workweek in the future if deemed mutually desirable.

IN WITNESS WHEREOF the parties hereto have executed this Memorandum of Understanding this 21st day of March 2002.

UNION:	EMPLOYER:
OPERATING ENGINEERS' LOCAL UNION NO. 3 of the International Union of Operating Engineers, AFL-CIO	CITY OF STOCKTON
Dean Cofer, Business Representative	Gordon A. MacKay, Deputy Public Works Director/O&M
Kevin Huff, Local No. 3	Jay Holman, Fleet Manager

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CITY OF STOCKTON

MEMORANDUM OF UNDERSTANDING

TRADES AND MAINTENANCE UNIT

Operating Engineers' Local 3, AFL-CIO and representatives of the City of Stockton have met and conferred in good faith regarding wages, hours and other terms and conditions of employment of employees in the representation unit identified in Section 1, have exchanged freely information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding is entered into pursuant to the Meyer-Milias-Brown Act (Government Code sections 3500-3510) and has been jointly prepared by the parties.

This Memorandum of Understanding shall be presented to the Stockton City Council as the joint recommendations of the undersigned for salary and benefit adjustments for the period commencing July 1, 2010 and ending June 30, 2012.

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Section 1. Recognition

Operating Engineers' Local 3, AFL-CIO, hereinafter referred to as the "Union," is the recognized employee organization for the Trades and Maintenance Unit, certified pursuant to the Employer-Employee Relations Ordinance (Stockton Municipal Code §§ 2-200, *et seq.*).

Section 2. Union Security

2.1 Dues Deduction

(a) General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

Additional authorization shall not be required for deduction of increased membership dues when such increase has been duly approved by the membership of the Union. Notification of such approval shall be forwarded to the City in the form of written notice on official Union letterhead and signed by the duly authorized Union official. Upon receipt of notification, the City shall authorize the payroll deduction of the increased amount.

If an employee is promoted to a position which is represented by another employee organization or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds, at the address specified.

In addition to the deduction of dues, the City will deduct from the paychecks of Union members who request it, premiums for group insurance and investment plans sponsored by the Union. Such deductions shall be made in one lump sum and only upon signed authorization from the employee upon a form satisfactory to the City. Such authorizations may be made or changed no more frequently than twice yearly.

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit

the amount with the City which would have been withheld if the employee had been in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

(b) Indemnity and Refund. The Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

2.2 Agency Fee

(a) Employee Rights

(1) The City and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal, alternative right of employees to refuse to form, join and participate in employee organizations. Neither party shall exert pressure upon or discriminate against an employee in the exercise of these alternative rights.

(2) Accordingly, membership in the Union shall not be compulsory. A unit member has the right to choose, either: to become a member of the Union; or, to pay to the Union a fee for representation services; or, to refrain from either of the above courses of action upon the grounds set forth in Section (f) below.

(b) Unit Members' Obligation to Exclusive Representative

(1) A bargaining unit member who does not fall within one (1) of the exempted categories as set forth in Section (f) below, and who has not voluntarily made application for membership in the Union within the sixtieth (60) day following the date upon which said employee has been formally hired by the City as a bargaining unit employee, must as a condition of continued employment in the City pay to the Union a representation fee, in exchange for representation services necessarily performed by the Union in conformance with its legally imposed duty of fair representation on behalf of said unit member who is not a member of the Union.

(2) In the event that a unit member does not become a member of the Union or pay such fee directly to the Union, the City shall begin automatic payroll deduction. There shall be no charge to the Union for such mandatory agency fee deductions.

(3) Prior to beginning such automatic payroll deduction, the Business Representative of the Union will certify to the City in writing that the employee whose pay is to be affected by the deduction has: 1) refused to join the Union; and 2) has refused to tender the amount of the agency fee as defined herein; and 3) has not applied for an exemption under Section (f) herein. In addition the Union must also certify that it has provided the employee with a copy of the fee verification required by Section (e) herein.

(c) Definition of Agency Fee

(1) The agency fee collected pursuant to Section (b) above from unit members who are not members of the Union shall be an amount not to exceed the standard initiation fee, periodic dues and general assessments of the Union for the duration of this Agreement, minus any amount which is prohibited by the Constitution because such funds pay for political or ideological purposes not related to collective bargaining.

(2) Any dispute as to the amount of the representation fee shall be resolved pursuant to the provisions of Section (h) herein.

(d) Exceptions. Unit members on leave without pay and unit members who are in laid-off status shall be exempt from these provisions herein; except that the election as to membership or payment of a fee as set forth herein must be exercised within the first ten (10) work days upon return to paid status.

(e) Annual Verification of Agency Fee by the Union. Prior to January 31, of each year and before the collection of an agency fee from any unit member pursuant to these provisions herein, the Union shall submit a written certification to the fee payers verifying that the total amount of its representation fee conforms to Section (c) above, and itemizing all component parts of such fee which shall provide an adequate explanation for the basis of the fee. Each year such amount shall be verified and submitted in writing to the fee payers by the Union prior to January 31st. The Union will submit a copy of such verification to the Director of Human Resources of the City. The parties agree that such annual verification is a

condition precedent to the collection by either the City or the Union of a representation fee from a unit member.

(f) Employees Exempted From Obligation to Pay Union

(1) Any unit member shall be exempt from the requirements of Section (b) above, if such employee has a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.

(2) Such exempt unit member shall, as an alternative to payment of a representation fee to the Union, pay an amount equivalent to such representation fee to:

a. United Way.
b. American Cancer Society.
c. Any charity jointly agreed in writing by the parties.

(3) If a unit member desires to be exempted for reasons set forth in Section (f) herein, the unit member must first request such exemption in writing from the Union setting forth briefly the rationale for the exemption. If the Union notifies the unit member in writing that the Union will not honor the request, then the matter shall be referred automatically to a panel for determination according to the procedure set forth below. The panel shall be composed of one (1) person selected by the Union, one (1) person selected by the unit member, and an arbitrator selected by the parties chosen from a list submitted by the State Conciliation Service. If either one or both parties fail to nominate a panel member, the process of hearing will continue without that party's panel member.

(4) The panel shall first receive arguments and evidence from the unit member requesting the exemption. Thereafter the Union may present any arguments or evidence. The proceedings shall be conducted in an informal manner, and the rules of evidence will not apply. The arbitrator shall act as chair and rule on all matters before the panel with the exception of the final determination of the panel. The panel shall prepare a written decision within fifteen (15) calendar days of the completion of the hearing which shall be final and binding upon the parties. Any expenses of the panel shall be borne by the parties incurring them.

(5) Upon receipt of the decision of the panel, the City shall release any funds held in escrow to the Union or to the charity. Any decision by the

panel shall apply for the duration of this Memorandum of Understanding.

(6) In addition, the Union may require such exempt unit member to submit proof of payment of an amount equivalent to such representation fee to one (1) of the alternative funds or organizations listed above. If the bargaining unit member has not provided payment, the City will institute deductions pursuant to Section (b)(2), and forward such monies to a charity listed in Section (f)(2).

(7) Such payments shall be made on or before January 31, of each year or no more than thirty (30) days after commencing duties for any newly hired employee.

(g) Escrow Account. If any unit member either disputes the amount of the fee or disputes whether or not an exemption was appropriately denied, the City shall deposit the fee which was deducted and place such amount into a special escrow account established by the Union for such purposes.

(h) Procedure for a Unit Member Who Contests the Amount of the Fee

(1) The parties agree that in order to provide a uniform definition of the representation fee, any disputes involving the amount of such fee shall be referred to the Union's procedure for determination, provided that the parties have first complied with the other provisions of this Section.

(2) The Union shall notify the City in writing within twenty (20) days after it becomes aware that any employee disputes the amount of the fee.

(3) The Union will verify in writing to the City that all of the conditions of Section (b)(3) have been met prior to the City's initiation of the fee deductions set forth in Section (b)(2). Thereafter, the City will notify the affected employee in writing that such deductions will commence and a copy of the Union's written verification will be attached to the City's notice. Thereafter, the City will begin the deductions.

The monies held in escrow shall be released to the appropriate party upon the rendering of a final decision by the Union's internal procedure.

(i) Payment Method/Payroll Deduction

(1) A unit member may voluntarily sign and deliver to the City a written assignment authorizing deduction of the properly established representation fee as defined in Section (c) above, subject to the

conditions set forth elsewhere in this agreement for payroll deductions, or the amount of the fee will be deducted automatically in accordance with Section (b)(2) herein.

(2) The City is under no obligation to make payroll deductions for the periods during which a unit member is either terminated from active employment, or not on the City's active payroll for any reason, including, but not limited to, layoff and voluntary leave of absence for more than thirty (30) days.

(3) Upon the rehiring of any unit member, or upon the recalling of any unit member from layoff status, the City will resume or initiate dues deductions for such unit member.

(j) Obligations of Parties

(1) City's Obligations. The City's obligation under this Article is to notify any unit member who has failed to comply with the provisions of this Section that, as a condition of continued employment with the City, such unit member must become an Union member, or pay a representation fee, or establish an exemption status and make payment pursuant to provisions of Sections (b) and (f) of this Agreement. Under no circumstances shall the City be required to dismiss or otherwise discipline any unit member for failure to fulfill their obligations to pay the fees established herein.

(2) Union's Obligations. Except as specified herein, the Union and not the City, shall be responsible for requiring unit members to fulfill obligations defined herein. It is the obligation of the Union to collect any representation fees which may be due and payable to the Union in consideration for its services as the exclusive representative of unit employees.

(k) Hold Harmless Provision. The Union shall hold the City harmless, and shall fully and promptly reimburse the City for any fees, costs, charges or penalties incurred in responding to or defending against any claims, disputes, challenges, whether formal or informal, which are actually brought, or attempted or threatened to be brought, against the City or any of its agents, or employees, in connection with the interpretation, application, administration or enforcement of any Section of this Agreement pertaining to representation fee. Such reimbursement shall include, but not be limited to, court costs, litigation expenses, and attorney's fees incurred by the City. The City shall have the right to be represented by its own attorney in any action in which it is a named party

to the action. Disputes over the amount of reimbursement shall be automatically submitted to the arbitration provisions of this Memorandum, Section 8.3(e).

2.3 Use of City Facilities

(a) The Union shall be allowed by the City department in which it represents employees' use of space on available bulletin boards for communications having to do with official Union business, such as times and places of meetings, provided such use does not interfere with the needs of the department. The Union may submit to the City Employee Relations Officer written communications having to do with official Union business for distribution by the City to identified shop stewards. Distribution may be by e-mail.

(b) Any representative of the Union shall give notice to the department head or designated representative when contacting department employees on City facilities during the duty period of the employees, provided that solicitation for membership or other internal Union business shall be conducted during the non-duty hours of all employees concerned. Pre-arrangement for routine contact may be made with individual department heads and when made shall continue until revoked by the department head.

(c) City buildings and other facilities may be made available for use by City Employees of the Union or their representatives in accordance with such administrative procedures as may be established by the City Manager or department heads concerned.

2.4 Advance Notice

Except in cases of emergency, reasonable advance written notice shall be given to the Union if affected by any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to negotiate if requested with the designated management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described above and be given an opportunity if requested to negotiate changes to said notice with the management representatives designated by the City Manager.

2.5 Attendance at Meetings by Employees

City employees who are official representatives or unit representatives of the Union shall be given reasonable time off with pay to attend meetings with City management representatives, or be present at City hearings where matters within the scope of representation or grievances are being considered. Such employee representatives shall submit a request for excused absence to their respective department heads, in a manner satisfactory prior to the scheduled meeting whenever possible. Except by mutual agreement the number of the employees excused for such purposes shall not exceed three (3) per recognized bargaining unit.

Time spent for this purpose during the representative's scheduled hours of work shall count as hours worked. Time spent for this purpose which may exceed the representative's regularly scheduled hours of work shall be compensated as overtime or compensatory time.

2.6 Maintenance of Membership

All employees in the Trades and Maintenance unit who are members of the Union, tendering periodic dues at the execution of this agreement, and all employees who thereafter become members of the Union shall, as a condition of employment, pay dues to the Union for the duration of this Memorandum of Understanding, and each year thereafter. For a period of thirty (30) days prior to January 1, 1989, and thirty (30) days prior to any January 1, thereafter, any employee in the aforementioned unit who is a member of the Union shall have the right to withdraw from the Union discontinuing dues payments and retain employment in the City, subject to provisions of Section 2.2. Agency Fee. Said withdrawal shall be communicated by the employee in writing to the City. The provisions of this section shall be operative only to the extent that they are permissible under California law.

2.7 Assignment of Classifications

New job classifications established by the City shall be assigned to the bargaining unit pursuant to section 2-208 of Employer-Employee Relations Ordinance (Stockton Municipal Code §§2-200, *et seq.*) after providing notice and the opportunity to consult with the Union regarding such matters.

Section 3. Compliance with Federal Laws/Safety

3.1 Non-Discrimination. The City and the Union agree that there shall be no discrimination of any kind because of race, creed, color, religion, national origin, sex, political affiliation or legitimate union activity against any employee or applicant for employment; and to the extent prohibited by applicable State and Federal law there shall be no discrimination because of age.

3.2 Fair Labor Standards Act. The Union agrees to cooperate with the City to insure its members' compliance with the provisions of the Fair Labor Standards Act.

3.3 Safety. The Union shall cooperate with the City in promoting safety objectives as defined in Federal, State and local regulations by actively supporting safety programs, promoting safe work habits of members and encouraging an ongoing, active participation by its members in safety related procedures and practices as offered and promulgated by the City of Stockton.

Section 4. Probation

4.1 Purpose

The probationary period shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to a position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

4.2 Original Entrance and Promotional Positions

All original and promotional appointments shall be tentative and subject to a probationary period of six (6) months, unless a longer probationary period is stated in the class specification. The probationary period may be extended up to an additional six (6) months in those cases where the appointing authority and the Director of Human Resources agree that such extension would be beneficial to the employee and the City.

4.3 Retention/Rejection of Probationer

At the end of the probationary period, if the service of the probationary employee has been satisfactory to the appointing authority, then the appointing authority shall file with the Director of Human Resources a statement in writing to such effect and stating that the retention of such employee in the service is desired. The City will make a good faith effort to notify a probationary employee two (2) weeks before the end of the probationary period whether or not regular status is granted; however, a failure on the part of the appointing authority to file such a statement at the end of the probationary period shall constitute a rejection of the probationer as defined in Civil Service Rules.

During the probationary period an employee may be rejected at any time by the appointing authority. Any employee rejected during the probationary period following a promotional appointment, shall be reinstated to the position from which promoted unless charges are filed and the employee is discharged in the manner provided in Section 7 of this Memorandum of Understanding and in the Civil Service Ordinance and Civil Service Rules, which are consistent therewith.

4.4 Alcohol and Drug Testing. All original and reemployed appointments must pass a drug and alcohol screening prior to being offered City employment. This shall include non-represented part-time, seasonal, provisional, and temporary appointments.

Section 5. Layoff

5.1 Layoff

Any employee may be laid off by an appointing authority in the event of the abolition of the employee's position by the City Council, or if a shortage of work or funds requires a reduction in personnel.

5.2 Layoff Scope

(a) Layoffs shall be within departments of the City.

(b) Departments of the City are defined as follows:

(1) City Attorney
(2) City Auditor
(3) City Clerk
(4) City Manager
(5) Community Development
(6) Community Services
(7) Financial Management
(8) Fire
(9) Housing and Redevelopment
(10) Human Resources
(11) Information Technology
(12) Library
(13) Municipal Utilities
(14) Police
(15) Public Works

5.3 Notice of Layoff

The City will give advance written notice of at least one pay period to employees who will be laid off.

5.4 Precedence by Employment Status

(a) No regular employees shall be laid off while employees working in an extra help, seasonal, temporary, provisional, or probationary status are retained in the same classification as such regular employee. The order of layoff among employees not having regular status shall be according to the following categories:

(1) Limited term (i.e., part-time, provisional, and temporary)
(2) Probationary

Layoffs shall be by job classification according to reverse order of seniority as determined by total service in the City, except as specified above. For the purpose of this procedure part-time classes shall be considered as separate from regular full-time classes.

The following provisions shall apply in computing total continuous service:

(1) Time worked in a regular or probationary status shall count as service.
(2) Time spent on military leave shall count as service in the event the leave was taken subsequent to entry.
(3) Time worked in al limited term status (i.e., part-time, provisional, and temporary) shall not count as service.

If two (2) or more employees have the same seniority, the most recent performance evaluation shall determine seniority.

If two (2) or more employees have the same seniority and the same rating score from their performance evaluations, the date and time of initial application into civil service shall determine seniority.

(b) Any employee in the Trades and Maintenance Unit who is laid off may complete a City employment application for any position currently staffed by a part time, provisional, or temporary employee. The Human Resources Department will evaluate the employment application. If the laid off employee meets the minimum qualifications of that position, he/she shall have the option of displacing the part time, provisional, or temporary employee.

5.5 Employee Options

Employees laid off shall have any of the following choices:

(a) Displacing the employee in the same department and in the same or clearly comparable classification as determined by the Director of Human Resources as having the least (total service) seniority. This option shall be exercised before any other option.

(b) Taking a voluntary demotion within the department to a classification in which the employee had prior regular status, thus displacing the employee working in the classification who has the least (total service) seniority.

5.6 Health and Welfare Benefits during Layoff

Regular employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

Section 6. Reemployment

(a) The name of each employee who is laid off in accordance with Section 5. shall be placed at the head of the eligibility list for the class of positions which that employee held, and shall be given preference in filling vacancies in that class.

(b) An employee laid off in accordance with this Section shall be placed on the eligibility list or lists for any lower or comparable class or classes in the same department, provided that the appointing authority and the department head in charge of this lower or comparable class determine that the employee is competent to perform the duties thereof in strict accordance with the class specifications. This right of a laid off employee shall remain effective for two (2) years from the date of latest separation from the service. The employee shall not be placed on said eligibility list or lists without first submitting a written request. Employee's place on said list or lists shall be at the head of the eligibility list for the class of positions for which qualified as hereinabove set forth and shall be given preference in filling vacancies except for those persons placed on said list or lists of reemployment in the same positions previously held. Upon certification for appointment to a new position never having been held by this employee, the probationary period must be completed as required in this Memorandum of Understanding.

Section 7. Discipline

Disciplinary action, including discharge, suspension, reduction in pay or demotion, may be taken against any employee for cause.

7.1 Predisciplinary Rights

An employee facing potential disciplinary action will be entitled to the following predisciplinary rights:

(a) Notice of proposed discipline.

(b) Date(s) proposed discipline will be effective.

(c) Reasons for the proposed discipline, the specific grounds and particular facts upon which the action is taken.

(d) Ten (10) calendar days in which an employee or the representative may respond either orally or in writing to the department head.

(e) The employee must be provided with any written materials, reports and documents upon which the action is based.

7.2 Administrative Leave

The City may place an employee on administrative leave pending the completion of the predisciplinary process.

7.3 Provisions

The appointing authority may discharge, suspend or demote any employee in the classified service provided the Stockton Municipal Code provisions and the rules and regulations of the Civil Service Commission and any applicable provisions of law are followed. Such provisions allow the employee suspended, demoted or discharged to appeal such action. The employee may take only one (1) of the following actions:

(a) File no appeal.

(b) File an appeal with the Civil Service Commission within ten (10) calendar days of written notification of the action. (Such filing will foreclose use of the grievance procedure.)

(c) File a grievance as provided for in Section 8 within ten (10) calendar days of written notification of the action.

If the employee fails to do (b) or (c) above within the prescribed time frames, these rights will have been waived.

Section 8. Grievance Procedures

8.1 Definition

A grievance is any dispute which involves the interpretation or application of those rules, regulations and resolutions which have been, or may hereafter be, adopted by the City Council to govern personnel practices and working conditions, including such rules, regulations and resolutions as may be adopted by either the City Council or the Civil Service Commission to affect Memoranda of Understanding which result from the meeting and conferring process.

8.2 Filing Deadline

(a) No grievance involving demotion, suspension, discharge or other employment penalty will be entertained unless it is filed in writing with the Director of Human Resources within ten (10) calendar days of the time at which the affected employee received written notification of such action. All other grievances must be filed within thirty (30) calendar days from the time the employee knew or had reason to know of the facts giving rise to the grievance.

(b) With written consent of the City Manager or his/her designee and the Union Business Agent or his/her designee, time limits may be extended and/or Steps 1, 2 and/or 3 of the Grievance Procedure waived.

8.3 Grievance Processing

(a) Step 1 - Departmental Review. Any employee claiming to have a grievance may discuss the complaint with such management official in the department where employed as the department head may designate. If the issue is not resolved within the department within twenty (20) days from the day of presentation or if the employee elects to submit the grievance directly to the Union recognized as the representative of that employee's classification, or if the employee/Union official notifies the Director of Human Resources, in writing, that a grievance exists, the procedure hereinafter specified may be invoked.

(b) Step 2 - Director of Human Resources Review. If the employee is not satisfied with the response at level one, then the employee may appeal the grievance to the Director of Human Resources within twenty (20) calendar days of the receipt of written response at level one. Such appeal must state with particularity: 1) the specific policy, rule or provision which is alleged to have been violated; 2) the statement of facts comprising the violation; and 3) the requested remedy. The Union may file and process grievance(s) on behalf of the specifically named employee. The Director of Human Resources shall have

twenty (20) calendar days in which to investigate the issues, meet with the complainant and attempt to reach a satisfactory resolution of the problem. No grievance may be processed under the following two (2) paragraphs which has not first been filed and investigated in accordance with this paragraph, except for the resolution of compensation complaints.

(c) Step 3 - Adjustment Board. If the parties are unable to reach a mutually satisfactory accord on any grievance which arises and is present during the terms of this Memorandum of Understanding, within twenty (20) calendar days of the receipt of the level three response, such grievance shall be submitted to an Adjustment Board comprised of two (2) Union representatives, no more than one (1) of whom shall be either an employee of the City or an elected or appointed official of the Union and two (2) representatives of the City, no more than one (1) of whom shall be either an employee of the City or a member of the staff of any organization employed to represent the City in the meeting and conferring process.

(d) Step 4 - Arbitration. If an Adjustment Board is unable to arrive at a majority decision, within twenty (20) calendar days either the Union or the City may require that the grievance be referred to an impartial arbitrator mutually selected by the parties, or if the parties are unable to mutually agree, from a list of seven (7) arbitrators provided by the State Conciliation Service. The arbitrator shall be chosen by the alternative strike method, with first choice being determined by lot. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Union and City. Each party, however, shall bear the cost of its own presentation, including preparation and post hearing briefs, if any.

(e) Effect of Decision. Decisions of Adjustment Boards and arbitrators on matters properly before them shall be final and binding on the parties hereto except as provided otherwise herein.

8.4 Scope of Arbitration

(a) No Adjustment Board and no arbitrator shall entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union and unless such dispute falls within the definition of a grievance as set forth in paragraph 8.1.

(b) Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may

be referred to arbitration under this Section. No Board of Adjustment or arbitrator selected pursuant to this Section shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

(c) No changes in this Memorandum of Understanding or interpretations thereof (except interpretations resulting from Board of Adjustment or arbitration proceedings hereunder) will be recognized unless agreed to by the Director of Human Resources and the Union.

8.5 Other Provisions

If the Director of Human Resources or City Manager, in pursuance of the procedures outlined above, resolves a grievance which involved suspension or discharge, they may agree to payment for lost time or to reinstatement with or without payment for lost time, but in the event the dispute is referred to arbitration and the arbitrator finds that the City had cause to take the action complained of, the arbitrator may not substitute his judgement for the judgment of management and if the findings are that the City had such right, the arbitrator may not order reinstatement and may not assess any penalty upon the City.

Complaints which allege the employee is not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances and processed pursuant to Section 8.3. Any other matters of compensation are to be resolved in the meeting and conferring process and if not detailed in the Memorandum of Understanding which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next open for such decision. No adjustment shall be retroactive for more than thirty (30) days from the date upon which the complaint was filed.

Specified time limits may be modified only in writing. All appeals and responses must be provided in writing.

A grievant will be provided release time without loss of pay for all required meetings with management. The City cannot discriminate or retaliate in any manner against an employee for filing a grievance or exercising rights under this Section.

The provisions of this Section shall not abridge any rights to which an employee may be entitled under the Stockton Municipal Code and/or Civil Service Rules and Regulations, nor shall it be administered in a manner which would abrogate

any power which, under the Stockton Municipal Code, may be within the sole province and discretion of the Civil Service Commission.

All grievances of employees in representation units represented by the Union shall be processed under this Section. If the Stockton Municipal Code and/or Civil Service Rules and Regulations requires that a differing option be available to the employee, no action under paragraph (d) or (e) of Subsection 8.3 above shall be taken unless it is determined that the employee is not utilizing such option.

No action under paragraph (c) or (d) of Subsection 8.3 above shall be taken if action on the complaint or grievance has been taken by the Civil Service Commission or if the complaint or grievance is pending before the Civil Service Commission.

If any award by a Board of Adjustment or arbitrator requires action by the City Council or the Civil Service Commission before it can be placed in effect, the City Manager and the Director of Human Resources will recommend to the City Council or the Civil Service Commission, as appropriate, that it follow such award.

Section 9. Leaves

9.1 Vacation Leaves

(a) Vacation Allowance. All regular employees, excluding provisional and temporary shall accrue vacation leave with pay in accordance with the following schedule:

(1) Less than one and one-half (1-1/2) years continuous employment ..... 80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment ..... 120 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment ..... 160 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment ..... 200 hours/year.

(5) Thereafter, eight (8) additional hours for each completed year of service in excess of twenty-five (25) years.(6) Employees shall accrue vacation on a twice-monthly payroll basis

(b) Vacation Scheduling. Vacation leaves shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business. Vacation requests are accepted on a day for day basis.

(c) Vacation Carryover Maximum. Employees shall be granted a maximum carryover of up to one-hundred and twenty (120) hours vacation more than the employee's regular vacation accrual for the preceding calendar year.

(d) Vacation Carryover in Excess of Maximum.

(1) Whenever an employee's accumulation of vacation hours exceed the maximum vacation carryover provision, the excess number of vacation hours shall automatically be credited to the employee's sick leave balance at the end of the calendar year.

(2) Employees may carryover unlimited vacation hours in excess of the maximum allowance when such vacation accrues while remaining in a pay

status during a period of illness or injury which precluded liquidating vacation credits in excess of the maximum allowed.

(e) Holiday during Vacation. If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(f) Vacation Allowance for Separated Employees.

(1) When an employee is separated from the service, remaining vacation allowance, if any, shall be added to final compensation.

(2) An employee who has resigned in good standing and is subsequently reinstated within two (2) years from the date of resignation shall have prior service counted in determining eligibility for vacation benefits, deducting therefrom the amount of time between the date of resignation and the date of reinstatement which shall not be counted in determining eligibility.

(g) Vacation Sell-Back Maximum.

(1) An employee may elect to receive cash payment for up to a maximum of forty (40) hours of his/her accumulated vacation balance upon commencement of a scheduled vacation. This option may be exercised pursuant to the above description up to a maximum of forty (40) hours cash payment per fiscal year.

(2) An employee may elect to receive cash payment for two (2) days (16 hours) of his/her accumulated vacation balance for each one (1) day of scheduled vacation. This option may not exceed forty (40) hours of cash payment per fiscal year.

9.2 Sick Leave

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of ten (10) hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence

without pay granted to the employee.

(b) Usage. Employees are entitled to sick leave pay for those days which the employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery therefrom.

(c) Family Sick Leave. Employees may utilize up to one-half of their annual sick leave accrual in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care that otherwise would not be covered by the Family Medical Leave Act or the California Family Rights Act leaves.

Such leave shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent, grandparent-in-law, and grandchild.

In special cases, with the approval of the Director of Human Resources, a department head may grant the use of sick leave in other circumstances.

It is not the intent of this provision to conflict with any state or federally mandated policies, such as the Family Medical Leave Act, the California Family Rights Act, or the Pregnancy Disability Leave.

(d) Reporting Procedures for Sick Leave. When the requirement for sick leave is known to the employee in advance of the absence, (for example, included but not limited to scheduled medical, dental or vision appointments), the employee shall request authorization for such sick leave from the department head prior to such absence.

If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for the following informal and formal disciplinary action:

(1) For the first time in a six (6) month period, a Memorandum of Discussion (informal).

(2) For the second time within a six (6) month period, a Letter of Reprimand (formal).

(3) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employee may be discharged (formal).

The six (6) month period will be defined as six (6) months from the most recent incident. If no other incident occurs within six (6) months of the most recent incident, the formal disciplinary action (i.e., letter of reprimand, suspension) shall be removed from the employee's official personnel file maintained in the Human Resources Department, upon the written request of the employee to and concurrence by the department head and the Director of Human Resources.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a signed statement to the department head, on a prescribed form, stating the dates and hours of absence, the exact reason, and such other information as is necessary for the request to be evaluated. If an employee doesn't return to work prior to the preparation of the payroll, other arrangements may be made with the department head.

(2) Doctor's Certificate or Other Proof. If an employee's illness results in an absence from work for more than three (3) consecutive days, a doctor's certificate or other reasonable proof of illness may be required.

The Director of Human Resources may make such sick leave usage reviews and may require such additional documentation including a physician's statement as he deems necessary before approving the sick leave benefit.

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. The employee has the right to Union representation at such meeting. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Human Resources pursuant to (e)(2) above;

(b) Suspend the employee without pay for up to five (5) days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave While on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or

(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

(g) Payment for Unused Sick Leave. Effective July 2010, unused sick leave shall have no cash value. If eligible, employees may use unused sick leave for CalPERS service credit.

9.3 Other Leaves with Pay

(a) Bereavement Leave. In the event of a death in the immediate family of an employee, the employee shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his accumulated sick leave credits or vacation eligibility. The department head may grant an additional two (2) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent, grandparent-in-law, grandchild, and registered domestic partner.

In the event of the death of a person not immediately related to an employee as defined above, the employee's department head may grant up to three (3) days

bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

(b) Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized absence from duty for appearance in Court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said absence from duty including necessary travel time, will be with full pay for each day the employee serves on jury duty or testifies as a witness in a criminal case, other than as a defendant. As a condition of receiving such pay, the employee must remit to the City, through the employee's department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

Jury duty or witness duty appearances shall be considered in terms of "whole days" (8 hours) or "half days" (4 hours) of service. If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his usual morning schedule. If an employee is required to appear for a morning court session and is sent home before noon and not required to return in the afternoon, the employee will be expected to work his usual afternoon schedule.

Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be remitted to the City through the employee's department head.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is a party, together with travel time necessarily involved, shall not be considered absent from duty within the meaning of the Section.

(c) Military Leave. An employee of the City who is a member of the National Guard or Naval Militia or a member of the Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence

without pay for duration of a national emergency who have been inducted into the Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the position they held when they were inducted into Military Service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.

In the case of a probationary employee having served a minimum probationary period of six (6) months at the time of induction, it shall be optional with the department head and the City Manager to grant regular status to said employee before induction.

All probationary employees inducted into Military Service not having served the minimum probationary period of six (6) months, or having served the minimum probationary period of six (6) months, but not having received regular status shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.

Two (2) or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

9.4 Workers' Compensation Leave

(a) Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law.

(b) Payment. Workers' Compensation Leave will be paid in accordance with the following schedule:

Employees who have worked for the City more than twelve (12) months but less than twenty-four (24) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of two (2) months.

Employees who have worked for the City for twenty-four (24) or more continuous months but less than sixty (60) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of three (3) months.

Employees who have worked for the City for sixty (60) or more continuous months and who are unable to work shall receive their full salary for the term of their disability but not to exceed a period of twelve (12) months.

Workers' Compensation Leave shall commence from the first day's absence.

(c) Forms and Procedures. Salary continuation approval will follow the same procedures as for sick leave approval. Salary continuation payments will be contingent on the City's acceptance of the injury as compensable under Workers' Compensation Law.

9.5 Leave of Absence Without Pay

(a) Entitlement. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that the granting of such leave is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. The granting of a leave of absence provides the employee the right to return to the position vacated.

(b) Approval. All leaves of absence without pay must be recommended by the department head and approved by the Director of Human Resources. No such leave may extend beyond twelve (12) months, except in the case of absence due to job incurred disability where a determination may be made based upon the needs of public service, or in the event an application for service connected disability retirement has been filed.

(c) Leaves of absence without pay for illness may only be approved following the expiration of entitlement of sick leave and vacation.

9.6 Absence Without Official Leave (AWOL)

(a) Failure to Report to Duty or Failure to Return after Leave. Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked, or canceled, or at the expiration of a leave, shall be considered an absence without official leave and shall be subject to discipline.

(b) Voluntary Resignation. Any employee in this bargaining unit absent

without official leave for two (2) or more consecutive days without a satisfactory explanation shall be deemed to have voluntarily resigned from the City of Stockton. An employee must provide a written statement to the Human Resources Department regarding a "satisfactory explanation", within ten (10) calendar days after the City mails a notice of voluntary resignation to the employee's last known address.

Section 10. Days and Hours of Work

10.1 Workweek

The normal workweek in this unit consists of five (5) consecutive eight (8) hour days or a total of forty (40) hours, generally Monday through Friday in a seven (7) day work period. Where operational requirements of a department require deviations from this schedule, the department head with the Director of Human Resources' approval may institute alternate work schedules as long as the City meets with the Union over the impact of such schedules and conforms to work period requirements of the Fair Labor Standards Act.

10.2 Meal Periods and Rest Periods

(a) Employees shall receive a one (1) hour or one-half (1/2) hour meal period, without pay, each day and a fifteen (15) minute paid rest period during the first half of the work day and a second fifteen (15) minute paid rest period during the second half of the work day. Employees who exceed the time limits prescribed above for lunch and/or rest periods shall have their pay reduced accordingly.

(b) Where operational requirements of a department require deviations from this schedule, meal periods of other durations and alternate rest periods may be instituted with the approval of the department head or designee.

10.3 Reporting to Work

Repeated failure to report to work on time may result in appropriate informal and/or formal discipline as set forth below:

(a) For the first time in a six (6) month period, a Memorandum of Discussion (informal).

(b) For the second time within a six (6) month period, a Letter of Reprimand (formal).

(c) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employees may be discharged (formal).

If an employee reports to the work site after the designated starting time, the employee will be paid only for time actually worked; however, the employee may be allowed to utilize annual leave for lost pay, provided the employee's supervisor approves.

The six (6) month period will be defined as six (6) months from the most recent incident. If no other incident occurs within six (6) months of the most recent incident, the formal disciplinary action (i.e., letter of reprimand, suspension) shall be removed from the employee's official personnel file maintained in the Human Resources Department, upon the written request of the employee to and concurrence by the department head and the Director of Human Resources.

10.4 Work Furloughs

(a) 96 Furlough Hours in Fiscal Year 2010-2011. Each bargaining unit employee shall take ninety six (96) furlough hours (leave from work without pay).

(b) 96 Furlough Hours in Fiscal Year 2011-2012. Each bargaining unit employee shall take ninety six (96) furlough hours (leave from work without pay).

(c) Equalized Payroll Deductions. Payroll deductions for the ninety six (96) furlough hours described in section 10.4 , paragraph (a) above and section 10.4 (b), shall be equalized so that each bargaining unit employee shall have four (4.68) hours at the employee's regular hourly rate of pay deducted from each of the twenty four (24) pay warrants of each fiscal year.

(d) Standard Furlough Days. Except as provided in section 10.4(e), below, each bargaining unit employee shall take the furlough days in accordance with the city-wide calendar (City of Stockton City Office Business Hours) for both fiscal years.

(e) Exception to Standard Furlough Days for Some Employees. Bargaining unit employees shall adhere to the standard work furlough days shown on the city-wide calendar, except where it is impracticable for certain City departments or operations, as determined by the department head. In these rare cases, employees must schedule the appropriate number of furlough hours to be used no later than June 30 of each corresponding fiscal year.

(f) If a furlough is scheduled before or after a City holiday, the employee will, nevertheless, be eligible for holiday pay.

(g) No Adverse Affect on CalPERS. The City represents and warrants based on information provided by the California Public Employees Retirement System (CalPERS) that the furlough deductions described in this section 10.4 shall not reduce or otherwise adversely affect the employee's Final Compensation for retirement purposes under CalPERS. The City shall continue to report the employee's full-time pay rate as noted in the agreed upon salary schedule(s). This bargaining unit has relied on the accuracy of this representation by the City

with the City's knowledge and consent. As an express condition of this section, should any Trades and Maintenance represented employee suffer a reduction or adverse effect in his or her final compensation for retirement purposes through CalPERS solely as a result of the furlough deductions, the City, upon notification, shall thoroughly review and communicate the adverse effect to CalPERS, on behalf of the employee, to ensure the employee is made whole.

(h) Furlough Deductions Non-Taxable to the Employee. The City represents and warrants that the furlough deductions described in this section, 10.4 shall not be subject to income tax, payroll tax, or otherwise taxable to the employee. This bargaining unit has relied on this representation by the City with the City's knowledge and consent. As an express condition of this section, should any represented employee of this bargaining unit be taxed on any furlough deduction amount, the City, upon notification, shall thoroughly review and make the appropriate correction.

(i) Use of Accrued Leaves in Coordination with Furloughs. Bargaining unit employees shall be permitted to use accrued vacation leave, sick leave, and compensatory time off (CTO) on non-furlough days consecutive to furlough days, on a coordinated basis, unless approval of such leave creates an undue hardship to the City.

(j) Fringe Benefits Not Accepted. Notwithstanding the occurrence of furloughs bargaining unit members shall continue to receive the full amount and application of all fringe benefits including, without limitation and by way of illustration, City contribution to health and welfare benefits, accrued vacation leave, and accrued sick leave.

(k) Separation from City Service before June 30, 2012. Any employee who separates from City service before the final 4.68 hour furlough deduction on July 7, 2012 for the pay period ending June 30, 2012, and after having used furlough hours, shall have his or her final compensation reduced by the sum of the number of furlough hours the employee has actually used minus the number of furlough hours actually deducted from the employee's pay warrants multiplied by the employee's regular hourly rate of pay. Conversely, any employee who separates from City service before June 30, 2012, having suffered furlough deductions in excess of the actual number of furlough hours the employee has used, shall have his or her final compensation credited by like amount.

Section 11. Overtime

11.1 Overtime Authorization

All compensable overtime must be authorized by the department head or his designated representative in advance of being worked. If prior authorization is not feasible because of emergency conditions, a confirming authorization must be made on the next regular working day following the date on which the overtime was worked.

11.2 Definition

The following provisions pertaining to authorized overtime work shall apply to those employees whose regular work week is forty (40) hours per week:

(a) Overtime shall be paid at the rate of time and one-half (1-1/2) for all hours in excess of forty (40) hours in a seven (7) day work period for which an employee is in a paid status because of work performed and/or the use of paid leave.

(b) On a holiday observed by the City an employee shall be paid for a regular day plus time and one-half (1-1/2) for actual time worked not to exceed eight (8) hours including employees employed on a per hour or per day basis, or except as provided elsewhere herein.

(c) Any time worked in excess of eight (8) hours on a holiday observed by the City shall be paid for at double time and one-half (2-1/2) except for employees employed on a per hour or per day basis, except as provided elsewhere herein.

(d) The City may require mandatory overtime when operational needs if the City dictate the need to work such overtime. Work in excess of forty (40) hours in any workweek will be paid at time and one-half pay or CTO in accordance with Section 11.4 (b).

11.3 Standby Duty

When warranted and in the interest of the City operation, department heads may assign employees to "standby" status.

(a) Application of "standby" shall be as follows:

(1) Each employee so assigned to "standby" shall be provided with a communication device while on standby and shall be able to

report to the work site within forty-five (45) minutes. Employees assigned to standby shall be required to carry the communication device.

(2) Employees on standby shall have the option to trade days and/or weeks of standby status with another qualified employee in the same unit or division with departmental approval.

(3) Standby shall be assigned in a minimum of eight (8) hours blocks, i.e., Monday - Friday work week standby can be 8, 16, 24 hour blocks. The block of standby will be to one (1) person per 24 hour period.

Standby for weekends i.e., Saturday, Sunday or extended holiday weekends (Friday – Sunday, or Saturday - Monday) will be assigned 8 - 48 hour blocks to one (1) person per weekend (up to 72 hours for holiday weekend).

(b) Compensation of "standby" shall be as follows:

(1) Employees assigned to standby duty shall be paid two (2) hours for every eight (8) hours of standby, and time and one-half (1- 1/2) for all actual time worked while on standby duty status.

(2) Employees assigned to standby duty status on holidays observed by the City shall be paid two (2) hours for every eight (8) hours of standby, time and one-half (1-1/2) for all actual time worked while on standby duty status, and double time and one-half (2 1/2) for all actual time worked in excess of eight (8) hours while on standby duty status.

11.4 Call Back

When an employee is called back to work from off duty status, the employee shall be compensated for a minimum of two (2) hours and forty-five (45) minutes pay at time and one-half (1-1/2) or actual time worked at time and one-half (1-1/2), whichever is greater.

To be eligible for call-back pay, both of the following conditions must be met:

(a) The call-back must occur outside of the employee's regular work hours; including overtime.

(b) The call-back time worked must not be contiguous to the employee's regular work hours; including overtime.

11.5 Compensatory Time

(a) Definition. As used in this Section, the term Compensatory Time refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule.

(b) Accrual. For hours in excess of forty (40) hours in a seven (7) day work period, for which the employee is in a paid status, Compensatory Time may be earned at the rate of time and one-half (1-1/2). No more than eighty (80) hours (forty (40) hours worked at time and one-half [1-1/2]) may be carried on the books at any time.

(c) Use. Use of Compensatory Time shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of City business. Approval of requests for use of Compensatory Time shall be submitted in writing and in advance of use on a day-for-day basis and shall be at the sole discretion of the department head, but once approved, cannot be changed unless an emergency situation arises.

(d) Payment. Once eighty (80) hours of Compensatory Time is accrued on the books, all other hours worked in excess of forty (40) hours in a seven (7) day work period will automatically be paid.

Any Compensatory Time balance remaining at the end of a fiscal year will automatically be paid.

11.6 Meal Allowance

The City shall provide a meal allowance of TEN DOLLARS AND NO CENTS ($10.00) for an employee who is held over and works a minimum of four (4) hours. Employees called back to work or called back from a day off with less than two (2) hours notice shall qualify for the TEN DOLLARS AND NO CENTS ($10.00) meal allowance when they work a minimum of four (4) hours. Extension of the work schedule or call-back must be properly authorized by the employee's supervisor or other designated personnel.

Section 12. Holidays

12.1 Qualifying for Holiday Pay

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

12.2 Holidays Observed by the City

(1) January 1 ..... New Years' Day
(2) Third Monday in January ..... Martin Luther King Jr.'s Birthday
(3) Second Monday in February ..... Lincoln's Birthday
(4) Third Monday in February ..... Washington's Birthday
(5) March 31 ..... Cesar Chavez Birthday
(6) Last Monday in May ..... Memorial Day
(7) July 4 ..... Independence Day
(8) First Monday in September ..... Labor Day
(9) Second Monday in October ..... Columbus Day
(10) November 11 ..... Veteran's Day
(11) Fourth Thursday in November ..... Thanksgiving
(12) The day following the day known as Thanksgiving
(13) December 25 ..... Christmas Day
(14) Employee's Birthday

In addition, a day appointed by the President or Governor as a public holiday shall be observed by the City.

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.

Birthday Holiday Leave. If an employee's birthday falls on Saturday, Sunday or another recognized holiday; or if work requirements do not permit the employee to observe that day off, the department head may authorize a work day within fifteen (15) calendar days prior to or after the employee's actual birth date. An employee will not be credited with a birthday holiday, if he/she terminates prior to the actual birth date.

12.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the department head except in emergency situations where said approval cannot be obtained beforehand.

Section 13. Compensation and Allowance Other Than Base Salary

13.1 Retirement Contribution Supplement

(a) The City will pay seven percent (7%) of the employee's current base salary (employee's contribution) and other compensation as qualified by State law towards the Public Employees' Retirement System (CalPERS). Such amounts will be applied to the employee's individual account in accordance with California Government Code section 20615. Effective August 1, 2011, employees shall pay 7% of the employee's current base salary and other compensation as qualified by state law towards the employer contribution to the CalPERS retirement plan on a post-tax basis in the form of a payroll deduction. The City will seek an IRS private letter ruling to determine whether or not the IRS permits the employee's contribution to the employer's share of pension cost to be treated on a pre-tax basis. If the IRS issues a private letter ruling allowing employee's contribution towards employer pension cost on a pre-tax basis, the City will change the deduction from post-tax to pre-tax as soon as administratively possible after the IRS final determination.

(b) For Employees Hired on or Before June 30, 2011

(1) The City's CalPERS retirement plan is modified to reflect two percent (2%) at age 55, effective January 1993.

(2) The City's CalPERS retirement plan is modified to reflect California Government Code section 20930.3 (Military Service Credit as Public Service) and section 20930.33 (Military Service Credit for Retired Persons) effective upon adoption by Stockton City Council and Board Administration of the CalPERS.

(3) The City will provide CalPERS California Government Code section 20692 (Employer Paid Member Contributions Converted to Payrate during the Final Compensation Period) as added CalPERS benefits. At the beginning of employee's last year of employment, the employee will pay their employees' seven percent (7%) benefit cost through an automatic payroll deduction. The City will increase the base salary for those employees by the same seven percent (7%) for the last twelve (12) months of employment. Internal Revenue Service (IRS) Code 414H(2) will be concurrently implemented with CalPERS California Government Code section

20692, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board.

(4) The City will provide CalPERS California Government Code section 20965 (Credit for Unused Sick Leave) as added CalPERS benefits, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board. Any unused sick leave may be credited towards CAIPERS service credit.

(5) The City will provide CalPERS California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added CalPERS benefits, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board.

(6) The City will provide CalPERS California Government Code section 21335 up to a five percent (5%) Annual Cost-of-Living Allowance, base year 2001) as added CalPERS benefit. The first application date is April 1, 2003.

(c) For Employees Hired on or After July 1, 2011

(1) The City will contract with CalPERS to provide a new second tier retirement program of 2% at 60 with three year average salary formula and no other additional CalPERS. benefits for all unit employees hired on or after July 1, 2011 or as soon as administratively possible consistent with CalPERS contract process. Effective July 1, 2011 all unit employees hired on or after July 1, 2011 shall pay the entire seven percent (7%) of the employee's current base salary and any other compensation as qualified by state law towards CalPERS retirement benefit through a payroll deduction.

13.2 Deferred Compensation

Effective July 1, 2010, the City's contribution to the Deferred Compensation Plan (5.5% of base pay) will be converted to base pay. Effective July 1, 2010, employees will no longer receive a deferred compensation benefit.

13.3 Uniforms

(a) The City shall provide uniforms for all employees assigned to this unit who request uniforms and require employees to wear the uniform during the course of work.

(b) Safety Protective Footwear Reimbursement Allowance. Employees required to wear safety protective footwear in accordance with City Manager's Administrative Directive HR-034, and approved for safety protective footwear reimbursement, the City will authorize safety protective footwear reimbursement in the amount of ONE HUNDRED SEVENTY DOLLARS ($170.00)

13.4 Tool Allowance

(a) Mechanic employees assigned to the Central Garage who are required to personally supply their own set of mechanic hand tools, as required and approved by the Fleet Manager, shall receive an annual tool replacement allowance of FOUR HUNDRED DOLLARS ($400.00).

(b) The City shall pay for the replacement of tools lost through theft from City premises provided that such loss was absolutely no fault of the employee.

(c) Any tool required by the City beyond that initially approved by Fleet Manager shall be provided by the City.

13.5 Special Driver's License Pay

Job classifications that require employees to possess and maintain a Class A and/or Class B Driver's License will receive special pay based on the flat dollar amount equal to one and one-half percent (1-1/2%) of top step of job classification as of July 1, 2010. Effective January 1, 2009, the Special Driver's License pay of one and one-half percent (1-1/2%) of top step of job classification shall be rolled into base salary of job classification.

Special Driver's License Pay will only be implemented with the concurrent implementation of the Operating Engineers' Local No. 3 - City of Stockton, Drug/Alcohol Safety Program.

13.6 Longevity Pay

Effective August 1, 2011, longevity pay shall be eliminated. However, the City shall grandfather only those employees who completed twelve (12) continuous years of service with the City as of July 31, 2011, longevity pay based on the flat dollar amount equal to two and one-half percent (2.5%) of top salary step of the

employee's pay range as of July 1, 2010.

13.8 Credit Union

The City will accommodate payroll deduction to Operating Engineers' Local No. 3 Credit Union, within the limitations of City payroll system. Any modification costs will be borne by Operating Engineers' Local No. 3.

Section 14. Insurance Plans and Retirement Benefits

14.1 Health and Welfare Benefits

(a) Choice of Health Plans. Employees in this bargaining unit shall have a choice of enrolling themselves and their eligible dependents in any of the City sponsored medical, dental and visions plans or Operating Engineer Health and Welfare Trust Fund Plan (PPO Plans A, B, C, and D, and Kaiser HMO Plans A and B). The City shall offer two or more medical plans to regular employees.

(b) Eligibility. Employees shall become eligible for Medical insurance on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees shall become eligible for Dental insurance on the first day of the month subsequent to completion of sixty (60) days continuous service with the City.

(c) City Contribution towards the cost of insurance programs. Effective September 1, 2011:

- The City shall contribute up to $481.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.
- The City shall contribute up to $875.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage
- The City shall contribute up to $1,165.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision plan coverage.

These contributions are based on full-time employment; regular part-time employees shall receive a prorated contribution based on their percentage of full-time employment. Insurance plan premiums that exceed the City's monthly contribution shall be paid by the employee through payroll deductions. The City shall maintain its IRS 125 Plan to allow for employee contributions for medical/visions/dental to be pre-tax premium conversion.

(d) Plan Rules. Employees may insure themselves and their eligible dependents under the medical/vision and dental plans provided by the City, in accordance with the rules and regulations applicable to the selected Plan. Benefits in the Plan shall be in accordance with the Plan document.

(e) Provisional and temporary employees are not eligible for any of the above benefits.

(f) Employees that promote, demote, or transfer from a classification in the Trades and Maintenance unit to an unrepresented classification shall continue to have the option to retain the Operating Engineers' Local No. 3 Health and Welfare Plan.

(g) Parties agree to the implementation of the modifications to the City's Modified Plan, which is referred to in this MOU as "Modified Employee Medical Plan." Modifications to the City's Modified Plan shall be effective September 1, 2011.

14.2 Long Term Disability Insurance

The City shall provide, at no cost to the employee, long term disability insurance coverage. Essentially, this is an income protection plan which provides disability income for employees including:

(a) Each disability - sixty-six and two thirds percent (66 2/3%) of salary.

(b) Disability income payments shall commence after the employee has utilized all sick leave benefits to which the employee is entitled or after a thirty (30) day waiting period whichever is longer.

(c) Benefit payable until age sixty-five (65).

(d) The City will provide, at no expense to the employee, medical coverage for a period of ninety (90) days. For the purpose of this section, medical coverage shall commence immediately after the employee has utilized all sick leave benefits to which the employee is entitled.

14.3 Life Insurance

The City shall provide, at no cost to the employee, a term life insurance policy, equal to one and one-half (1-1/2) times the employee's annual salary.

14.4 Retirement Medical Allowance

For employees hired on or before June 30, 2011, at retirement only, an employee with fifteen (15) years of City service and who has attained the age of fifty (50) will be provided medical coverage consisting of hospitalization, medical and

prescription benefits for the retiree and one (1) dependent until age sixty-five (65) which includes changes to the City's modified plan effective September 1, 2011. Employees hired on or after July 1, 2011 shall not be afforded any retiree medical program coverage by the City.

a. Employees with 15 or more years of service, as of July 1, 2010, shall continue to be eligible for the benefit described above *without having to make any employee contribution*.

b. Employees who have 15 or more years of service on or before June 30, 2012, and retire with CalPERS on or before June 30, 2012, shall continue to be eligible for the benefit described above *without having to make any employee contribution.*

c. All employees hired prior to July 1, 2010, who either do not have 15 or more years of service, as of July 1, 2010, or do not have 15 or more years of service on or before June 30, 2010, and retire with CalPERS on or before June 30, 2012, shall make a retiree health contribution of $100 for employee only, or $175 for employee plus one, toward the health rates.

14.5 For Employees Hired on or after July 1, 2010 but before July 1, 2011.

a. All employees hired on or after July 1, 2010 will be eligible to receive retiree medical benefits through the OE3 VEBA (defined contribution) plan. Employer contribution shall be an amount equal to 2% base salary. Employee contribution shall be an amount equal to 3% of base salary. Employees hired on or after July 1, 2011 shall not receive any contribution towards retiree medical benefits through the OE3 VEBA.

14.6 Retirement-Medicare Supplemental Plan

Employees retiring on or after January 1, 1997, who are eligible for the Retirement Medical Allowance, pursuant to section 14.4, will, at age 65, become eligible for Medicare Supplemental Coverage under the City's Modified Employee Medical Plan which includes changes to the plan effective September 1, 2011. Coverage will be supplemental and secondary to Medicare (reduced by any amounts payable to Medicare). This lifetime benefit is provided to the employee and the employee's spouse. The employee shall be responsible for paying any associated costs for obtaining Medicare coverage Part A and Part B. Employees hired on or after July 1, 2011 shall not be eligible for any Retirement Medical Allowance pursuant to section 14.4 above and shall not become eligible for Retirement Medicare Supplemental Plan under the City's Modified Medical Plan.

14.7 Defined Contribution Plan for Retiree Medical for Unit Members Hired on or after July 1, 2010 but before July 1, 2011.

For employee hired on or after July 1, 2010 but before July 1, 2011, the City shall establish a defined contribution plan for retiree medical that operates through a Retiree Medical Trust ("Trust")

14.8 Retiree Medical Trust for Members Hired on or after July 1, 2010 but before July 1, 2011

A. Establishment of Retiree Medical Trust

As soon as practical, the City shall establish a Retiree Medical Trust ("Trust") that will be governed by Trustees selected by the unit members and the City for the purpose of receiving employee and employer contributions, and for paying a monthly distribution to the City's health plan to subsidize premiums on behalf of eligible retirees.

B. Tax Issues

The City will seek a ruling from the Internal Revenue Service so that employee and employer contributions will be deemed pre-tax. The City will also seek tax-exempt status for the Trust's earnings and the benefits paid from the Trust.

Section 15. Salaries

15.1 Salary

There will be no increases to salary ranges during the term of this MOU.

All salaries hereby established and explained in other parts of section 15 shall no longer be fitted to the Stockton Salary Matrix as set forth in the City of Stockton Salary Schedule. Instead, all salary steps hereby established and explained in other parts of section 15 shall be assigned a fixed percentage of 5.14% between salary steps, and any salary ranges established on or after October 1, 2008, shall be assigned a fixed percentage of 5.0% between salary steps.

The salary for each job classification, as set forth in the City of Stockton Salary Schedule the standard rate of pay for full time employment, unless the schedule specifically indicates otherwise.

The salary as set forth in the City of Stockton Salary Schedule do not include reimbursement for actual and necessary expenses for traveling, subsistence and general expenses authorized and incurred incident to City employment.

15.2 Salary upon Appointment

Except as herein otherwise provided, the entrance salary for a new employee entering the classified service shall be the minimum salary for the class and level to which appointed. When circumstances warrant, the Director of Human Resources may approve an entrance salary which is more than the minimum salary for the class and level to which an employee is appointed. Such salary may not be more than the maximum salary for the class and level to which that employee is appointed.

15.3 Salary Equivalents

Any monthly, daily or hourly rate of pay may be converted into an equivalent rate of pay or to any other time bases when, in the judgment of the Director of Human Resources or the City Manager, such a conversion is advisable. In determining equivalent amounts on different time bases the City shall provide tables or regulations for the calculation of payment for service of less than full time, and for use in converting monthly salaries to hourly rates, as well as for calculating hourly rates. Overtime rate and premium pay shall be calculated according to the provisions of the Fair Labor Standards Act.

15.4 Salary Step Plan

(a) The first salary step shall be the minimum salary rate and shall be the normal hiring salary rate for the class. In a case where a person possesses unusual qualifications, the Director of Human Resources may authorize appointment above the first salary step after receiving the recommendation of the department head. The same provision shall apply to hourly paid and part-time employees.

The second salary step shall be paid upon the satisfactory completion of six (6) months service at the first salary step upon the written recommendation of the department head and approval from the Director of Human Resources.

Subsequent salary steps shall be paid upon the satisfactory completion of one (1) year service at the preceding salary step of the job classification and upon the written recommendation of the department head and approval from the Director of Human Resources.

Regardless of an employee's length of service, step advancements in any given class may be made upon recommendation of the department head with the approval of the Director of Human Resources.

Salary step increases shall be effective the first day of the pay period following appointment or revision. If the date of appointment or revision is the first day of a pay period, salary step increases shall be as of that date.

(b) If a department head recommends withholding salary step increases because an employee has not achieved the level of performance required, notice must be received by the Human Resources Department at least four (4) weeks in advance of the employee's eligibility date. The affected employee shall be furnished a copy of the department head's recommendation. Failure to abide by the above four-week limitation shall not automatically cause a step increase to be granted; however, if an employee does not receive notice by the actual anniversary date, the increase shall be automatically granted.

(c) Changes in an employee's salary because of promotion, demotion, postponement of salary step increase or special merit increase will set a new salary anniversary date for that employee, which date shall be as stated in the preceding paragraph.

(d) Salary range adjustments for a classification will not set a new salary anniversary date for employees serving in that classification.

15.5 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to the City service, are entitled to the automatic salary advancements within the range of their classification for the period they were in the military service.

15.6 Salary Step When Salary Range is Increased

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to the step in the revised range which corresponds to the employee's step held in the previous range, unless otherwise specifically provided for by the Director of Human Resources.

15.7 Salary Step After Promotion or Demotion

(a) When an employee is promoted from a position in one class to a position in a higher class, and at the time of promotion is receiving a salary equal to, or greater than, the minimum rate for the higher class, that employee shall be entitled to the next step in the salary scale of the higher class which is at least five percent (5%) above the employee's current salary, except that the next step shall not exceed the maximum salary of the higher class.

(b) When an employee is demoted, whether such demotion is voluntary or otherwise, that employee's compensation shall be adjusted to the salary prescribed for the class to which demoted.

(1) "If the salary of the employee is reduced for cause or disciplinary reasons, the employee shall receive the salary at the same step prior to promotion."

(2) "If the salary of the employee is reduced through no fault of the employee (i.e., layoff), the salary at demotion shall be at the nearest lower salary to that which was received prior to the demotion."

15.8 Transfer

An employee may be transferred from a class in one department, or to a position of the same class in another department, or to a comparable class, with the approval of both the employee and Department Heads. In the case of a comparable class, the employee must be qualified, as determined by the Director of Human Resources. The Director of Human Resources, in making such a determination, must assure that the maximum salary rate for the classes in

question must be equal to or less than the employee's current top step salary, and shall consider, among other things, whether the employee possesses the minimum qualifications for such class, and is able to demonstrate through education, experience, or successful completion of pertinent test, that he/she is qualified for the transfer. If the transfer involves a change from the jurisdiction of one appointing authority to another, both must consent thereto.

15.9 Salary on Reinstatement

If a former employee is reinstated in the same position, previously held or to one carrying a similar salary range, the employee's salary shall not be higher than the salary at the time of separation unless there has been an increase within the salary range.

If a former employee is reinstated to a position in a lower class the employee's salary shall be set at the same step previously held, but in the pay range of the lower classification.

15.10 "Y" Rate

When an employee's classification is changed to a lower paid classification as the result of a classification study or other action, the employee may be placed on a "Y" rate. A "Y" rate means that the monthly compensation for the employee shall remain in effect until such time as further changes in the pay range of the new classification exceeds the "Y" rate.

15.11 Acting Pay

(a) General Provisions. Any employee in this unit who is assigned by a supervisor to work in a higher paid classification for two (2) or more hours in one (1) day, shall receive the rate of pay in the step of the higher classification which would have been received if the employee had been promoted into that classification, or at least five percent (5%) more than the employee's salary in the present classification, whichever is greater. Out-of-class assignment pay during overtime status will commence at the first hour worked.

(b) When there is an existing promotional eligibility list, and acting pay assignment is expected to be for more than twenty (20) work days, acting pay shall be assigned from the top three (3) on the promotional eligibility list. If the assignment is for twenty work days or less, the highest ranking employee on the promotional list within the division shall be assigned. When there is no eligible list, section (c) below shall apply.

(c) If there is no existing list, acting pay selection shall be made from the five (5) most qualified employees in the section.

(1) Sections are defined, for the purpose of this clause only, as the sub-groups listed under the following department:

Public Works Department - (1) Street Maintenance, (2) Traffic Devices, (3) Electrical/Traffic Signals, (4) Fleet, (5) Facilities Maintenance, (6) Community Enhancement, (7) Parks, and (8) Trees.

(2) Qualifications for the purpose of this Section, as determined by the department head or designee, shall include all the following equal factors:

(a) Seniority in grade within any class immediately below the vacant position.

(b) Worker experience relative to the vacant position.

(c) Prior job performance and attendance.

(d) Certificates or other formal qualification devices such as eligibility lists.

If all things are equal based on above factors, the seniority within the City shall be considered.

(3) The opportunity for acting pay shall be rotated among the five (5) most qualified employees within each section.

(d) Assignments from other than a promotional eligibility list shall not exceed 120 days per fiscal year per employee.

15.12 Special Assignment Pay

The City Manager may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned in writing by the supervisor to perform additional duties and responsibilities beyond the scope of the assignment for the duration of the special assignment.

Any employee assigned to the Tree Spray Crew shall receive an additional five percent (5%) special assignment pay per day when assigned in writing by the supervisor to spray trees and performs such work four (4) or more hours in any

one (1) day.

Section 16. Severability of Provisions

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable that provision of the Memorandum of Understanding shall be null and void but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

In the event that Federal legislation changes the current applicability of the Fair Labor Standards Act, both parties agree to consult and/or confer on the impacts of such legislation to the extent required by law.

Section 17. Past Practices and Existing Memoranda of Understanding

Continuance of working conditions and practices not specifically authorized by ordinance or by resolution of the City Council is not guaranteed by this Memorandum of Understanding.

This Memorandum of Understanding shall supersede all existing Memoranda of Understanding between the City and the Union.

Section 18. Scope of Agreement

Except as otherwise specifically provided herein this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties on any and all matters subject to meeting and conferring. Neither party shall, during the term of this Memorandum of Understanding, demand any change therein nor shall either party be required to negotiate with respect to any matter; provided that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.

Section 19. Duration of Agreement

This Memorandum of Understanding shall be effective the date of execution, and shall remain in full force and effect to and including the 30th day of June, 2012 and shall continue thereafter from year to year unless at least sixty (60) days prior to July 1 either party shall file written notice with the other of its desire to amend, modify, or terminate this Memorandum of Understanding.

Section 20. Maintenance of Operations/City Rights

(a) It is recognized that the need for continued and uninterrupted operation of City services is of paramount importance. Therefore, the Union and each employee represented thereby agrees that from the date of execution, through exhaustion of the impasse process/mediation/fact finding as set forth in the Employer/Employee Relations Ordinance, the Union or any person acting in its behalf, or each employee in a classification represented by the Union, shall not cause, authorize, engage in, encourage, or sanction a work stoppage, slowdown, refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound), or picketing, other than informational picketing, against the City or the individual or concerted failure to report for duty or abstinence from the full and faithful performance of the duties of employment, including compliance with the request of another labor organization or bargaining unit to engage in such activity in an attempt to induce a change in wages, hours, and other terms and conditions of employment.

(b) An employee shall not be entitled to any wages or City paid benefits whatsoever if the City Council, by majority vote, determines to its satisfaction, that the employee is, or has, engaged in any activity prohibited by subsection (a) of this Section. The City may take other action which it deems appropriate.

(c) If the City Council, by majority vote, determines to its satisfaction, that subsection (a) of this Section has been violated by the Union, the City may take such remedial action as it deems appropriate.

(d) The Union recognizes the duty and obligation of its representatives and members to comply with the provisions of this Memorandum of Understanding and to make every effort toward inducing all employees in this unit to fully and faithfully perform their duties. In the event of any activity prohibited by subsection (a) hereinabove, the Union agrees to take supererogatory steps necessary to assure compliance with this Memorandum of Understanding.

(e) The rights of the City as set forth in section 2-206 of the Employer-Employee Relations Ordinance, (Stockton Municipal Code, §§ 2-200, *et seq.*) are incorporated herein by reference.

IN WITNESS WHEREOF the parties hereto have executed this Memorandum of Understanding on this ____ day of _____ 2011.

OPERATING ENGINEERS LOCAL UNION NO. 3 of the International Union of Operating Engineers, AFL-CIO

By:_____
JOE SANTELLA
Its: Business Representative

By:_____
Its: Director of Public Employee Division

By:_____
Its: Member

By:_____
Its: Member

By:_____
Its: Member

CITY OF STOCKTON,
a municipal corporation

By: _____
DANIA TORRES WONG
Its: Chief Negotiator for City

By:_____
TERESIA HAASE
Its: Director of Human Resources & Employee Relations Officer

By:_____

APPROVED AS TO FORM:

JOHN LUEBBERKE
CITY ATTORNEY

By:_____

Deputy City Attorney

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CITY OF STOCKTON

MEMORANDUM OF UNDERSTANDING

TRADES AND MAINTENANCE UNIT

Operating Engineers' Local 3, AFL-CIO and representatives of the City of Stockton have met and conferred in good faith regarding wages, hours and other terms and conditions of employment of employees in the representation unit identified in Section 1, have exchanged freely information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding is entered into pursuant to the Meyer-Milias-Brown Act (Government Code sections 3500-3510) and has been jointly prepared by the parties.

This Memorandum of Understanding shall be presented to the Stockton City Council as the joint recommendations of the undersigned for salary and benefit adjustments for the period commencing July 1, 2010 and ending June 30, 2012.

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Section 1. Recognition

Operating Engineers' Local 3, AFL-CIO, hereinafter referred to as the "Union," is the recognized employee organization for the Trades and Maintenance Unit, certified pursuant to the Employer-Employee Relations Ordinance (Stockton Municipal Code §§ 2-200, *et seq.*).

Section 2. Union Security

2.1 Dues Deduction

(a) General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

Additional authorization shall not be required for deduction of increased membership dues when such increase has been duly approved by the membership of the Union. Notification of such approval shall be forwarded to the City in the form of written notice on official Union letterhead and signed by the duly authorized Union official. Upon receipt of notification, the City shall authorize the payroll deduction of the increased amount.

If an employee is promoted to a position which is represented by another employee organization or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds, at the address specified.

In addition to the deduction of dues, the City will deduct from the paychecks of Union members who request it, premiums for group insurance and investment plans sponsored by the Union. Such deductions shall be made in one lump sum and only upon signed authorization from the employee upon a form satisfactory to the City. Such authorizations may be made or changed no more frequently than twice yearly.

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit

the amount with the City which would have been withheld if the employee had been in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

(b) Indemnity and Refund. The Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

2.2 Agency Fee

(a) Employee Rights

(1) The City and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal, alternative right of employees to refuse to form, join and participate in employee organizations. Neither party shall exert pressure upon or discriminate against an employee in the exercise of these alternative rights.

(2) Accordingly, membership in the Union shall not be compulsory. A unit member has the right to choose, either: to become a member of the Union; or, to pay to the Union a fee for representation services; or, to refrain from either of the above courses of action upon the grounds set forth in Section (f) below.

(b) Unit Members' Obligation to Exclusive Representative

(1) A bargaining unit member who does not fall within one (1) of the exempted categories as set forth in Section (f) below, and who has not voluntarily made application for membership in the Union within the sixtieth (60) day following the date upon which said employee has been formally hired by the City as a bargaining unit employee, must as a condition of continued employment in the City pay to the Union a representation fee, in exchange for representation services necessarily performed by the Union in conformance with its legally imposed duty of fair representation on behalf of said unit member who is not a member of the Union.

(2) In the event that a unit member does not become a member of the Union or pay such fee directly to the Union, the City shall begin automatic payroll deduction. There shall be no charge to the Union for such mandatory agency fee deductions.

(3) Prior to beginning such automatic payroll deduction, the Business Representative of the Union will certify to the City in writing that the employee whose pay is to be affected by the deduction has: 1) refused to join the Union; and 2) has refused to tender the amount of the agency fee as defined herein; and 3) has not applied for an exemption under Section (f) herein. In addition the Union must also certify that it has provided the employee with a copy of the fee verification required by Section (e) herein.

(c) Definition of Agency Fee

(1) The agency fee collected pursuant to Section (b) above from unit members who are not members of the Union shall be an amount not to exceed the standard initiation fee, periodic dues and general assessments of the Union for the duration of this Agreement, minus any amount which is prohibited by the Constitution because such funds pay for political or ideological purposes not related to collective bargaining.

(2) Any dispute as to the amount of the representation fee shall be resolved pursuant to the provisions of Section (h) herein.

(d) Exceptions. Unit members on leave without pay and unit members who are in laid-off status shall be exempt from these provisions herein; except that the election as to membership or payment of a fee as set forth herein must be exercised within the first ten (10) work days upon return to paid status.

(e) Annual Verification of Agency Fee by the Union. Prior to January 31, of each year and before the collection of an agency fee from any unit member pursuant to these provisions herein, the Union shall submit a written certification to the fee payers verifying that the total amount of its representation fee conforms to Section (c) above, and itemizing all component parts of such fee which shall provide an adequate explanation for the basis of the fee. Each year such amount shall be verified and submitted in writing to the fee payers by the Union prior to January 31st. The Union will submit a copy of such verification to the Director of Human Resources of the City. The parties agree that such annual verification is a

condition precedent to the collection by either the City or the Union of a representation fee from a unit member.

(f) Employees Exempted From Obligation to Pay Union

(1) Any unit member shall be exempt from the requirements of Section (b) above, if such employee has a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.

(2) Such exempt unit member shall, as an alternative to payment of a representation fee to the Union, pay an amount equivalent to such representation fee to:

a. United Way.
b. American Cancer Society.
c. Any charity jointly agreed in writing by the parties.

(3) If a unit member desires to be exempted for reasons set forth in Section (f) herein, the unit member must first request such exemption in writing from the Union setting forth briefly the rationale for the exemption. If the Union notifies the unit member in writing that the Union will not honor the request, then the matter shall be referred automatically to a panel for determination according to the procedure set forth below. The panel shall be composed of one (1) person selected by the Union, one (1) person selected by the unit member, and an arbitrator selected by the parties chosen from a list submitted by the State Conciliation Service. If either one or both parties fail to nominate a panel member, the process of hearing will continue without that party's panel member.

(4) The panel shall first receive arguments and evidence from the unit member requesting the exemption. Thereafter the Union may present any arguments or evidence. The proceedings shall be conducted in an informal manner, and the rules of evidence will not apply. The arbitrator shall act as chair and rule on all matters before the panel with the exception of the final determination of the panel. The panel shall prepare a written decision within fifteen (15) calendar days of the completion of the hearing which shall be final and binding upon the parties. Any expenses of the panel shall be borne by the parties incurring them.

(5) Upon receipt of the decision of the panel, the City shall release any funds held in escrow to the Union or to the charity. Any decision by the

panel shall apply for the duration of this Memorandum of Understanding.

(6) In addition, the Union may require such exempt unit member to submit proof of payment of an amount equivalent to such representation fee to one (1) of the alternative funds or organizations listed above. If the bargaining unit member has not provided payment, the City will institute deductions pursuant to Section (b)(2), and forward such monies to a charity listed in Section (f)(2).

(7) Such payments shall be made on or before January 31, of each year or no more than thirty (30) days after commencing duties for any newly hired employee.

(g) Escrow Account. If any unit member either disputes the amount of the fee or disputes whether or not an exemption was appropriately denied, the City shall deposit the fee which was deducted and place such amount into a special escrow account established by the Union for such purposes.

(h) Procedure for a Unit Member Who Contests the Amount of the Fee

(1) The parties agree that in order to provide a uniform definition of the representation fee, any disputes involving the amount of such fee shall be referred to the Union's procedure for determination, provided that the parties have first complied with the other provisions of this Section.

(2) The Union shall notify the City in writing within twenty (20) days after it becomes aware that any employee disputes the amount of the fee.

(3) The Union will verify in writing to the City that all of the conditions of Section (b)(3) have been met prior to the City's initiation of the fee deductions set forth in Section (b)(2). Thereafter, the City will notify the affected employee in writing that such deductions will commence and a copy of the Union's written verification will be attached to the City's notice. Thereafter, the City will begin the deductions.

The monies held in escrow shall be released to the appropriate party upon the rendering of a final decision by the Union's internal procedure.

(i) Payment Method/Payroll Deduction

(1) A unit member may voluntarily sign and deliver to the City a written assignment authorizing deduction of the properly established representation fee as defined in Section (c) above, subject to the

conditions set forth elsewhere in this agreement for payroll deductions, or the amount of the fee will be deducted automatically in accordance with Section (b)(2) herein.

(2) The City is under no obligation to make payroll deductions for the periods during which a unit member is either terminated from active employment, or not on the City's active payroll for any reason, including, but not limited to, layoff and voluntary leave of absence for more than thirty (30) days.

(3) Upon the rehiring of any unit member, or upon the recalling of any unit member from layoff status, the City will resume or initiate dues deductions for such unit member.

(j) Obligations of Parties

(1) City's Obligations. The City's obligation under this Article is to notify any unit member who has failed to comply with the provisions of this Section that, as a condition of continued employment with the City, such unit member must become an Union member, or pay a representation fee, or establish an exemption status and make payment pursuant to provisions of Sections (b) and (f) of this Agreement. Under no circumstances shall the City be required to dismiss or otherwise discipline any unit member for failure to fulfill their obligations to pay the fees established herein.

(2) Union's Obligations. Except as specified herein, the Union and not the City, shall be responsible for requiring unit members to fulfill obligations defined herein. It is the obligation of the Union to collect any representation fees which may be due and payable to the Union in consideration for its services as the exclusive representative of unit employees.

(k) Hold Harmless Provision. The Union shall hold the City harmless, and shall fully and promptly reimburse the City for any fees, costs, charges or penalties incurred in responding to or defending against any claims, disputes, challenges, whether formal or informal, which are actually brought, or attempted or threatened to be brought, against the City or any of its agents, or employees, in connection with the interpretation, application, administration or enforcement of any Section of this Agreement pertaining to representation fee. Such reimbursement shall include, but not be limited to, court costs, litigation expenses, and attorney's fees incurred by the City. The City shall have the right to be represented by its own attorney in any action in which it is a named party

to the action. Disputes over the amount of reimbursement shall be automatically submitted to the arbitration provisions of this Memorandum, Section 8.3(e).

2.3 Use of City Facilities

(a) The Union shall be allowed by the City department in which it represents employees' use of space on available bulletin boards for communications having to do with official Union business, such as times and places of meetings, provided such use does not interfere with the needs of the department. The Union may submit to the City Employee Relations Officer written communications having to do with official Union business for distribution by the City to identified shop stewards. Distribution may be by e-mail.

(b) Any representative of the Union shall give notice to the department head or designated representative when contacting department employees on City facilities during the duty period of the employees, provided that solicitation for membership or other internal Union business shall be conducted during the non-duty hours of all employees concerned. Pre-arrangement for routine contact may be made with individual department heads and when made shall continue until revoked by the department head.

(c) City buildings and other facilities may be made available for use by City Employees of the Union or their representatives in accordance with such administrative procedures as may be established by the City Manager or department heads concerned.

2.4 Advance Notice

Except in cases of emergency, reasonable advance written notice shall be given to the Union if affected by any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to negotiate if requested with the designated management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described above and be given an opportunity if requested to negotiate changes to said notice with the management representatives designated by the City Manager.

2.5 Attendance at Meetings by Employees

City employees who are official representatives or unit representatives of the Union shall be given reasonable time off with pay to attend meetings with City management representatives, or be present at City hearings where matters within the scope of representation or grievances are being considered. Such employee representatives shall submit a request for excused absence to their respective department heads, in a manner satisfactory prior to the scheduled meeting whenever possible. Except by mutual agreement the number of the employees excused for such purposes shall not exceed three (3) per recognized bargaining unit.

Time spent for this purpose during the representative's scheduled hours of work shall count as hours worked. Time spent for this purpose which may exceed the representative's regularly scheduled hours of work shall be compensated as overtime or compensatory time.

2.6 Maintenance of Membership

All employees in the Trades and Maintenance unit who are members of the Union, tendering periodic dues at the execution of this agreement, and all employees who thereafter become members of the Union shall, as a condition of employment, pay dues to the Union for the duration of this Memorandum of Understanding, and each year thereafter. For a period of thirty (30) days prior to January 1, 1989, and thirty (30) days prior to any January 1, thereafter, any employee in the aforementioned unit who is a member of the Union shall have the right to withdraw from the Union discontinuing dues payments and retain employment in the City, subject to provisions of Section 2.2. Agency Fee. Said withdrawal shall be communicated by the employee in writing to the City. The provisions of this section shall be operative only to the extent that they are permissible under California law.

2.7 Assignment of Classifications

New job classifications established by the City shall be assigned to the bargaining unit pursuant to section 2-208 of Employer-Employee Relations Ordinance (Stockton Municipal Code §§2-200, *et seq.*) after providing notice and the opportunity to consult with the Union regarding such matters.

Section 3. Compliance with Federal Laws/Safety

3.1 Non-Discrimination. The City and the Union agree that there shall be no discrimination of any kind because of race, creed, color, religion, national origin, sex, political affiliation or legitimate union activity against any employee or applicant for employment; and to the extent prohibited by applicable State and Federal law there shall be no discrimination because of age.

3.2 Fair Labor Standards Act. The Union agrees to cooperate with the City to insure its members' compliance with the provisions of the Fair Labor Standards Act.

3.3 Safety. The Union shall cooperate with the City in promoting safety objectives as defined in Federal, State and local regulations by actively supporting safety programs, promoting safe work habits of members and encouraging an ongoing, active participation by its members in safety related procedures and practices as offered and promulgated by the City of Stockton.

Section 4. Probation

4.1 Purpose

The probationary period shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to a position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

4.2 Original Entrance and Promotional Positions

All original and promotional appointments shall be tentative and subject to a probationary period of six (6) months, unless a longer probationary period is stated in the class specification. The probationary period may be extended up to an additional six (6) months in those cases where the appointing authority and the Director of Human Resources agree that such extension would be beneficial to the employee and the City.

4.3 Retention/Rejection of Probationer

At the end of the probationary period, if the service of the probationary employee has been satisfactory to the appointing authority, then the appointing authority shall file with the Director of Human Resources a statement in writing to such effect and stating that the retention of such employee in the service is desired. The City will make a good faith effort to notify a probationary employee two (2) weeks before the end of the probationary period whether or not regular status is granted; however, a failure on the part of the appointing authority to file such a statement at the end of the probationary period shall constitute a rejection of the probationer as defined in Civil Service Rules.

During the probationary period an employee may be rejected at any time by the appointing authority. Any employee rejected during the probationary period following a promotional appointment, shall be reinstated to the position from which promoted unless charges are filed and the employee is discharged in the manner provided in Section 7 of this Memorandum of Understanding and in the Civil Service Ordinance and Civil Service Rules, which are consistent therewith.

4.4 Alcohol and Drug Testing. All original and reemployed appointments must pass a drug and alcohol screening prior to being offered City employment. This shall include non-represented part-time, seasonal, provisional, and temporary appointments.

Section 5. Layoff

5.1 Layoff

Any employee may be laid off by an appointing authority in the event of the abolition of the employee's position by the City Council, or if a shortage of work or funds requires a reduction in personnel.

5.2 Layoff Scope

(a) Layoffs shall be within departments of the City.

(b) Departments of the City are defined as follows:

(1) City Attorney
(2) City Auditor
(3) City Clerk
(4) City Manager
(5) Community Development
(6) Community Services
(7) Financial Management
(8) Fire
(9) Housing and Redevelopment
(10) Human Resources
(11) Information Technology
(12) Library
(13) Municipal Utilities
(14) Police
(15) Public Works

5.3 Notice of Layoff

The City will give advance written notice of at least one pay period to employees who will be laid off.

5.4 Precedence by Employment Status

(a) No regular employees shall be laid off while employees working in an extra help, seasonal, temporary, provisional, or probationary status are retained in the same classification as such regular employee. The order of layoff among employees not having regular status shall be according to the following categories:

(1) Limited term (i.e., part-time, provisional, and temporary)
(2) Probationary

Layoffs shall be by job classification according to reverse order of seniority as determined by total service in the City, except as specified above. For the purpose of this procedure part-time classes shall be considered as separate from regular full-time classes.

The following provisions shall apply in computing total continuous service:

(1) Time worked in a regular or probationary status shall count as service.
(2) Time spent on military leave shall count as service in the event the leave was taken subsequent to entry.
(3) Time worked in al limited term status (i.e., part-time, provisional, and temporary) shall not count as service.

If two (2) or more employees have the same seniority, the most recent performance evaluation shall determine seniority.

If two (2) or more employees have the same seniority and the same rating score from their performance evaluations, the date and time of initial application into civil service shall determine seniority.

(b) Any employee in the Trades and Maintenance Unit who is laid off may complete a City employment application for any position currently staffed by a part time, provisional, or temporary employee. The Human Resources Department will evaluate the employment application. If the laid off employee meets the minimum qualifications of that position, he/she shall have the option of displacing the part time, provisional, or temporary employee.

5.5 Employee Options

Employees laid off shall have any of the following choices:

(a) Displacing the employee in the same department and in the same or clearly comparable classification as determined by the Director of Human Resources as having the least (total service) seniority. This option shall be exercised before any other option.

(b) Taking a voluntary demotion within the department to a classification in which the employee had prior regular status, thus displacing the employee working in the classification who has the least (total service) seniority.

5.6 Health and Welfare Benefits during Layoff

Regular employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

Section 6. Reemployment

(a) The name of each employee who is laid off in accordance with Section 5. shall be placed at the head of the eligibility list for the class of positions which that employee held, and shall be given preference in filling vacancies in that class.

(b) An employee laid off in accordance with this Section shall be placed on the eligibility list or lists for any lower or comparable class or classes in the same department, provided that the appointing authority and the department head in charge of this lower or comparable class determine that the employee is competent to perform the duties thereof in strict accordance with the class specifications. This right of a laid off employee shall remain effective for two (2) years from the date of latest separation from the service. The employee shall not be placed on said eligibility list or lists without first submitting a written request. Employee's place on said list or lists shall be at the head of the eligibility list for the class of positions for which qualified as hereinabove set forth and shall be given preference in filling vacancies except for those persons placed on said list or lists of reemployment in the same positions previously held. Upon certification for appointment to a new position never having been held by this employee, the probationary period must be completed as required in this Memorandum of Understanding.

Section 7. Discipline

Disciplinary action, including discharge, suspension, reduction in pay or demotion, may be taken against any employee for cause.

7.1 Predisciplinary Rights

An employee facing potential disciplinary action will be entitled to the following predisciplinary rights:

(a) Notice of proposed discipline.

(b) Date(s) proposed discipline will be effective.

(c) Reasons for the proposed discipline, the specific grounds and particular facts upon which the action is taken.

(d) Ten (10) calendar days in which an employee or the representative may respond either orally or in writing to the department head.

(e) The employee must be provided with any written materials, reports and documents upon which the action is based.

7.2 Administrative Leave

The City may place an employee on administrative leave pending the completion of the predisciplinary process.

7.3 Provisions

The appointing authority may discharge, suspend or demote any employee in the classified service provided the Stockton Municipal Code provisions and the rules and regulations of the Civil Service Commission and any applicable provisions of law are followed. Such provisions allow the employee suspended, demoted or discharged to appeal such action. The employee may take only one (1) of the following actions:

(a) File no appeal.

(b) File an appeal with the Civil Service Commission within ten (10) calendar days of written notification of the action. (Such filing will foreclose use of the grievance procedure.)

(c) File a grievance as provided for in Section 8 within ten (10) calendar days of written notification of the action.

If the employee fails to do (b) or (c) above within the prescribed time frames, these rights will have been waived.

Section 8. Grievance Procedures

8.1 Definition

A grievance is any dispute which involves the interpretation or application of those rules, regulations and resolutions which have been, or may hereafter be, adopted by the City Council to govern personnel practices and working conditions, including such rules, regulations and resolutions as may be adopted by either the City Council or the Civil Service Commission to affect Memoranda of Understanding which result from the meeting and conferring process.

8.2 Filing Deadline

(a) No grievance involving demotion, suspension, discharge or other employment penalty will be entertained unless it is filed in writing with the Director of Human Resources within ten (10) calendar days of the time at which the affected employee received written notification of such action. All other grievances must be filed within thirty (30) calendar days from the time the employee knew or had reason to know of the facts giving rise to the grievance.

(b) With written consent of the City Manager or his/her designee and the Union Business Agent or his/her designee, time limits may be extended and/or Steps 1, 2 and/or 3 of the Grievance Procedure waived.

8.3 Grievance Processing

(a) Step 1 - Departmental Review. Any employee claiming to have a grievance may discuss the complaint with such management official in the department where employed as the department head may designate. If the issue is not resolved within the department within twenty (20) days from the day of presentation or if the employee elects to submit the grievance directly to the Union recognized as the representative of that employee's classification, or if the employee/Union official notifies the Director of Human Resources, in writing, that a grievance exists, the procedure hereinafter specified may be invoked.

(b) Step 2 - Director of Human Resources Review. If the employee is not satisfied with the response at level one, then the employee may appeal the grievance to the Director of Human Resources within twenty (20) calendar days of the receipt of written response at level one. Such appeal must state with particularity: 1) the specific policy, rule or provision which is alleged to have been violated; 2) the statement of facts comprising the violation; and 3) the requested remedy. The Union may file and process grievance(s) on behalf of the specifically named employee. The Director of Human Resources shall have

twenty (20) calendar days in which to investigate the issues, meet with the complainant and attempt to reach a satisfactory resolution of the problem. No grievance may be processed under the following two (2) paragraphs which has not first been filed and investigated in accordance with this paragraph, except for the resolution of compensation complaints.

(c) Step 3 - Adjustment Board. If the parties are unable to reach a mutually satisfactory accord on any grievance which arises and is present during the terms of this Memorandum of Understanding, within twenty (20) calendar days of the receipt of the level three response, such grievance shall be submitted to an Adjustment Board comprised of two (2) Union representatives, no more than one (1) of whom shall be either an employee of the City or an elected or appointed official of the Union and two (2) representatives of the City, no more than one (1) of whom shall be either an employee of the City or a member of the staff of any organization employed to represent the City in the meeting and conferring process.

(d) Step 4 - Arbitration. If an Adjustment Board is unable to arrive at a majority decision, within twenty (20) calendar days either the Union or the City may require that the grievance be referred to an impartial arbitrator mutually selected by the parties, or if the parties are unable to mutually agree, from a list of seven (7) arbitrators provided by the State Conciliation Service. The arbitrator shall be chosen by the alternative strike method, with first choice being determined by lot. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Union and City. Each party, however, shall bear the cost of its own presentation, including preparation and post hearing briefs, if any.

(e) Effect of Decision. Decisions of Adjustment Boards and arbitrators on matters properly before them shall be final and binding on the parties hereto except as provided otherwise herein.

8.4 Scope of Arbitration

(a) No Adjustment Board and no arbitrator shall entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union and unless such dispute falls within the definition of a grievance as set forth in paragraph 8.1.

(b) Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may

be referred to arbitration under this Section. No Board of Adjustment or arbitrator selected pursuant to this Section shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

(c) No changes in this Memorandum of Understanding or interpretations thereof (except interpretations resulting from Board of Adjustment or arbitration proceedings hereunder) will be recognized unless agreed to by the Director of Human Resources and the Union.

8.5 Other Provisions

If the Director of Human Resources or City Manager, in pursuance of the procedures outlined above, resolves a grievance which involved suspension or discharge, they may agree to payment for lost time or to reinstatement with or without payment for lost time, but in the event the dispute is referred to arbitration and the arbitrator finds that the City had cause to take the action complained of, the arbitrator may not substitute his judgement for the judgment of management and if the findings are that the City had such right, the arbitrator may not order reinstatement and may not assess any penalty upon the City.

Complaints which allege the employee is not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances and processed pursuant to Section 8.3. Any other matters of compensation are to be resolved in the meeting and conferring process and if not detailed in the Memorandum of Understanding which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next open for such decision. No adjustment shall be retroactive for more than thirty (30) days from the date upon which the complaint was filed.

Specified time limits may be modified only in writing. All appeals and responses must be provided in writing.

A grievant will be provided release time without loss of pay for all required meetings with management. The City cannot discriminate or retaliate in any manner against an employee for filing a grievance or exercising rights under this Section.

The provisions of this Section shall not abridge any rights to which an employee may be entitled under the Stockton Municipal Code and/or Civil Service Rules and Regulations, nor shall it be administered in a manner which would abrogate

any power which, under the Stockton Municipal Code, may be within the sole province and discretion of the Civil Service Commission.

All grievances of employees in representation units represented by the Union shall be processed under this Section. If the Stockton Municipal Code and/or Civil Service Rules and Regulations requires that a differing option be available to the employee, no action under paragraph (d) or (e) of Subsection 8.3 above shall be taken unless it is determined that the employee is not utilizing such option.

No action under paragraph (c) or (d) of Subsection 8.3 above shall be taken if action on the complaint or grievance has been taken by the Civil Service Commission or if the complaint or grievance is pending before the Civil Service Commission.

If any award by a Board of Adjustment or arbitrator requires action by the City Council or the Civil Service Commission before it can be placed in effect, the City Manager and the Director of Human Resources will recommend to the City Council or the Civil Service Commission, as appropriate, that it follow such award.

Section 9. Leaves

9.1 Vacation Leaves

(a) Vacation Allowance. All regular employees, excluding provisional and temporary shall accrue vacation leave with pay in accordance with the following schedule:

(1) Less than one and one-half (1-1/2) years continuous employment ..... 80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment ..... 120 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment ..... 160 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment ..... 200 hours/year.

(5) Thereafter, eight (8) additional hours for each completed year of service in excess of twenty-five (25) years.(6) Employees shall accrue vacation on a twice-monthly payroll basis

(b) Vacation Scheduling. Vacation leaves shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business. Vacation requests are accepted on a day for day basis.

(c) Vacation Carryover Maximum. Employees shall be granted a maximum carryover of up to one-hundred and twenty (120) hours vacation more than the employee's regular vacation accrual for the preceding calendar year.

(d) Vacation Carryover in Excess of Maximum.

(1) Whenever an employee's accumulation of vacation hours exceed the maximum vacation carryover provision, the excess number of vacation hours shall automatically be credited to the employee's sick leave balance at the end of the calendar year.

(2) Employees may carryover unlimited vacation hours in excess of the maximum allowance when such vacation accrues while remaining in a pay

status during a period of illness or injury which precluded liquidating vacation credits in excess of the maximum allowed.

(e) Holiday during Vacation. If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(f) Vacation Allowance for Separated Employees.

(1) When an employee is separated from the service, remaining vacation allowance, if any, shall be added to final compensation.

(2) An employee who has resigned in good standing and is subsequently reinstated within two (2) years from the date of resignation shall have prior service counted in determining eligibility for vacation benefits, deducting therefrom the amount of time between the date of resignation and the date of reinstatement which shall not be counted in determining eligibility.

(g) Vacation Sell-Back Maximum.

(1) An employee may elect to receive cash payment for up to a maximum of forty (40) hours of his/her accumulated vacation balance upon commencement of a scheduled vacation. This option may be exercised pursuant to the above description up to a maximum of forty (40) hours cash payment per fiscal year.

(2) An employee may elect to receive cash payment for two (2) days (16 hours) of his/her accumulated vacation balance for each one (1) day of scheduled vacation. This option may not exceed forty (40) hours of cash payment per fiscal year.

9.2 Sick Leave

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of ten (10) hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence

without pay granted to the employee.

(b) Usage. Employees are entitled to sick leave pay for those days which the employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery therefrom.

(c) Family Sick Leave. Employees may utilize up to one-half of their annual sick leave accrual in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care that otherwise would not be covered by the Family Medical Leave Act or the California Family Rights Act leaves.

Such leave shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent, grandparent-in-law, and grandchild.

In special cases, with the approval of the Director of Human Resources, a department head may grant the use of sick leave in other circumstances.

It is not the intent of this provision to conflict with any state or federally mandated policies, such as the Family Medical Leave Act, the California Family Rights Act, or the Pregnancy Disability Leave.

(d) Reporting Procedures for Sick Leave. When the requirement for sick leave is known to the employee in advance of the absence, (for example, included but not limited to scheduled medical, dental or vision appointments), the employee shall request authorization for such sick leave from the department head prior to such absence.

If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for the following informal and formal disciplinary action:

(1) For the first time in a six (6) month period, a Memorandum of Discussion (informal).

(2) For the second time within a six (6) month period, a Letter of Reprimand (formal).

(3) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employee may be discharged (formal).

The six (6) month period will be defined as six (6) months from the most recent incident. If no other incident occurs within six (6) months of the most recent incident, the formal disciplinary action (i.e., letter of reprimand, suspension) shall be removed from the employee's official personnel file maintained in the Human Resources Department, upon the written request of the employee to and concurrence by the department head and the Director of Human Resources.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a signed statement to the department head, on a prescribed form, stating the dates and hours of absence, the exact reason, and such other information as is necessary for the request to be evaluated. If an employee doesn't return to work prior to the preparation of the payroll, other arrangements may be made with the department head.

(2) Doctor's Certificate or Other Proof. If an employee's illness results in an absence from work for more than three (3) consecutive days, a doctor's certificate or other reasonable proof of illness may be required.

The Director of Human Resources may make such sick leave usage reviews and may require such additional documentation including a physician's statement as he deems necessary before approving the sick leave benefit.

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. The employee has the right to Union representation at such meeting. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Human Resources pursuant to (e)(2) above;

(b) Suspend the employee without pay for up to five (5) days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave While on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or

(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

(g) Payment for Unused Sick Leave. Effective July 2010, unused sick leave shall have no cash value. If eligible, employees may use unused sick leave for CalPERS service credit.

9.3 Other Leaves with Pay

(a) Bereavement Leave. In the event of a death in the immediate family of an employee, the employee shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his accumulated sick leave credits or vacation eligibility. The department head may grant an additional two (2) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent, grandparent-in-law, grandchild, and registered domestic partner.

In the event of the death of a person not immediately related to an employee as defined above, the employee's department head may grant up to three (3) days

bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

(b) Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized absence from duty for appearance in Court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said absence from duty including necessary travel time, will be with full pay for each day the employee serves on jury duty or testifies as a witness in a criminal case, other than as a defendant. As a condition of receiving such pay, the employee must remit to the City, through the employee's department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

Jury duty or witness duty appearances shall be considered in terms of "whole days" (8 hours) or "half days" (4 hours) of service. If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his usual morning schedule. If an employee is required to appear for a morning court session and is sent home before noon and not required to return in the afternoon, the employee will be expected to work his usual afternoon schedule.

Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be remitted to the City through the employee's department head.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is a party, together with travel time necessarily involved, shall not be considered absent from duty within the meaning of the Section.

(c) Military Leave. An employee of the City who is a member of the National Guard or Naval Militia or a member of the Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence

without pay for duration of a national emergency who have been inducted into the Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the position they held when they were inducted into Military Service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.

In the case of a probationary employee having served a minimum probationary period of six (6) months at the time of induction, it shall be optional with the department head and the City Manager to grant regular status to said employee before induction.

All probationary employees inducted into Military Service not having served the minimum probationary period of six (6) months, or having served the minimum probationary period of six (6) months, but not having received regular status shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.

Two (2) or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

9.4 Workers' Compensation Leave

(a) Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law.

(b) Payment. Workers' Compensation Leave will be paid in accordance with the following schedule:

Employees who have worked for the City more than twelve (12) months but less than twenty-four (24) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of two (2) months.

Employees who have worked for the City for twenty-four (24) or more continuous months but less than sixty (60) continuous months and who are unable to work shall receive their full salary for the term of the disability but not to exceed a period of three (3) months.

Employees who have worked for the City for sixty (60) or more continuous months and who are unable to work shall receive their full salary for the term of their disability but not to exceed a period of twelve (12) months.

Workers' Compensation Leave shall commence from the first day's absence.

(c) Forms and Procedures. Salary continuation approval will follow the same procedures as for sick leave approval. Salary continuation payments will be contingent on the City's acceptance of the injury as compensable under Workers' Compensation Law.

9.5 Leave of Absence Without Pay

(a) Entitlement. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that the granting of such leave is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. The granting of a leave of absence provides the employee the right to return to the position vacated.

(b) Approval. All leaves of absence without pay must be recommended by the department head and approved by the Director of Human Resources. No such leave may extend beyond twelve (12) months, except in the case of absence due to job incurred disability where a determination may be made based upon the needs of public service, or in the event an application for service connected disability retirement has been filed.

(c) Leaves of absence without pay for illness may only be approved following the expiration of entitlement of sick leave and vacation.

9.6 Absence Without Official Leave (AWOL)

(a) Failure to Report to Duty or Failure to Return after Leave. Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked, or canceled, or at the expiration of a leave, shall be considered an absence without official leave and shall be subject to discipline.

(b) Voluntary Resignation. Any employee in this bargaining unit absent

without official leave for two (2) or more consecutive days without a satisfactory explanation shall be deemed to have voluntarily resigned from the City of Stockton. An employee must provide a written statement to the Human Resources Department regarding a "satisfactory explanation", within ten (10) calendar days after the City mails a notice of voluntary resignation to the employee's last known address.

Section 10. Days and Hours of Work

10.1 Workweek

The normal workweek in this unit consists of five (5) consecutive eight (8) hour days or a total of forty (40) hours, generally Monday through Friday in a seven (7) day work period. Where operational requirements of a department require deviations from this schedule, the department head with the Director of Human Resources' approval may institute alternate work schedules as long as the City meets with the Union over the impact of such schedules and conforms to work period requirements of the Fair Labor Standards Act.

10.2 Meal Periods and Rest Periods

(a) Employees shall receive a one (1) hour or one-half (1/2) hour meal period, without pay, each day and a fifteen (15) minute paid rest period during the first half of the work day and a second fifteen (15) minute paid rest period during the second half of the work day. Employees who exceed the time limits prescribed above for lunch and/or rest periods shall have their pay reduced accordingly.

(b) Where operational requirements of a department require deviations from this schedule, meal periods of other durations and alternate rest periods may be instituted with the approval of the department head or designee.

10.3 Reporting to Work

Repeated failure to report to work on time may result in appropriate informal and/or formal discipline as set forth below:

(a) For the first time in a six (6) month period, a Memorandum of Discussion (informal).

(b) For the second time within a six (6) month period, a Letter of Reprimand (formal).

(c) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employees may be discharged (formal).

If an employee reports to the work site after the designated starting time, the employee will be paid only for time actually worked; however, the employee may be allowed to utilize annual leave for lost pay, provided the employee's supervisor approves.

The six (6) month period will be defined as six (6) months from the most recent incident. If no other incident occurs within six (6) months of the most recent incident, the formal disciplinary action (i.e., letter of reprimand, suspension) shall be removed from the employee's official personnel file maintained in the Human Resources Department, upon the written request of the employee to and concurrence by the department head and the Director of Human Resources.

10.4 Work Furloughs

(a) 96 Furlough Hours in Fiscal Year 2010-2011. Each bargaining unit employee shall take ninety six (96) furlough hours (leave from work without pay).

(b) 96 Furlough Hours in Fiscal Year 2011-2012. Each bargaining unit employee shall take ninety six (96) furlough hours (leave from work without pay).

(c) Equalized Payroll Deductions. Payroll deductions for the ninety six (96) furlough hours described in section 10.4 , paragraph (a) above and section 10.4 (b), shall be equalized so that each bargaining unit employee shall have four (4.68) hours at the employee's regular hourly rate of pay deducted from each of the twenty four (24) pay warrants of each fiscal year.

(d) Standard Furlough Days. Except as provided in section 10.4(e), below, each bargaining unit employee shall take the furlough days in accordance with the city-wide calendar (City of Stockton City Office Business Hours) for both fiscal years.

(e) Exception to Standard Furlough Days for Some Employees. Bargaining unit employees shall adhere to the standard work furlough days shown on the city-wide calendar, except where it is impracticable for certain City departments or operations, as determined by the department head. In these rare cases, employees must schedule the appropriate number of furlough hours to be used no later than June 30 of each corresponding fiscal year.

(f) If a furlough is scheduled before or after a City holiday, the employee will, nevertheless, be eligible for holiday pay.

(g) No Adverse Affect on CalPERS. The City represents and warrants based on information provided by the California Public Employees Retirement System (CalPERS) that the furlough deductions described in this section 10.4 shall not reduce or otherwise adversely affect the employee's Final Compensation for retirement purposes under CalPERS. The City shall continue to report the employee's full-time pay rate as noted in the agreed upon salary schedule(s). This bargaining unit has relied on the accuracy of this representation by the City

with the City's knowledge and consent. As an express condition of this section, should any Trades and Maintenance represented employee suffer a reduction or adverse effect in his or her final compensation for retirement purposes through CalPERS solely as a result of the furlough deductions, the City, upon notification, shall thoroughly review and communicate the adverse effect to CalPERS, on behalf of the employee, to ensure the employee is made whole.

(h) Furlough Deductions Non-Taxable to the Employee. The City represents and warrants that the furlough deductions described in this section, 10.4 shall not be subject to income tax, payroll tax, or otherwise taxable to the employee. This bargaining unit has relied on this representation by the City with the City's knowledge and consent. As an express condition of this section, should any represented employee of this bargaining unit be taxed on any furlough deduction amount, the City, upon notification, shall thoroughly review and make the appropriate correction.

(i) Use of Accrued Leaves in Coordination with Furloughs. Bargaining unit employees shall be permitted to use accrued vacation leave, sick leave, and compensatory time off (CTO) on non-furlough days consecutive to furlough days, on a coordinated basis, unless approval of such leave creates an undue hardship to the City.

(j) Fringe Benefits Not Accepted. Notwithstanding the occurrence of furloughs bargaining unit members shall continue to receive the full amount and application of all fringe benefits including, without limitation and by way of illustration, City contribution to health and welfare benefits, accrued vacation leave, and accrued sick leave.

(k) Separation from City Service before June 30, 2012. Any employee who separates from City service before the final 4.68 hour furlough deduction on July 7, 2012 for the pay period ending June 30, 2012, and after having used furlough hours, shall have his or her final compensation reduced by the sum of the number of furlough hours the employee has actually used minus the number of furlough hours actually deducted from the employee's pay warrants multiplied by the employee's regular hourly rate of pay. Conversely, any employee who separates from City service before June 30, 2012, having suffered furlough deductions in excess of the actual number of furlough hours the employee has used, shall have his or her final compensation credited by like amount.

Section 11. Overtime

11.1 Overtime Authorization

All compensable overtime must be authorized by the department head or his designated representative in advance of being worked. If prior authorization is not feasible because of emergency conditions, a confirming authorization must be made on the next regular working day following the date on which the overtime was worked.

11.2 Definition

The following provisions pertaining to authorized overtime work shall apply to those employees whose regular work week is forty (40) hours per week:

(a) Overtime shall be paid at the rate of time and one-half (1-1/2) for all hours in excess of forty (40) hours in a seven (7) day work period for which an employee is in a paid status because of work performed and/or the use of paid leave.

(b) On a holiday observed by the City an employee shall be paid for a regular day plus time and one-half (1-1/2) for actual time worked not to exceed eight (8) hours including employees employed on a per hour or per day basis, or except as provided elsewhere herein.

(c) Any time worked in excess of eight (8) hours on a holiday observed by the City shall be paid for at double time and one-half (2-1/2) except for employees employed on a per hour or per day basis, except as provided elsewhere herein.

(d) The City may require mandatory overtime when operational needs if the City dictate the need to work such overtime. Work in excess of forty (40) hours in any workweek will be paid at time and one-half pay or CTO in accordance with Section 11.4 (b).

11.3 Standby Duty

When warranted and in the interest of the City operation, department heads may assign employees to "standby" status.

(a) Application of "standby" shall be as follows:

(1) Each employee so assigned to "standby" shall be provided with a communication device while on standby and shall be able to

report to the work site within forty-five (45) minutes. Employees assigned to standby shall be required to carry the communication device.

(2) Employees on standby shall have the option to trade days and/or weeks of standby status with another qualified employee in the same unit or division with departmental approval.

(3) Standby shall be assigned in a minimum of eight (8) hours blocks, i.e., Monday - Friday work week standby can be 8, 16, 24 hour blocks. The block of standby will be to one (1) person per 24 hour period.

Standby for weekends i.e., Saturday, Sunday or extended holiday weekends (Friday – Sunday, or Saturday - Monday) will be assigned 8 - 48 hour blocks to one (1) person per weekend (up to 72 hours for holiday weekend).

(b) Compensation of "standby" shall be as follows:

(1) Employees assigned to standby duty shall be paid two (2) hours for every eight (8) hours of standby, and time and one-half (1- 1/2) for all actual time worked while on standby duty status.

(2) Employees assigned to standby duty status on holidays observed by the City shall be paid two (2) hours for every eight (8) hours of standby, time and one-half (1-1/2) for all actual time worked while on standby duty status, and double time and one-half (2 1/2) for all actual time worked in excess of eight (8) hours while on standby duty status.

11.4 Call Back

When an employee is called back to work from off duty status, the employee shall be compensated for a minimum of two (2) hours and forty-five (45) minutes pay at time and one-half (1-1/2) or actual time worked at time and one-half (1-1/2), whichever is greater.

To be eligible for call-back pay, both of the following conditions must be met:

(a) The call-back must occur outside of the employee's regular work hours; including overtime.

(b) The call-back time worked must not be contiguous to the employee's regular work hours; including overtime.

11.5 Compensatory Time

(a) Definition. As used in this Section, the term Compensatory Time refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule.

(b) Accrual. For hours in excess of forty (40) hours in a seven (7) day work period, for which the employee is in a paid status, Compensatory Time may be earned at the rate of time and one-half (1-1/2). No more than eighty (80) hours (forty (40) hours worked at time and one-half [1-1/2]) may be carried on the books at any time.

(c) Use. Use of Compensatory Time shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of City business. Approval of requests for use of Compensatory Time shall be submitted in writing and in advance of use on a day-for-day basis and shall be at the sole discretion of the department head, but once approved, cannot be changed unless an emergency situation arises.

(d) Payment. Once eighty (80) hours of Compensatory Time is accrued on the books, all other hours worked in excess of forty (40) hours in a seven (7) day work period will automatically be paid.

Any Compensatory Time balance remaining at the end of a fiscal year will automatically be paid.

11.6 Meal Allowance

The City shall provide a meal allowance of TEN DOLLARS AND NO CENTS ($10.00) for an employee who is held over and works a minimum of four (4) hours. Employees called back to work or called back from a day off with less than two (2) hours notice shall qualify for the TEN DOLLARS AND NO CENTS ($10.00) meal allowance when they work a minimum of four (4) hours. Extension of the work schedule or call-back must be properly authorized by the employee's supervisor or other designated personnel.

Section 12. Holidays

12.1 Qualifying for Holiday Pay

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

12.2 Holidays Observed by the City

(1) January 1 ..... New Years' Day
(2) Third Monday in January ..... Martin Luther King Jr.'s Birthday
(3) Second Monday in February ..... Lincoln's Birthday
(4) Third Monday in February ..... Washington's Birthday
(5) March 31 ..... Cesar Chavez Birthday
(6) Last Monday in May ..... Memorial Day
(7) July 4 ..... Independence Day
(8) First Monday in September ..... Labor Day
(9) Second Monday in October ..... Columbus Day
(10) November 11 ..... Veteran's Day
(11) Fourth Thursday in November ..... Thanksgiving
(12) The day following the day known as Thanksgiving
(13) December 25 ..... Christmas Day
(14) Employee's Birthday

In addition, a day appointed by the President or Governor as a public holiday shall be observed by the City.

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.

Birthday Holiday Leave. If an employee's birthday falls on Saturday, Sunday or another recognized holiday; or if work requirements do not permit the employee to observe that day off, the department head may authorize a work day within fifteen (15) calendar days prior to or after the employee's actual birth date. An employee will not be credited with a birthday holiday, if he/she terminates prior to the actual birth date.

12.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the department head except in emergency situations where said approval cannot be obtained beforehand.

Section 13. Compensation and Allowance Other Than Base Salary

13.1 Retirement Contribution Supplement

(a) The City will pay seven percent (7%) of the employee's current base salary (employee's contribution) and other compensation as qualified by State law towards the Public Employees' Retirement System (CalPERS). Such amounts will be applied to the employee's individual account in accordance with California Government Code section 20615. Effective August 1, 2011, employees shall pay 7% of the employee's current base salary and other compensation as qualified by state law towards the employer contribution to the CalPERS retirement plan on a post-tax basis in the form of a payroll deduction. The City will seek an IRS private letter ruling to determine whether or not the IRS permits the employee's contribution to the employer's share of pension cost to be treated on a pre-tax basis. If the IRS issues a private letter ruling allowing employee's contribution towards employer pension cost on a pre-tax basis, the City will change the deduction from post-tax to pre-tax as soon as administratively possible after the IRS final determination.

(b) For Employees Hired on or Before June 30, 2011

(1) The City's CalPERS retirement plan is modified to reflect two percent (2%) at age 55, effective January 1993.

(2) The City's CalPERS retirement plan is modified to reflect California Government Code section 20930.3 (Military Service Credit as Public Service) and section 20930.33 (Military Service Credit for Retired Persons) effective upon adoption by Stockton City Council and Board Administration of the CalPERS.

(3) The City will provide CalPERS California Government Code section 20692 (Employer Paid Member Contributions Converted to Payrate during the Final Compensation Period) as added CalPERS benefits. At the beginning of employee's last year of employment, the employee will pay their employees' seven percent (7%) benefit cost through an automatic payroll deduction. The City will increase the base salary for those employees by the same seven percent (7%) for the last twelve (12) months of employment. Internal Revenue Service (IRS) Code 414H(2) will be concurrently implemented with CalPERS California Government Code section

20692, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board.

(4) The City will provide CalPERS California Government Code section 20965 (Credit for Unused Sick Leave) as added CalPERS benefits, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board. Any unused sick leave may be credited towards CAIPERS service credit.

(5) The City will provide CalPERS California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added CalPERS benefits, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board.

(6) The City will provide CalPERS California Government Code section 21335 up to a five percent (5%) Annual Cost-of-Living Allowance, base year 2001) as added CalPERS benefit. The first application date is April 1, 2003.

(c) For Employees Hired on or After July 1, 2011

(1) The City will contract with CalPERS to provide a new second tier retirement program of 2% at 60 with three year average salary formula and no other additional CalPERS. benefits for all unit employees hired on or after July 1, 2011 or as soon as administratively possible consistent with CalPERS contract process. Effective July 1, 2011 all unit employees hired on or after July 1, 2011 shall pay the entire seven percent (7%) of the employee's current base salary and any other compensation as qualified by state law towards CalPERS retirement benefit through a payroll deduction.

13.2 Deferred Compensation

Effective July 1, 2010, the City's contribution to the Deferred Compensation Plan (5.5% of base pay) will be converted to base pay. Effective July 1, 2010, employees will no longer receive a deferred compensation benefit.

13.3 Uniforms

(a) The City shall provide uniforms for all employees assigned to this unit who request uniforms and require employees to wear the uniform during the course of work.

(b) Safety Protective Footwear Reimbursement Allowance. Employees required to wear safety protective footwear in accordance with City Manager's Administrative Directive HR-034, and approved for safety protective footwear reimbursement, the City will authorize safety protective footwear reimbursement in the amount of ONE HUNDRED SEVENTY DOLLARS ($170.00)

13.4 Tool Allowance

(a) Mechanic employees assigned to the Central Garage who are required to personally supply their own set of mechanic hand tools, as required and approved by the Fleet Manager, shall receive an annual tool replacement allowance of FOUR HUNDRED DOLLARS ($400.00).

(b) The City shall pay for the replacement of tools lost through theft from City premises provided that such loss was absolutely no fault of the employee.

(c) Any tool required by the City beyond that initially approved by Fleet Manager shall be provided by the City.

13.5 Special Driver's License Pay

Job classifications that require employees to possess and maintain a Class A and/or Class B Driver's License will receive special pay based on the flat dollar amount equal to one and one-half percent (1-1/2%) of top step of job classification as of July 1, 2010. Effective January 1, 2009, the Special Driver's License pay of one and one-half percent (1-1/2%) of top step of job classification shall be rolled into base salary of job classification.

Special Driver's License Pay will only be implemented with the concurrent implementation of the Operating Engineers' Local No. 3 - City of Stockton, Drug/Alcohol Safety Program.

13.6 Longevity Pay

Effective August 1, 2011, longevity pay shall be eliminated. However, the City shall grandfather only those employees who completed twelve (12) continuous years of service with the City as of July 31, 2011, longevity pay based on the flat dollar amount equal to two and one-half percent (2.5%) of top salary step of the

employee's pay range as of July 1, 2010.

13.8 Credit Union

The City will accommodate payroll deduction to Operating Engineers' Local No. 3 Credit Union, within the limitations of City payroll system. Any modification costs will be borne by Operating Engineers' Local No. 3.

Section 14. Insurance Plans and Retirement Benefits

14.1 Health and Welfare Benefits

(a) Choice of Health Plans. Employees in this bargaining unit shall have a choice of enrolling themselves and their eligible dependents in any of the City sponsored medical, dental and visions plans or Operating Engineer Health and Welfare Trust Fund Plan (PPO Plans A, B, C, and D, and Kaiser HMO Plans A and B). The City shall offer two or more medical plans to regular employees.

(b) Eligibility. Employees shall become eligible for Medical insurance on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees shall become eligible for Dental insurance on the first day of the month subsequent to completion of sixty (60) days continuous service with the City.

(c) City Contribution towards the cost of insurance programs. Effective September 1, 2011:

- The City shall contribute up to $481.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.
- The City shall contribute up to $875.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage
- The City shall contribute up to $1,165.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision plan coverage.

These contributions are based on full-time employment; regular part-time employees shall receive a prorated contribution based on their percentage of full-time employment. Insurance plan premiums that exceed the City's monthly contribution shall be paid by the employee through payroll deductions. The City shall maintain its IRS 125 Plan to allow for employee contributions for medical/visions/dental to be pre-tax premium conversion.

(d) Plan Rules. Employees may insure themselves and their eligible dependents under the medical/vision and dental plans provided by the City, in accordance with the rules and regulations applicable to the selected Plan. Benefits in the Plan shall be in accordance with the Plan document.

(e) Provisional and temporary employees are not eligible for any of the above benefits.

(f) Employees that promote, demote, or transfer from a classification in the Trades and Maintenance unit to an unrepresented classification shall continue to have the option to retain the Operating Engineers' Local No. 3 Health and Welfare Plan.

(g) Parties agree to the implementation of the modifications to the City's Modified Plan, which is referred to in this MOU as "Modified Employee Medical Plan." Modifications to the City's Modified Plan shall be effective September 1, 2011.

14.2 Long Term Disability Insurance

The City shall provide, at no cost to the employee, long term disability insurance coverage. Essentially, this is an income protection plan which provides disability income for employees including:

(a) Each disability - sixty-six and two thirds percent (66 2/3%) of salary.

(b) Disability income payments shall commence after the employee has utilized all sick leave benefits to which the employee is entitled or after a thirty (30) day waiting period whichever is longer.

(c) Benefit payable until age sixty-five (65).

(d) The City will provide, at no expense to the employee, medical coverage for a period of ninety (90) days. For the purpose of this section, medical coverage shall commence immediately after the employee has utilized all sick leave benefits to which the employee is entitled.

14.3 Life Insurance

The City shall provide, at no cost to the employee, a term life insurance policy, equal to one and one-half (1-1/2) times the employee's annual salary.

14.4 Retirement Medical Allowance

For employees hired on or before June 30, 2011, at retirement only, an employee with fifteen (15) years of City service and who has attained the age of fifty (50) will be provided medical coverage consisting of hospitalization, medical and

prescription benefits for the retiree and one (1) dependent until age sixty-five (65) which includes changes to the City's modified plan effective September 1, 2011. Employees hired on or after July 1, 2011 shall not be afforded any retiree medical program coverage by the City.

a. Employees with 15 or more years of service, as of July 1, 2010, shall continue to be eligible for the benefit described above *without having to make any employee contribution*.

b. Employees who have 15 or more years of service on or before June 30, 2012, and retire with CalPERS on or before June 30, 2012, shall continue to be eligible for the benefit described above *without having to make any employee contribution.*

c. All employees hired prior to July 1, 2010, who either do not have 15 or more years of service, as of July 1, 2010, or do not have 15 or more years of service on or before June 30, 2010, and retire with CalPERS on or before June 30, 2012, shall make a retiree health contribution of $100 for employee only, or $175 for employee plus one, toward the health rates.

14.5 For Employees Hired on or after July 1, 2010 but before July 1, 2011.

a. All employees hired on or after July 1, 2010 will be eligible to receive retiree medical benefits through the OE3 VEBA (defined contribution) plan. Employer contribution shall be an amount equal to 2% base salary. Employee contribution shall be an amount equal to 3% of base salary. Employees hired on or after July 1, 2011 shall not receive any contribution towards retiree medical benefits through the OE3 VEBA.

14.6 Retirement-Medicare Supplemental Plan

Employees retiring on or after January 1, 1997, who are eligible for the Retirement Medical Allowance, pursuant to section 14.4, will, at age 65, become eligible for Medicare Supplemental Coverage under the City's Modified Employee Medical Plan which includes changes to the plan effective September 1, 2011. Coverage will be supplemental and secondary to Medicare (reduced by any amounts payable to Medicare). This lifetime benefit is provided to the employee and the employee's spouse. The employee shall be responsible for paying any associated costs for obtaining Medicare coverage Part A and Part B. Employees hired on or after July 1, 2011 shall not be eligible for any Retirement Medical Allowance pursuant to section 14.4 above and shall not become eligible for Retirement Medicare Supplemental Plan under the City's Modified Medical Plan.

14.7 Defined Contribution Plan for Retiree Medical for Unit Members Hired on or after July 1, 2010 but before July 1, 2011.

For employee hired on or after July 1, 2010 but before July 1, 2011, the City shall establish a defined contribution plan for retiree medical that operates through a Retiree Medical Trust ("Trust")

14.8 Retiree Medical Trust for Members Hired on or after July 1, 2010 but before July 1, 2011

A. Establishment of Retiree Medical Trust

As soon as practical, the City shall establish a Retiree Medical Trust ("Trust") that will be governed by Trustees selected by the unit members and the City for the purpose of receiving employee and employer contributions, and for paying a monthly distribution to the City's health plan to subsidize premiums on behalf of eligible retirees.

B. Tax Issues

The City will seek a ruling from the Internal Revenue Service so that employee and employer contributions will be deemed pre-tax. The City will also seek tax-exempt status for the Trust's earnings and the benefits paid from the Trust.

Section 15. Salaries

15.1 Salary

There will be no increases to salary ranges during the term of this MOU.

All salaries hereby established and explained in other parts of section 15 shall no longer be fitted to the Stockton Salary Matrix as set forth in the City of Stockton Salary Schedule. Instead, all salary steps hereby established and explained in other parts of section 15 shall be assigned a fixed percentage of 5.14% between salary steps, and any salary ranges established on or after October 1, 2008, shall be assigned a fixed percentage of 5.0% between salary steps.

The salary for each job classification, as set forth in the City of Stockton Salary Schedule the standard rate of pay for full time employment, unless the schedule specifically indicates otherwise.

The salary as set forth in the City of Stockton Salary Schedule do not include reimbursement for actual and necessary expenses for traveling, subsistence and general expenses authorized and incurred incident to City employment.

15.2 Salary upon Appointment

Except as herein otherwise provided, the entrance salary for a new employee entering the classified service shall be the minimum salary for the class and level to which appointed. When circumstances warrant, the Director of Human Resources may approve an entrance salary which is more than the minimum salary for the class and level to which an employee is appointed. Such salary may not be more than the maximum salary for the class and level to which that employee is appointed.

15.3 Salary Equivalents

Any monthly, daily or hourly rate of pay may be converted into an equivalent rate of pay or to any other time bases when, in the judgment of the Director of Human Resources or the City Manager, such a conversion is advisable. In determining equivalent amounts on different time bases the City shall provide tables or regulations for the calculation of payment for service of less than full time, and for use in converting monthly salaries to hourly rates, as well as for calculating hourly rates. Overtime rate and premium pay shall be calculated according to the provisions of the Fair Labor Standards Act.

15.4 Salary Step Plan

(a) The first salary step shall be the minimum salary rate and shall be the normal hiring salary rate for the class. In a case where a person possesses unusual qualifications, the Director of Human Resources may authorize appointment above the first salary step after receiving the recommendation of the department head. The same provision shall apply to hourly paid and part-time employees.

The second salary step shall be paid upon the satisfactory completion of six (6) months service at the first salary step upon the written recommendation of the department head and approval from the Director of Human Resources.

Subsequent salary steps shall be paid upon the satisfactory completion of one (1) year service at the preceding salary step of the job classification and upon the written recommendation of the department head and approval from the Director of Human Resources.

Regardless of an employee's length of service, step advancements in any given class may be made upon recommendation of the department head with the approval of the Director of Human Resources.

Salary step increases shall be effective the first day of the pay period following appointment or revision. If the date of appointment or revision is the first day of a pay period, salary step increases shall be as of that date.

(b) If a department head recommends withholding salary step increases because an employee has not achieved the level of performance required, notice must be received by the Human Resources Department at least four (4) weeks in advance of the employee's eligibility date. The affected employee shall be furnished a copy of the department head's recommendation. Failure to abide by the above four-week limitation shall not automatically cause a step increase to be granted; however, if an employee does not receive notice by the actual anniversary date, the increase shall be automatically granted.

(c) Changes in an employee's salary because of promotion, demotion, postponement of salary step increase or special merit increase will set a new salary anniversary date for that employee, which date shall be as stated in the preceding paragraph.

(d) Salary range adjustments for a classification will not set a new salary anniversary date for employees serving in that classification.

15.5 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to the City service, are entitled to the automatic salary advancements within the range of their classification for the period they were in the military service.

15.6 Salary Step When Salary Range is Increased

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to the step in the revised range which corresponds to the employee's step held in the previous range, unless otherwise specifically provided for by the Director of Human Resources.

15.7 Salary Step After Promotion or Demotion

(a) When an employee is promoted from a position in one class to a position in a higher class, and at the time of promotion is receiving a salary equal to, or greater than, the minimum rate for the higher class, that employee shall be entitled to the next step in the salary scale of the higher class which is at least five percent (5%) above the employee's current salary, except that the next step shall not exceed the maximum salary of the higher class.

(b) When an employee is demoted, whether such demotion is voluntary or otherwise, that employee's compensation shall be adjusted to the salary prescribed for the class to which demoted.

(1) "If the salary of the employee is reduced for cause or disciplinary reasons, the employee shall receive the salary at the same step prior to promotion."

(2) "If the salary of the employee is reduced through no fault of the employee (i.e., layoff), the salary at demotion shall be at the nearest lower salary to that which was received prior to the demotion."

15.8 Transfer

An employee may be transferred from a class in one department, or to a position of the same class in another department, or to a comparable class, with the approval of both the employee and Department Heads. In the case of a comparable class, the employee must be qualified, as determined by the Director of Human Resources. The Director of Human Resources, in making such a determination, must assure that the maximum salary rate for the classes in

question must be equal to or less than the employee's current top step salary, and shall consider, among other things, whether the employee possesses the minimum qualifications for such class, and is able to demonstrate through education, experience, or successful completion of pertinent test, that he/she is qualified for the transfer. If the transfer involves a change from the jurisdiction of one appointing authority to another, both must consent thereto.

15.9 Salary on Reinstatement

If a former employee is reinstated in the same position, previously held or to one carrying a similar salary range, the employee's salary shall not be higher than the salary at the time of separation unless there has been an increase within the salary range.

If a former employee is reinstated to a position in a lower class the employee's salary shall be set at the same step previously held, but in the pay range of the lower classification.

15.10 "Y" Rate

When an employee's classification is changed to a lower paid classification as the result of a classification study or other action, the employee may be placed on a "Y" rate. A "Y" rate means that the monthly compensation for the employee shall remain in effect until such time as further changes in the pay range of the new classification exceeds the "Y" rate.

15.11 Acting Pay

(a) General Provisions. Any employee in this unit who is assigned by a supervisor to work in a higher paid classification for two (2) or more hours in one (1) day, shall receive the rate of pay in the step of the higher classification which would have been received if the employee had been promoted into that classification, or at least five percent (5%) more than the employee's salary in the present classification, whichever is greater. Out-of-class assignment pay during overtime status will commence at the first hour worked.

(b) When there is an existing promotional eligibility list, and acting pay assignment is expected to be for more than twenty (20) work days, acting pay shall be assigned from the top three (3) on the promotional eligibility list. If the assignment is for twenty work days or less, the highest ranking employee on the promotional list within the division shall be assigned. When there is no eligible list, section (c) below shall apply.

(c) If there is no existing list, acting pay selection shall be made from the five (5) most qualified employees in the section.

(1) Sections are defined, for the purpose of this clause only, as the sub-groups listed under the following department:

Public Works Department - (1) Street Maintenance, (2) Traffic Devices, (3) Electrical/Traffic Signals, (4) Fleet, (5) Facilities Maintenance, (6) Community Enhancement, (7) Parks, and (8) Trees.

(2) Qualifications for the purpose of this Section, as determined by the department head or designee, shall include all the following equal factors:

(a) Seniority in grade within any class immediately below the vacant position.

(b) Worker experience relative to the vacant position.

(c) Prior job performance and attendance.

(d) Certificates or other formal qualification devices such as eligibility lists.

If all things are equal based on above factors, the seniority within the City shall be considered.

(3) The opportunity for acting pay shall be rotated among the five (5) most qualified employees within each section.

(d) Assignments from other than a promotional eligibility list shall not exceed 120 days per fiscal year per employee.

15.12 Special Assignment Pay

The City Manager may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned in writing by the supervisor to perform additional duties and responsibilities beyond the scope of the assignment for the duration of the special assignment.

Any employee assigned to the Tree Spray Crew shall receive an additional five percent (5%) special assignment pay per day when assigned in writing by the supervisor to spray trees and performs such work four (4) or more hours in any

one (1) day.

Section 16. Severability of Provisions

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable that provision of the Memorandum of Understanding shall be null and void but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

In the event that Federal legislation changes the current applicability of the Fair Labor Standards Act, both parties agree to consult and/or confer on the impacts of such legislation to the extent required by law.

Section 17. Past Practices and Existing Memoranda of Understanding

Continuance of working conditions and practices not specifically authorized by ordinance or by resolution of the City Council is not guaranteed by this Memorandum of Understanding.

This Memorandum of Understanding shall supersede all existing Memoranda of Understanding between the City and the Union.

Section 18. Scope of Agreement

Except as otherwise specifically provided herein this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties on any and all matters subject to meeting and conferring. Neither party shall, during the term of this Memorandum of Understanding, demand any change therein nor shall either party be required to negotiate with respect to any matter; provided that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.

Section 19. Duration of Agreement

This Memorandum of Understanding shall be effective the date of execution, and shall remain in full force and effect to and including the 30th day of June, 2012 and shall continue thereafter from year to year unless at least sixty (60) days prior to July 1 either party shall file written notice with the other of its desire to amend, modify, or terminate this Memorandum of Understanding.

Section 20. Maintenance of Operations/City Rights

(a) It is recognized that the need for continued and uninterrupted operation of City services is of paramount importance. Therefore, the Union and each employee represented thereby agrees that from the date of execution, through exhaustion of the impasse process/mediation/fact finding as set forth in the Employer/Employee Relations Ordinance, the Union or any person acting in its behalf, or each employee in a classification represented by the Union, shall not cause, authorize, engage in, encourage, or sanction a work stoppage, slowdown, refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound), or picketing, other than informational picketing, against the City or the individual or concerted failure to report for duty or abstinence from the full and faithful performance of the duties of employment, including compliance with the request of another labor organization or bargaining unit to engage in such activity in an attempt to induce a change in wages, hours, and other terms and conditions of employment.

(b) An employee shall not be entitled to any wages or City paid benefits whatsoever if the City Council, by majority vote, determines to its satisfaction, that the employee is, or has, engaged in any activity prohibited by subsection (a) of this Section. The City may take other action which it deems appropriate.

(c) If the City Council, by majority vote, determines to its satisfaction, that subsection (a) of this Section has been violated by the Union, the City may take such remedial action as it deems appropriate.

(d) The Union recognizes the duty and obligation of its representatives and members to comply with the provisions of this Memorandum of Understanding and to make every effort toward inducing all employees in this unit to fully and faithfully perform their duties. In the event of any activity prohibited by subsection (a) hereinabove, the Union agrees to take supererogatory steps necessary to assure compliance with this Memorandum of Understanding.

(e) The rights of the City as set forth in section 2-206 of the Employer-Employee Relations Ordinance, (Stockton Municipal Code, §§ 2-200, *et seq.*) are incorporated herein by reference.

IN WITNESS WHEREOF the parties hereto have executed this Memorandum of Understanding on this ____ day of _____ 2011.

OPERATING ENGINEERS LOCAL UNION NO. 3 of the International Union of Operating Engineers, AFL-CIO

By:_____
JOE SANTELLA
Its: Business Representative

By:_____
Its: Director of Public Employee Division

By:_____
Its: Member

By:_____
Its: Member

By:_____
Its: Member

CITY OF STOCKTON,
a municipal corporation

By: _____
DANIA TORRES WONG
Its: Chief Negotiator for City

By:_____
TERESIA HAASE
Its: Director of Human Resources & Employee Relations Officer

By:_____

APPROVED AS TO FORM:

JOHN LUEBBERKE
CITY ATTORNEY

By:_____

Deputy City Attorney

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TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
TERM: JULY 1, 2012 – JUNE 30, 2013

CITY OF STOCKTON

MEMORANDUM OF UNDERSTANDING

TRADES AND MAINTENANCE UNIT

Operating Engineers' Local 3, AFL-CIO and representatives of the City of Stockton have met and conferred in good faith regarding wages, hours and other terms and conditions of employment of employees in the representation unit identified in Section 1, have exchanged freely information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding is entered into pursuant to the Meyers-Milias-Brown Act (Government Code sections 3500-3510) and has been jointly prepared by the parties.

This Memorandum of Understanding shall be presented to the Stockton City Council as the joint recommendations of the undersigned for salary and benefit adjustments for the period commencing July 1, 2012 and ending June 30, 2013.

OB 1338136

TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
TERM: JULY 1, 2012 – JUNE 30, 2013

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TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
TERM: JULY 1, 2012 – JUNE 30, 2013

Section 1. Recognition

Operating Engineers' Local 3, AFL-CIO, hereinafter referred to as the "Union," is the recognized employee organization for the Trades and Maintenance Unit, certified pursuant to the Employer-Employee Relations Ordinance (Stockton Municipal Code §§ 2-200, *et seq.*).

Section 2. Union Security

2.1 Dues Deduction

(a) General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

Additional authorization shall not be required for deduction of increased membership dues when such increase has been duly approved by the membership of the Union. Notification of such approval shall be forwarded to the City in the form of written notice on official Union letterhead and signed by the duly authorized Union official. Upon receipt of notification, the City shall authorize the payroll deduction of the increased amount.

If an employee is promoted to a position which is represented by another employee organization or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds, at the address specified.

In addition to the deduction of dues, the City will deduct from the paychecks of Union members who request it, premiums for group insurance and investment

plans sponsored by the Union. Such deductions shall be made in one lump sum and only upon signed authorization from the employee upon a form satisfactory to the City.

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the City which would have been withheld if the employee had been in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

(b) Indemnity and Refund. The Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

2.2 Agency Fee

(a) Employee Rights

(1) The City and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal, alternative right of employees to refuse to form, join and participate in employee organizations. Neither party shall exert pressure upon or discriminate against an employee in the exercise of these alternative rights.

(2) Accordingly, membership in the Union shall not be compulsory. A unit member has the right to choose, either: to become a member of the Union; or, to pay to the Union a fee for representation services; or, to refrain from either of the above courses of action upon the grounds set forth in Section (f) below.

(b) Unit Members' Obligation to Exclusive Representative

(1) A bargaining unit member who does not fall within one (1) of the exempted categories as set forth in Section (f) below, and who has not voluntarily made application for membership in the Union within the sixtieth (60) day following the date upon which said employee has been formally hired by the City as a bargaining unit employee, must as a condition of continued employment in the City pay to the Union a representation fee, in exchange for representation services necessarily performed by the Union in conformance with its legally imposed duty of fair representation on behalf of said unit member who is not a member of the Union.

(2) In the event that a unit member does not become a member of the Union or pay such fee directly to the Union, the City shall begin automatic payroll deduction. There shall be no charge to the Union for such mandatory agency fee deductions.

(3) Prior to beginning such automatic payroll deduction, the Business Representative of the Union will certify to the City in writing that the employee whose pay is to be affected by the deduction has: 1) refused to join the Union; and 2) has refused to tender the amount of the agency fee as defined herein; and 3) has not applied for an exemption under Section (f) herein. In addition the Union must also certify that it has provided the employee with a copy of the fee verification required by Section (e) herein.

(c) Definition of Agency Fee

(1) The agency fee collected pursuant to Section (b) above from unit members who are not members of the Union shall be an amount not to exceed the standard initiation fee, periodic dues and general assessments of the Union for the duration of this Agreement, minus any amount which is prohibited by the Constitution because such funds pay for political or ideological purposes not related to collective bargaining.

(2) Any dispute as to the amount of the representation fee shall be resolved pursuant to the provisions of Section (h) herein.

(d) Exceptions. Unit members on leave without pay and unit members who are in laid-off status shall be exempt from these provisions herein; except that the election as to membership or payment of a fee as set forth herein

must be exercised within the first ten (10) work days upon return to paid status.

(e) Annual Verification of Agency Fee by the Union. Prior to January 31, of each year and before the collection of an agency fee from any unit member pursuant to these provisions herein, the Union shall submit a written certification to the fee payers verifying that the total amount of its representation fee conforms to Section (c) above, and itemizing all component parts of such fee which shall provide an adequate explanation for the basis of the fee. Each year such amount shall be verified and submitted in writing to the fee payers by the Union prior to January 31st. The Union will submit a copy of such verification to the Director of Human Resources of the City. The parties agree that such annual verification is a condition precedent to the collection by either the City or the Union of a representation fee from a unit member.

(f) Employees Exempted From Obligation to Pay Union

(1) Any unit member shall be exempt from the requirements of Section (b) above, if such employee has a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.

(2) Such exempt unit member shall, as an alternative to payment of a representation fee to the Union, pay an amount equivalent to such representation fee to:

a. United Way.
b. American Cancer Society.
c. Any charity jointly agreed in writing by the parties.

(3) If a unit member desires to be exempted for reasons set forth in Section (f) herein, the unit member must first request such exemption in writing from the Union setting forth briefly the rationale for the exemption. If the Union notifies the unit member in writing that the Union will not honor the request, then the matter shall be referred automatically to a panel for determination according to the procedure set forth below. The panel shall be composed of one (1) person selected by the Union, one (1) person selected by the unit member, and an arbitrator selected by the parties chosen from a list submitted by the State Conciliation Service. If either

one or both parties fail to nominate a panel member, the process of hearing will continue without that party's panel member.

(4) The panel shall first receive arguments and evidence from the unit member requesting the exemption. Thereafter the Union may present any arguments or evidence. The proceedings shall be conducted in an informal manner, and the rules of evidence will not apply. The arbitrator shall act as chair and rule on all matters before the panel with the exception of the final determination of the panel. The panel shall prepare a written decision within fifteen (15) calendar days of the completion of the hearing which shall be final and binding upon the parties. Any expenses of the panel shall be borne by the parties incurring them.

(5) Upon receipt of the decision of the panel, the City shall release any funds held in escrow to the Union or to the charity. Any decision by the panel shall apply for the duration of this Memorandum of Understanding.

(6) In addition, the Union may require such exempt unit member to submit proof of payment of an amount equivalent to such representation fee to one (1) of the alternative funds or organizations listed above. If the bargaining unit member has not provided payment, the City will institute deductions pursuant to Section (b)(2), and forward such monies to a charity listed in Section (f)(2).

(7) Such payments shall be made on or before January 31, of each year or no more than thirty (30) days after commencing duties for any newly hired employee.

(g) Escrow Account. If any unit member either disputes the amount of the fee or disputes whether or not an exemption was appropriately denied, the City shall deposit the fee which was deducted and place such amount into a special escrow account established by the Union for such purposes.

(h) Procedure for a Unit Member Who Contests the Amount of the Fee

(1) The parties agree that in order to provide a uniform definition of the representation fee, any disputes involving the amount of such fee shall be referred to the Union's procedure for determination, provided that the parties have first complied with the other provisions of this Section.

(2) The Union shall notify the City in writing within twenty (20) days after it becomes aware that any employee disputes the amount of the fee.

(3) The Union will verify in writing to the City that all of the conditions of Section (b)(3) have been met prior to the City's initiation of the fee deductions set forth in Section (b)(2). Thereafter, the City will notify the affected employee in writing that such deductions will commence and a copy of the Union's written verification will be attached to the City's notice. Thereafter, the City will begin the deductions.

The monies held in escrow shall be released to the appropriate party upon the rendering of a final decision by the Union's internal procedure.

(i) Payment Method/Payroll Deduction

(1) A unit member may voluntarily sign and deliver to the City a written assignment authorizing deduction of the properly established representation fee as defined in Section (c) above, subject to the conditions set forth elsewhere in this agreement for payroll deductions, or the amount of the fee will be deducted automatically in accordance with Section (b)(2) herein.

(2) The City is under no obligation to make payroll deductions for the periods during which a unit member is either terminated from active employment, or not on the City's active payroll for any reason, including, but not limited to, layoff and voluntary leave of absence for more than thirty (30) days.

(3) Upon the rehiring of any unit member, or upon the recalling of any unit member from layoff status, the City will resume or initiate dues deductions for such unit member.

(j) Obligations of Parties

(1) City's Obligations. The City's obligation under this Article is to notify any unit member who has failed to comply with the provisions of this Section that, as a condition of continued employment with the City, such unit member must become an Union member, or pay a representation fee, or establish an exemption status and make payment pursuant to provisions of Sections (b) and (f) of this Agreement. Under no circumstances shall the City be required to dismiss or otherwise discipline any unit member for failure to fulfill their obligations to pay the fees established herein.

(2) Union's Obligations. Except as specified herein, the Union and not the City, shall be responsible for requiring unit members to fulfill obligations defined herein. It is the obligation of the Union to collect any representation fees which may be due and payable to the Union in consideration for its services as the exclusive representative of unit employees.

(k) Hold Harmless Provision. The Union shall hold the City harmless, and shall fully and promptly reimburse the City for any fees, costs, charges or penalties incurred in responding to or defending against any claims, disputes, challenges, whether formal or informal, which are actually brought, or attempted or threatened to be brought, against the City or any of its agents, or employees, in connection with the interpretation, application, administration or enforcement of any Section of this Agreement pertaining to representation fee. Such reimbursement shall include, but not be limited to, court costs, litigation expenses, and attorney's fees incurred by the City. The City shall have the right to be represented by its own attorney in any action in which it is a named party to the action. Disputes over the amount of reimbursement shall be automatically submitted to the arbitration provisions of this Memorandum, Section 8.3(e).

2.3 Use of City Facilities

(a) The Union shall be allowed by the City department in which it represents employees' use of space on available bulletin boards for communications having to do with official Union business, such as times and places of meetings, provided such use does not interfere with the needs of the department. The Union may submit to the City Employee Relations Officer written communications having to do with official Union business for distribution by the City to identified shop stewards. Distribution may be by e-mail.

(b) Any representative of the Union shall give notice to the department head or designated representative when contacting department employees on City facilities during the duty period of the employees, provided that solicitation for membership or other internal Union business shall be conducted during the non-duty hours of all employees concerned. Pre-arrangement for routine contact may be made with individual department heads and when made shall continue until revoked by the department head.

(c) City buildings and other facilities may be made available for use by City Employees of the Union or their representatives in accordance with such

administrative procedures as may be established by the City Manager or department heads concerned.

2.4 Advance Notice

Except in cases of emergency, reasonable advance written notice shall be given to the Union if affected by any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to negotiate if requested with the designated management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described above and be given an opportunity if requested to negotiate changes to said notice with the management representatives designated by the City Manager.

2.5 Attendance at Meetings by Employees

City employees who are official representatives or unit representatives of the Union shall be given reasonable time off with pay to attend meetings with City management representatives, or be where matters within the scope of representation or grievances are being considered. Such employee representatives shall submit a request for excused absence to their respective department heads, in a manner satisfactory prior to the scheduled meeting whenever possible. Time spent for these purposes while a representative is not scheduled to work shall not be compensated by the City and shall not be considered as hours worked. Except by mutual agreement the number of the employees excused for such purposes shall not exceed three (3) per recognized bargaining unit.

2.6 Maintenance of Membership

All employees in the Trades and Maintenance unit who are members of the Union, tendering periodic dues at the execution of this agreement, and all employees who thereafter become members of the Union shall, as a condition of employment, pay dues to the Union for the duration of this Memorandum of Understanding, and each year thereafter. For a period of thirty (30) days prior to January 1, 1989, and thirty (30) days prior to any January 1, thereafter, any employee in the aforementioned unit who is a member of the Union shall have the right to withdraw from the Union discontinuing dues payments and retain

employment in the City, subject to provisions of Section 2.2. Agency Fee. Said withdrawal shall be communicated by the employee in writing to the City. The provisions of this section shall be operative only to the extent that they are permissible under California law.

2.7 Assignment of Classifications

New job classifications established by the City shall be assigned to the bargaining unit pursuant to section 2-208 of Employer-Employee Relations Ordinance (Stockton Municipal Code §§2-200, *et seq.*) after providing notice and the opportunity to consult with the Union regarding such matters.

Section 3. Compliance with Federal Laws/Safety

3.1 Non-Discrimination. The City and the Union agree that there shall be no discrimination of any kind because of age (over 40), race, creed, color, religion, national origin (ancestry), veterans status, physical or mental disability, marital status, sexual orientation, sex (sexual, gender based, pregnancy/childbirth), political affiliation or legitimate union activity or on any other basis prohibited by applicable federal and State law against any employee or applicant for employment.

3.2 Fair Labor Standards Act. The Union agrees to cooperate with the City to insure its members' compliance with the provisions of the Fair Labor Standards Act.

3.3 Safety. The Union shall cooperate with the City in promoting safety objectives as defined in Federal, State and local regulations by actively supporting safety programs, promoting safe work habits of members and encouraging an ongoing, active participation by its members in safety related procedures and practices as offered and promulgated by the City of Stockton.

Section 4. Probation

4.1 Purpose

The probationary period shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to a position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

4.2 Original Entrance and Promotional Positions

All original and promotional appointments shall be tentative and subject to a probationary period of six (6) months, unless a longer probationary period is stated in the class specification. The probationary period may be extended up to an additional six (6) months in those cases where the appointing authority and the Director of Human Resources agree that such extension would be beneficial to the employee and the City.

4.3 Retention/Rejection of Probationer

At the end of the probationary period, if the service of the probationary employee has been satisfactory to the appointing authority, then the appointing authority shall file with the Director of Human Resources a statement in writing to such effect and stating that the retention of such employee in the service is desired. The City will make a good faith effort to notify a probationary employee two (2) weeks before the end of the probationary period whether or not regular status is granted; however, a failure on the part of the appointing authority to file such a statement at the end of the probationary period shall constitute a rejection of the probationer as defined in Civil Service Rules.

During the probationary period an employee may be rejected at any time by the appointing authority. Any employee rejected during the probationary period following a promotional appointment, shall be reinstated to the position from which promoted unless charges are filed and the employee is discharged in the manner provided in Section 7 of this Memorandum of Understanding and in the Civil Service Ordinance and Civil Service Rules, which are consistent therewith.

4.4 Alcohol and Drug Testing.

All original and reemployed appointments must pass a drug and alcohol screening prior to being offered City employment. This shall include non-represented part-time, seasonal, provisional, and temporary appointments.

Section 5. Layoff

5.1 Layoff

Any employee may be laid off by an appointing authority in the event of the abolition of the employee's position by the City Council, or if a shortage of work or funds requires a reduction in personnel.

5.2 Layoff Scope

(a) Layoffs shall be within departments of the City.

(b) Departments of the City are defined as follows:

(1) City Attorney
(2) City Auditor
(3) City Clerk
(4) City Manager
(5) Community Development
(6) Community Services
(7) Financial Management
(8) Fire
(9) Housing and Redevelopment
(10) Human Resources
(11) Information Technology
(12) Library
(13) Municipal Utilities
(14) Police
(15) Public Works

5.3 Notice of Layoff

The City will give advance written notice of at least one pay period to employees who will be laid off.

5.4 Precedence by Employment Status

(a) No regular employees shall be laid off while employees working in an extra help, seasonal, temporary, provisional, or probationary status are retained in the same classification as such regular employee. The order of layoff among employees not having regular status shall be according to the following categories:

(1) Limited term (i.e., part-time, provisional, and temporary)
(2) Probationary

Layoffs shall be by job classification according to reverse order of seniority as determined by total service in the City, except as specified above. For the

purpose of this procedure part-time classes shall be considered as separate from regular full-time classes.

The following provisions shall apply in computing total continuous service:

(1) Time worked in a regular or probationary status shall count as service.
(2) Time spent on military leave shall count as service in the event the leave was taken subsequent to entry.
(3) Time worked in a limited term status (i.e., part-time, provisional, and temporary) shall not count as service.

If two (2) or more employees have the same seniority, the order of seniority shall be determined by their respective ranking on the eligibility list for hire.
If two (2) or more employees have the same seniority but were not hired from a ranked eligibility list, the order of seniority shall be determined by lot.

If two (2) or more employees have the same seniority, but were hired from separate ranked eligibility lists, the order of seniority shall be determined by lot.

(b) Any employee in the Trades and Maintenance Unit who is laid off may complete a City employment application for any position currently staffed by a part time, provisional, or temporary employee. The Human Resources Department will evaluate the employment application. If the laid off employee meets the minimum qualifications of that position, he/she shall have the option of displacing the part time, provisional, or temporary employee.

5.5 Employee Options

Employees laid off shall have any of the following choices:

(a) Displacing the employee in the same department and in the same or clearly comparable classification as determined by the Director of Human Resources as having the least (total service) seniority. This option shall be exercised before any other option.

(b) Taking a voluntary demotion within the department to a classification in which the employee had prior regular status, thus displacing the employee working in the classification who has the least (total service) seniority.

5.6 Health and Welfare Benefits during Layoff

Regular employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

Section 6. Reemployment

(a) The name of each employee who is laid off in accordance with Section 5. shall be placed at the head of the eligibility list for the class of positions which that employee held, and shall be given preference in filling vacancies in that class.

(b) An employee laid off in accordance with this Section shall be placed on the eligibility list or lists for any lower or comparable class or classes in the same department, provided that the appointing authority and the department head in charge of this lower or comparable class determine that the employee is competent to perform the duties thereof in strict accordance with the class specifications. This right of a laid off employee shall remain effective for two (2) years from the date of latest separation from the service. The employee shall not be placed on said eligibility list or lists without first submitting a written request. Employee's place on said list or lists shall be at the head of the eligibility list for the class of positions for which qualified as hereinabove set forth and shall be given preference in filling vacancies except for those persons placed on said list or lists of reemployment in the same positions previously held. An employee who waives reemployment to a full time position three times shall have his/her name removed from this reemployment list unless mutually agreed to by the Department and employee. Upon certification for appointment to a new position never having been held by this employee, the probationary period must be completed as required in this Memorandum of Understanding.

Section 7. Discipline

Disciplinary action, including discharge, suspension, reduction in pay or demotion, may be taken against any employee for cause.

7.1 Predisciplinary Rights

An employee facing potential disciplinary action will be entitled to the following predisciplinary rights:

(a) Notice of proposed discipline.

(b) Date(s) proposed discipline will be effective.

(c) Reasons for the proposed discipline, the specific grounds and particular facts upon which the action is taken.

(d) Ten (10) calendar days in which an employee or the representative may respond either orally or in writing to the department head.

(e) The employee must be provided with any written materials, reports and documents upon which the action is based.

7.2 Administrative Leave

The City may place an employee on administrative leave pending the completion of the predisciplinary process.

7.3 Provisions

The appointing authority may discharge, suspend or demote any employee in the classified service provided the Stockton Municipal Code provisions and the rules and regulations of the Civil Service Commission and any applicable provisions of law are followed. Such provisions allow the employee suspended, demoted or discharged to appeal such action. The employee may take only one (1) of the following actions:

(a) File no appeal.

(b) File an appeal with the Civil Service Commission within ten (10) calendar days of written notification of the action. (Such filing will foreclose use of the grievance procedure.)

(c) File a grievance as provided for in Section 8 within ten (10) calendar days of written notification of the action.

If the employee fails to do (b) or (c) above within the prescribed time frames, these rights will have been waived.

Section 8. Grievance Procedures

8.1 Definition

A grievance is any dispute which involves the interpretation or application of those rules, regulations and resolutions which have been, or may hereafter be, adopted by the City Council to govern personnel practices and working conditions, including such rules, regulations and resolutions as may be adopted by either the City Council or the Civil Service Commission to affect Memoranda of Understanding which result from the meeting and conferring process.

8.2 Filing Deadline

(a) No grievance involving demotion, suspension, discharge or other employment penalty will be entertained unless it is filed in writing with the Director of Human Resources within ten (10) calendar days of the time at which the affected employee received written notification of such action. All other grievances must be filed within thirty (30) calendar days from the time the employee knew or had reason to know of the facts giving rise to the grievance.

(b) With written consent of the City Manager or his/her designee and the Union Business Agent or his/her designee, time limits may be extended and/or Steps 1, 2 and/or 3 of the Grievance Procedure waived.

8.3 Grievance Processing

(a) Step 1 - Departmental Review. Any employee claiming to have a grievance may discuss the complaint with such management official in the department where employed as the department head may designate. If the issue is not resolved within the department within twenty (20) days from the day of presentation or if the employee elects to submit the grievance directly to the Union recognized as the representative of that employee's classification, or if the employee/Union official notifies the Director of Human Resources, in writing, that a grievance exists, the procedure hereinafter specified may be invoked.

(b) Step 2 - Director of Human Resources Review. If the employee is not satisfied with the response at level one, then the employee may appeal the grievance to the Director of Human Resources within twenty (20) calendar days

of the receipt of written response at level one. Such appeal must state with particularity: 1) the specific policy, rule or provision which is alleged to have been violated; 2) the statement of facts comprising the violation; and 3) the requested remedy. The Union may file and process grievance(s) on behalf of the specifically named employee. The Director of Human Resources shall have twenty (20) calendar days in which to investigate the issues, meet with the complainant and attempt to reach a satisfactory resolution of the problem. No grievance may be processed under the following two (2) paragraphs which has not first been filed and investigated in accordance with this paragraph, except for the resolution of compensation complaints.

(c) Step 3 - Arbitration. If the parties are unable to reach a mutually satisfactory accord on the grievance at Step 2, within twenty (20) calendar days either the Union or the City may require that the grievance be referred to an impartial arbitrator mutually selected by the parties, or if the parties are unable to mutually agree, from a list of seven (7) arbitrators provided by the State Conciliation Service. The arbitrator shall be chosen by the alternative strike method, with first choice being determined by lot. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by the Union and City. Each party, however, shall bear the cost of its own presentation, including preparation and post hearing briefs, if any.

(d) Effect of Decision. Decisions of arbitrators on matters properly before them shall be final and binding on the parties hereto except as provided otherwise herein.

8.4 Scope of Arbitration

(a) No arbitrator shall entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union and unless such dispute falls within the definition of a grievance as set forth in paragraph 8.1.

(b) Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may be referred to arbitration under this Section. No arbitrator selected pursuant to this Section shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

(c) No changes in this Memorandum of Understanding or interpretations thereof (except interpretations resulting from arbitration proceedings hereunder) will be recognized unless agreed to by the Director of Human Resources and the Union.

8.5 Other Provisions

If the Director of Human Resources or City Manager, in pursuance of the procedures outlined above, resolves a grievance which involved suspension or discharge, they may agree to payment for lost time or to reinstatement with or without payment for lost time, but in the event the dispute is referred to arbitration and the arbitrator finds that the City had cause to take the action complained of, the arbitrator may not substitute his judgment for the judgment of management and if the findings are that the City had such right, the arbitrator may not order reinstatement and may not assess any penalty upon the City.

Complaints which allege the employee is not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances and processed pursuant to Section 8.3. Any other matters of compensation are to be resolved in the meeting and conferring process and if not detailed in the Memorandum of Understanding which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next open for such decision. No adjustment shall be retroactive for more than thirty (30) days from the date upon which the complaint was filed.

Specified time limits may be modified only in writing. All appeals and responses must be provided in writing.

A grievant will be provided release time without loss of pay for all required meetings with management. The City cannot discriminate or retaliate in any manner against an employee for filing a grievance or exercising rights under this Section.

The provisions of this Section shall not abridge any rights to which an employee may be entitled under the Stockton Municipal Code and/or Civil Service Rules and Regulations, nor shall it be administered in a manner which would abrogate any power which, under the Stockton Municipal Code, may be within the sole province and discretion of the Civil Service Commission.

All grievances of employees in representation units represented by the Union shall be processed under this Section. If the Stockton Municipal Code and/or

Civil Service Rules and Regulations requires that a differing option be available to the employee, no action under paragraph (c) of Subsection 8.3 above shall be taken unless it is determined that the employee is not utilizing such option.

No action under paragraph (c) of Subsection 8.3 above shall be taken if action on the complaint or grievance has been taken by the Civil Service Commission or if the complaint or grievance is pending before the Civil Service Commission.

If any award by an arbitrator requires action by the City Council or the Civil Service Commission before it can be placed in effect, the City Manager and the Director of Human Resources will recommend to the City Council or the Civil Service Commission, as appropriate, that it follow such award.

Section 9. Leaves

9.1 Vacation Leaves

(a) Vacation Allowance. All regular employees, excluding provisional and temporary shall accrue vacation leave with pay in accordance with the following schedule:

(1) Less than one and one-half (1-1/2) years continuous employment ..... 80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment ..... 108 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment ..... 144 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment ..... 189 hours/year.

(5) Thereafter, seven (7) additional hours for each completed year of service in excess of twenty-five (25) years.

(6) Employees shall accrue vacation on a twice-monthly payroll basis

(b) Maximum Vacation Accrual. Employees reaching the maximum hours shall stop accruing additional hours until they are below the caps listed here. No

vacation hours may be added to sick leave balances without exception. Effective July 1, 2012, the following maximum vacation accruals shall take effect. For employees who on July 1, 2012 have vacation balances that exceed their maximum shall have until June 30, 2013 to use sufficient vacation to get under the maximum allowed. If an employee does not get below the maximum by June 30, 2013, they shall retain their existing earned vacation, but shall not earn any additional vacation until they are under the maximum vacation accrual allowed.

Maximum Vacation Accrual Caps

40 Hour Employee

Under 1.5 years	120 hours (15 days for 8 hour shift)
1.5 – 7.5 years	240 hours (30 days for 8 hour shift)
7.5 – 15 years	280 hours (35 days for 8 hour shift)
15 – 25 years	320 hours (40 days for 8 hour shift)
26 years	328 hours (41 days for 8 hour shift)
27 years	336 hours (42 days for 8 hour shift)
28 years	344 hours (43 days for 8 hour shift)
29 years	352 hours (44 days for 8 hour shift)

For every year of service beyond 29, the employee is allowed to add an additional seven (7) hours to the maximum accrual cap.

(c) Vacation Scheduling. Vacation leaves shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business. Vacation requests are accepted on a day for day basis.

(d) Holiday during Vacation. If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(e) Vacation Allowance for Separated Employees. When an employee is separated from the service between February 17, 2012 and July 1, 2014, the employee's remaining vacation allowance, if any, shall be paid as follows:

(1) Upon separation, employees shall receive one third (1/3) or $10,000, whichever is greater, of the total of his/her unused accumulated vacation hours.

(2) On the one year anniversary of employee's separation, he/she shall receive the second payment of one third (1/3) or $10,000, whichever is greater, of the balance of his/her unused accumulated vacation hours.

(3) On the second anniversary of separation, he/she shall receive the balance payment of the unused accumulated vacation hours.

(4) Employees who are involuntarily separated shall have their unused accumulated vacation hours, if any, added to his/her final compensation.

(5) An employee who has resigned in good standing and is subsequently reinstated within two (2) years from the date of resignation shall have prior service counted in determining eligibility for vacation benefits, deducting therefrom the amount of time between the date of resignation and the date of reinstatement which shall not be counted in determining eligibility.

(f) Vacation Sell-Back Maximum. An employee may elect to receive cash payment for up to a maximum of forty (40) hours of his/her accumulated vacation balance annually except that all cash outs shall be suspended during furlough or fiscal emergency periods.

9.2 Sick Leave

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of eight (8) hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence without pay granted to the employee.

(b) Usage. Employees are entitled to sick leave pay for those days which the employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery therefrom.

(c) Family Sick Leave. Employees may utilize up to one-half of their annual sick leave accrual in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care that otherwise would not be covered by the Family Medical Leave Act (FMLA) or the California Family Rights Act (CFRA) leaves.

Such leave shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent, grandchild, legal dependant and registered domestic partner.

In special cases, with the approval of the Director of Human Resources, a department head may grant the use of sick leave in other circumstances.

It is not the intent of this provision to conflict with any state or federally mandated policies, such as the Family Medical Leave Act (FMLA), the California Family Rights Act (CFRA), or the Pregnancy Disability Leave (PDL).

(d) Reporting Procedures for Sick Leave. When the requirement for sick leave is known to the employee in advance of the absence, (for example, included but not limited to scheduled medical, dental or vision appointments), the employee shall request authorization for such sick leave from the department head prior to such absence.

If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for the following informal and formal disciplinary action:

(1) For the first time in a six (6) month period, a Memorandum of Discussion (informal).

(2) For the second time within a six (6) month period, a Letter of Reprimand (formal).

(3) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employee may be discharged (formal).

The six (6) month period will be defined as six (6) months from the most recent incident. If no other incident occurs within six (6) months of the most recent incident, the disciplinary data shall be removed from the employee's official personnel file.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a signed statement to the department head, on a prescribed form, stating the dates and hours of absence, the exact reason, and such other information as is necessary for the request to be evaluated. If an employee doesn't return to work prior to the preparation of the payroll, other arrangements may be made with the department head.

(2) Doctor's Certificate or Other Proof. The Director of Human Resources may require a doctor's certificate or other reasonable proof of illness as he/she deems necessary in order for an employee to receive an excused absence from work and sick leave pay. The employee shall be given notice prior to returning to work that he or she will be required to provide such documentation. Employees who have unscheduled absences due to illness on a scheduled work day preceding or following a holiday may be required to bring a doctor's certificate or other reasonable proof of illness in order to receive an excused absence and sick leave pay. If an employee's illness results in an absence from work for more than three (3) consecutive days, a doctor's certificate or other reasonable proof of illness may be required. In addition, the City may monitor and control the appropriate use of sick leave by employees and if reasonable cause is articulated, can limit use of sick leave and require additional verification.

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. The employee has the right to Union representation at such meeting. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Human Resources pursuant to (e)(2) above;

(b) Suspend the employee without pay for up to five (5) days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave While on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or

(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

(g) Payment for Unused Sick Leave. Effective February 17, 2012, all accumulated or future accruals of sick leave shall have no cash value upon separation of employment and employees shall not be allowed to cash out unused sick leave except as provided below.

(h) CalPERS Service Credit for Unused Sick Leave. Employees shall be eligible for CalPERS service credit for any unused sick leave at retirement not otherwise compensated for in (i) below. Employees hired after the City amends its CalPERS contract to eliminate service credit for unused sick leave shall not be eligible for this service credit.

(i) Sick Leave Retention Benefit. If, after subtracting the equivalent of one full year of service credit (2080 hours), which may be applied to CALPERS service credit, any balance remaining upon separation shall be paid as follows to employees who have remained in City service until the dates specified:

(1) Separation prior to July 1, 2014, no payment of unused sick leave at separation shall occur for separating employees before this date;

(2) Separation between July 1, 2014 and June 30, 2015, payment of unused sick leave which the employee held on 2/16/12 shall be paid at 35% of its cash value to separating employees between these dates; and

(3) Separation after July 1, 2015, payment of unused sick leave which the employee held on 2/16/12 shall be paid at 50% of it's cash value to separating employees after this date.

(4) Service credit for unused sick leave shall be in accordance with PERS regulations.

9.3 Other Leaves with Pay

(a) Bereavement Leave. In the event of a death in the immediate family of an employee, the employee shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his accumulated sick leave credits or vacation eligibility. The department head may grant an additional two (2) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent, grandparent-in-law, grandchild, and registered domestic partner.

In the event of the death of a person not immediately related to an employee as defined above, the employee's department head may grant up to three (3) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

(b) Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized absence from duty for appearance in Court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said absence from duty including necessary travel time, will be for actual hours served on jury duty or testifies as a witness in a criminal case, other than as a defendant. This shall include the time from when the employee is ordered to appear until the time the employee is released from the court. As a condition of receiving such pay, the employee must remit to the City, through the employee's

department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his usual morning schedule. If an employee is required to appear for a morning court session and is sent home before noon and not required to return in the afternoon, the employee will be expected to work his usual afternoon schedule.

Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be remitted to the City through the employee's department head.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is a party, together with travel time necessarily involved, shall not be considered absent from duty within the meaning of the Section.

(c) Military Leave. An employee of the City who is a member of the National Guard or Naval Militia or a member of the Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence without pay for duration of a national emergency who have been inducted into the Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the position they held when they were inducted into Military Service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.

In the case of a probationary employee having served a minimum probationary period of six (6) months at the time of induction, it shall be optional with the department head and the City Manager to grant regular status to said employee before induction.

All probationary employees inducted into Military Service not having served the minimum probationary period of six (6) months, or having served the minimum probationary period of six (6) months, but not having received regular status shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.

Two (2) or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

9.4 Workers' Compensation Leave

(a) Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law. An employee on Workers' Compensation may use accrued leave, if needed, to supplement benefits, up to the amount required to receive a full paycheck.

(b) Forms and Procedures. Workers' compensation processing shall be consistent with City procedures and in accordance with state workers' compensation regulations. An employee who sustains a work-related injury or illness shall immediately inform his/her supervisor no matter how minor an on-the-job injury may appear. An employee who sustains a work-related injury or illness is required to seek medical care at facilities designated by the City unless they have filed a pre-designation of personal physician prior to sustaining the work-related injury or illness. For a list of City designated medical care facilities and/or physicians, please contact Human Resources.

9.5 Leave of Absence Without Pay

(a) Entitlement. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that the granting of such leave is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. The granting of a leave of absence provides the employee the right to return to the position vacated.

(b) Approval. All leaves of absence without pay must be recommended by the department head and approved by the Director of Human Resources. No such leave may extend beyond twelve (12) months, except in the case of absence due to job incurred disability where a determination may be made based upon the needs of public service, or in the event an application for service connected disability retirement has been filed.

(c) Leaves of absence without pay for illness may only be approved following the expiration of entitlement of sick leave and vacation.

9.6 Absence Without Official Leave (AWOL)

(a) Failure to Report to Duty or Failure to Return after Leave. Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked, or canceled, or at the expiration of a leave, shall be considered an absence without official leave and shall be subject to discipline.

(b) Voluntary Resignation. Any employee in this bargaining unit absent without official leave for two (2) or more consecutive days without a satisfactory explanation shall be deemed to have voluntarily resigned from the City of Stockton. An employee must provide a written statement to the Human Resources Department regarding a "satisfactory explanation", within ten (10) calendar days after the City mails a notice of voluntary resignation to the employee's last known address.

Section 10. Days and Hours of Work

10.1 Workweek

The normal workweek in this unit consists of five (5) consecutive eight (8) hour days or a total of forty (40) hours, generally Monday through Friday in a seven (7) day work period. Where operational requirements of a department require deviations from this schedule, the department head with the Director of Human Resources' approval may institute alternate work schedules as long as the City meets with the Union over the impact of such schedules and conforms to work period requirements of the Fair Labor Standards Act.

10.2 Meal Periods and Rest Periods

(a) Employees shall receive a one (1) hour or one-half (1/2) hour meal period, without pay, each day and a fifteen (15) minute paid rest period during the first half of the work day and a second fifteen (15) minute paid rest period during the second half of the work day. Employees who exceed the time limits prescribed above for lunch and/or rest periods shall have their pay reduced accordingly.

(b) Where operational requirements of a department require deviations from this schedule, meal periods of other durations and alternate rest periods may be instituted with the approval of the department head or designee.

10.3 Reporting to Work

Repeated failure to report to work on time may result in appropriate informal and/or formal discipline as set forth below:

(a) For the first time in a six (6) month period, a Memorandum of Discussion (informal).

(b) For the second time within a six (6) month period, a Letter of Reprimand (formal).

(c) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employees may be discharged (formal).

If an employee reports to the work site after the designated starting time, the employee will be paid only for time actually worked; however, the employee may be allowed to utilize annual leave for lost pay, provided the employee's supervisor approves.

The six (6) month period will be defined as six (6) months from the most recent incident. If no other incident occurs within six (6) months of the most recent incident, the formal disciplinary action (i.e., letter of reprimand, suspension) shall be removed from the employee's official personnel file maintained in the Human Resources Department, upon the written request of the employee to and concurrence by the department head and the Director of Human Resources.

10.4 Work Furloughs

(a) 62 Furlough Hours in Fiscal Years 2012-2013. Each bargaining unit employee shall take sixty-two (62) furlough hours (leave from work without pay).

(b) Equalized Payroll Deductions. Payroll deductions for the sixty-two (62) furlough hours described in section 10.4, paragraph (a) above and section 10.4 (b), shall be equalized so that each bargaining unit employee shall have a deduction representing a pay period reduction of 2.98%.

Standard Furlough Days. Except as provided in section 10.4(c), below, each bargaining unit employee shall take the furlough days in accordance with the city-wide calendar (City of Stockton City Office Business Hours). The Citywide Furlough Schedule for the fiscal year 2012-2013 is as follows:

November 21, 2012
December 24, 26, 27, and 31, 2012
March 25, 2013
April 26, 2013

The Citywide Furlough Schedule for the fiscal year 2012-2013 is attached as Appendix B.

(c) Exception to Standard Furlough Days for Some Employees. Bargaining unit employees shall adhere to the standard work furlough days shown on the city-wide calendar, except where it is impracticable for certain City departments or operations, as determined by the department head. In these rare cases, employees must schedule the appropriate number of furlough hours to be used no later than June 30 of each corresponding fiscal year.

(d) If a furlough is scheduled before or after a City holiday, the employee will, nevertheless, be eligible for holiday pay.

(e) No Adverse Affect on CalPERS. The City represents and warrants based on information provided by the California Public Employees Retirement System (CalPERS) that the furlough deductions described in this section 10.4 shall not reduce or otherwise adversely affect the employee's Final Compensation for retirement purposes under CalPERS. The City shall continue to report the employee's full-time pay rate as noted in the agreed upon salary schedule(s). This bargaining unit has relied on the accuracy of this representation by the City with the City's knowledge and consent. As an express condition of this section, should any Trades and Maintenance represented employee suffer a reduction or

adverse effect in his or her final compensation for retirement purposes through CalPERS solely as a result of the furlough deductions, the City, upon notification, shall thoroughly review and communicate the adverse effect to CalPERS, on behalf of the employee, to ensure the employee is made whole.

(f) Furlough Deductions Non-Taxable to the Employee. The City represents and warrants that the furlough deductions described in this section, 10.4 shall not be subject to income tax, payroll tax, or otherwise taxable to the employee. This bargaining unit has relied on this representation by the City with the City's knowledge and consent. As an express condition of this section, should any represented employee of this bargaining unit be taxed on any furlough deduction amount, the City, upon notification, shall thoroughly review and make the appropriate correction.

(g) Use of Accrued Leaves in Coordination with Furloughs. Bargaining unit employees shall be permitted to use accrued vacation leave, sick leave, and compensatory time off (CTO) on non-furlough days consecutive to furlough days, on a coordinated basis, unless approval of such leave creates an undue hardship to the City.

(h) Fringe Benefits Not Accepted. Notwithstanding the occurrence of furloughs bargaining unit members shall continue to receive the full amount and application of all fringe benefits including, without limitation and by way of illustration, City contribution to health and welfare benefits, accrued vacation leave, and accrued sick leave.

(i) Separation from City Service before June 30, 2013. Any employee who separates from City service before the final 2.98% furlough deduction on July 7, 2013 for the pay period ending June 30, 2013, and after having used furlough hours, shall have his or her final compensation reduced by the sum of the number of furlough hours the employee has actually used minus the number of furlough hours actually deducted from the employee's pay warrants multiplied by the employee's regular hourly rate of pay. Conversely, any employee who separates from City service before June 30, 2013, having suffered furlough deductions in excess of the actual number of furlough hours the employee has used, shall have his or her final compensation credited by like amount.

Section 11. Overtime

11.1 Overtime Authorization

All compensable overtime must be authorized by the department head or his designated representative in advance of being worked. If prior authorization is not feasible because of emergency conditions, a confirming authorization must be made on the next regular working day following the date on which the overtime was worked.

11.2 Definition

The following provisions pertaining to authorized statutorily required overtime work shall apply to non FLSA exempt employees :

(a) Statutory overtime shall be paid on actual time worked in excess of forty (40) hours in any workweek. Such overtime shall be paid for at time and one-half (1-1/2) including employees employed on a per hour or per day basis or except as provided elsewhere herein. Furlough hours taken, holiday hours taken and observed holidays where the City is closed shall be considered as time worked. Sick leave, vacation, or other compensated time off shall not be considered as actual time worked.

b) On a holiday observed by the City an employee who is not regularly scheduled to work holidays shall be paid for a regular day plus time and one-half (1-1/2) for actual time worked not to exceed eight (8) hours including employees employed on a per hour or per day basis, or except as provided elsewhere herein.

(c) The City may require mandatory overtime when operational needs if the City dictate the need to work such overtime. Work in excess of forty (40) hours worked as defined in (a) above in any workweek that qualifies for overtime will be paid or taken as CTO in accordance with Section 11.5(b).

11.3 Standby Duty

When warranted and in the interest of the City operation, department heads may assign employees to "standby" status.

(a) Application of "standby" shall be as follows:

(1) Each employee so assigned to "standby" shall be provided with a communication device while on standby and shall be able to report to the work site within forty-five (45) minutes. Employees assigned to standby shall be required to carry the communication device.

(2) Employees on standby shall have the option to trade hours of standby status with another qualified employee in the same unit or division with departmental approval.

(3) Standby shall be assigned in a minimum of eight (8) hours blocks, i.e., Monday - Friday work week standby can be 8, 16, 24 hour blocks. The block of standby will be to one (1) person per 24 hour period.

Standby for weekends i.e., Saturday, Sunday or extended holiday weekends (Friday – Sunday, or Saturday - Monday) will be assigned 8 - 48 hour blocks to one (1) person per weekend (up to 72 hours for holiday weekend).

(b) Compensation of "standby" shall be as follows:

(1) Employees assigned to standby duty shall be paid $3.00 per hour while assigned to be on standby. An employee shall earn time and one-half (1-1/2) for all actual time worked while on standby duty status only if eligible for overtime as defined in Section 11.2 above. An employee shall not continue to receive the "standby" premium during actual time worked, or for any hours paid as overtime or call back. Standby is not considered as time in "paid status because of work performed" for purposes of calculating overtime.

11.4 Call Back

When an employee is called back to work from off duty status, the employee shall be compensated for a minimum of two (2) hours and forty-five (45) minutes pay at time and one-half (1-1/2) or actual time worked at time and one-half (1-1/2) if eligible for overtime as defined in Section 11.2, above, whichever is greater.

To be eligible for call-back pay, both of the following conditions must be met:

(a) The call-back must occur outside of the employee's regular work hours; including overtime.

(b) The call-back time worked must not be contiguous to the employee's regular work hours; including overtime.

(c) An employee is ineligible to receive a premium for both standby and call back. For example, employees shall not receive standby pay for hours in which they are paid overtime or call back pay.

11.5 Compensatory Time

(a) Definition. As used in this Section, the term Compensatory Time refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule.

(b) Accrual. For hours worked in excess of forty (40) hours in a seven (7) day work period as defined in Section 11.2(a), Compensatory Time may be earned at the rate of time and one-half (1-1/2). No more than eighty (80) hours (forty (40) hours worked at time and one-half [1-1/2]) may be carried on the books at any time.

(c) Use. Use of Compensatory Time shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of City business. Approval of requests for use of Compensatory Time shall be submitted in writing and in advance of use on a day-for-day basis and shall be at the sole discretion of the department head, but once approved, cannot be changed unless an emergency situation arises.

(d) Payment. Once eighty (80) hours of Compensatory Time is accrued on the books, all other hours worked in excess of forty (40) hours in a seven (7) day work period will automatically be paid.

Any Compensatory Time balance remaining at the end of a fiscal year will automatically be paid.

11.6 Meal Allowance

The City shall provide a meal allowance of TEN DOLLARS AND NO CENTS ($10.00) for an employee who is held over and works a minimum of four (4)

hours. Employees called back to work or called back from a day off with less than two (2) hours notice shall qualify for the TEN DOLLARS AND NO CENTS ($10.00) meal allowance when they work a minimum of four (4) hours. Extension of the work schedule or call-back must be properly authorized by the employee's supervisor or other designated personnel.

Section 12. Holidays

12.1 Qualifying for Holiday Pay

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

12.2 Holidays Observed by the City

(1) January 1 ..... New Years' Day
(2) Third Monday in January ..... Martin Luther King Jr.'s Birthday
(3) Second Monday in February ..... Lincoln's Birthday
(4) Third Monday in February ..... Washington's Birthday
(5) March 31 ..... Cesar Chavez Birthday
(6) Last Monday in May ..... Memorial Day
(7) July 4 ..... Independence Day
(8) First Monday in September ..... Labor Day
(9) Second Monday in October ..... Columbus Day
(10) November 11 ..... Veteran's Day
(11) Fourth Thursday in November ..... Thanksgiving
(12) The day following the day known as Thanksgiving
(13) December 25 ..... Christmas Day

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.

For employees on the 9/80 alternative work schedule, employees may shift their work schedule so that their 8 hour day falls on the designated holiday with the approval of their supervisor.

12.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the department head except in emergency situations where said approval cannot be obtained beforehand.

Section 13. Compensation and Allowance Other Than Base Salary

13.1 Retirement Contribution Supplement

(a) The City will pay seven percent (7%) of the employee's current base salary (employee's contribution) and other compensation as qualified by State law towards the Public Employees' Retirement System (CalPERS). Such amounts will be applied to the employee's individual account in accordance with California Government Code section 20615. Effective August 1, 2011, employees shall pay 7% of the employee's current base salary and other compensation as qualified by state law towards the employer contribution to the CalPERS retirement plan on a post-tax basis in the form of a payroll deduction. The City will seek an IRS private letter ruling to determine whether or not the IRS permits the employee's contribution to the employer's share of pension cost to be treated on a pre-tax basis. If the IRS issues a private letter ruling allowing employee's contribution towards employer pension cost on a pre-tax basis, the City will change the deduction from post-tax to pre-tax as soon as administratively possible after the IRS final determination.

(b) For Employees Hired on or Before June 30, 2011

(1) The City's CalPERS retirement plan is modified to reflect two percent (2%) at age 55, effective January 1993.

(2) The City's CalPERS retirement plan is modified to reflect California Government Code section 20930.3 (Military Service Credit as Public Service) and section 20930.33 (Military Service Credit for Retired Persons) effective upon adoption by Stockton City Council and Board Administration of the CalPERS.

(3) The City will provide CalPERS California Government Code section 20692 (Employer Paid Member Contributions Converted to Payrate during the Final Compensation Period) as added CalPERS benefits. At the beginning of employee's last year of employment,

the employee will pay their employees' seven percent (7%) benefit cost through an automatic payroll deduction. The City will increase the base salary for those employees by the same seven percent (7%) for the last twelve (12) months of employment. Internal Revenue Service (IRS) Code 414H(2) will be concurrently implemented with CalPERS California Government Code section 20692, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board.

(4) The City will provide CalPERS California Government Code section 20965 (Credit for Unused Sick Leave) as added CalPERS benefits, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board. Any unused sick leave may be credited towards CALPERS service credit.

(5) The City will provide CalPERS California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added CalPERS benefits, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board.

(6) The City will provide CalPERS California Government Code section 21335 up to a five percent (5%) Annual Cost-of-Living Allowance, base year 2001) as added CalPERS benefit. The first application date is April 1, 2003.

(c) For Employees Hired on or After July 1, 2011

(1) The City will contract with CalPERS to provide a new second tier retirement program of 2% at 60 with three year average salary formula and no other additional CalPERS benefits for all unit employees hired on or after July 1, 2011 or as soon as administratively possible consistent with CalPERS contract process. Effective July 1, 2011 all unit employees hired on or after July 1, 2011 shall pay the entire seven percent (7%) of the employee's current base salary and any other compensation as qualified by state law towards CalPERS retirement benefit through a payroll deduction.

13.2 Deferred Compensation

Effective July 1, 2010, the City's contribution to the Deferred Compensation Plan (5.5% of base pay) will be converted to base pay. Effective July 1, 2010, employees will no longer receive a deferred compensation benefit.

13.3 Uniforms

(a) The City shall provide uniforms for all employees assigned to this unit who are required to wear uniforms during the course of work.

(b) Safety Protective Footwear Reimbursement Allowance. Employees required to wear safety protective footwear in accordance with City Manager's Administrative Directive HR-034, and approved for safety protective footwear reimbursement, the City will authorize safety protective footwear reimbursement in the amount of ONE HUNDRED SEVENTY DOLLARS ($170.00)

13.4 Tool Allowance

(a) Mechanic employees assigned to the Central Garage who are required to personally supply their own set of mechanic hand tools, as required and approved by the Fleet Manager, shall receive an annual tool replacement allowance of FOUR HUNDRED DOLLARS ($400.00).

(b) The City shall pay for the replacement of tools lost through theft from City premises provided that such loss was absolutely no fault of the employee.

(c) Any tool required by the City beyond that initially approved by Fleet Manager shall be provided by the City.

13.5 Special Driver's License Pay

Job classifications that require employees to possess and maintain a Class A and/or Class B Driver's License will receive special pay based on the flat dollar amount equal to one and one-half percent (1-1/2%) of top step of job classification

Special Driver's License Pay will only be implemented with the concurrent implementation of the Operating Engineers' Local No. 3 - City of Stockton, Drug/Alcohol Safety Program.

13.6 Longevity Pay

Effective August 1, 2011, longevity pay shall be eliminated. However, the City shall grandfather only those employees who completed twelve (12) continuous years of service with the City as of July 31, 2012 , longevity pay based on the flat dollar amount equal to two and one-half percent (2.5%) of top salary step of the

employee's pay range as of July 1, 2010. As of July 1, 2012, longevity incentive pay allowance for these grandfathered employees shall be reduced to one and one-half percent (1.5%). As of June 30, 2013, longevity incentive pay allowance for these grandfathered employees shall be eliminated altogether.

13.7 Credit Union

The City will accommodate payroll deduction to Operating Engineers' Local No. 3 Credit Union, within the limitations of City payroll system. Any modification costs will be borne by Operating Engineers' Local No. 3.

Section 14. Insurance Plans and Retirement Benefits

14.1 Health and Welfare Benefits

(a) Choice of Health Plans. Employees in this bargaining unit shall have a choice of enrolling themselves and their eligible dependents in any of the City sponsored medical, dental and visions plans or Operating Engineer Health and Welfare Trust Fund Plan (PPO Plans A, B, C, and D, and Kaiser HMO Plans A and B). The City shall offer two or more medical plans to regular employees.

(b) Eligibility. Employees shall become eligible for Medical insurance on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees shall become eligible for Dental insurance on the first day of the month subsequent to completion of sixty (60) days continuous service with the City. An eligible employee and eligible dependent may be enrolled in a City offered medical plan either as a subscriber in a City offered medical plan or, as the dependent spouse/registered domestic partner or another eligible City employee, but not both. If an employee is also eligible to cover their dependent child, the child will be allowed to enroll as a dependent on only one employee plan (i.e., an employee and his or her dependent cannot be covered by more than one City-offered health plan).

(c) City Contribution towards the cost of insurance programs. Effective September 1, 2011:

- The City shall contribute up to $481.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.

- The City shall contribute up to $875.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage

- The City shall contribute up to $1,165.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision plan coverage.

These contributions are based on full-time employment; regular part-time employees shall receive a prorated contribution based on their percentage of full-time employment. Insurance plan premiums that exceed the City's monthly contribution shall be paid by the employee through payroll deductions. The City shall maintain its IRS 125 Plan to allow for employee contributions for medical/visions/dental to be pre-tax premium conversion.

(d) Plan Rules. Employees may insure themselves and their eligible dependents under the medical/vision and dental plans provided by the City, in accordance with the rules and regulations applicable to the selected Plan. Benefits in the Plan shall be in accordance with the Plan document.

(e) Provisional and temporary employees are not eligible for any of the above benefits.

(f) Employees that promote, demote, or transfer from a classification in the Trades and Maintenance unit to an unrepresented classification shall continue to have the option to retain the Operating Engineers' Local No. 3 Health and Welfare Plan.

(g) Parties agree to the implementation of the modifications to the City's Modified Plan, which is referred to in this MOU as "Modified Employee Medical Plan." Modifications to the City's Modified Plan shall be effective September 1, 2011.

(h) It is understood that a coalition of the City's unions, including Operating Engineers' Local 3, are exploring the possibility of providing a health plan for all city employees and retirees, independent from the City. On or before October 1, 2012, the Unions shall notify the City of whether they in fact are proposing to assume the provision of medical plans for employees and retirees. Should the City and unions in fact agree upon the unions administering their own plan, the terms of that assumption shall be established through meet and confer, as set forth in Appendix A. The terms of such plan, once agreed upon, shall supersede this section to the extent inconsistent, provided that the City's contributions to

such plan for active employees in this unit shall not exceed the maximum contributions set forth in subsection (c).

14.2 Long Term Disability Insurance

The City shall provide, at no cost to the employee, long term disability insurance coverage. Plan benefits shall be as described in the Plan document, but shall include:

(a) Each disability - sixty-six and two thirds percent (66 2/3%) of salary up to the maximum salary replacement amount as specified in the City's long term disability plan.

(b) Disability income payments shall commence after a ninety (90) day waiting period. Employees may use sick leave and other leave balances to cover this waiting period, or leave without pay.

(c) Benefit payable until age sixty-five (65).

(d) The City shall continue its normal contribution for employee medical premiums during the ninety (90) day waiting period.

14.3 Life Insurance

Effective July 1, 2012, the City shall provide, at no cost to the employee, term life insurance policy with a value of $50,000. In addition, employees shall have the opportunity to purchase additional insurance for a coverage level up to three times their annual salary at their own expense, provided the City's insurance carrier is willing to provide such insurance.

14.4 Retirement Medical Allowance For Retirees Hired on or Before June 30, 2011

(a) Eligibility. An eligible retiree and eligible dependent may be enrolled in a City offered medical plan either as a subscriber in a City offered medical plan or, as the dependent spouse/registered domestic partner or another eligible City employee/retiree, but not both. If an employee/retiree is also eligible to cover their dependent child, the child will be allowed to enroll as a dependent on only one employee or retiree's plan (i.e., a retiree and his or her dependent cannot be covered by more than one City-offered health plan).

(b) City Contribution for the period of July 1, 2012 through June 30, 2013. The City shall provide to employees retiring from the City the following contribution

towards the costs of retiree medical insurance from July 1, 2012 through June 30, 2013.

(1) Employees retiring with over 10 years of full time service with the City of Stockton as a regular employee shall receive a City contribution of $150 a month towards the cost of retiree medical insurance.

(2) Employees retiring with over 20 years of full time service with the City of Stockton as a regular employee shall receive a City contribution of $300 a month towards the cost of retiree medical insurance.

(3) Employees retiring with over 30 years of full time service with the City of Stockton as a regular employee shall receive a City contribution of $450 a month towards the cost of retiree medical insurance.

(4) Employees with less than 10 years of service for the City shall not be eligible for a city contribution towards retiree medical.

(5) Benefits for part time employees who retire are prorated based on their full time equivalent.

(6) The City contributions shall end with the death of the retiree and no survivor benefits are provided.

(7) Retirees may enroll themselves or their dependents at their own expense in City sponsored medical plans only (dental and vision are not offered to retirees). The City reserves the right to set benefit levels in medical plans for retirees and at it's exclusive option only provide fully insured plan choices to retirees for enrollment. The City reserves the right to discontinue inclusion of retirees in City sponsored medical plans at any time.

(c) The City's commitment to provide retiree medical benefits during the 2012-13 fiscal year is to the retiree and shall end upon the death of the retiree. Surviving spouses shall not be eligible for any city paid benefit after the death of the city retiree.

(d) Elimination of Retiree Medical Program Effective June 30, 2013. Effective June 30, 2013, the City shall no longer provide a contribution towards the cost of

retiree medical insurance for current employees (future retirees) and current retirees.

14.5 Alternative Retirement Medical Plans

The parties have negotiated that employees may choose to enroll in one or more additional health plans instead of the City Modified Plan (including but not limited to Kaiser Senior Advantage).

This language sets forth the conditions in which current employees, when they retire from the City and otherwise qualify for a retiree medical benefit from the City as stated in Sections 14.3 and 14.4 of this MOU, may also choose to enroll in City sponsored alternative plans in the same manner as when they were employees, as well as retiree only medical plans. The following conditions shall apply:

(a) If an employee is in a City sponsored alternative plan at the time of retirement, the employee shall be allowed to continue in that Plan. Employees in the union sponsored plans authorized by the City at the time of retirement shall be allowed to continue in that Plan. (Operating Engineers units).

(b) Employees not in an alternative Plan at the time of retirement shall not be allowed to enroll in any alternative plan except that; any retiree may voluntarily enroll in a City sponsored retiree only Plan.

A retiree may only enroll in alternative plans other than the City Modified Plan when:

(a) The retiree selecting plans other than the City's Modified Plan must agree that the City's financial contribution to a premium payment for any other Plan shall not exceed the current contribution amount the City would pay if the retiree is enrolled in the City Modified Plan, and

(b) The individual retirees will be required to sign a form that indicates their agreement with these conditions.

The City reserves the right to eliminate these additional plans and the choice of multiple plans is not a vested right. Like the City Modified Plan, the City reserves the right to make plan design changes as necessary in these Alternative Plans.

14.6 Medicare Supplemental Coverage Requirements only.

The City reserves the right to terminate reimbursement payments for Part A Medicare coverage, in which event the retiree will receive the City's modified medical plan which includes medical design changes effective September 1, 2011 as the primary health coverage, with the premiums for such coverage to be paid by the City. The coverage provided pursuant to this section shall apply to the retiree and his/her spouse

Under the federal Health Care Reform Plan, sponsors may modify the medical benefits provided to retirees only. The City will modify its retiree health care plan to reflect the following:

(a) Return Plan benefits for Acupuncture to 12 visits per year (instead of unlimited) and returns the payment percentage paid to 60% (instead of 80%);

(b) Return Plan benefits for Alcohol and Drug Treatment admissions to 30 days and 3 lifetime admissions (instead of unlimited);

(c) Return Plan benefits for Outpatient Mental Health or Nervous Disorder services to 15 visit maximum (instead of unlimited);

(d) Change Plan benefits for Preventative care and wellness to 80% instead of current 100%;

(e) Return Plan benefits on the lifetime cap on plan benefits to $2.5 million (instead of unlimited);

(f) Return Plan benefits on the maximum age of dependent children to be enrolled in the Plan to age 19 unmarried, and not serving in the armed forces to 23 if attending school full time and qualifies as a dependent for federal income tax purposes.(instead of age 26); and

(g) Change Plan benefits for Emergency room benefits.

If portions or the whole of the Federal Affordable Care Act is modified subsequent to the adoption of this memorandum of understanding, the City and STAMA will meet and confer over any identifiable negotiable impact of those modifications.

14.7 Elimination of Retiree Medical Benefits for Unit Members Hired on or after July 1, 2011

The City will not provide a retiree medical allowance, retiree medical supplement, a defined contribution, a retiree medical trust or any other retiree medical benefit for employees in this unit hired on or after July 1, 2011.

14.8 It is understood that the terms of this section, other than the terms covering the City's contributions, may be superseded should the City and unions agree that the medical plans shall be administered by the Unions as set forth in section 14.1(h), above.

14.9 Nothing in this section shall be construed to create vested rights to benefits for employees or retirees after the expiration of this MOU.

Section 15. Salaries

15.1 Salary

There will be no increases to salary ranges during the term of this MOU.

All salaries hereby established and explained in other parts of section 15 shall no longer be fitted to the Stockton Salary Matrix as set forth in the City of Stockton Salary Schedule. Instead, all salary steps hereby established and explained in other parts of section 15 shall be assigned a fixed percentage of 5.14% between salary steps, and any salary ranges established on or after October 1, 2008, shall be assigned a fixed percentage of 5.0% between salary steps.

The salary for each job classification, as set forth in the City of Stockton Salary Schedule the standard rate of pay for full time employment, unless the schedule specifically indicates otherwise.

The salary as set forth in the City of Stockton Salary Schedule do not include reimbursement for actual and necessary expenses for traveling, subsistence and general expenses authorized and incurred incident to City employment.

15.2 Salary upon Appointment

Except as herein otherwise provided, the entrance salary for a new employee entering the classified service shall be the minimum salary for the class and level to which appointed. When circumstances warrant, the Director of Human

Resources may approve an entrance salary which is more than the minimum salary for the class and level to which an employee is appointed. Such salary may not be more than the maximum salary for the class and level to which that employee is appointed.

15.3 Salary Equivalents

Any monthly, daily or hourly rate of pay may be converted into an equivalent rate of pay or to any other time bases when, in the judgment of the Director of Human Resources or the City Manager, such a conversion is advisable. In determining equivalent amounts on different time bases the City shall provide tables or regulations for the calculation of payment for service of less than full time, and for use in converting monthly salaries to hourly rates, as well as for calculating hourly rates. Overtime rate and premium pay shall be calculated according to the provisions of the Fair Labor Standards Act.

15.4 Salary Step Plan

(a) The first salary step shall be the minimum salary rate and shall be the normal hiring salary rate for the class. In a case where a person possesses unusual qualifications, the Director of Human Resources may authorize appointment above the first salary step after receiving the recommendation of the department head. The same provision shall apply to hourly paid and part-time employees.

The second salary step shall be paid upon the satisfactory completion of six (6) months service at the first salary step upon the written recommendation of the department head and approval from the Director of Human Resources.

Subsequent salary steps shall be paid upon the satisfactory completion of one (1) year service at the preceding salary step of the job classification and upon the written recommendation of the department head and approval from the Director of Human Resources.

Regardless of an employee's length of service, step advancements in any given class may be made upon recommendation of the department head with the approval of the Director of Human Resources.

Salary step increases shall be effective the first day of the pay period following appointment or revision. If the date of appointment or revision is the first day of a pay period, salary step increases shall be as of that date.

(b) If a department head recommends withholding salary step increases because an employee has not achieved the level of performance required, notice must be received by the Human Resources Department at least four (4) weeks in advance of the employee's eligibility date. The affected employee shall be furnished a copy of the department head's recommendation. Failure to abide by the above four-week limitation shall not automatically cause a step increase to be granted; however, if an employee does not receive notice by the actual anniversary date, the increase shall be automatically granted.

(c) Changes in an employee's salary because of promotion, demotion, postponement of salary step increase or special merit increase will set a new salary anniversary date for that employee, which date shall be as stated in the preceding paragraph.

(d) Salary range adjustments for a classification will not set a new salary anniversary date for employees serving in that classification.

15.5 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to the City service, are entitled to the automatic salary advancements within the range of their classification for the period they were in the military service.

15.6 Salary Step When Salary Range is Increased

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to the step in the revised range which corresponds to the employee's step held in the previous range, unless otherwise specifically provided for by the Director of Human Resources.

15.7 Salary Step After Promotion or Demotion

(a) When an employee is promoted from a position in one class to a position in a higher class, and at the time of promotion is receiving a salary equal to, or greater than, the minimum rate for the higher class, that employee shall be entitled to the next step in the salary scale of the higher class which is at least five percent (5%) above the employee's current salary, except that the next step shall not exceed the maximum salary of the higher class.

(b) When an employee is demoted, whether such demotion is voluntary or otherwise, that employee's compensation shall be adjusted to the salary prescribed for the class to which demoted.

(1) "If the salary of the employee is reduced for cause or disciplinary reasons, the employee shall receive the salary at the same step prior to promotion."

(2) "If the salary of the employee is reduced through no fault of the employee (i.e., layoff), the salary at demotion shall be at the nearest lower salary to that which was received prior to the demotion."

15.8 Transfer

An employee may be transferred from a class in one department, or to a position of the same class in another department, or to a comparable class, with the approval of both the employee and Department Heads. In the case of a comparable class, the employee must be qualified, as determined by the Director of Human Resources. The Director of Human Resources, in making such a determination, must assure that the maximum salary rate for the classes in question must be equal to or less than the employee's current top step salary, and shall consider, among other things, whether the employee possesses the minimum qualifications for such class, and is able to demonstrate through education, experience, or successful completion of pertinent test, that he/she is qualified for the transfer. If the transfer involves a change from the jurisdiction of one appointing authority to another, both must consent thereto.

15.9 Salary on Reinstatement

If a former employee is reinstated in the same position, previously held or to one carrying a similar salary range, the employee's salary shall not be higher than the salary at the time of separation unless there has been an increase within the salary range.

If a former employee is reinstated to a position in a lower class the employee's salary shall be set at the same step previously held, but in the pay range of the lower classification.

15.10 "Y" Rate

When an employee's classification is changed to a lower paid classification as the result of a classification study or other action, the employee may be placed on a "Y" rate. A "Y" rate means that the monthly compensation for the employee shall remain in effect until such time as further changes in the pay range of the new classification exceeds the "Y" rate.

15.11 Acting Pay

(a) General Provisions. Any employee in this unit who is assigned by a supervisor to work in a higher paid classification for two (2) or more hours in one (1) day, shall receive the rate of pay in the step of the higher classification which would have been received if the employee had been promoted into that classification, or at least five percent (5%) more than the employee's salary in the present classification, whichever is greater. Out-of-class assignment pay during overtime status will commence at the first hour worked.

(b) When there is an existing promotional eligibility list, and acting pay assignment is expected to be for more than twenty (20) work days, acting pay shall be assigned from the top three (3) on the promotional eligibility list. If the assignment is for twenty work days or less, the highest ranking employee on the promotional list within the division shall be assigned. When there is no eligible list, section (c) below shall apply.

(c) If there is no existing list, acting pay selection shall be made from the five (5) most qualified employees in the section.

(1) Sections are defined, for the purpose of this clause only, as the sub-groups listed under the following department:

Public Works Department - (1) Street Maintenance, (2) Traffic Devices, (3) Electrical/Traffic Signals, (4) Fleet, (5) Facilities Maintenance, (6) Community Enhancement, (7) Parks, and (8) Trees.

(2) Qualifications for the purpose of this Section, as determined by the department head or designee, shall include all the following equal factors:

(a) Seniority in grade within any class immediately below the vacant position.

(b) Worker experience relative to the vacant position.

(c) Prior job performance and attendance.

(d) Certificates or other formal qualification devices such as eligibility lists.

If all things are equal based on above factors, the seniority within the City shall be considered.

(3) The opportunity for acting pay shall be rotated among the five (5) most qualified employees within each section.

(d) Assignments from other than a promotional eligibility list shall not exceed 120 days per fiscal year per employee.

15.12 Special Assignment Pay

The City Manager may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned in writing by the supervisor to perform additional duties and responsibilities beyond the scope of the assignment for the duration of the special assignment.

Any employee assigned to the Tree Spray Crew shall receive an additional five percent (5%) special assignment pay per day when assigned in writing by the supervisor to spray trees and performs such work four (4) or more hours in any one (1) day.

Section 16. Severability of Provisions

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable that provision of the Memorandum of Understanding shall be null and void but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

In the event that Federal legislation changes the current applicability of the Fair Labor Standards Act, both parties agree to consult and/or confer on the impacts of such legislation to the extent required by law.

Section 17. Past Practices and Existing Memoranda of Understanding

Continuance of working conditions and practices not specifically authorized by ordinance or by resolution of the City Council is not guaranteed by this Memorandum of Understanding.

This Memorandum of Understanding shall supersede all existing Memoranda of Understanding between the City and the Union.

Section 18. Scope of Agreement

Except as otherwise specifically provided herein this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties on any and all matters subject to meeting and conferring. Neither party shall, during the term of this Memorandum of Understanding, demand any change therein nor shall either party be required to negotiate with respect to any matter; provided that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.

Section 19. Duration of Agreement

This Memorandum of Understanding shall be effective the date of execution, and shall remain in full force and effect to and including the 30th day of June, 2013 and shall continue thereafter from year to year unless at least sixty (60) days prior to July 1 either party shall file written notice with the other of its desire to amend, modify, or terminate this Memorandum of Understanding.

Section 20. Maintenance of Operations/City Rights

(a) It is recognized that the need for continued and uninterrupted operation of City services is of paramount importance. Therefore, the Union and each employee represented thereby agrees that from the date of execution, through exhaustion of the impasse process/mediation/fact finding as set forth in the Employer/Employee Relations Ordinance, the Union or any person acting in its behalf, or each employee in a classification represented by the Union, shall not cause, authorize, engage in, encourage, or sanction a work stoppage, slowdown, refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound), or picketing, other than informational picketing, against the City or the individual or concerted failure to report for duty or abstinence from the full and faithful performance of

the duties of employment, including compliance with the request of another labor organization or bargaining unit to engage in such activity in an attempt to induce a change in wages, hours, and other terms and conditions of employment.

(b) An employee shall not be entitled to any wages or City paid benefits whatsoever if the City Council, by majority vote, determines to its satisfaction, that the employee is, or has, engaged in any activity prohibited by subsection (a) of this Section. The City may take other action which it deems appropriate.

(c) If the City Council, by majority vote, determines to its satisfaction, that subsection (a) of this Section has been violated by the Union, the City may take such remedial action as it deems appropriate.

(d) The Union recognizes the duty and obligation of its representatives and members to comply with the provisions of this Memorandum of Understanding and to make every effort toward inducing all employees in this unit to fully and faithfully perform their duties. In the event of any activity prohibited by subsection (a) hereinabove, the Union agrees to take supererogatory steps necessary to assure compliance with this Memorandum of Understanding.

(e) The rights of the City as set forth in section 2-206 of the Employer-Employee Relations Ordinance, (Stockton Municipal Code, §§ 2-200, *et seq.*) are incorporated herein by reference.

Section 21. Bankruptcy

Operating Engineers' Local 3, AFL-CIO Trades and Maintenance Unit (hereinafter "STAMA"), which is defined for the purposes of this section as including bargaining unit members, officials, attorneys and affiliates, agrees that this MOU shall supersede the terms of all prior MOUs, side letters, and any other agreements between the parties as to the subjects covered herein. STAMA further agrees that it shall file no claims in the City's bankruptcy case upon the terms of any agreements that precede this or prior MOUs. However, nothing in this paragraph shall limit STAMA's ability to challenge any breach of this MOU.

STAMA further agrees that the City is eligible for chapter 9 relief, and that it will not oppose the City's eligibility should eligibility be contested by another party. STAMA agrees to support any plan of adjustment consistent with the terms of this MOU.

TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
TERM: JULY 1, 2012 – JUNE 30, 2013

IN WITNESS WHEREOF this Memorandum of Understanding was ratified by a membership vote of the Association on July 12, 2012, and by an affirmative vote of the Stockton City Council on July 24, 2012. The parties hereto have executed this Memorandum of Understanding this __ day of July 2012.

Operating Engineers Local No. 3

JOE SANTELLA
Senior Business Representative

City of Stockton

BOB DEIS
City Manager

TERESIA HAASE
Director of Human Resources

Approved as to form:
John Luebberke, City Attorney

By:

DEANNA SOLINA
Deputy City Attorney

By:

EMILY PRESCOTT
Negotiator for the City

ATTEST:
BONNIE PAIGE
CITY CLERK

For BONNIE PAIGE
City Clerk

Appendix A. Union Proposal to Assume Administration of City Medical Plans

Union Proposal to Assume Administration of City Medical Plans (agreement between City and coalition representing all city Unions).

The City is supportive in concept of the unions taking over responsibility for providing medical insurance plan, and pledges its full cooperation in providing the necessary data to permit the Unions to assess the viability of such a plan. Acceptance of the plan by the City shall be subject to the following terms and conditions:

1. Such plan would not be City sponsored and the City would not have any responsibility for such plan including administration of the plan and client services, and unions/vendor will hold city harmless for any actions taken by vendor or union in its management of their plans. The City will pay it's contributions for employee insurance coverage as set forth in individual MOUs and remit them to the plan administrator per any administrative agreement. City will process employee's deductions and remit to vendor and such costs of providing this service is part of administrative expense to be paid by union per any agreement achieved pursuant to #12 below.

2. Plan participants to pay all administrative costs of the plan, including HR support and computer/data transfer/integration.

3. Such plan would include all city employees and eligible retirees. All plan enrollees would have same benefits, plan choices, eligibility, access to the network and premium costs and be treated in the same manner, provided, however, that retirees and active employees may remain in separate risk pools. The only exception would be for over age 65 retirees where plan benefits would be integrated with Medicare. In addition, the Union plan may discontinue Original Plan benefits for retirees.

4. The plan would be fully insured, such that all risks would be borne by the insuring company without the possibility of underfunding the benefit

5. The Unions will not propose CalPERS medical plans.

6. Implementation shall be by January 1, 2013, provided the Unions provide at least 90 days notice to the City (i.e. not later than October 1, 2012).

7. The City will pay all run out claims from the Modified and Original medical plans with respect to any claim incurred prior to January 1, 2013, regardless of when the claim is paid. The City shall make all reasonable efforts to insure that all

claims received are processed timely during the claims run out period. If any funds remain in the ISF fund, the parties will meet to discuss the status of the funds.

8. It is understood that the union plans would stay in effect for at least five years, and the Unions will give the City at least 1 year's notice if they intend to terminate this arrangement. The City may only terminate the agreement with good cause regarding the failure of the plan to provide agreed upon benefits, and with evidence of continuing coverage for affected employees and retirees in the succeeding City sponsored plans. The City makes no commitment to any future arrangement of City administered medical insurance should the union plans be discontinued by the union's actions.

9. The City retains the right to terminate the sponsorship by the unions of any health plan as a result of any legislation that would require the City to provide plans to its employees or pay penalties in lieu of providing such plans, for example, as under the Affordable Care Act or any additional or successor legislation.

10. Existing limits on City contributions to medical/dental/vision (agreed or imposed) remain unchanged.

11. It is understood that once the unions obtain quotes for coverage, the parties will meet and confer regarding significant issues regarding the implementation and viability of such plan, including, but not limited to the following:

    - Coverage of "tail" claims; Fully fund all reserves for Incurred but Not Reported and Pending Claims;
    - Calculation and method of paying administrative costs;
    - Hold harmless to City for any actions taken by vendor/union coalition;

The City retains the right to accept or reject any union proposals on a union sponsored plan(s) during meet and confer following union receipt of bids, based upon financial, operational, legal or coverage concerns.

Appendix B. 2012-2013 Furlough Calendar

2012/2013 City Office Business Hours 2012/2013

City Hall - 425 N El Dorado Street

Open 7:30 a.m. - 5:30 p.m.

Alternate Fridays/Closed

Open 8:00 a.m. - 5:00 p.m. (8 hour day)

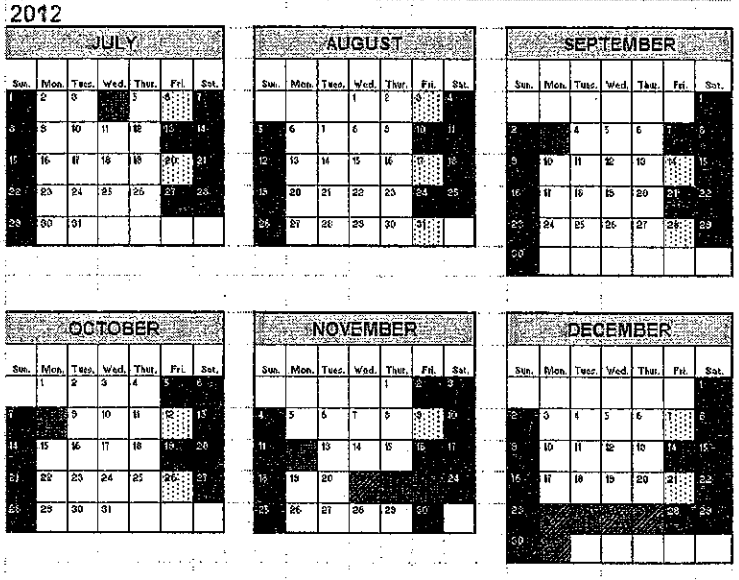
Holiday - Closed

Furlough

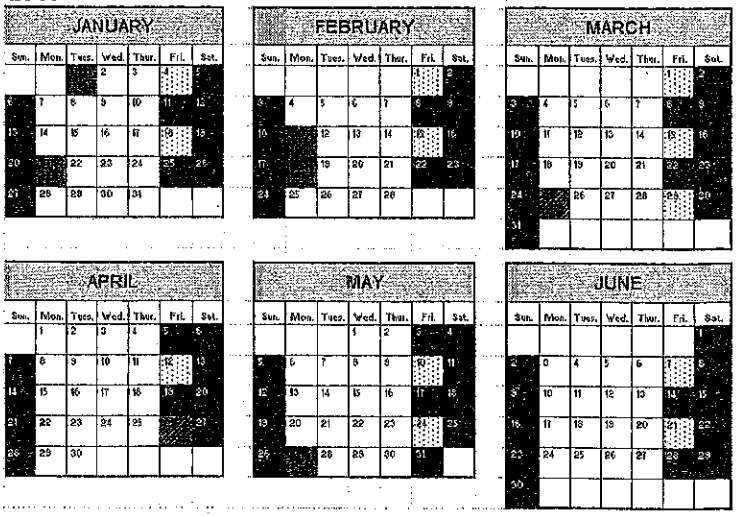
All weekends - Closed

62 Hour Work Furlough Schedule

2012



2013



CITY OF STOCKTON

MEMORANDUM OF UNDERSTANDING

TRADES AND MAINTENANCE UNIT

Operating Engineers' Local 3, AFL-CIO and representatives of the City of Stockton have met and conferred in good faith regarding wages, hours and other terms and conditions of employment of employees in the representation unit identified in Section 1, have exchanged freely information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding is entered into pursuant to the Meyers-Milias-Brown Act (Government Code sections 3500-3510) and has been jointly prepared by the parties.

This Memorandum of Understanding shall be presented to the Stockton City Council as the joint recommendations of the undersigned for salary and benefit adjustments for the period commencing July 1, 2014 and ending June 30, 2016.

TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
TERM: JULY 1, 2014 – JUNE 30, 2016

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TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
TERM: JULY 1, 2014 – JUNE 30, 2016

Section 1. Recognition

Operating Engineers' Local 3, AFL-CIO, hereinafter referred to as the "Union," is the recognized employee organization for the Trades and Maintenance Unit, certified pursuant to the Employer-Employee Relations Ordinance (Stockton Municipal Code §§ 2-200, *et seq.*).

Section 2. Union Security

2.1 Dues Deduction

(a) General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

Additional authorization shall not be required for deduction of increased membership dues when such increase has been duly approved by the membership of the Union. Notification of such approval shall be forwarded to the City in the form of written notice on official Union letterhead and signed by the duly authorized Union official. Upon receipt of notification, the City shall authorize the payroll deduction of the increased amount.

If an employee is promoted to a position which is represented by another employee organization or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds, at the address specified.

In addition to the deduction of dues, the City will deduct from the paychecks of Union members who request it, premiums for group insurance and investment plans sponsored by the Union. Such deductions shall be made in one lump sum

and only upon signed authorization from the employee upon a form satisfactory to the City.

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the City which would have been withheld if the employee had been in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

(b) Indemnity and Refund. The Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

2.2 Agency Fee

(a) Employee Rights

(1) The City and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal, alternative right of employees to refuse to form, join and participate in employee organizations. Neither party shall exert pressure upon or discriminate against an employee in the exercise of these alternative rights.

(2) Accordingly, membership in the Union shall not be compulsory. A unit member has the right to choose, either: to become a member of the Union; or, to pay to the Union a fee for representation services; or, to refrain from either of the above courses of action upon the grounds set forth in Section (f) below.

(b) Unit Members' Obligation to Exclusive Representative

(1) A bargaining unit member who does not fall within one (1) of the exempted categories as set forth in Section (f) below, and who has not voluntarily made application for membership in the Union within the

sixtieth (60) day following the date upon which said employee has been formally hired by the City as a bargaining unit employee, must as a condition of continued employment in the City pay to the Union a representation fee, in exchange for representation services necessarily performed by the Union in conformance with its legally imposed duty of fair representation on behalf of said unit member who is not a member of the Union.

(2) In the event that a unit member does not become a member of the Union or pay such fee directly to the Union, the City shall begin automatic payroll deduction. There shall be no charge to the Union for such mandatory agency fee deductions.

(3) Prior to beginning such automatic payroll deduction, the Business Representative of the Union will certify to the City in writing that the employee whose pay is to be affected by the deduction has: 1) refused to join the Union; and 2) has refused to tender the amount of the agency fee as defined herein; and 3) has not applied for an exemption under Section (f) herein. In addition the Union must also certify that it has provided the employee with a copy of the fee verification required by Section (e) herein.

(c) Definition of Agency Fee

(1) The agency fee collected pursuant to Section (b) above from unit members who are not members of the Union shall be an amount not to exceed the standard initiation fee, periodic dues and general assessments of the Union for the duration of this Agreement, minus any amount which is prohibited by the Constitution because such funds pay for political or ideological purposes not related to collective bargaining.

(2) Any dispute as to the amount of the representation fee shall be resolved pursuant to the provisions of Section (h) herein.

(d) Exceptions. Unit members on leave without pay and unit members who are in laid-off status shall be exempt from these provisions herein; except that the election as to membership or payment of a fee as set forth herein must be exercised within the first ten (10) work days upon return to paid status.

(e) Annual Verification of Agency Fee by the Union. Prior to January 31, of each year and before the collection of an agency fee from any unit member pursuant to these provisions herein, the Union shall submit a written certification to the fee payers verifying that the total amount of its

representation fee conforms to Section (c) above, and itemizing all component parts of such fee which shall provide an adequate explanation for the basis of the fee. Each year such amount shall be verified and submitted in writing to the fee payers by the Union prior to January 31st. The Union will submit a copy of such verification to the Director of Human Resources of the City. The parties agree that such annual verification is a condition precedent to the collection by either the City or the Union of a representation fee from a unit member.

(f) Employees Exempted From Obligation to Pay Union

(1) Any unit member shall be exempt from the requirements of Section (b) above, if such employee has a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.

(2) Such exempt unit member shall, as an alternative to payment of a representation fee to the Union, pay an amount equivalent to such representation fee to:

a. United Way.
b. American Cancer Society.
c. Any charity jointly agreed in writing by the parties.

(3) If a unit member desires to be exempted for reasons set forth in Section (f) herein, the unit member must first request such exemption in writing from the Union setting forth briefly the rationale for the exemption. If the Union notifies the unit member in writing that the Union will not honor the request, then the matter shall be referred automatically to a panel for determination according to the procedure set forth below. The panel shall be composed of one (1) person selected by the Union, one (1) person selected by the unit member, and an arbitrator selected by the parties chosen from a list submitted by the State Conciliation Service. If either one or both parties fail to nominate a panel member, the process of hearing will continue without that party's panel member.

(4) The panel shall first receive arguments and evidence from the unit member requesting the exemption. Thereafter the Union may present any arguments or evidence. The proceedings shall be conducted in an informal manner, and the rules of evidence will not apply. The arbitrator shall act as chair and rule on all matters before the panel with the exception of the final determination of the panel. The panel shall prepare

a written decision within fifteen (15) calendar days of the completion of the hearing which shall be final and binding upon the parties. Any expenses of the panel shall be borne by the parties incurring them.

(5) Upon receipt of the decision of the panel, the City shall release any funds held in escrow to the Union or to the charity. Any decision by the panel shall apply for the duration of this Memorandum of Understanding.

(6) In addition, the Union may require such exempt unit member to submit proof of payment of an amount equivalent to such representation fee to one (1) of the alternative funds or organizations listed above. If the bargaining unit member has not provided payment, the City will institute deductions pursuant to Section (b)(2), and forward such monies to a charity listed in Section (f)(2).

(7) Such payments shall be made on or before January 31, of each year or no more than thirty (30) days after commencing duties for any newly hired employee.

(g) Escrow Account. If any unit member either disputes the amount of the fee or disputes whether or not an exemption was appropriately denied, the City shall deposit the fee which was deducted and place such amount into a special escrow account established by the Union for such purposes.

(h) Procedure for a Unit Member Who Contests the Amount of the Fee

(1) The parties agree that in order to provide a uniform definition of the representation fee, any disputes involving the amount of such fee shall be referred to the Union's procedure for determination, provided that the parties have first complied with the other provisions of this Section.

(2) The Union shall notify the City in writing within twenty (20) days after it becomes aware that any employee disputes the amount of the fee.

(3) The Union will verify in writing to the City that all of the conditions of Section (b)(3) have been met prior to the City's initiation of the fee deductions set forth in Section (b)(2). Thereafter, the City will notify the affected employee in writing that such deductions will commence and a copy of the Union's written verification will be attached to the City's notice. Thereafter, the City will begin the deductions.

The monies held in escrow shall be released to the appropriate party upon the rendering of a final decision by the Union's internal procedure.

(i) Payment Method/Payroll Deduction

(1) A unit member may voluntarily sign and deliver to the City a written assignment authorizing deduction of the properly established representation fee as defined in Section (c) above, subject to the conditions set forth elsewhere in this agreement for payroll deductions, or the amount of the fee will be deducted automatically in accordance with Section (b)(2) herein.

(2) The City is under no obligation to make payroll deductions for the periods during which a unit member is either terminated from active employment, or not on the City's active payroll for any reason, including, but not limited to, layoff and voluntary leave of absence for more than thirty (30) days.

(3) Upon the rehiring of any unit member, or upon the recalling of any unit member from layoff status, the City will resume or initiate dues deductions for such unit member.

(j) Obligations of Parties

(1) City's Obligations. The City's obligation under this Article is to notify any unit member who has failed to comply with the provisions of this Section that, as a condition of continued employment with the City, such unit member must become an Union member, or pay a representation fee, or establish an exemption status and make payment pursuant to provisions of Sections (b) and (f) of this Agreement. Under no circumstances shall the City be required to dismiss or otherwise discipline any unit member for failure to fulfill their obligations to pay the fees established herein.

(2) Union's Obligations. Except as specified herein, the Union and not the City, shall be responsible for requiring unit members to fulfill obligations defined herein. It is the obligation of the Union to collect any representation fees which may be due and payable to the Union in consideration for its services as the exclusive representative of unit employees.

(k) Hold Harmless Provision. The Union shall hold the City harmless, and shall fully and promptly reimburse the City for any fees, costs, charges or penalties incurred in responding to or defending against any claims, disputes, challenges, whether formal or informal, which are actually brought, or attempted or threatened to be brought, against the City or any

of its agents, or employees, in connection with the interpretation, application, administration or enforcement of any Section of this Agreement pertaining to representation fee. Such reimbursement shall include, but not be limited to, court costs, litigation expenses, and attorney's fees incurred by the City. The City shall have the right to be represented by its own attorney in any action in which it is a named party to the action. Disputes over the amount of reimbursement shall be automatically submitted to the arbitration provisions of this Memorandum, Section 8.3(e).

2.3 Use of City Facilities

(a) The Union shall be allowed by the City department in which it represents employees' use of space on available bulletin boards for communications having to do with official Union business, such as times and places of meetings, provided such use does not interfere with the needs of the department. The Union may submit to the City Employee Relations Officer written communications having to do with official Union business for distribution by the City to identified shop stewards. Distribution may be by e-mail.

(b) Any representative of the Union shall give notice to the department head or designated representative when contacting department employees on City facilities during the duty period of the employees, provided that solicitation for membership or other internal Union business shall be conducted during the non-duty hours of all employees concerned. Pre-arrangement for routine contact may be made with individual department heads and when made shall continue until revoked by the department head.

(c) City buildings and other facilities may be made available for use by City Employees of the Union or their representatives in accordance with such administrative procedures as may be established by the City Manager or department heads concerned.

2.4 Advance Notice

Except in cases of emergency, reasonable advance written notice shall be given to the Union if affected by any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to negotiate if requested with the designated management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such

measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described above and be given an opportunity if requested to negotiate changes to said notice with the management representatives designated by the City Manager.

2.5 Attendance at Meetings by Employees

City employees who are official representatives or unit representatives of the Union shall be given reasonable time off with pay to attend meetings with City management representatives, or be where matters within the scope of representation or grievances are being considered. Such employee representatives shall submit a request for excused absence to their respective department heads, in a manner satisfactory prior to the scheduled meeting whenever possible. Time spent for these purposes while a representative is not scheduled to work shall not be compensated by the City and shall not be considered as hours worked. Except by mutual agreement the number of the employees excused for such purposes shall not exceed three (3) per recognized bargaining unit.

2.6 Maintenance of Membership

All employees in the Trades and Maintenance unit who are members of the Union, tendering periodic dues at the execution of this agreement, and all employees who thereafter become members of the Union shall, as a condition of employment, pay dues to the Union for the duration of this Memorandum of Understanding, and each year thereafter. For a period of thirty (30) days prior to January 1, 1989, and thirty (30) days prior to any January 1, thereafter, any employee in the aforementioned unit who is a member of the Union shall have the right to withdraw from the Union discontinuing dues payments and retain employment in the City, subject to provisions of Section 2.2. Agency Fee. Said withdrawal shall be communicated by the employee in writing to the City. The provisions of this section shall be operative only to the extent that they are permissible under California law.

2.7 Assignment of Classifications

New job classifications established by the City shall be assigned to the bargaining unit pursuant to section 2-208 of Employer-Employee Relations Ordinance (Stockton Municipal Code §§2-200, *et seq.*) after providing notice and the opportunity to consult with the Union regarding such matters.

Section 3. Compliance with Federal Laws/Safety

3.1 Non-Discrimination. The City and the Union agree that there shall be no discrimination of any kind because of age (over 40), race, creed, color, religion, national origin (ancestry), veterans status, physical or mental disability, marital status, sexual orientation, sex (sexual, gender based, pregnancy/childbirth), political affiliation or legitimate union activity or on any other basis prohibited by applicable federal and State law against any employee or applicant for employment.

3.2 Fair Labor Standards Act. The Union agrees to cooperate with the City to insure its members' compliance with the provisions of the Fair Labor Standards Act.

3.3 Safety. The Union shall cooperate with the City in promoting safety objectives as defined in Federal, State and local regulations by actively supporting safety programs, promoting safe work habits of members and encouraging an ongoing, active participation by its members in safety related procedures and practices as offered and promulgated by the City of Stockton.

Section 4. Probation

4.1 Purpose

The probationary period shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to a position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

4.2 Original Entrance and Promotional Positions

All original appointments shall be tentative and subject to a probationary period of one (1) year with a review completed after 6 months from original appointment. Promotional appointments shall be subject to a probationary period of 6 months. The probationary period for original and promotional appointments will not be extended.

4.3 Retention/Rejection of Probationer

At the end of the probationary period, if the service of the probationary employee has been satisfactory to the appointing authority, then the appointing authority shall file with the Director of Human Resources a statement in writing to such

effect and stating that the retention of such employee in the service is desired. The City will make a good faith effort to notify a probationary employee two (2) weeks before the end of the probationary period whether or not regular status is granted; however, a failure on the part of the appointing authority to file such a statement at the end of the probationary period shall constitute a rejection of the probationer as defined in Civil Service Rules.

During the probationary period an employee may be rejected at any time by the appointing authority. Any employee rejected during the probationary period following a promotional appointment, shall be reinstated to the position from which promoted unless charges are filed and the employee is discharged in the manner provided in Section 7 of this Memorandum of Understanding and in the Civil Service Ordinance and Civil Service Rules, which are consistent therewith.

4.4 Alcohol and Drug Testing.

All original and reemployed appointments must pass a drug and alcohol screening prior to being offered City employment. This shall include non-represented part-time, seasonal, provisional, and temporary appointments.

Section 5. Layoff

5.1 Layoff

Any employee may be laid off by an appointing authority in the event of the abolition of the employee's position by the City Council, or if a shortage of work or funds requires a reduction in personnel.

5.2 Layoff Scope

(a) Layoffs shall be within departments of the City.

(b) Departments of the City are defined as follows:

(1) Administrative Services
(2) City Attorney
(3) City Auditor
(4) City Clerk
(5) City Manager
(6) Community Development
(7) Community Services
(8) Economic Development

(9) Fire
(10) Human Resources
(11) Information Technology
(12) Municipal Utilities
(13) Police
(14) Public Works

5.3 Notice of Layoff

The City will give advance written notice of at least one pay period to employees who will be laid off.

5.4 Precedence by Employment Status

(a) No regular employees shall be laid off while employees working in an extra help, seasonal, temporary, provisional, or probationary status are retained in the same classification as such regular employee. The order of layoff among employees not having regular status shall be according to the following categories:

(1) Limited term (i.e., part-time, provisional, and temporary)
(2) Probationary

Layoffs shall be by job classification according to reverse order of seniority as determined by total service in the City, except as specified above. For the purpose of this procedure part-time classes shall be considered as separate from regular full-time classes.

The following provisions shall apply in computing total continuous service:

(1) Time worked in a regular or probationary status shall count as service.
(2) Time spent on military leave shall count as service in the event the leave was taken subsequent to entry.
(3) Time worked in a limited term status (i.e., part-time, provisional, and temporary) shall not count as service.

If two (2) or more employees have the same seniority, the order of seniority shall be determined by their respective ranking on the eligibility list for hire.
If two (2) or more employees have the same seniority but were not hired from a ranked eligibility list, the order of seniority shall be determined by lot.

If two (2) or more employees have the same seniority, but were hired from separate ranked eligibility lists, the order of seniority shall be determined by lot.

(b) Any employee in the Trades and Maintenance Unit who is laid off may complete a City employment application for any position currently staffed by a part time, provisional, or temporary employee. The Human Resources Department will evaluate the employment application. If the laid off employee meets the minimum qualifications of that position, he/she shall have the option of displacing the part time, provisional, or temporary employee.

5.5 Employee Options

Employees laid off shall have any of the following choices:

(a) Displacing the employee in the same department and in the same or clearly comparable classification as determined by the Director of Human Resources as having the least (total service) seniority. This option shall be exercised before any other option.

(b) Taking a voluntary demotion within the department to a classification in which the employee had prior regular status, thus displacing the employee working in the classification who has the least (total service) seniority.

5.6 Health and Welfare Benefits during Layoff

Regular employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

Section 6. Reemployment

(a) The name of each employee who is laid off in accordance with Section 5. shall be placed at the head of the eligibility list for the class of positions which that employee held, and shall be given preference in filling vacancies in that class.

(b) An employee laid off in accordance with this Section shall be placed on the eligibility list or lists for any lower or comparable class or classes in the same department, provided that the appointing authority and the department head in

charge of this lower or comparable class determine that the employee is competent to perform the duties thereof in strict accordance with the class specifications. This right of a laid off employee shall remain effective for two (2) years from the date of latest separation from the service. The employee shall not be placed on said eligibility list or lists without first submitting a written request. Employee's place on said list or lists shall be at the head of the eligibility list for the class of positions for which qualified as hereinabove set forth and shall be given preference in filling vacancies except for those persons placed on said list or lists of reemployment in the same positions previously held. An employee who waives reemployment to a full time position three times shall have his/her name removed from this reemployment list unless mutually agreed to by the Department and employee. Upon certification for appointment to a new position never having been held by this employee, the probationary period must be completed as required in this Memorandum of Understanding.

Section 7. Discipline

Disciplinary action, including discharge, suspension, reduction in pay or demotion, may be taken against any employee for cause.

7.1 Pre-disciplinary Rights

An employee facing potential disciplinary action will be entitled to the following pre-disciplinary rights:

(a) Notice of proposed discipline.

(b) Date(s) proposed discipline will be effective.

(c) Reasons for the proposed discipline, the specific grounds and particular facts upon which the action is taken.

(d) Ten (10) calendar days in which an employee or the representative may respond either orally or in writing to the department head.

(e) The employee must be provided with any written materials, reports and documents upon which the action is based.

7.2 Administrative Leave

The City may place an employee on administrative leave pending the completion of the pre-disciplinary process.

7.3 Provisions

The appointing authority may discharge, suspend or demote any employee in the classified service provided the Stockton Municipal Code provisions and the rules and regulations of the Civil Service Commission and any applicable provisions of law are followed. Such provisions allow the employee suspended, demoted or discharged to appeal such action. The employee may take only one (1) of the following actions:

(a) File no appeal.

(b) File an appeal with the Civil Service Commission within ten (10) calendar days of written notification of the action. (Such filing will foreclose use of the grievance procedure.)

(c) File a grievance as provided for in Section 8 within ten (10) calendar days of written notification of the action.

If the employee fails to do (b) or (c) above within the prescribed time frames, these rights will have been waived.

Section 8. Grievance Procedures

8.1 Definition

A grievance is any dispute which involves the interpretation or application of those rules, regulations and resolutions which have been, or may hereafter be, adopted by the City Council to govern personnel practices and working conditions, including such rules, regulations and resolutions as may be adopted by either the City Council or the Civil Service Commission to affect Memoranda of Understanding which result from the meeting and conferring process.

8.2 Filing Deadline

(a) No grievance involving demotion, suspension, discharge or other employment penalty will be entertained unless it is filed in writing with the Director of Human Resources within ten (10) calendar days of the time at which the affected employee received written notification of such action. All other grievances must be filed within thirty (30) calendar days from the time the employee knew or had reason to know of the facts giving rise to the grievance.

(b) With written consent of the City Manager or his/her designee and the Union Business Agent or his/her designee, time limits may be extended and/or Steps 1, 2 and/or 3 of the Grievance Procedure waived.

8.3 Grievance Processing

(a) Step 1 - Departmental Review. Any employee claiming to have a grievance may discuss the complaint with such management official in the department where employed as the department head may designate. If the issue is not resolved within the department within twenty (20) days from the day of presentation or if the employee elects to submit the grievance directly to the Union recognized as the representative of that employee's classification, or if the employee/Union official notifies the Director of Human Resources, in writing, that a grievance exists, the procedure hereinafter specified may be invoked.

(b) Step 2 - Director of Human Resources Review. If the employee is not satisfied with the response at level one, then the employee may appeal the grievance to the Director of Human Resources within twenty (20) calendar days of the receipt of written response at level one. Such appeal must state with particularity: 1) the specific policy, rule or provision which is alleged to have been violated; 2) the statement of facts comprising the violation; and 3) the requested remedy. The Union may file and process grievance(s) on behalf of the specifically named employee. The Director of Human Resources shall have twenty (20) calendar days in which to investigate the issues, meet with the complainant and attempt to reach a satisfactory resolution of the problem. No grievance may be processed under the following two (2) paragraphs which has not first been filed and investigated in accordance with this paragraph, except for the resolution of compensation complaints.

(c) Step 3 - Arbitration. If the parties are unable to reach a mutually satisfactory accord on the grievance at Step 2, within twenty (20) calendar days either the Union or the City may require that the grievance be referred to an impartial arbitrator mutually selected by the parties, or if the parties are unable to mutually agree, from a list of seven (7) arbitrators provided by the State Conciliation Service. The arbitrator shall be chosen by the alternative strike method, with first choice being determined by lot. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by both parties. Each party, however, shall bear the cost of its own presentation, including preparation and post hearing briefs, if any.

(d) Effect of Decision. Decisions of arbitrators on matters properly before them shall be final and binding on the parties hereto except as provided otherwise herein.

8.4 Scope of Arbitration

(a) No arbitrator shall entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union and unless such dispute falls within the definition of a grievance as set forth in paragraph 8.1.

(b) Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may be referred to arbitration under this Section. No arbitrator selected pursuant to this Section shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

(c) No changes in this Memorandum of Understanding or interpretations thereof (except interpretations resulting from arbitration proceedings hereunder) will be recognized unless agreed to by the Director of Human Resources and the Union.

8.5 Other Provisions

If the Director of Human Resources or City Manager, in pursuance of the procedures outlined above, resolves a grievance which involved suspension or discharge, they may agree to payment for lost time or to reinstatement with or without payment for lost time, but in the event the dispute is referred to arbitration and the arbitrator finds that the City had cause to take the action complained of, the arbitrator may not substitute his judgment for the judgment of management and if the findings are that the City had such right, the arbitrator may not order reinstatement and may not assess any penalty upon the City.

Complaints which allege the employee is not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances and processed pursuant to Section 8.3. Any other matters of compensation are to be resolved in the meeting and conferring process and if not detailed in the Memorandum of Understanding which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next open for such decision. No adjustment shall be retroactive for more than one hundred and eighty (180) days from the date upon which the complaint was filed.

Specified time limits may be modified only in writing. All appeals and responses must be provided in writing.

A grievant will be provided release time without loss of pay for all required meetings with management. The City cannot discriminate or retaliate in any manner against an employee for filing a grievance or exercising rights under this Section.

The provisions of this Section shall not abridge any rights to which an employee may be entitled under the Stockton Municipal Code and/or Civil Service Rules and Regulations, nor shall it be administered in a manner which would abrogate any power which, under the Stockton Municipal Code, may be within the sole province and discretion of the Civil Service Commission.

All grievances of employees in representation units represented by the Union shall be processed under this Section. If the Stockton Municipal Code and/or Civil Service Rules and Regulations requires that a differing option be available to the employee, no action under paragraph (c) of Subsection 8.3 above shall be taken unless it is determined that the employee is not utilizing such option.

No action under paragraph (c) of Subsection 8.3 above shall be taken if action on the complaint or grievance has been taken by the Civil Service Commission or if the complaint or grievance is pending before the Civil Service Commission.

If any award by an arbitrator requires action by the City Council or the Civil Service Commission before it can be placed in effect, the City Manager and the Director of Human Resources will recommend to the City Council or the Civil Service Commission, as appropriate, that it follow such award.

Section 9. Leaves

9.1 Vacation Leaves

(a) Vacation Allowance. All regular employees, excluding provisional and temporary shall accrue vacation leave with pay in accordance with the following schedules:

(1) Less than one and one-half (1-1/2) years continuous employment ..... 80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment ..... 108 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment ..... 144 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment ..... 189 hours/year.

(5) Thereafter, seven (7) additional hours for each completed year of service in excess of twenty-five (25) years.

(6) Employees shall accrue vacation on a twice-monthly payroll basis

(b) Maximum Vacation Accrual. Employees reaching the maximum hours shall stop accruing additional hours until they are below the caps listed here. No vacation hours may be added to sick leave balances without exception. Effective July 1, 2012, the following maximum vacation accruals shall take effect. For employees who on July 1, 2012 have vacation balances that exceed their maximum shall have until June 30, 2013 to use sufficient vacation to get under the maximum allowed. If an employee does not get below the maximum by June 30, 2013, they shall retain their existing earned vacation, but shall not earn any additional vacation until they are under the maximum vacation accrual allowed.

Maximum Vacation Accrual Caps

40 Hour Employee

Under 1.5 years	120 hours (15 days for 8 hour shift)
1.5 – 7.5 years	240 hours (30 days for 8 hour shift)
7.5 – 15 years	280 hours (35 days for 8 hour shift)
15 – 25 years	320 hours (40 days for 8 hour shift)
26 years	328 hours (41 days for 8 hour shift)
27 years	336 hours (42 days for 8 hour shift)
28 years	344 hours (43 days for 8 hour shift)
29 years	352 hours (44 days for 8 hour shift)

For every year of service beyond 29, the employee is allowed to add an additional seven (7) hours to the maximum accrual cap.

(c) Vacation Scheduling. Vacation leaves shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business. Vacation requests are accepted on a day for day basis.

(d) Holiday during Vacation. If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(e) Vacation Cash out Upon Separation

An eligible employee separating from City service effective July 1, 2014 for any reason who has unused vacation time shall be paid for such vacation time up to the effective date of the last day of employment with the City. Payment for unused vacation shall be made at the final rate of pay. Payment for the unused vacation hours shall be paid post separation date at no later than the second regularly scheduled pay period pay date following separation. Prior to separation from City service, the City does not provide to employees any vacation cash out or sell back for accrued but unused vacation hours.

(f) Vacation Sell-Back Maximum. An employee may elect to receive cash payment for up to a maximum of forty (40) hours of his/her accumulated vacation balance annually except that all cash outs shall be suspended during furlough or fiscal emergency periods and during the term of this MOU and until a successor MOU is reached.

9.2 Sick Leave

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of eight (8) hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence without pay granted to the employee.

(b) Usage. Employees are entitled to sick leave pay for those days which the employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury, or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery therefrom.

(c) Family Sick Leave. Employees may utilize up to one-half of their annual sick leave accrual in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care that otherwise would not be covered by the Family Medical Leave Act (FMLA) or the California Family Rights Act (CFRA) leaves.

Such leave shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent, grandchild, legal dependant and registered domestic partner.

In special cases, with the approval of the Director of Human Resources, a department head may grant the use of sick leave in other circumstances.

It is not the intent of this provision to conflict with any state or federally mandated policies, such as the Family Medical Leave Act (FMLA), the California Family Rights Act (CFRA), or the Pregnancy Disability Leave (PDL).

(d) Reporting Procedures for Sick Leave. When the requirement for sick leave is known to the employee in advance of the absence, (for example, included but not limited to scheduled medical, dental or vision appointments), the

employee shall request authorization for such sick leave from the department head prior to such absence.

If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for the following informal and formal disciplinary action:

(1) For the first time in a six (6) month period, a Memorandum of Discussion (informal).

(2) For the second time within a six (6) month period, a Letter of Reprimand (formal).

(3) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employee may be discharged (formal).

The six (6) month period will be defined as six (6) months from the most recent incident. If no other incident occurs within six (6) months of the most recent incident, the disciplinary data shall be removed from the employee's official personnel file.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a signed statement to the department head, on a prescribed form, stating the dates and hours of absence, the exact reason, and such other information as is necessary for the request to be evaluated. If an employee doesn't return to work prior to the preparation of the payroll, other arrangements may be made with the department head.

(2) Doctor's Certificate or Other Proof. The Director of Human Resources may require a doctor's certificate or other reasonable proof of illness as he/she deems necessary in order for an employee to receive an excused absence from work and sick leave pay. The employee shall be given notice prior to returning to work that he or she will be required to provide such documentation. Employees who have unscheduled

absences due to illness on a scheduled work day preceding or following a holiday may be required to bring a doctor's certificate or other reasonable proof of illness in order to receive an excused absence and sick leave pay. If an employee's illness results in an absence from work for more than three (3) consecutive days, a doctor's certificate or other reasonable proof of illness may be required. In addition, the City may monitor and control the appropriate use of sick leave by employees and if reasonable cause is articulated, can limit use of sick leave and require additional verification.

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. The employee has the right to Union representation at such meeting. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Human Resources pursuant to (e)(2) above;

(b) Suspend the employee without pay for up to five (5) days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave While on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or

(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

(g) Payment for Unused Sick Leave. Effective February 17, 2012, all accumulated or future of Sick leave accruals shall have no cash value upon

separation of employment and employees shall not be allowed to cash out unused sick leave except as provided below.

(h) CalPERS Service Credit for Unused Sick Leave. Employees shall be eligible for CalPERS service credit for any unused sick leave at retirement not otherwise compensated for in (i) below. Employees hired on or after December 29, 2012 shall not be eligible for this service credit.

(i) Sick Leave Retention Benefit. If, after subtracting the equivalent of one full year of service credit (2080 hours), which may be applied to CALPERS service credit, any balance remaining upon separation shall be paid as follows to employees who have remained in City service until the dates specified:

(1) Separation prior to July 1, 2014, no payment of unused sick leave at separation shall occur for separating employees before this date;

(2) Separation between July 1, 2014 and June 30, 2015, payment of unused sick leave which the employee held on 2/16/12 shall be paid at 35% of its cash value to separating employees between these dates; and

(3) Separation after July 1, 2015, payment of unused sick leave which the employee held on 2/16/12 shall be paid at 50% of its cash value to separating employees after this date.

(4) Service credit for unused sick leave shall be in accordance with PERS regulations.

9.3 Other Leaves with Pay

(a) Bereavement Leave. In the event of a death in the immediate family of an employee, the employee shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his accumulated sick leave credits or vacation eligibility. The department head may grant an additional two (2) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent, grandparent-in-law, grandchild, and registered domestic partner.

In the event of the death of a person not immediately related to an employee as defined above, the employee's department head may grant up to three (3) days

bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

(b) Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized absence from duty for appearance in Court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said absence from duty including necessary travel time, will be for actual hours served on jury duty or testifies as a witness in a criminal case, other than as a defendant. This shall include the time from when the employee is ordered to appear until the time the employee is released from the court. As a condition of receiving such pay, the employee must remit to the City, through the employee's department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his usual morning schedule. If an employee is required to appear for a morning court session and is sent home before noon and not required to return in the afternoon, the employee will be expected to work his usual afternoon schedule.

Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be remitted to the City through the employee's department head.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is a party, together with travel time necessarily involved, shall not be considered absent from duty within the meaning of the Section.

(c) Military Leave. An employee of the City who is a member of the National Guard or Naval Militia or a member of the Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence without pay for duration of a national emergency who have been inducted into

the Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the position they held when they were inducted into Military Service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.

In the case of a probationary employee having served a minimum probationary period of six (6) months at the time of induction, it shall be optional with the department head and the City Manager to grant regular status to said employee before induction.

All probationary employees inducted into Military Service not having served the minimum probationary period of six (6) months, or having served the minimum probationary period of six (6) months, but not having received regular status shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.

Two (2) or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

9.4 Workers' Compensation Leave

(a) Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law. An employee on Workers' Compensation may use accrued leave, if needed, to supplement benefits, up to the amount required to receive a full paycheck.

(b) Forms and Procedures. Workers' compensation processing shall be consistent with City procedures and in accordance with state workers' compensation regulations. An employee who sustains a work-related injury or illness shall immediately inform his/her supervisor no matter how minor an on-the-job injury may appear. An employee who sustains a work-related injury or illness is required to seek medical care at facilities designated by the City unless they have filed a pre-designation of personal physician prior to sustaining the

work-related injury or illness. For a list of City designated medical care facilities and/or physicians, please contact Human Resources.

9.5 Leave of Absence Without Pay

(a) Entitlement. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that the granting of such leave is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. The granting of a leave of absence provides the employee the right to return to the position vacated.

(b) Approval. All leaves of absence without pay must be recommended by the department head and approved by the Director of Human Resources. No such leave may extend beyond twelve (12) months, except in the case of absence due to job incurred disability where a determination may be made based upon the needs of public service, or in the event an application for service connected disability retirement has been filed.

(c) Leaves of absence without pay for illness may only be approved following the expiration of entitlement of sick leave and vacation.

9.6 Absence Without Official Leave (AWOL)

(a) Failure to Report to Duty or Failure to Return after Leave. Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked, or canceled, or at the expiration of a leave, shall be considered an absence without official leave and shall be subject to discipline.

(b) Voluntary Resignation. Any employee in this bargaining unit absent without official leave for two (2) or more consecutive scheduled days without a satisfactory explanation as approved by the Human Resource Director shall be deemed to have voluntarily resigned from the City of Stockton. An employee must provide a written statement to the Human Resources Department regarding a "satisfactory explanation", within ten (10) calendar days after the City mails a notice of voluntary resignation to the employee's last known address.

Section 10. Days and Hours of Work

10.1 Workweek

The normal workweek in this unit consists of five (5) consecutive eight (8) hour days or a total of forty (40) hours, generally Monday through Friday in a seven (7)

day work period. Where operational requirements of a department require deviations from this schedule, the department head with the Director of Human Resources' approval may institute alternate work schedules as long as the City meets with the Union over the impact of such schedules and conforms to work period requirements of the Fair Labor Standards Act.

10.2 Meal Periods and Rest Periods

(a) Employees shall receive a one (1) hour or one-half (1/2) hour meal period, without pay, each day and a fifteen (15) minute paid rest period during the first half of the work day and a second fifteen (15) minute paid rest period during the second half of the work day. Employees who exceed the time limits prescribed above for lunch and/or rest periods shall have their pay reduced accordingly.

(b) Where operational requirements of a department require deviations from this schedule, meal periods of other durations and alternate rest periods may be instituted with the approval of the department head or designee.

10.3 Reporting to Work

Repeated failure to report to work on time may result in appropriate informal and/or formal discipline as set forth below:

(a) For the first time in a six (6) month period, a Memorandum of Discussion (informal).

(b) For the second time within a six (6) month period, a Letter of Reprimand (formal).

(c) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employees may be discharged (formal).

If an employee reports to the work site after the designated starting time, the employee will be paid only for time actually worked; however, the employee may be allowed to utilize annual leave for lost pay, provided the employee's supervisor approves.

The six (6) month period will be defined as six (6) months from the most recent incident. If no other incident occurs within six (6) months of the most recent incident, the formal disciplinary action (i.e., letter of reprimand, suspension) shall be removed from the employee's official personnel file maintained in the Human

Resources Department, upon the written request of the employee to and concurrence by the department head and the Director of Human Resources.

Section 11. Overtime

11.1 Overtime Authorization

All compensable overtime must be authorized by the department head or his designated representative in advance of being worked. If prior authorization is not feasible because of emergency conditions, a confirming authorization must be made on the next regular working day following the date on which the overtime was worked.

11.2 Definition

The following provisions pertaining to authorized statutorily required overtime work shall apply to non FLSA exempt employees:

(a) Statutory overtime shall be paid on actual time worked in excess of forty (40) hours in any workweek. Such overtime shall be paid for at time and one-half (1-1/2) including employees employed on a per hour or per day basis or except as provided elsewhere herein. Holiday hours taken and observed holidays where the City is closed shall be considered as time worked. Sick leave, vacation, or other compensated time off shall not be considered as actual time worked.

b) On a holiday observed by the City an employee who is not regularly scheduled to work holidays shall be paid for a regular day plus time and one-half (1-1/2) for actual time worked not to exceed eight (8) hours including employees employed on a per hour or per day basis, or except as provided elsewhere herein.

(c) The City may require mandatory overtime when operational needs if the City dictate the need to work such overtime. Work in excess of forty (40) hours worked as defined in (a) above in any workweek that qualifies for overtime will be paid or taken as CTO in accordance with Section 11.5(b).

11.3 Standby Duty

When warranted and in the interest of the City operation, department heads may assign employees to "standby" status.

(a) Application of "standby" shall be as follows:

(1) Each employee so assigned to "standby" shall be provided with a communication device while on standby and shall be able to report to the work site within forty-five (45) minutes. Employees assigned to standby shall be required to carry the communication device.

(2) Employees on standby shall have the option to trade hours of standby status with another qualified employee in the same unit or division with departmental approval.

(3) Standby shall be assigned in a minimum of eight (8) hours blocks, i.e., Monday - Friday work week standby can be 8, 16, 24 hour blocks. The block of standby will be to one (1) person per 24 hour period.

Standby for weekends i.e., Saturday, Sunday or extended holiday weekends (Friday – Sunday, or Saturday - Monday) will be assigned 8 - 48 hour blocks to one (1) person per weekend (up to 72 hours for holiday weekend).

(b) Compensation of "standby" shall be as follows:

(1) Employees assigned to standby duty shall be paid $3.00 per hour while assigned to be on standby. An employee shall earn time and one-half (1-1/2) for all actual time worked while on standby duty status only if eligible for overtime as defined in Section 11.2 above. An employee shall not continue to receive the "standby" premium during actual time worked, or for any hours paid as overtime or call back. Standby is not considered as time in "paid status because of work performed" for purposes of calculating overtime.

11.4 Call-Back

When an employee is called back to work from off duty status, the employee shall be compensated for a minimum of two (2) hours and forty-five (45) minutes pay at time and one-half (1-1/2) or actual time worked at time and one-half (1-1/2) if eligible for overtime as defined in Section 11.2, above, whichever is greater.

To be eligible for call-back pay, both of the following conditions must be met:

(a) The call-back must occur outside of the employee's regular work hours; including overtime.

(b) The call-back time worked must not be contiguous to the employee's regular work hours; including overtime.

(c) An employee is ineligible to receive a premium for both standby and call back. For example, employees shall not receive standby pay for hours in which they are paid overtime or call back pay.

11.5 Compensatory Time

(a) Definition. As used in this Section, the term Compensatory Time refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule.

(b) Accrual. For hours worked in excess of forty (40) hours in a seven (7) day work period as defined in Section 11.2(a), Compensatory Time may be earned at the rate of time and one-half (1-1/2). No more than eighty (80) hours (forty (40) hours worked at time and one-half [1-1/2]) may be carried on the books at any time.

(c) Use. Use of Compensatory Time shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of City business. Approval of requests for use of Compensatory Time shall be submitted in writing and in advance of use on a day-for-day basis and shall be at the sole discretion of the department head, but once approved, cannot be changed unless an emergency situation arises.

(d) Payment. Once eighty (80) hours of Compensatory Time is accrued on the books, all other hours worked in excess of forty (40) hours in a seven (7) day work period will automatically be paid.

At the end of each calendar year, all Compensatory Time will be carried forward (forty (40) hours maximum), unless the employee elects to have the compensatory balance paid. Carryover Compensatory Time cannot exceed the forty (40) hours maximum.

11.6 Meal Allowance

The City shall provide a meal allowance of TEN DOLLARS AND NO CENTS ($10.00) for an employee who is held over and works a minimum of four (4)

hours. Employees called back to work or called back from a day off with less than two (2) hours notice shall qualify for the TEN DOLLARS AND NO CENTS ($10.00) meal allowance when they work a minimum of four (4) hours. Extension of the work schedule or call-back must be properly authorized by the employee's supervisor or other designated personnel.

Section 12. Holidays

12.1 Qualifying for Holiday Pay

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

12.2 Holidays Observed by the City

(1) January 1 ..... New Years' Day
(2) Third Monday in January ..... Martin Luther King Jr.'s Birthday
(3) Second Monday in February ..... Lincoln's Birthday
(4) Third Monday in February ..... Washington's Birthday
(5) March 31 ..... Cesar Chavez Birthday
(6) Last Monday in May ..... Memorial Day
(7) July 4 ..... Independence Day
(8) First Monday in September ..... Labor Day
(9) Second Monday in October ..... Columbus Day
(10) November 11 ..... Veteran's Day
(11) Fourth Thursday in November ..... Thanksgiving
(12) The day following the day known as Thanksgiving
(13) December 25 ..... Christmas Day

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.

For employees on the 9/80 alternative work schedule, employees may shift their work schedule so that their 8 hour day falls on the designated holiday with the approval of their supervisor.

An employee who takes a holiday off on a normally scheduled work day will receive 8 hours of holiday pay at their regular rate of pay, and the holiday hours count as time worked for FLSA overtime calculation purposes. A holiday that falls on an employee's normally scheduled day off will receive 8 hours of holiday pay at their regular rate of pay, however the holiday hours will not be counted as time worked. If an employee works on a holiday, the employee will receive 8 hours of holiday pay at their regular rate of pay, actual hours worked will be paid at the time and one half (up to 8 hours) and holiday hours will not be counted as time worked. If an employee works only partial hours on a holiday, partial holiday hours will be counted as time worked for FLSA overtime calculation purposes (up to 8 hours combined maximum).

12.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the department head except in emergency situations where said approval cannot be obtained beforehand.

Section 13. Compensation and Allowance Other Than Base Salary

13.1 Retirement Contribution Supplement

(a) The City will pay seven percent (7%) of the employee's current base salary (employee's contribution) and other compensation as qualified by State law towards the Public Employees' Retirement System (CalPERS). Such amounts will be applied to the employee's individual account in accordance with California Government Code section 20691.

Effective August 1, 2011, employees hired on or before December 28, 2012 shall pay 7% of the employee's current base salary and other compensation as qualified by state law towards the employer contribution to the CalPERS retirement plan on a post-tax basis in the form of a payroll deduction. The City will seek an IRS private letter ruling to determine whether or not the IRS permits the employee's contribution to the employer's share of pension cost to be treated on a pre-tax basis. If the IRS issues a private letter ruling allowing employee's contribution towards employer pension cost on a pre-tax basis, the City will change the deduction from post-tax to pre-tax as soon as administratively possible after the IRS final determination.

(b) For Employees Hired on or Before December 28, 2012

(1) The City's CalPERS retirement plan is modified to reflect two percent (2%) at age 55, effective January 1993.

(2) The City's CalPERS retirement plan is modified to reflect California Government Code section 21024 (Military Service Credit as Public Service) and section 21027 (Military Service Credit for Retired Persons) effective upon adoption by Stockton City Council and Board Administration of the CalPERS.

(3) The City will provide CalPERS California Government Code section 20692 (Employer Paid Member Contributions Converted to Payrate during the Final Compensation Period) as added CalPERS benefits. At the beginning of employee's last year of employment, the employee will pay their employees' seven percent (7%) benefit cost through an automatic payroll deduction. The City will increase the base salary for those employees by the same seven percent (7%) for the last twelve (12) months of employment. Internal Revenue Service (IRS) Code 414H (2) will be concurrently implemented with CalPERS California Government Code section 20692, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board.

(4) The City will provide CalPERS California Government Code section 20965 (Credit for Unused Sick Leave) as added CalPERS benefits, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board. Any unused sick leave may be credited towards CALPERS service credit.

(5) The City will provide CalPERS California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added CalPERS benefits, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board.

(6) The City will provide CalPERS California Government Code section 21335 up to a five percent (5%) Annual Cost-of-Living Allowance, as an added CalPERS benefit. The first application date is April 1, 2003.

(c) For Employees Hired on or After December 29, 2012

(1) The City amended its contract with CalPERS effective December 28, 2012 to provide a new second tier retirement program of 2% at 60 with three year average salary formula and no other additional CalPERS benefits for all unit employees hired on or after December 29, 2012. Employees hired on or after December 29, 2012 shall pay the entire seven percent (7%) of the employee's current base salary (as the employee contribution) and any other compensation as qualified by state law towards CalPERS retirement benefit through a payroll deduction.

(d) PERS Benefits for Employees hired on or after December 29, 2012

(1) Employees with Reciprocity:

Employees hired on or after December 29, 2012, who had service under another CalPERS agency or public retirement system with reciprocity prior to January 1, 2013, and a break in service of less than 6 months and are considered classic employees by PERS AB 340, shall be subject to the PERS pension formula of 2% at 60 with no optional pension enhancements and the other provisions of the retirement tier they were hired under. Employees shall pay the entire seven (7%) of the employee's current base salary (as the employee contribution) and any other compensation as qualified by state law towards CalPERS retirement benefit through a payroll deduction.

(2) Employees without Reciprocity:

Employees hired on or after January 1, 2013, shall be subject to the AB340 PERS pension formula of 2% at 62 with no optional pension enhancements and the other provisions of the retirement tier they were

hired under. Employees shall pay 50% of the City normal cost rate for the 2% at 62 as determined by CalPERS.

13.2 Deferred Compensation

Effective July 1, 2010, the City's contribution to the Deferred Compensation Plan (5.5% of base pay) will be converted to base pay. Effective July 1, 2010, employees will no longer receive a deferred compensation benefit.

13.3 Uniforms

(a) The City shall provide uniforms for all employees assigned to this unit who are required to wear uniforms during the course of work.

(b) Safety Protective Footwear Reimbursement Allowance

Employees required to wear safety protective footwear in accordance with City Manager's Administrative Directive HR-034, and approved for safety protective footwear reimbursement, the City will authorize safety protective footwear reimbursement in the amount of ONE HUNDRED SEVENTY DOLLARS ($170.00) as needed and approved by the employee's supervisor and department head.

13.4 Tool Allowance

(a) Mechanic employees assigned to the Central Garage who are required to personally supply their own set of mechanic hand tools, as required and approved by the Fleet Manager, shall receive an annual tool replacement allowance of FOUR HUNDRED DOLLARS ($400.00).

(b) The City shall pay for the replacement of tools lost through theft from City premises provided that such loss was absolutely no fault of the employee.

(c) Any tool required by the City beyond that initially approved by Fleet Manager shall be provided by the City.

13.5 Special Driver's License Pay

Job classifications that require employees to possess and maintain a Class A and/or Class B Driver's License will receive special pay based on the flat dollar amount equal to one and one-half percent (1-1/2%) of top step of job classification

Special Driver's License Pay will only be implemented with the concurrent implementation of the Operating Engineers' Local No. 3 - City of Stockton, Drug/Alcohol Safety Program.

13.6 Longevity Pay

Effective August 1, 2011, longevity pay was eliminated. However, the City ~~shall~~ grandfathered only those employees who completed twelve (12) continuous years of service with the City as of July 31, 2012 , longevity pay based on the flat dollar amount equal to two and one-half percent (2.5%) of top salary step of the employee's pay range as of July 1, 2010. As of July 1, 2012, longevity incentive pay allowance for these grandfathered employees was reduced to one and one-half percent (1.5%).

13.7 Credit Union

The City will accommodate payroll deduction to Operating Engineers' Local No. 3 Credit Union, within the limitations of City payroll system. Any modification costs will be borne by Operating Engineers' Local No. 3.

Section 14. Insurance Plans and Retirement Benefits

14.0 Reopener Clause for Health Insurance

The Association agrees at the City's request, to meet and confer on any changes that are within the mandatory scope of bargaining in any City proposals related to its City sponsored medical plans that may be related to the implementation of the Affordable Care Act (ACA).

14.1 Health and Welfare Benefits

(a) Choice of Health Plans. Employees in this bargaining unit shall have a choice of enrolling themselves and their eligible dependents in any of the City sponsored medical, dental and visions plans or Operating Engineer Health and Welfare Trust Fund Plan (PPO Plans A, B, C, and D, and Kaiser HMO Plans A and B). The City shall offer two or more medical plans to regular employees.

(b) Eligibility. Employees shall become eligible for Medical insurance on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees shall become eligible for Dental insurance on the first day of the month subsequent to completion of sixty (60) days continuous service with the City. An eligible employee and eligible dependent may be

enrolled in a City offered medical plan either as a subscriber in a City offered medical plan or, as the dependent spouse/registered domestic partner or another eligible City employee, but not both. If an employee is also eligible to cover their dependent child, the child will be allowed to enroll as a dependent on only one employee plan (i.e., an employee and his or her dependent cannot be covered by more than one City-offered health plan).

(c) City Contribution towards the cost of insurance programs. Effective upon the first full pay period following ratification of this Memorandum of Understanding by the Union and approval by the City Council on its regular agenda in accordance with the Brown Act:

- The City shall contribute up to $543.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.

- The City shall contribute up to $988.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage.

- The City shall contribute up to $1,313.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision plan coverage.

These contributions are based on full-time employment; regular part-time employees shall receive a prorated contribution based on their percentage of full-time employment. Insurance plan premiums that exceed the City's monthly contribution shall be paid by the employee through payroll deductions. The City shall maintain its IRS 125 Plan to allow for employee contributions for medical/visions/dental to be pre-tax premium conversion.

(d) Plan Rules. Employees may insure themselves and their eligible dependents under the medical/vision and dental plans provided by the City, in accordance with the rules and regulations applicable to the selected Plan. Benefits in the Plan shall be in accordance with the Plan document.

(e) Provisional and temporary employees are not eligible for any of the above benefits.

(f) Employees that promote, demote, or transfer from a classification in the Trades and Maintenance unit to an unrepresented classification shall continue to have the option to retain the Operating Engineers' Local No. 3 Health and Welfare Plan.

(g) Payment of costs for City administrative overhead for Operating Engineer sponsored plans.

(d) The City costs to administer the health plans offered to employees and retirees are incorporated into the monthly rates for City Sponsored medical, dental and vision insurance paid by the City and the plan participants. Effective upon the first full pay period following ratification of this Memorandum of Understanding by the Union and approval by the City Council on its regular agenda in accordance with the Brown Act, the City will add to the monthly plan costs for the Operating Engineer sponsored Plans offered to employees those City administrative overhead costs associated with these plans in addition to the City sponsored plans. As of July 1, 2015, the cost is $26.98 per month per employee participating in the OE3 plan.

14.2 Long Term Disability Insurance

The City shall provide, at no cost to the employee, long term disability insurance coverage. Plan benefits shall be as described in the Plan document, but shall include:

(a) Each disability - sixty-six and two thirds percent (66 2/3%) of salary up to the maximum salary replacement amount as specified in the City's long term disability plan.

(b) Disability income payments shall commence after a ninety (90) day waiting period. Employees may use sick leave and other leave balances to cover this waiting period, or leave without pay.

(c) Benefit payable until age sixty-five (65).

(d) The City shall continue its normal contribution for employee medical premiums during the ninety (90) day waiting period.

14.3 Life Insurance

Effective July 1, 2012, the City shall provide, at no cost to the employee, term life insurance policy with a value of $50,000. In addition, employees shall have the opportunity to purchase additional voluntary life through their union or through the City's IRS125 vendor.

14.4 Enrollment of Retirees in City Health Plans.

An eligible retiree and eligible dependent may be enrolled in a City offered medical plan either as a subscriber in a City offered medical plan or, as the dependent spouse/registered domestic partner or another eligible City employee/retiree, but not both. If an employee/retiree is also eligible to cover their dependent child, the child will be allowed to enroll as a dependent on only one employee or retiree's plan (i.e., a retiree and his or her dependent cannot be covered by more than one City-offered health plan). However, the City may discontinue the enrollment of retirees in City sponsored medical plans at its discretion as per the City's Bankruptcy plan of Adjustment. The City does not provide any retiree medical program, allowance, or City contribution for employees.

Nothing in this section shall be construed to create vested rights to benefits for employees or retirees after the expiration of this MOU.

Section 15. Salaries

15.1 Salary

All salaries hereby established and explained in other parts of section 15 shall no longer be fitted to the Stockton Salary Matrix as set forth in the City of Stockton Salary Schedule. Instead, all salary steps hereby established and explained in other parts of section 15 shall be assigned a fixed percentage of 5.14% between salary steps, and any salary ranges established on or after October 1, 2008, shall be assigned a fixed percentage of 5.0% between salary steps.

The salary for each job classification, as set forth in the City of Stockton Salary Schedule the standard rate of pay for full time employment, unless the schedule specifically indicates otherwise.

The salary as set forth in the City of Stockton Salary Schedule do not include reimbursement for actual and necessary expenses for traveling, subsistence and general expenses authorized and incurred incident to City employment.

Effective upon the first full pay period following ratification of this MOU by OE3 and approval by the City Council on its regular agenda in accordance with the Brown Act, employees will receive a 2% cost of living adjustment (COLA) to base pay.

15.2 Salary upon Appointment

Except as herein otherwise provided, the entrance salary for a new employee entering the classified service shall be the minimum salary for the class and level

to which appointed. When circumstances warrant, the Director of Human Resources may approve an entrance salary which is more than the minimum salary for the class and level to which an employee is appointed. Such salary may not be more than the maximum salary for the class and level to which that employee is appointed.

15.3 Salary Equivalents

Any monthly, daily or hourly rate of pay may be converted into an equivalent rate of pay or to any other time bases when, in the judgment of the Director of Human Resources or the City Manager, such a conversion is advisable. In determining equivalent amounts on different time bases the City shall provide tables or regulations for the calculation of payment for service of less than full time, and for use in converting monthly salaries to hourly rates, as well as for calculating hourly rates. Overtime rate and premium pay shall be calculated according to the provisions of the Fair Labor Standards Act.

15.4 Salary Step Plan

(a) The first salary step shall be the minimum salary rate and shall be the normal hiring salary rate for the class. In a case where a person possesses unusual qualifications, the Director of Human Resources may authorize appointment above the first salary step after receiving the recommendation of the department head. The same provision shall apply to hourly paid and part-time employees.

The second salary step shall be paid upon the satisfactory completion of six (6) months service at the first salary step upon the written recommendation of the department head.
Subsequent salary steps shall be paid upon the satisfactory completion of one (1) year service at the preceding salary step of the job classification and upon the recommendation of the department head.

Regardless of an employee's length of service, step advancements in any given class may be made upon recommendation of the department head with the approval of the Director of Human Resources.

Salary step increases shall be effective the first day of the pay period following appointment or revision. If the date of appointment or revision is the first day of a pay period, salary step increases shall be as of that date.

(b) If a department head recommends withholding salary step increases because an employee has not achieved the level of performance required, notice

must be received by the Human Resources Department at least four (4) weeks in advance of the employee's eligibility date. The affected employee shall be furnished a copy of the department head's recommendation. Failure to abide by the above four-week limitation shall not automatically-cause a step increase to be granted; however, if an employee does not receive notice by the actual anniversary date, the increase shall be automatically granted.

(c) Changes in an employee's salary because of promotion, demotion, postponement of salary step increase or special merit increase will set a new salary anniversary date for that employee, which date shall be as stated in the preceding paragraph.

(d) Salary range adjustments for a classification will not set a new salary anniversary date for employees serving in that classification.

15.5 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to the City service, are entitled to the automatic salary advancements within the range of their classification for the period they were in the military service.

15.6 Salary Step When Salary Range is Increased

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to the step in the revised range which corresponds to the employee's step held in the previous range, unless otherwise specifically provided for by the Director of Human Resources.

15.7 Salary Step After Promotion or Demotion

(a) When an employee is promoted from a position in one class to a position in a higher class, and at the time of promotion is receiving a salary equal to, or greater than, the minimum rate for the higher class, that employee shall be entitled to the next step in the salary scale of the higher class which is at least five percent (5%) above the employee's current base salary, except that the next step shall not exceed the maximum salary of the higher class. Add pays are not included in the calculation of base salary for purposes of this section. When an employee is promoted into another bargaining unit, the new bargaining unit's salary on promotion rules shall apply.

(b) When an employee is demoted, whether such demotion is voluntary or otherwise, that employee's compensation shall be adjusted to the salary prescribed for the class to which demoted.

(1) "If the salary of the employee is reduced for cause or disciplinary reasons, the employee shall receive the salary at the same step prior to promotion."

(2) "If the salary of the employee is reduced through no fault of the employee (i.e., layoff), the salary at demotion shall be at the nearest lower salary to that which was received prior to the demotion."

15.8 Transfer

An employee may be transferred from a class in one department, or to a position of the same class in another department, or to a comparable class, with the approval of both the employee and Department Heads. In the case of a comparable class, the employee must be qualified, as determined by the Director of Human Resources. The Director of Human Resources, in making such a determination, must assure that the maximum salary rate for the classes in question must be equal to or less than the employee's current top step salary, and shall consider, among other things, whether the employee possesses the minimum qualifications for such class, and is able to demonstrate through education, experience, or successful completion of pertinent test, that he/she is qualified for the transfer. If the transfer involves a change from the jurisdiction of one appointing authority to another, both must consent thereto.

15.9 Salary on Reinstatement

If a former employee is reinstated in the same position, previously held or to one carrying a similar salary range, the employee's salary shall not be higher than the salary at the time of separation unless there has been an increase within the salary range.

If a former employee is reinstated to a position in a lower class the employee's salary shall be set at the same step previously held, but in the pay range of the lower classification.

15.10 "Y" Rate

When an employee's classification is changed to a lower paid classification as the result of a classification study or other action, the employee may be placed

on a "Y" rate. A "Y" rate means that the monthly compensation for the employee shall remain in effect until such time as further changes in the pay range of the new classification exceeds the "Y" rate.

15.11 Acting Pay

(a) General Provisions. Any employee in this unit who is assigned by a supervisor to work in a higher paid classification for two (2) or more hours in one (1) day, shall receive the rate of pay in the step of the higher classification which would have been received if the employee had been promoted into that classification, or at least five percent (5%) more than the employee's salary in the present classification, whichever is greater. Out-of-class assignment pay during overtime status will commence at the first hour worked.

(b) When there is an existing promotional eligibility list, and acting pay assignment is expected to be for more than twenty (20) work days, acting pay shall be assigned from the top three (3) on the promotional eligibility list. If the assignment is for twenty work days or less, the highest ranking employee on the promotional list within the division shall be assigned. When there is no eligible list, section (c) below shall apply.

(c) If there is no existing list, acting pay selection shall be made from the five (5) most qualified employees in the section.

(1) Sections are defined, for the purpose of this clause only, as the sub-groups listed under the following department:

Public Works Department - (1) Street Maintenance, (2) Traffic Devices, (3) Electrical/Traffic Signals, (4) Fleet, (5) Facilities Maintenance, (6) Community Enhancement, (7) Parks, and (8) Trees.

(2) Qualifications for the purpose of this Section, as determined by the department head or designee, shall include all the following equal factors:

(a) Seniority in grade within any class immediately below the vacant position.

(b) Worker experience relative to the vacant position.

(c) Prior job performance and attendance.

(d) Certificates or other formal qualification devices such as eligibility lists.

If all things are equal based on above factors, the seniority within the City shall be considered.

(3) The opportunity for acting pay shall be rotated among the five (5) most qualified employees within each section.

(d) Assignments from other than a promotional eligibility list shall not exceed 120 days per fiscal year per employee.

15.12 Special Assignment Pay

The City Manager may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned in writing by the supervisor to perform additional duties and responsibilities beyond the scope of the assignment for the duration of the special assignment.

Any employee assigned to the Tree Spray Crew shall receive an additional five percent (5%) special assignment pay per day when assigned in writing by the supervisor to spray trees and performs such work four (4) or more hours in any one (1) day.

Section 16. Severability of Provisions

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable that provision of the Memorandum of Understanding shall be null and void but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

In the event that Federal legislation changes the current applicability of the Fair Labor Standards Act, both parties agree to consult and/or confer on the impacts of such legislation to the extent required by law.

Section 17. Past Practices and Existing Memoranda of Understanding

Continuance of working conditions and practices not specifically authorized by ordinance or by resolution of the City Council is not guaranteed by this Memorandum of Understanding.

This Memorandum of Understanding shall supersede all existing Memoranda of Understanding between the City and the Union.

Section 18. Scope of Agreement

Except as otherwise specifically provided herein this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties on any and all matters subject to meeting and conferring. Neither party shall, during the term of this Memorandum of Understanding, demand any change therein nor shall either party be required to negotiate with respect to any matter; provided that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.

Section 19. Duration of Agreement

This Memorandum of Understanding shall be effective the date of execution, and shall remain in full force and effect to and including the 30th day of June, 2016 and shall continue thereafter from year to year unless at least sixty (60) days prior to July 1 either party shall file written notice with the other of its desire to amend, modify, or terminate this Memorandum of Understanding.

Section 20. Maintenance of Operations/City Rights

(a) It is recognized that the need for continued and uninterrupted operation of City services is of paramount importance. Therefore, the Union and each employee represented thereby agrees that from the date of execution, through exhaustion of the impasse process/mediation/fact finding as set forth in the Employer/Employee Relations Ordinance, the Union or any person acting in its behalf, or each employee in a classification represented by the Union, shall not cause, authorize, engage in, encourage, or sanction a work stoppage, slowdown, refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound), or picketing, other than informational picketing, against the City or the individual or concerted failure to report for duty or abstinence from the full and faithful performance of the duties of employment, including compliance with the request of another labor organization or bargaining unit to engage in such activity in an attempt to induce a change in wages, hours, and other terms and conditions of employment.

(b) An employee shall not be entitled to any wages or City paid benefits whatsoever if the City Council, by majority vote, determines to its satisfaction, that the employee is, or has, engaged in any activity prohibited by subsection (a) of this Section. The City may take other action which it deems appropriate.

(c) If the City Council, by majority vote, determines to its satisfaction, that subsection (a) of this Section has been violated by the Union, the City may take such remedial action as it deems appropriate.

(d) The Union recognizes the duty and obligation of its representatives and members to comply with the provisions of this Memorandum of Understanding and to make every effort toward inducing all employees in this unit to fully and faithfully perform their duties. In the event of any activity prohibited by subsection (a) hereinabove, the Union agrees to take supererogatory steps necessary to assure compliance with this Memorandum of Understanding.

(e) The rights of the City as set forth in section 2-206 of the Employer-Employee Relations Ordinance, (Stockton Municipal Code, §§ 2-200, *et seq.*) are incorporated herein by reference.

Section 21. Bankruptcy

Operating Engineers' Local 3, AFL-CIO Trades and Maintenance Unit (hereinafter "STAMA"), which is defined for the purposes of this section as including bargaining unit members, officials, attorneys and affiliates, agrees that this MOU shall supersede the terms of all prior MOUs, side letters, and any other agreements between the parties as to the subjects covered herein. STAMA further agrees that it shall file no claims in the City's bankruptcy case upon the terms of any agreements that precede this or prior MOUs. However, nothing in this paragraph shall limit STAMA's ability to challenge any breach of this MOU.

STAMA further agrees that the City is eligible for chapter 9 relief, and that it will not oppose the City's eligibility should eligibility be contested by another party. STAMA agrees to support any plan of adjustment consistent with the terms of this MOU.

Section 22. GPS Devices in City Vehicles

The City retains the right to move forward with its RFP process and install Global Positioning Systems (GPS) in City vehicles used by employees in this unit. The Association agrees to meet and confer with respect to the City's proposed GPS policy.

TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
TERM: JULY 1, 2014 – JUNE 30, 2016

IN WITNESS WHEREOF, this Memorandum of Understanding was ratified by a membership vote of the Association on July 16, 2015, and by an affirmative vote of the Stockton City Council on August 18, 2015. The parties hereto have executed this Memorandum of Understanding this 2nd day of September 2015

TRADES AND MAINTENANCE UNIT

Approved as to form:
Operating Engineers' Local No. 3

By: Michael Eggener 8/20/15
MICHAEL EGGENER
Business Representative

CITY OF STOCKTON

APPROVED AS TO FORM:

By: [signature]
for KURT WILSON
City Manager

By: R. Solina
for TERESIA ZADROGA-HAASE
Director of Human Resources

By: Burke Dunphy
BURKE DUNPHY
Negotiator for the City

Approved as to form:

John Luebberke, City Attorney

By: [signature]
MARCI ARREDONDO
Deputy City Attorney

ATTEST:
CLERK OF THE CITY OF STOCKTON
By [signature]

STOCKTON FOUNDED JUNE 1849 ★ INCORPORATED JULY 1850

HUMAN RESOURCES DEPT.
2016 JUL 26 AM 11:47

CITY OF STOCKTON

MEMORANDUM OF UNDERSTANDING

TRADES AND MAINTENANCE UNIT

2016-06-07-1209-02 up

Operating Engineers' Local 3, AFL-CIO and representatives of the City of Stockton have met and conferred in good faith regarding wages, hours and other terms and conditions of employment of employees in the representation unit identified in Section 1, have exchanged freely information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding is entered into pursuant to the Meyers-Milias-Brown Act (Government Code sections 3500-3510) and has been jointly prepared by the parties.

This Memorandum of Understanding shall be presented to the Stockton City Council as the joint recommendations of the undersigned for salary and benefit adjustments for the period commencing July 1, 2016 and ending June 30, 2019.

TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
TERM: JULY 1, 2016 – JUNE 30, 2019

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TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
TERM: JULY 1, 2016 – JUNE 30, 2019

Section 1. Recognition

Operating Engineers' Local 3, AFL-CIO, hereinafter referred to as the "Union," is the recognized employee organization for the Trades and Maintenance Unit, certified pursuant to the Employer-Employee Relations Ordinance (Stockton Municipal Code §§ 2-200, *et seq.*).

Section 2. Union Security

2.1 Dues Deduction

(a) General. The Union may have the regular dues of its members within the representation unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. The Union has the exclusive privilege of dues deduction for its members.

Authorization, cancellation or modification of payroll deductions shall be made upon forms provided or approved by the City. The payroll deduction authorization shall remain in effect until canceled or modified by the employee by written notice to the City or until the first day of the calendar month following the transfer of the employee to a unit represented by another employee organization as the representative of the unit to which the employee is assigned, or until employment with the City is terminated.

Additional authorization shall not be required for deduction of increased membership dues when such increase has been duly approved by the membership of the Union. Notification of such approval shall be forwarded to the City in the form of written notice on official Union letterhead and signed by the duly authorized Union official. Upon receipt of notification, the City shall authorize the payroll deduction of the increased amount.

If an employee is promoted to a position which is represented by another employee organization or to an unrepresented unit, membership dues for the former unit will not be deducted from the employee's paycheck by the City.

Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds, at the address specified.

In addition to the deduction of dues, the City will deduct from the paychecks of Union members who request it, premiums for group insurance and investment plans sponsored by the Union. Such deductions shall be made in one lump sum

and only upon signed authorization from the employee upon a form satisfactory to the City.

The employee's earnings must be sufficient after all other required deductions are made, to cover the amount of the deductions herein authorized. When an employee is in a non-pay status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the City which would have been withheld if the employee had been in pay status during that pay period. In the case of an employee who is in a non-pay status during a part of the pay period, and the salary is not sufficient to cover the full withholding, no deduction shall be made.

In this connection, all other required deductions have priority over the employee organization deduction.

(b) Indemnity and Refund. The Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

2.2 Agency Fee

(a) Employee Rights

(1) The City and the Union recognize the right of employees to form, join, and participate in lawful activities of employee organizations and the equal, alternative right of employees to refuse to form, join and participate in employee organizations. Neither party shall exert pressure upon or discriminate against an employee in the exercise of these alternative rights.

(2) Accordingly, membership in the Union shall not be compulsory. A unit member has the right to choose, either: to become a member of the Union; or, to pay to the Union a fee for representation services; or, to refrain from either of the above courses of action upon the grounds set forth in Section (f) below.

(b) Unit Members' Obligation to Exclusive Representative

(1) A bargaining unit member who does not fall within one (1) of the exempted categories as set forth in Section (f) below, and who has not voluntarily made application for membership in the Union within the sixtieth (60) day following the date upon which said employee has been formally

hired by the City as a bargaining unit employee, must as a condition of continued employment in the City pay to the Union a representation fee, in exchange for representation services necessarily performed by the Union in conformance with its legally imposed duty of fair representation on behalf of said unit member who is not a member of the Union.

(2) In the event that a unit member does not become a member of the Union or pay such fee directly to the Union, the City shall begin automatic payroll deduction. There shall be no charge to the Union for such mandatory agency fee deductions.

(3) Prior to beginning such automatic payroll deduction, the Business Representative of the Union will certify to the City in writing that the employee whose pay is to be affected by the deduction has: 1) refused to join the Union; and 2) has refused to tender the amount of the agency fee as defined herein; and 3) has not applied for an exemption under Section (f) herein. In addition the Union must also certify that it has provided the employee with a copy of the fee verification required by Section (e) herein.

(c) Definition of Agency Fee

(1) The agency fee collected pursuant to Section (b) above from unit members who are not members of the Union shall be an amount not to exceed the standard initiation fee, periodic dues and general assessments of the Union for the duration of this Agreement, minus any amount which is prohibited by the Constitution because such funds pay for political or ideological purposes not related to collective bargaining.

(2) Any dispute as to the amount of the representation fee shall be resolved pursuant to the provisions of Section (h) herein.

(d) Exceptions. Unit members on leave without pay and unit members who are in laid-off status shall be exempt from these provisions herein; except that the election as to membership or payment of a fee as set forth herein must be exercised within the first ten (10) work days upon return to paid status.

(e) Annual Verification of Agency Fee by the Union. Prior to January 31, of each year and before the collection of an agency fee from any unit member pursuant to these provisions herein, the Union shall submit a written certification to the fee payers verifying that the total amount of its representation fee conforms to Section (c) above, and itemizing all component parts of such fee which shall provide an adequate explanation for the basis of the fee. Each year such amount shall be verified and

submitted in writing to the fee payers by the Union prior to January 31st. The Union will submit a copy of such verification to the Director of Human Resources of the City. The parties agree that such annual verification is a condition precedent to the collection by either the City or the Union of a representation fee from a unit member.

(f) Employees Exempted From Obligation to Pay Union

(1) Any unit member shall be exempt from the requirements of Section (b) above, if such employee has a bona fide religious objection as defined by Section 3502.5 of the Government Code to the payment of any fee in support of a Union or "employee organization" as defined in Section 3540.1(d) of the Government Code.

(2) Such exempt unit member shall, as an alternative to payment of a representation fee to the Union, pay an amount equivalent to such representation fee to:

a. United Way.
b. American Cancer Society.
c. Any charity jointly agreed in writing by the parties.

(3) If a unit member desires to be exempted for reasons set forth in Section (f) herein, the unit member must first request such exemption in writing from the Union setting forth briefly the rationale for the exemption. If the Union notifies the unit member in writing that the Union will not honor the request, then the matter shall be referred automatically to a panel for determination according to the procedure set forth below. The panel shall be composed of one (1) person selected by the Union, one (1) person selected by the unit member, and an arbitrator selected by the parties chosen from a list submitted by the State Conciliation Service. If either one or both parties fail to nominate a panel member, the process of hearing will continue without that party's panel member.

(4) The panel shall first receive arguments and evidence from the unit member requesting the exemption. Thereafter the Union may present any arguments or evidence. The proceedings shall be conducted in an informal manner, and the rules of evidence will not apply. The arbitrator shall act as chair and rule on all matters before the panel with the exception of the final determination of the panel. The panel shall prepare a written decision within fifteen (15) calendar days of the completion of the hearing which shall be final and binding upon the parties. Any expenses of the panel shall be borne by the parties incurring them.

(5) Upon receipt of the decision of the panel, the City shall release any funds held in escrow to the Union or to the charity. Any decision by the panel shall apply for the duration of this Memorandum of Understanding.

(6) In addition, the Union may require such exempt unit member to submit proof of payment of an amount equivalent to such representation fee to one (1) of the alternative funds or organizations listed above. If the bargaining unit member has not provided payment, the City will institute deductions pursuant to Section (b)(2), and forward such monies to a charity listed in Section (f)(2).

(7) Such payments shall be made on or before January 31, of each year or no more than thirty (30) days after commencing duties for any newly hired employee.

(g) Escrow Account. If any unit member either disputes the amount of the fee or disputes whether or not an exemption was appropriately denied, the City shall deposit the fee which was deducted and place such amount into a special escrow account established by the Union for such purposes.

(h) Procedure for a Unit Member Who Contests the Amount of the Fee

(1) The parties agree that in order to provide a uniform definition of the representation fee, any disputes involving the amount of such fee shall be referred to the Union's procedure for determination, provided that the parties have first complied with the other provisions of this Section.

(2) The Union shall notify the City in writing within twenty (20) days after it becomes aware that any employee disputes the amount of the fee.

(3) The Union will verify in writing to the City that all of the conditions of Section (b)(3) have been met prior to the City's initiation of the fee deductions set forth in Section (b)(2). Thereafter, the City will notify the affected employee in writing that such deductions will commence and a copy of the Union's written verification will be attached to the City's notice. Thereafter, the City will begin the deductions.

The monies held in escrow shall be released to the appropriate party upon the rendering of a final decision by the Union's internal procedure.

(i) Payment Method/Payroll Deduction

(1) A unit member may voluntarily sign and deliver to the City a written assignment authorizing deduction of the properly established representation fee as defined in Section (c) above, subject to the conditions set forth elsewhere in this agreement for payroll deductions, or the amount of the fee will be deducted automatically in accordance with Section (b)(2) herein.

(2) The City is under no obligation to make payroll deductions for the periods during which a unit member is either terminated from active employment, or not on the City's active payroll for any reason, including, but not limited to, layoff and voluntary leave of absence for more than thirty (30) days.

(3) Upon the rehiring of any unit member, or upon the recalling of any unit member from layoff status, the City will resume or initiate dues deductions for such unit member.

(j) Obligations of Parties

(1) City's Obligations. The City's obligation under this Article is to notify any unit member who has failed to comply with the provisions of this Section that, as a condition of continued employment with the City, such unit member must become an Union member, or pay a representation fee, or establish an exemption status and make payment pursuant to provisions of Sections (b) and (f) of this Agreement. Under no circumstances shall the City be required to dismiss or otherwise discipline any unit member for failure to fulfill their obligations to pay the fees established herein.

(2) Union's Obligations. Except as specified herein, the Union and not the City, shall be responsible for requiring unit members to fulfill obligations defined herein. It is the obligation of the Union to collect any representation fees which may be due and payable to the Union in consideration for its services as the exclusive representative of unit employees.

(k) Hold Harmless Provision. The Union shall hold the City harmless, and shall fully and promptly reimburse the City for any fees, costs, charges or penalties incurred in responding to or defending against any claims, disputes, challenges, whether formal or informal, which are actually brought, or attempted or threatened to be brought, against the City or any of its agents, or employees, in connection with the interpretation, application, administration or enforcement of any Section of this Agreement pertaining to representation fee. Such reimbursement shall include, but not be limited to, court costs, litigation expenses, and attorney's fees incurred

by the City. The City shall have the right to be represented by its own attorney in any action in which it is a named party to the action. Disputes over the amount of reimbursement shall be automatically submitted to the arbitration provisions of this Memorandum, Section 8.3(e).

2.3 Use of City Facilities

(a) The Union shall be allowed by the City department in which it represents employees' use of space on available bulletin boards for communications having to do with official Union business, such as times and places of meetings, provided such use does not interfere with the needs of the department. The Union may submit to the City Employee Relations Officer written communications having to do with official Union business for distribution by the City to identified shop stewards. Distribution may be by e-mail.

(b) Any representative of the Union shall give notice to the department head or designated representative when contacting department employees on City facilities during the duty period of the employees, provided that solicitation for membership or other internal Union business shall be conducted during the non-duty hours of all employees concerned. Pre-arrangement for routine contact may be made with individual department heads and when made shall continue until revoked by the department head.

(c) City buildings and other facilities may be made available for use by City Employees of the Union or their representatives in accordance with such administrative procedures as may be established by the City Manager or department heads concerned.

2.4 Advance Notice

Except in cases of emergency, reasonable advance written notice shall be given to the Union if affected by any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to negotiate if requested with the designated management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the City may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described above and be given an opportunity if requested to negotiate changes to said notice with the management representatives designated by the City Manager.

2.5 Attendance at Meetings by Employees

City employees who are official representatives or unit representatives of the Union shall be given reasonable time off with pay to attend meetings with City management representatives, or be where matters within the scope of representation or grievances are being considered. Such employee representatives shall submit a request for excused absence to their respective department heads, in a manner satisfactory prior to the scheduled meeting whenever possible. Time spent for these purposes while a representative is not scheduled to work shall not be compensated by the City and shall not be considered as hours worked. Except by mutual agreement the number of the employees excused for such purposes shall not exceed three (3) per recognized bargaining unit.

2.6 Maintenance of Membership

All employees in the Trades and Maintenance unit who are members of the Union, tendering periodic dues at the execution of this agreement, and all employees who thereafter become members of the Union shall, as a condition of employment, pay dues to the Union for the duration of this Memorandum of Understanding, and each year thereafter. For a period of thirty (30) days prior to January 1, 1989, and thirty (30) days prior to any January 1, thereafter, any employee in the aforementioned unit who is a member of the Union shall have the right to withdraw from the Union discontinuing dues payments and retain employment in the City, subject to provisions of Section 2.2. Agency Fee. Said withdrawal shall be communicated by the employee in writing to the City. The provisions of this section shall be operative only to the extent that they are permissible under California law.

2.7 Assignment of Classifications

New job classifications established by the City shall be assigned to the bargaining unit pursuant to section 2-208 of Employer-Employee Relations Ordinance (Stockton Municipal Code §§2-200, *et seq.*) after providing notice and the opportunity to consult with the Union regarding such matters.

Section 3. Compliance with Federal Laws/Safety

3.1 Non-Discrimination. The City and the Union agree that there shall be no discrimination of any kind because of age (over 40), race, creed, color, religion, national origin (ancestry), veterans status, physical or mental disability, marital status, sexual orientation, sex (sexual, gender based, pregnancy/childbirth), political affiliation or legitimate union activity or on any other basis prohibited by

applicable federal and State law against any employee or applicant for employment.

3.2 Fair Labor Standards Act. The Union agrees to cooperate with the City to insure its members' compliance with the provisions of the Fair Labor Standards Act.

3.3 Safety. The Union shall cooperate with the City in promoting safety objectives as defined in Federal, State and local regulations by actively supporting safety programs, promoting safe work habits of members and encouraging an ongoing, active participation by its members in safety related procedures and practices as offered and promulgated by the City of Stockton.

Section 4. Probation

4.1 Purpose

The probationary period shall be utilized for closely observing the employee's work, for securing the most effective adjustment of a new employee to a position, and for rejecting any probationary employee whose performance does not meet the required standards of work.

4.2 Original Entrance and Promotional Positions

All original appointments shall be tentative and subject to a probationary period of one (1) year with a review completed after 6 months from original appointment. Promotional appointments shall be subject to a probationary period of 6 months. The probationary period for original and promotional appointments will not be extended.

4.3 Retention/Rejection of Probationer

At the end of the probationary period, if the service of the probationary employee has been satisfactory to the appointing authority, then the appointing authority shall file with the Director of Human Resources a statement in writing to such effect and stating that the retention of such employee in the service is desired. The City will make a good faith effort to notify a probationary employee two (2) weeks before the end of the probationary period whether or not regular status is granted; however, a failure on the part of the appointing authority to file such a statement at the end of the probationary period shall constitute a rejection of the probationer as defined in Civil Service Rules.

During the probationary period an employee may be rejected at any time by the appointing authority. Any employee rejected during the probationary period following a promotional appointment, shall be reinstated to the position from which promoted unless charges are filed and the employee is discharged in the manner provided in Section 7 of this Memorandum of Understanding and in the Civil Service Ordinance and Civil Service Rules, which are consistent therewith.

4.4 Alcohol and Drug Testing.

All employees hired into original and reemployed appointments in safety-sensitive positions identified by the City must pass a drug and alcohol screening prior to being offered City employment. This shall include non-represented part-time, seasonal, provisional, and temporary appointments.

Section 5. Layoff

5.1 Layoff

Any employee may be laid off by an appointing authority in the event of the abolition of the employee's position by the City Council, or if a shortage of work or funds requires a reduction in personnel.

5.2 Layoff Scope

(a) Layoffs shall be within departments of the City.

(b) Departments of the City are defined as follows:

(1) Administrative Services
(2) City Attorney
(3) City Auditor
(4) City Clerk
(5) City Manager
(6) Community Development
(7) Community Services
(8) Economic Development
(9) Fire
(10) Human Resources
(11) Information Technology
(12) Municipal Utilities
(13) Police
(14) Public Works

5.3 Notice of Layoff

The City will give advance written notice of at least one pay period to employees who will be laid off.

5.4 Precedence by Employment Status

(a) No regular employees shall be laid off while employees working in an extra help, seasonal, temporary, provisional, or probationary status are retained in the same classification as such regular employee. The order of layoff among employees not having regular status shall be according to the following categories:

(1) Limited term (i.e., part-time, provisional, and temporary)
(2) Probationary

Layoffs shall be by job classification according to reverse order of seniority as determined by total service in the City, except as specified above. For the purpose of this procedure part-time classes shall be considered as separate from regular full-time classes.

The following provisions shall apply in computing total continuous service:

(1) Time worked in a regular or probationary status shall count as service.
(2) Time spent on military leave shall count as service in the event the leave was taken subsequent to entry.
(3) Time worked in a limited term status (i.e., part-time, provisional, and temporary) shall not count as service.

If two (2) or more employees have the same seniority, the order of seniority shall be determined by their respective ranking on the eligibility list for hire.
If two (2) or more employees have the same seniority but were not hired from a ranked eligibility list, the order of seniority shall be determined by lot.

If two (2) or more employees have the same seniority, but were hired from separate ranked eligibility lists, the order of seniority shall be determined by lot.

(b) Any employee in the Trades and Maintenance Unit who is laid off may complete a City employment application for any position currently staffed by a part time, provisional, or temporary employee. The Human Resources Department will

evaluate the employment application. If the laid off employee meets the minimum qualifications of that position, he/she shall have the option of displacing the part time, provisional, or temporary employee.

5.5 Employee Options

Employees laid off shall have any of the following choices:

(a) Displacing the employee in the same department and in the same or clearly comparable classification as determined by the Director of Human Resources as having the least (total service) seniority. This option shall be exercised before any other option.

(b) Taking a voluntary demotion within the department to a classification in which the employee had prior regular status, thus displacing the employee working in the classification who has the least (total service) seniority.

5.6 Health and Welfare Benefits during Layoff

Regular employees who are laid off will have an option of maintaining their existing health and welfare benefits for thirty-six (36) months from the date of layoff, provided timely payments of the premiums by the employee are made to the City, according to City regulations, and provided the employee otherwise meets the requirements of Federal and State regulations.

Section 6. Reemployment

(a) The name of each employee who is laid off in accordance with Section 5. shall be placed at the head of the eligibility list for the class of positions which that employee held, and shall be given preference in filling vacancies in that class.

(b) An employee laid off in accordance with this Section shall be placed on the eligibility list or lists for any lower or comparable class or classes in the same department, provided that the appointing authority and the department head in charge of this lower or comparable class determine that the employee is competent to perform the duties thereof in strict accordance with the class specifications. This right of a laid off employee shall remain effective for two (2) years from the date of latest separation from the service. The employee shall not be placed on said eligibility list or lists without first submitting a written request. Employee's place on said list or lists shall be at the head of the eligibility list for the class of positions for which qualified as hereinabove set forth and shall be given preference in filling vacancies except for those persons placed on said list or lists of reemployment in

the same positions previously held. An employee who waives reemployment to a full time position three times shall have his/her name removed from this reemployment list unless mutually agreed to by the Department and employee. Upon certification for appointment to a new position never having been held by this employee, the probationary period must be completed as required in this Memorandum of Understanding.

Section 7. Discipline

Disciplinary action, including discharge, suspension, reduction in pay or demotion, may be taken against any employee for cause.

7.1 Pre-disciplinary Rights

An employee facing potential disciplinary action will be entitled to the following pre-disciplinary rights:

(a) Notice of proposed discipline.

(b) Date(s) proposed discipline will be effective.

(c) Reasons for the proposed discipline, the specific grounds and particular facts upon which the action is taken.

(d) Ten (10) calendar days in which an employee or the representative may respond either orally or in writing to the department head.

(e) The employee must be provided with any written materials, reports and documents upon which the action is based.

7.2 Administrative Leave

The City may place an employee on administrative leave pending the completion of the pre-disciplinary process.

7.3 Provisions

The appointing authority may discharge, suspend or demote any employee in the classified service provided the Stockton Municipal Code provisions and the rules and regulations of the Civil Service Commission and any applicable provisions of law are followed. Such provisions allow the employee suspended, demoted or

discharged to appeal such action. The employee may take only one (1) of the following actions:

(a) File no appeal.

(b) File an appeal with the Civil Service Commission within ten (10) calendar days of written notification of the action. (Such filing will foreclose use of the grievance procedure.)

(c) File a grievance as provided for in Section 8 within ten (10) calendar days of written notification of the action.

If the employee fails to do (b) or (c) above within the prescribed time frames, these rights will have been waived.

Section 8. Grievance Procedures

8.1 Definition

A grievance is any dispute which involves the interpretation or application of those rules, regulations and resolutions which have been, or may hereafter be, adopted by the City Council to govern personnel practices and working conditions, including such rules, regulations and resolutions as may be adopted by either the City Council or the Civil Service Commission to affect Memoranda of Understanding which result from the meeting and conferring process.

8.2 Filing Deadline

(a) No grievance involving demotion, suspension, discharge or other employment penalty will be entertained unless it is filed in writing with the Director of Human Resources within ten (10) calendar days of the time at which the affected employee received written notification of such action. All other grievances must be filed within thirty (30) calendar days from the time the employee knew or had reason to know of the facts giving rise to the grievance.

(b) With written consent of the City Manager or his/her designee and the Union Business Agent or his/her designee, time limits may be extended and/or Steps 1, 2 and/or 3 of the Grievance Procedure waived.

8.3 Grievance Processing

(a) Step 1 - Departmental Review. Any employee claiming to have a grievance may discuss the complaint with such management official in the department where employed as the department head may designate. If the issue is not resolved within the department within twenty (20) days from the day of presentation or if the employee elects to submit the grievance directly to the Union recognized as the representative of that employee's classification, or if the employee/Union official notifies the Director of Human Resources, in writing, that a grievance exists, the procedure hereinafter specified may be invoked.

(b) Step 2 - Director of Human Resources Review. If the employee is not satisfied with the response at level one, then the employee may appeal the grievance to the Director of Human Resources within twenty (20) calendar days of the receipt of written response at level one. Such appeal must state with particularity: 1) the specific policy, rule or provision which is alleged to have been violated; 2) the statement of facts comprising the violation; and 3) the requested remedy. The Union may file and process grievance(s) on behalf of the specifically named employee. The Director of Human Resources shall have twenty (20) calendar days in which to investigate the issues, meet with the complainant and attempt to reach a satisfactory resolution of the problem. No grievance may be processed under the following two (2) paragraphs which has not first been filed and investigated in accordance with this paragraph, except for the resolution of compensation complaints.

(c) Step 3 - Arbitration. If the parties are unable to reach a mutually satisfactory accord on the grievance at Step 2, within twenty (20) calendar days either the Union or the City may require that the grievance be referred to an impartial arbitrator mutually selected by the parties, or if the parties are unable to mutually agree, from a list of seven (7) arbitrators provided by the State Conciliation Service. The arbitrator shall be chosen by the alternative strike method, with first choice being determined by lot. The fees and expenses of the arbitrator and of a court reporter shall be shared equally by both parties. Each party, however, shall bear the cost of its own presentation, including preparation and post hearing briefs, if any.

(d) Effect of Decision. Decisions of arbitrators on matters properly before them shall be final and binding on the parties hereto except as provided otherwise herein.

8.4 Scope of Arbitration

(a) No arbitrator shall entertain, hear, decide or make recommendations on any dispute unless such dispute involves a position in a unit represented by the Union

and unless such dispute falls within the definition of a grievance as set forth in paragraph 8.1.

(b) Proposals to add to or change this Memorandum of Understanding or written agreements or addenda supplementary hereto shall not be arbitrable and no proposal to modify, amend or terminate this Memorandum of Understanding, nor any matter or subject arising out of or in connection with such proposal, may be referred to arbitration under this Section. No arbitrator selected pursuant to this Section shall have the power to amend or modify this Memorandum of Understanding or written agreements or addenda supplementary hereto or to establish any new terms or conditions of employment.

(c) No changes in this Memorandum of Understanding or interpretations thereof (except interpretations resulting from arbitration proceedings hereunder) will be recognized unless agreed to by the Director of Human Resources and the Union.

8.5 Other Provisions

If the Director of Human Resources or City Manager, in pursuance of the procedures outlined above, resolves a grievance which involved suspension or discharge, they may agree to payment for lost time or to reinstatement with or without payment for lost time, but in the event the dispute is referred to arbitration and the arbitrator finds that the City had cause to take the action complained of, the arbitrator may not substitute his judgment for the judgment of management and if the findings are that the City had such right, the arbitrator may not order reinstatement and may not assess any penalty upon the City.

Complaints which allege the employee is not being compensated in accordance with the provisions of this Memorandum of Understanding shall be considered as grievances and processed pursuant to Section 8.3. Any other matters of compensation are to be resolved in the meeting and conferring process and if not detailed in the Memorandum of Understanding which results from such meeting and conferring process shall be deemed withdrawn until the meeting and conferring process is next open for such decision. No adjustment shall be retroactive for more than one hundred and eighty (180) days from the date upon which the complaint was filed.

Specified time limits may be modified only in writing. All appeals and responses must be provided in writing.

A grievant will be provided release time without loss of pay for all required meetings with management. The City cannot discriminate or retaliate in any manner against an employee for filing a grievance or exercising rights under this Section.

The provisions of this Section shall not abridge any rights to which an employee may be entitled under the Stockton Municipal Code and/or Civil Service Rules and Regulations, nor shall it be administered in a manner which would abrogate any power which, under the Stockton Municipal Code, may be within the sole province and discretion of the Civil Service Commission.

All grievances of employees in representation units represented by the Union shall be processed under this Section. If the Stockton Municipal Code and/or Civil Service Rules and Regulations requires that a differing option be available to the employee, no action under paragraph (c) of Subsection 8.3 above shall be taken unless it is determined that the employee is not utilizing such option.

No action under paragraph (c) of Subsection 8.3 above shall be taken if action on the complaint or grievance has been taken by the Civil Service Commission or if the complaint or grievance is pending before the Civil Service Commission.

If any award by an arbitrator requires action by the City Council or the Civil Service Commission before it can be placed in effect, the City Manager and the Director of Human Resources will recommend to the City Council or the Civil Service Commission, as appropriate, that it follow such award.

Section 9. Leaves

9.1 Vacation Leaves

(a) Vacation Allowance. All regular employees, excluding provisional and temporary shall accrue vacation leave with pay in accordance with the following schedules:

(1) Less than one and one-half (1-1/2) years continuous employment ..... 80 hours/year.

(2) After one and one-half (1-1/2) to seven and one-half (7-1/2) years continuous employment ..... 108 hours/year.

(3) After seven and one-half (7-1/2) to fifteen (15) years continuous employment ..... 144 hours/year.

(4) After fifteen (15) to twenty-five (25) years continuous employment ..... 189 hours/year.

(5) Thereafter, seven (7) additional hours for each completed year of service in excess of twenty-five (25) years.

(6) Employees shall accrue vacation on a twice-monthly payroll basis

(b) Maximum Vacation Accrual. Employees reaching the maximum hours shall stop accruing additional hours until they are below the caps listed here. No vacation hours may be added to sick leave balances without exception. Effective July 1, 2012, the following maximum vacation accruals shall take effect. For employees who on July 1, 2012 have vacation balances that exceed their maximum shall have until June 30, 2013 to use sufficient vacation to get under the maximum allowed. If an employee does not get below the maximum by June 30, 2013, they shall retain their existing earned vacation, but shall not earn any additional vacation until they are under the maximum vacation accrual allowed.

Maximum Vacation Accrual Caps

40 Hour Employee

Under 1.5 years	120 hours (15 days for 8 hour shift)
1.5 – 7.5 years	240 hours (30 days for 8 hour shift)
7.5 – 15 years	280 hours (35 days for 8 hour shift)
15 – 25 years	320 hours (40 days for 8 hour shift)
26 years	328 hours (41 days for 8 hour shift)
27 years	336 hours (42 days for 8 hour shift)
28 years	344 hours (43 days for 8 hour shift)
29 years	352 hours (44 days for 8 hour shift)

For every year of service beyond 29, the employee is allowed to add an additional seven (7) hours to the maximum accrual cap.

(c) Vacation Scheduling. Vacation leaves shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of the City business. Vacation requests are accepted on a day for day basis.

(d) Holiday during Vacation. If any such paid holidays fall within an employee's vacation leave, the employee will not be charged vacation accrual for that day.

(e) Vacation Cash out Upon Separation

An eligible employee separating from City service effective July 1, 2014 for any reason who has unused vacation time shall be paid for such vacation time up to the effective date of the last day of employment with the City. Payment for unused vacation shall be made at the final rate of pay. Payment for the unused vacation hours shall be paid post separation date at no later than the second regularly scheduled pay period pay date following separation. Prior to separation from City service, the City does not provide to employees any vacation cash out or sell back for accrued but unused vacation hours.

(f) Vacation Sell-Back Maximum

An employee may elect to receive cash payment for up to a maximum of forty (40) hours of accumulated vacation hours annually except that all cash outs shall be suspended during furlough or fiscal emergency periods and during the term of this MOU and until a successor MOU is reached, however, if this MOU is approved by July 1, 2016, effective for FY 2017/2018 and 2018/2019 only, an employee may elect to receive a cash payment for a maximum of forty (40) hours of his/her unused accumulated vacation balance after the use of a scheduled vacation of forty (40) consecutive hours or more in that same or prior fiscal year. To utilize this option, employees must maintain a balance of (forty) 40 accrued vacation hours after the cash payment. When in effect, this option may be exercised once per fiscal year. Employees may elect this option by December 31 of each year for the cash out the following fiscal year. The cash out election is irrevocable and the City will follow IRS regulations regarding cash payment of leave.

9.2 Sick Leave

(a) Accrual. All regular full-time employees, except provisional and temporary employees, shall accrue sick leave at the rate of eight (8) hours for each month of completed service.

All regular employees, except provisional and temporary employees, scheduled to work less than a full month shall accrue sick leave on a prorated basis. Unused sick leave shall accrue from year to year. Employees shall continue to accrue sick leave while off duty on authorized sick leave; provided, however, an employee shall not accrue sick leave during any leave or leaves of absence without pay granted to the employee.

(b) Usage. Employees are entitled to sick leave pay for those days which the employee would normally have worked, to a maximum of the hours accrued, described as:

Preventive medical, dental, optical care, illness, injury, or exposure to contagious disease which incapacitates the employee from performing normal work duties. This includes disabilities caused or contributed by pregnancy, miscarriage, abortion, childbirth and recovery therefrom.

(c) Family Sick Leave. Employees may utilize up to one-half of their annual sick leave accrual in the case of illness or injury in the employee's immediate family when such illness or injury requires personal care that otherwise would not be covered by the Family Medical Leave Act (FMLA) or the California Family Rights Act (CFRA) leaves.

Such leave shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent, grandchild, legal dependent and registered domestic partner.

In special cases, with the approval of the Director of Human Resources, a department head may grant the use of sick leave in other circumstances.

It is not the intent of this provision to conflict with any state or federally mandated policies, such as the Family Medical Leave Act (FMLA), the California Family Rights Act (CFRA), or the Pregnancy Disability Leave (PDL).

(d) Reporting Procedures for Sick Leave. When the requirement for sick leave is known to the employee in advance of the absence, (for example, included but not limited to scheduled medical, dental or vision appointments), the employee

shall request authorization for such sick leave from the department head prior to such absence.

If an employee is not able to report due to illness or injury, the employee shall report as soon as possible to the appropriate supervisor, but in no case more than thirty (30) minutes after the start of the work day, except for extenuating circumstances prohibiting giving notice. Each Supervisor will have the authority to identify acceptable forms of sick leave notification and will provide acceptable forms of sick leave notification in writing to employees; however, at all times the employee must contact his/her direct supervisor directly when not able to report to work. If the employee's direct supervisor is unavailable, the employee must contact the next-level supervisor.

Failure to notify as soon as possible and in conforming to the thirty (30) minute notification shall be cause for the following informal and formal disciplinary action:

(1) For the first time in a six (6) month period, a Memorandum of Discussion (informal).

(2) For the second time within a six (6) month period, a Letter of Reprimand (formal).

(3) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employee may be discharged (formal).

The six (6) month period will be defined as six (6) months from the most recent incident. If no other incident occurs within six (6) months of the most recent incident, the disciplinary data shall be removed from the employee's official personnel file.

(e) Verification Procedures

(1) Before being paid for the use of accrued sick leave, the employee shall submit a request for sick leave form, stating the dates and hours of absence and, , the type of sick leave being requested such as sick leave for self, family member and/or FMLA.

(2) Doctor's Certificate or Other Proof. The Director of Human Resources may require a doctor's certificate or other reasonable proof of illness as he/she deems necessary in order for an employee to receive an excused absence from work and sick leave pay. The employee shall be

given notice prior to returning to work that he or she will be required to provide such documentation. Employees who have unscheduled absences due to illness on a scheduled work day preceding or following a holiday may be required to bring a doctor's certificate or other reasonable proof of illness in order to receive an excused absence and sick leave pay. If an employee's illness results in an absence from work for more than three (3) consecutive days, a doctor's certificate or other reasonable proof of illness may be required. In addition, the City may monitor and control the appropriate use of sick leave by employees and if reasonable cause is articulated, can limit use of sick leave and require additional verification.

(3) If the City has a reasonable basis to believe that an employee is abusing the sick leave benefit, the City or the employee's supervisor must first meet with the employee to: 1) explain the reasonable basis for the believed abuse, and 2) discuss the reasons for the employee's absence. The employee has the right to Union representation at such meeting. After such meeting, and depending on the factual circumstances, the City may:

(a) Place the employee on restricted sick leave for a period of not more than four (4) months, under the direction of the Director of Human Resources pursuant to (e)(2) above;

(b) Suspend the employee without pay for up to five (5) days for abuse of sick leave; or dismissal from employment if a prior suspension involved abuse of sick leave;

(c) Place the employee in an employee assistance program, if agreed to by the employee.

(f) Use of Sick Leave While on Vacation. An employee who is injured or who becomes ill while on vacation may be paid for sick leave in lieu of vacation provided that the employee:

(1) Was hospitalized during the period for which sick leave is claimed, or

(2) Received medical treatment or diagnosis and presents a statement indicating disabling illness or injury signed by a physician covering the period for which sick leave is claimed.

(g) Payment for Unused Sick Leave. Effective February 17, 2012, all accumulated or future of Sick leave accruals shall have no cash value upon

separation of employment and employees shall not be allowed to cash out unused sick leave except as provided below.

(h) CalPERS Service Credit for Unused Sick Leave. Employees shall be eligible for CalPERS service credit for any unused sick leave at retirement not otherwise compensated for in (i) below. Employees hired on or after December 29, 2012 shall not be eligible for this service credit.

(i) Sick Leave Retention Benefit. If, after subtracting the equivalent of one full year of service credit (2080 hours), which may be applied to CALPERS service credit, any balance remaining upon separation shall be paid as follows to employees who have remained in City service until the dates specified:

(1) Separation prior to July 1, 2014, no payment of unused sick leave at separation shall occur for separating employees before this date;

(2) Separation between July 1, 2014 and June 30, 2015, payment of unused sick leave which the employee held on 2/16/12 shall be paid at 35% of its cash value to separating employees between these dates; and

(3) Separation after July 1, 2015, payment of unused sick leave which the employee held on 2/16/12 shall be paid at 50% of its cash value to separating employees after this date.

(4) Service credit for unused sick leave shall be in accordance with PERS regulations.

9.3 Other Leaves with Pay

(a) Bereavement Leave. In the event of a death in the immediate family of an employee, the employee shall, upon request be granted up to three (3) days bereavement leave with pay without charge to his accumulated sick leave credits or vacation eligibility. The department head may grant an additional two (2) days bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits in cases where extensive travel is required to attend the funeral. For the purposes of this paragraph, the immediate family shall be restricted to the employee's parents, spouse, mother-in-law, father-in-law, child, stepchild, brother, sister, brother-in-law, sister-in-law, grandparent, grandparent-in-law, grandchild, and registered domestic partner.

In the event of the death of a person not immediately related to an employee as defined above, the employee's department head may grant up to three (3) days

bereavement leave upon request which shall be charged against the employee's accumulated sick leave credits.

(b) Court Appearance. Upon approval by the department head, an employee, other than a provisional or temporary employee, shall be permitted authorized absence from duty for appearance in Court because of jury service, in obedience to subpoena or by direction of proper authority, in accordance with the following provisions:

Said absence from duty including necessary travel time, will be for actual hours served on jury duty or testifies as a witness in a criminal case, other than as a defendant. This shall include the time from when the employee is ordered to appear until the time the employee is released from the court. As a condition of receiving such pay, the employee must remit to the City, through the employee's department head, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses.

If an employee is not due to appear for jury duty or as a witness until an afternoon court session, the employee will be expected to work his usual morning schedule. If an employee is required to appear for a morning court session and is sent home before noon and not required to return in the afternoon, the employee will be expected to work his usual afternoon schedule.

Said absence from duty will be without pay when the employee appears in private litigation to which the City of Stockton is not a party.

Any fees allowed, except for reimbursement of expenses incurred, shall be remitted to the City through the employee's department head.

Notwithstanding the foregoing, attendance in court in connection with an employee's official duties or in behalf of the City of Stockton in connection with a case in which the City of Stockton is a party, together with travel time necessarily involved, shall not be considered absent from duty within the meaning of the Section.

(c) Military Leave. An employee of the City who is a member of the National Guard or Naval Militia or a member of the Reserve Corps or Force of the Federal Military, Naval or Marine Service and is ordered to duty shall be granted leave with pay while engaged therein, provided the leave does not exceed thirty (30) days in any calendar year.

All regular employees in the service of the City shall be allowed leave of absence without pay for duration of a national emergency who have been inducted into the

Army, Navy, Marine Corps, Air Force or any other branch of the Military Service of the United States or the State of California. Said employees shall be reinstated in the position they held when they were inducted into Military Service, except as hereinafter stated, providing they are physically fit as shown by a medical examination by the City Physician or other physician appointed to make a medical examination.

In the case of a probationary employee having served a minimum probationary period of six (6) months at the time of induction, it shall be optional with the department head and the City Manager to grant regular status to said employee before induction.

All probationary employees inducted into Military Service not having served the minimum probationary period of six (6) months, or having served the minimum probationary period of six (6) months, but not having received regular status shall be allowed leave of absence without pay for the duration of a national emergency, but said employees shall be placed at the head of the eligible list for such position in the order of their seniority of employment and when appointed to a vacant position, they must be physically fit as above specified and shall serve the balance of their probationary period before attaining the status of a regular employee.

Two (2) or more regular employees granted military leave of absence without pay from the same position shall be reemployed according to their seniority of employment providing they are physically fit as above specified.

9.4 Workers' Compensation Leave

(a) Workers' Compensation Benefits shall be provided in accordance with State law and schedules whenever an employee is absent from duty because of disability caused by illness or injury arising out of and in the course of employment which has been declared to be compensable under the Workers' Compensation Law. An employee on Workers' Compensation may use accrued leave, if needed, to supplement benefits, up to the amount required to receive a full paycheck.

(b) Forms and Procedures. Workers' compensation processing shall be consistent with City procedures and in accordance with state workers' compensation regulations. An employee who sustains a work-related injury or illness shall immediately inform his/her supervisor no matter how minor an on-the-job injury may appear. An employee who sustains a work-related injury or illness is required to seek medical care at facilities designated by the City unless they have filed a pre-designation of personal physician prior to sustaining the work-related injury or illness. For a list of City designated medical care facilities and/or physicians, please contact Human Resources.

9.5 Leave of Absence Without Pay

(a) Entitlement. Employees shall not be entitled to leave of absence without pay as a matter of right, but only upon the determination of the City that the granting of such leave is in the best interest of public service and that there is a presumption that the employee intends to return to work upon the expiration of the leave of absence. The granting of a leave of absence provides the employee the right to return to the position vacated.

(b) Approval. All leaves of absence without pay must be recommended by the department head and approved by the Director of Human Resources. No such leave may extend beyond twelve (12) months, except in the case of absence due to job incurred disability where a determination may be made based upon the needs of public service, or in the event an application for service connected disability retirement has been filed.

(c) Leaves of absence without pay for illness may only be approved following the expiration of entitlement of sick leave and vacation.

9.6 Absence Without Official Leave (AWOL)

(a) Failure to Report to Duty or Failure to Return after Leave. Failure to report for duty or failure to report for duty after a leave of absence request has been disapproved, revoked, or canceled, or at the expiration of a leave, shall be considered an absence without official leave and shall be subject to discipline.

(b) Voluntary Resignation. Any employee in this bargaining unit absent without official leave for two (2) or more consecutive scheduled days without a satisfactory explanation as approved by the Human Resource Director shall be deemed to have voluntarily resigned from the City of Stockton. An employee must provide a written statement to the Human Resources Department regarding a "satisfactory explanation", within ten (10) calendar days after the City mails a notice of voluntary resignation to the employee's last known address.

Section 10. Days and Hours of Work

10.1 Workweek

The normal workweek in this unit consists of five (5) consecutive eight (8) hour days or a total of forty (40) hours, generally Monday through Friday in a seven (7) day work period. Where operational requirements of a department require deviations from this schedule, the department head with the Director of Human

Resources' approval may institute alternate work schedules as long as the City meets with the Union over the impact of such schedules and conforms to work period requirements of the Fair Labor Standards Act.

10.2 Meal Periods and Rest Periods

(a) Employees shall receive a one (1) hour or one-half (1/2) hour meal period, without pay, each day and a fifteen (15) minute paid rest period during the first half of the work day and a second fifteen (15) minute paid rest period during the second half of the work day. Employees who exceed the time limits prescribed above for lunch and/or rest periods shall have their pay reduced accordingly.

(b) Where operational requirements of a department require deviations from this schedule, meal periods of other durations and alternate rest periods may be instituted with the approval of the department head or designee.

10.3 Reporting to Work

Repeated failure to report to work on time may result in appropriate informal and/or formal discipline as set forth below:

(a) For the first time in a six (6) month period, a Memorandum of Discussion (informal).

(b) For the second time within a six (6) month period, a Letter of Reprimand (formal).

(c) For any subsequent time within a six (6) month period, suspension from work; or at any time four (4) or more incidents occur within a six (6) month period, the employees may be discharged (formal).

If an employee reports to the work site after the designated starting time, the employee will be paid only for time actually worked; however, the employee may be allowed to utilize annual leave for lost pay, provided the employee's supervisor approves.

The six (6) month period will be defined as six (6) months from the most recent incident. If no other incident occurs within six (6) months of the most recent incident, the formal disciplinary action (i.e., letter of reprimand, suspension) shall be removed from the employee's official personnel file maintained in the Human Resources Department, upon the written request of the employee to and concurrence by the department head and the Director of Human Resources.

Section 11. Overtime

11.1 Overtime Authorization

All compensable overtime must be authorized by the department head or his designated representative in advance of being worked. If prior authorization is not feasible because of emergency conditions, a confirming authorization must be made on the next regular working day following the date on which the overtime was worked.

11.2 Definition

The following provisions pertaining to authorized statutorily required overtime work shall apply to non FLSA exempt employees:

(a) Statutory overtime shall be paid on actual time worked in excess of forty (40) hours in any workweek. Such overtime shall be paid for at time and one-half (1-1/2) including employees employed on a per hour or per day basis or except as provided elsewhere herein. Observed holidays, floating holidays, jury duty leave, bereavement leave, and sick leave hours taken shall be considered as time worked for overtime calculation purposes. Vacation, or other compensated time off shall not be considered as actual time worked.

(b) On a holiday observed by the City an employee who is not regularly scheduled to work holidays shall be paid for a regular day plus time and one-half (1-1/2) for actual time worked not to exceed eight (8) hours including employees employed on a per hour or per day basis, or except as provided elsewhere herein.

(c) The City may require mandatory overtime when operational needs if the City dictate the need to work such overtime. Work in excess of forty (40) hours worked as defined in (a) above in any workweek that qualifies for overtime will be paid or taken as CTO in accordance with Section 11.5(b).

(d) Temporary Upgrade Pay. Employees assigned to work overtime in a position or classification other than the position or classification to which they are permanently appointed will be paid overtime at the hourly rate attached to the position or classification in which they are performing such overtime work.

11.3 Standby Duty

When warranted and in the interest of the City operation, department heads may assign employees to "standby" status.

(a) Application of "standby" shall be as follows:

(1) Each employee so assigned to "standby" shall be provided with a communication device while on standby and shall be able to report to the work site within forty-five (45) minutes. Employees assigned to standby shall be required to carry the communication device.

(2) Employees on standby shall have the option to trade hours of standby status with another qualified employee in the same unit or division with departmental approval.

(3) Standby shall be assigned in a minimum of eight (8) hours blocks, i.e., Monday - Friday work week standby can be 8, 16, 24 hour blocks. The block of standby will be to one (1) person per 24 hour period.

Standby for weekends i.e., Saturday, Sunday or extended holiday weekends (Friday – Sunday, or Saturday - Monday) will be assigned 8 - 48 hour blocks to one (1) person per weekend (up to 72 hours for holiday weekend).

(b) Compensation of "standby" shall be as follows:

(1) Employees assigned to standby duty shall be paid $3.00 per hour while assigned to be on standby. An employee shall earn time and one-half (1-1/2) for all actual time worked while on standby duty status only if eligible for overtime as defined in Section 11.2 above. An employee shall not continue to receive the "standby" premium during actual time worked, or for any hours paid as overtime or call back. Standby is not considered as time in "paid status because of work performed" for purposes of calculating overtime.

11.4 Call-Back

When an employee is called back to work from off duty status, the employee shall be compensated for a minimum of two (2) hours and forty-five (45) minutes pay at time and one-half (1-1/2) or actual time worked at time and one-half (1-1/2) if eligible for overtime as defined in Section 11.2, above, whichever is greater.

To be eligible for call-back pay, both of the following conditions must be met:

(a) The call-back must occur outside of the employee's regular work hours; including overtime.

(b) The call-back time worked must not be contiguous to the employee's regular work hours; including overtime.

(c) An employee is ineligible to receive a premium for both standby and call back. For example, employees shall not receive standby pay for hours in which they are paid overtime or call back pay.

11.5 Compensatory Time

(a) Definition. As used in this Section, the term Compensatory Time refers to that time which an employee is entitled to be absent from duty with pay for hours worked in addition to or excess of their normal work schedule.

(b) Accrual. For hours worked in excess of forty (40) hours in a seven (7) day work period as defined in Section 11.2(a), Compensatory Time may be earned at the rate of time and one-half (1-1/2). No more than eighty (80) hours (forty (40) hours worked at time and one-half [1-1/2]) may be carried on the books at any time.

(c) Use. Use of Compensatory Time shall be scheduled with due consideration for the wishes of the employee and so as to not interfere with the normal operation of City business. Approval of requests for use of Compensatory Time shall be submitted in writing and in advance of use on a day-for-day basis and shall be at the sole discretion of the department head, but once approved, cannot be changed unless an emergency situation arises.

(d) Payment. Once eighty (80) hours of Compensatory Time is accrued on the books, all other hours worked in excess of forty (40) hours in a seven (7) day work period will automatically be paid.

At the end of each calendar year, all Compensatory Time will be carried forward (forty (40) hours maximum), unless the employee elects to have the compensatory balance paid. Carryover Compensatory Time cannot exceed the forty (40) hours maximum.

11.6 Meal Allowance

The City shall provide a meal allowance of TEN DOLLARS AND NO CENTS ($10.00) for an employee who is held over and works a minimum of four (4) hours. Employees called back to work or called back from a day off with less than two (2)

hours notice shall qualify for the TEN DOLLARS AND NO CENTS ($10.00) meal allowance when they work a minimum of four (4) hours. Extension of the work schedule or call-back must be properly authorized by the employee's supervisor or other designated personnel.

Section 12. Holidays

12.1 Qualifying for Holiday Pay

All regular employees, excluding provisional and temporary employees, shall be entitled to take all authorized holidays at full pay not to exceed eight (8) hours for any one (1) holiday.

12.2 Holidays Observed by the City

(1) January 1 ..... New Years' Day
(2) Third Monday in January ..... Martin Luther King Jr.'s Birthday
(3) Second Monday in February ..... Lincoln's Birthday
(4) Third Monday in February ..... Washington's Birthday
(5) March 31 ..... Cesar Chavez Birthday
(6) Last Monday in May ..... Memorial Day
(7) July 4 ..... Independence Day
(8) First Monday in September ..... Labor Day
(9) Second Monday in October ..... Columbus Day
(10) November 11 ..... Veteran's Day
(11) Fourth Thursday in November ..... Thanksgiving
(12) The day following the day known as Thanksgiving
(13) December 25 ..... Christmas Day

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If any of said holidays fall on a Saturday, the preceding Friday shall be observed as a holiday.

In order to receive Holiday Pay the employee must be in a paid status the day before and the day after the holiday.

For employees on the 9/80 alternative work schedule, employees may shift their work schedule so that their 8 hour day falls on the designated holiday with the approval of their supervisor.

An employee who takes a holiday off on a normally scheduled work day will receive 8 hours of holiday pay at their regular rate of pay, and the holiday hours count as

time worked for FLSA overtime calculation purposes. A holiday that falls on an employee's normally scheduled day off will receive 8 hours of holiday pay at their regular rate of pay, however the holiday hours will not be counted as time worked. If an employee works on a holiday, the employee will receive 8 hours of holiday pay at their regular rate of pay, actual hours worked will be paid at the time and one half (up to 8 hours) and holiday hours will not be counted as time worked. If an employee works only partial hours on a holiday, partial holiday hours will be counted as time worked for FLSA overtime calculation purposes (up to 8 hours combined maximum).

12.3 Compensation for Holidays Worked

Prior approval for holiday work must be secured from the department head except in emergency situations where said approval cannot be obtained beforehand.

Section 13. Compensation and Allowance Other Than Base Salary

13.1 Retirement Contribution Supplement

(a) The City will pay seven percent (7%) of the employee's current base salary (employee's contribution) and other compensation as qualified by State law towards the Public Employees' Retirement System (CalPERS). Such amounts will be applied to the employee's individual account in accordance with California Government Code section 20691.

Effective August 1, 2011, employees hired on or before December 28, 2012 shall pay 7% of the employee's current base salary and other compensation as qualified by state law towards the employer contribution to the CalPERS retirement plan on a post-tax basis in the form of a payroll deduction. The City will seek an IRS private letter ruling to determine whether or not the IRS permits the employee's contribution to the employer's share of pension cost to be treated on a pre-tax basis. If the IRS issues a private letter ruling allowing employee's contribution towards employer pension cost on a pre-tax basis, the City will change the deduction from post-tax to pre-tax as soon as administratively possible after the IRS final determination.

(b) For Employees Hired on or Before December 28, 2012

(1) The City's CalPERS retirement plan is modified to reflect two percent (2%) at age 55, effective January 1993.

(2) The City's CalPERS retirement plan is modified to reflect California Government Code section 21024 (Military Service Credit as Public Service) and section 21027 (Military Service Credit for Retired Persons) effective upon adoption by Stockton City Council and Board Administration of the CalPERS.

(3) The City will provide CalPERS California Government Code section 20692 (Employer Paid Member Contributions Converted to Payrate during the Final Compensation Period) as added CalPERS benefits. At the beginning of employee's last year of employment, the employee will pay their employees' seven percent (7%) benefit cost through an automatic payroll deduction. The City will increase the base salary for those employees by the same seven percent (7%) for the last twelve (12) months of employment. Internal Revenue Service (IRS) Code 414H (2) will be concurrently implemented with CalPERS California Government Code section 20692, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board.

(4) The City will provide CalPERS California Government Code section 20965 (Credit for Unused Sick Leave) as added CalPERS benefits, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board. Any unused sick leave may be credited towards CALPERS service credit.

(5) The City will provide CalPERS California Government Code section 21574 (Fourth Level of 1959 Survivor Benefits) as added CalPERS benefits, to be effective upon adoption by the Stockton City Council and CalPERS Administration Board.

(6) The City will provide CalPERS California Government Code section 21335 up to a five percent (5%) Annual Cost-of-Living Allowance, as

an added CalPERS benefit. The first application date is April 1, 2003.

(c) For Employees Hired on or After December 29, 2012

(1) The City amended its contract with CalPERS effective December 28, 2012 to provide a new second tier retirement program of 2% at 60 with three year average salary formula and no other additional CalPERS benefits for all unit employees hired on or after December 29, 2012. Employees hired on or after December 29, 2012 shall pay the entire seven percent (7%) of the employee's current base salary (as the employee contribution) and any other compensation as qualified by state law towards CalPERS retirement benefit through a payroll deduction.

(d) PERS Benefits for Employees hired on or after December 29, 2012

(1) Employees with Reciprocity:

Employees hired on or after December 29, 2012, who had service under another CalPERS agency or public retirement system with reciprocity prior to January 1, 2013, and a break in service of less than 6 months and are considered classic employees by PERS AB 340, shall be subject to the PERS pension formula of 2% at 60 with no optional pension enhancements and the other provisions of the retirement tier they were hired under. Employees shall pay the entire seven (7%) of the employee's current base salary (as the employee contribution) and any other compensation as qualified by state law towards CalPERS retirement benefit through a payroll deduction.

(2) Employees without Reciprocity:

Employees hired on or after January 1, 2013, shall be subject to the AB340 PERS pension formula of 2% at 62 with no optional pension enhancements and the other provisions of the retirement tier they were hired under. Employees shall pay 50% of the City normal cost rate for the 2% at 62 as determined by CalPERS.

13.2 Deferred Compensation

Effective July 1, 2010, the City's contribution to the Deferred Compensation Plan (5.5% of base pay) will be converted to base pay. Effective July 1, 2010, employees will no longer receive a deferred compensation benefit.

13.3 Uniforms

(a) The City shall provide uniforms for all employees assigned to this unit who are required to wear uniforms during the course of work.

(b) Safety Protective Footwear Reimbursement Allowance

Employees required to wear safety protective footwear in accordance with City Manager's Administrative Directive HR-034, and approved for safety protective footwear reimbursement, the City will authorize safety protective footwear reimbursement in the amount of TWO HUNDRED DOLLARS ($200.00) as needed and approved by the employee's supervisor and department head.

13.4 Tool Allowance

(a) Mechanic employees assigned to the Central Garage who are required to personally supply their own set of mechanic hand tools, as required and approved by the Fleet Manager, shall receive an annual tool replacement allowance of FOUR HUNDRED DOLLARS ($400.00).

(b) The City shall pay for the replacement of tools lost through theft from City premises provided that such loss was absolutely no fault of the employee.

(c) Any tool required by the City beyond that initially approved by Fleet Manager shall be provided by the City.

13.5 Special Driver's License Pay

Job classifications that require employees to possess and maintain a Class A and/or Class B Driver's License will receive special pay based on the flat dollar amount equal to one and one-half percent (1-1/2%) of top step of job classification

Special Driver's License Pay will only be implemented with the concurrent implementation of the Operating Engineers' Local No. 3 - City of Stockton, Drug/Alcohol Safety Program.

13.6 Longevity Pay

Effective August 1, 2011, longevity pay was eliminated. However, the City ~~shall~~ grandfathered only those employees who completed twelve (12) continuous years of service with the City as of July 31, 2012 , longevity pay based on the flat dollar amount equal to two and one-half percent (2.5%) of top salary step of the employee's pay range as of July 1, 2010. As of July 1, 2012, longevity incentive pay allowance for these grandfathered employees was reduced to one and one-half percent (1.5%).

13.7 Credit Union

The City will accommodate payroll deduction to Operating Engineers' Local No. 3 Credit Union, within the limitations of City payroll system. Any modification costs will be borne by Operating Engineers' Local No. 3.

Section 14. Insurance Plans and Retirement Benefits

14.0 Reopener Clause for Health Insurance

The Association agrees at the City's request, to meet and confer on any changes that are within the mandatory scope of bargaining in any City proposals related to its City sponsored medical plans that may be related to the implementation of the Affordable Care Act (ACA).

14.1 Health and Welfare Benefits

(a) Choice of Health Plans. Employees in this bargaining unit shall have a choice of enrolling themselves and their eligible dependents in any of the City sponsored medical, dental and visions plans or Operating Engineer Health and Welfare Trust Fund Plan (PPO Plans A, B, C, and D, and Kaiser HMO Plans A and B). The City shall offer two or more medical plans to regular employees.

(b) Eligibility. Employees shall become eligible for Medical and Vision insurance on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees shall become eligible for Dental insurance on the first day of the month subsequent to completion of sixty (60) days continuous service with the City. An eligible employee and eligible dependent may be enrolled in a City offered medical plan either as a subscriber in a City offered medical plan or, as the dependent spouse/registered domestic partner or another eligible City employee, but not both. If an employee is also eligible to cover their dependent child, the child will be allowed to enroll as a

dependent on only one employee plan (i.e., an employee and his or her dependent cannot be covered by more than one City-offered health plan).

(c) City Contribution towards the cost of insurance programs.

1) Effective July 1, 2016, or upon the first full pay period following ratification of this Memorandum of Understanding by the Union and approval by the City Council on its regular agenda in accordance with the Ralph M. Brown Act, the City will contribute:

- Up to $619.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.
- Up to $1,124.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage.
- Up to $1,496.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision plan coverage.

2) Effective July 1, 2017, City shall contribute the following:

- Up to $631.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.
- Up to $1,146.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage.
- Up to $1,526.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision plan coverage.

3) Effective July 1, 2018, City shall contribute the following:

- Up to $644.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.
- Up to $1,169.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage.
- Up to $1,557.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision

plan coverage.

These contributions are based on full-time employment; regular part-time employees shall receive a prorated contribution based on their percentage of full-time employment. Insurance plan premiums that exceed the City's monthly contribution shall be paid by the employee through payroll deductions. The City shall maintain its IRS 125 Plan to allow for employee contributions for medical/visions/dental to be pre-tax premium conversion.

(d) Plan Rules. Employees may insure themselves and their eligible dependents under the medical/vision and dental plans provided by the City, in accordance with the rules and regulations applicable to the selected Plan. Benefits in the Plan shall be in accordance with the Plan document.

(e) Employees that promote, demote, or transfer from a classification in the Trades and Maintenance unit to an unrepresented classification shall continue to have the option to retain the Operating Engineers' Local No. 3 Health and Welfare Plan.

(f) Payment of costs for City administrative overhead for Operating Engineer sponsored plans.

The City costs to administer the health plans offered to employees and retirees are incorporated into the monthly rates for City sponsored medical, dental and vision insurance paid by the City and the plan participants. Effective upon the first full pay period following ratification of this Memorandum of Understanding by the Union and approval by the City Council on its regular agenda in accordance with the Brown Act the City will add to the monthly plan costs for the Operating Engineer sponsored plans offered to employees those City administrative overhead costs associated with these plans in addition to the City sponsored plans. and will be updated each plan year.

14.2 Long Term Disability Insurance

The City shall provide, at no cost to the employee, long term disability insurance coverage. Plan benefits shall be as described in the Plan document, but shall include:

(a) Each disability - sixty-six and two thirds percent (66 2/3%) of salary up to the maximum salary replacement amount as specified in the City's long term disability plan.

(b) Disability income payments shall commence after a ninety (90) day

waiting period and exhaustion of sick leave accruals.

(c) Benefit payable until age sixty-five (65).

(d) The City shall continue its normal contribution for employee medical premiums during the ninety (90) day waiting period.

14.3 State Disability Insurance (SDI)

At the Union's option, pursuant to procedures established by the state, members may elect to receive State Disability Insurance (SDI) coverage at their own expense. SDI will be coordinated with other benefits.

14.4 Life Insurance

Effective July 1, 2012, the City shall provide, at no cost to the employee, term life insurance policy with a value of $50,000. In addition, employees shall have the opportunity to purchase additional voluntary life through their union or through the City's IRS125 vendor.

14.5 Enrollment of Retirees in City Health Plans.

An eligible retiree and eligible dependent may be enrolled in a City offered medical plan either as a subscriber in a City offered medical plan or, as the dependent spouse/registered domestic partner or another eligible City employee/retiree, but not both. If an employee/retiree is also eligible to cover their dependent child, the child will be allowed to enroll as a dependent on only one employee or retiree's plan (i.e., a retiree and his or her dependent cannot be covered by more than one City-offered health plan). However, the City may discontinue the enrollment of retirees in City sponsored medical plans at its discretion as per the City's Bankruptcy plan of Adjustment. The City does not provide any retiree medical program, allowance, or City contribution for employees.

Nothing in this section shall be construed to create vested rights to benefits for employees or retirees after the expiration of this MOU.

Section 15. Salaries

15.1 Salary

All salaries hereby established and explained in other parts of section 15 shall no longer be fitted to the Stockton Salary Matrix as set forth in the City of Stockton

Salary Schedule. Instead, all salary steps hereby established and explained in other parts of section 15 shall be assigned a fixed percentage of 5.14% between salary steps, and any salary ranges established on or after October 1, 2008, shall be assigned a fixed percentage of 5.0% between salary steps.

The salary for each job classification, as set forth in the City of Stockton Salary Schedule the standard rate of pay for full time employment, unless the schedule specifically indicates otherwise.

The salary as set forth in the City of Stockton Salary Schedule do not include reimbursement for actual and necessary expenses for traveling, subsistence and general expenses authorized and incurred incident to City employment.

Effective the latter of July 1, 2016 or upon the first full pay period following ratification of this MOU by OE3 and approval by the City Council on its regular agenda in accordance with the Ralph M. Brown Act, employees will receive a six percent (6%) cost of living adjustment (COLA) to base pay.

The classifications listed in Appendix A will receive market salary adjustments throughout the term of this contract, according to the updated salary schedules listed in Appendix A.

15.2 Salary upon Appointment

Except as herein otherwise provided, the entrance salary for a new employee entering the classified service shall be the minimum salary for the class and level to which appointed. When circumstances warrant, the Director of Human Resources may approve an entrance salary which is more than the minimum salary for the class and level to which an employee is appointed. Such salary may not be more than the maximum salary for the class and level to which that employee is appointed.

15.3 Salary Equivalents

Any monthly, daily or hourly rate of pay may be converted into an equivalent rate of pay or to any other time bases when, in the judgment of the Director of Human Resources or the City Manager, such a conversion is advisable. In determining equivalent amounts on different time bases the City shall provide tables or regulations for the calculation of payment for service of less than full time, and for use in converting monthly salaries to hourly rates, as well as for calculating hourly rates. Overtime rate and premium pay shall be calculated according to the provisions of the Fair Labor Standards Act.

15.4 Salary Step Plan

(a) The first salary step shall be the minimum salary rate and shall be the normal hiring salary rate for the class. In a case where a person possesses unusual qualifications, the Director of Human Resources may authorize appointment above the first salary step after receiving the recommendation of the department head. The same provision shall apply to hourly paid and part-time employees.

The second salary step shall be paid upon the satisfactory completion of six (6) months service at the first salary step upon the written recommendation of the department head.
Subsequent salary steps shall be paid upon the satisfactory completion of one (1) year service at the preceding salary step of the job classification and upon the recommendation of the department head.

Regardless of an employee's length of service, step advancements in any given class may be made upon recommendation of the department head with the approval of the Director of Human Resources.

Salary step increases shall be effective the first day of the pay period following appointment or revision. If the date of appointment or revision is the first day of a pay period, salary step increases shall be as of that date.

(b) If a department head recommends withholding salary step increases because an employee has not achieved the level of performance required, notice must be received by the Human Resources Department at least four (4) weeks in advance of the employee's eligibility date. The affected employee shall be furnished a copy of the department head's recommendation. Failure to abide by the above four-week limitation shall not automatically-cause a step increase to be granted; however, if an employee does not receive notice by the actual anniversary date, the increase shall be automatically granted.

(c) Changes in an employee's salary because of promotion, demotion, postponement of salary step increase or special merit increase will set a new salary anniversary date for that employee, which date shall be as stated in the preceding paragraph.

(d) Salary range adjustments for a classification will not set a new salary anniversary date for employees serving in that classification.

15.5 Salary Step after Military Leave

All employees who have been granted military leave shall, upon their return to the City service, are entitled to the automatic salary advancements within the range of their classification for the period they were in the military service.

15.6 Salary Step When Salary Range is Increased

Whenever the monthly schedule of compensation for a class is revised, each incumbent in a position to which the revised schedule applies shall be entitled to the step in the revised range which corresponds to the employee's step held in the previous range, unless otherwise specifically provided for by the Director of Human Resources.

15.7 Salary Step After Promotion or Demotion

(a) When an employee is promoted from a position in one class to a position in a higher class, and at the time of promotion is receiving a salary equal to, or greater than, the minimum rate for the higher class, that employee shall be entitled to the next step in the salary scale of the higher class which is at least five percent (5%) above the employee's current base salary, except that the next step shall not exceed the maximum salary of the higher class. Add pays are not included in the calculation of base salary for purposes of this section. When an employee is promoted into another bargaining unit, the new bargaining unit's salary on promotion rules shall apply.

(b) When an employee is demoted, whether such demotion is voluntary or otherwise, that employee's compensation shall be adjusted to the salary prescribed for the class to which demoted.

(1) "If the salary of the employee is reduced for cause or disciplinary reasons, the employee shall receive the salary at the same step prior to promotion."

(2) "If the salary of the employee is reduced through no fault of the employee (i.e., layoff), the salary at demotion shall be at the nearest lower salary to that which was received prior to the demotion."

15.8 Transfer

An employee may be transferred from a class in one department, or to a position of the same class in another department, or to a comparable class, with the approval of both the employee and Department Heads. In the case of a comparable class, the employee must be qualified, as determined by the Director of

Human Resources. The Director of Human Resources, in making such a determination, must assure that the maximum salary rate for the classes in question must be equal to or less than the employee's current top step salary, and shall consider, among other things, whether the employee possesses the minimum qualifications for such class, and is able to demonstrate through education, experience, or successful completion of pertinent test, that he/she is qualified for the transfer. If the transfer involves a change from the jurisdiction of one appointing authority to another, both must consent thereto.

15.9 Salary on Reinstatement

If a former employee is reinstated in the same position, previously held or to one carrying a similar salary range, the employee's salary shall not be higher than the salary at the time of separation unless there has been an increase within the salary range.

If a former employee is reinstated to a position in a lower class the employee's salary shall be set at the same step previously held, but in the pay range of the lower classification.

15.10 "Y" Rate

When an employee's classification is changed to a lower paid classification as the result of a classification study or other action, the employee may be placed on a "Y" rate. A "Y" rate means that the monthly compensation for the employee shall remain in effect until such time as further changes in the pay range of the new classification exceeds the "Y" rate.

15.11 Acting Pay

(a) General Provisions. Any employee in this unit who is assigned by a supervisor to work in a higher paid classification for two (2) or more hours in one (1) day, shall receive the rate of pay in the step of the higher classification which would have been received if the employee had been promoted into that classification, or at least five percent (5%) more than the employee's salary in the present classification, whichever is greater. Out-of-class assignment pay during overtime status will commence at the first hour worked.

(b) When there is an existing promotional eligibility list, and acting pay assignment is expected to be for more than twenty (20) work days, acting pay shall be assigned from the top three (3) on the promotional eligibility list. If the assignment is for twenty work days or less, the highest ranking employee on the

promotional list within the division shall be assigned. When there is no eligible list, section (c) below shall apply.

(c) If there is no existing list, acting pay selection shall be made from the five (5) most qualified employees in the section.

(1) Sections are defined, for the purpose of this clause only, as the sub-groups listed under the following department:

Public Works Department - (1) Street Maintenance, (2) Traffic Devices, (3) Electrical/Traffic Signals, (4) Fleet, (5) Facilities Maintenance, (6) Community Enhancement, (7) Parks, and (8) Trees.

(2) Qualifications for the purpose of this Section, as determined by the department head or designee, shall include all the following equal factors:

(a) Seniority in grade within any class immediately below the vacant position.

(b) Worker experience relative to the vacant position.

(c) Prior job performance and attendance.

(d) Certificates or other formal qualification devices such as eligibility lists.

If all things are equal based on above factors, the seniority within the City shall be considered.

(3) The opportunity for acting pay shall be rotated among the five (5) most qualified employees within each section.

(d) Assignments from other than a promotional eligibility list shall not exceed 120 days per fiscal year per employee.

15.12 Special Assignment Pay

The City Manager may approve additional compensation in an amount not to exceed one additional salary step when an employee is assigned in writing by the supervisor to perform additional duties and responsibilities beyond the scope of the assignment for the duration of the special assignment.

Any employee assigned to the Tree Spray Crew shall receive an additional five percent (5%) special assignment pay per day when assigned in writing by the supervisor to spray trees and performs such work four (4) or more hours in any one (1) day.

15.13 Temporary Upgrade Pay

Employees who are assigned to temporarily perform the duties of other employees of a higher level classification shall be paid the hourly or daily rate of the classification to which they are temporarily upgraded. To be eligible for temporary upgrade pay, the employee must perform the full scope of duties of the higher classification and must not perform any of the duties of their own job classification while working in the higher level classification.

15.14 Bi-Weekly Pay Period

The City and the Association agree to move to bi-weekly pay as soon as it is administratively possible within the City. The parties understand that this may not be administratively possible until the City implements a new payroll system.

Section 16. Severability of Provisions

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable that provision of the Memorandum of Understanding shall be null and void but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

In the event that Federal legislation changes the current applicability of the Fair Labor Standards Act, both parties agree to consult and/or confer on the impacts of such legislation to the extent required by law.

Section 17. Past Practices and Existing Memoranda of Understanding

Continuance of working conditions and practices not specifically authorized by ordinance or by resolution of the City Council is not guaranteed by this Memorandum of Understanding.

This Memorandum of Understanding shall supersede all existing Memoranda of Understanding between the City and the Union.

Section 18. Scope of Agreement

Except as otherwise specifically provided herein this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire agreement between the parties on any and all matters subject to meeting and conferring. Neither party shall, during the term of this Memorandum of Understanding, demand any change therein nor shall either party be required to negotiate with respect to any matter; provided that nothing herein shall prohibit the parties from changing the terms of this Memorandum of Understanding by mutual agreement.

Section 19. Duration of Agreement

This Memorandum of Understanding shall be effective the date of execution, and shall remain in full force and effect to and including the 30th day of June, 2019 and shall continue thereafter from year to year unless at least sixty (60) days prior to July 1 either party shall file written notice with the other of its desire to amend, modify, or terminate this Memorandum of Understanding.

Section 20. Maintenance of Operations/City Rights

(a) It is recognized that the need for continued and uninterrupted operation of City services is of paramount importance. Therefore, the Union and each employee represented thereby agrees that from the date of execution, through exhaustion of the impasse process/mediation/fact finding as set forth in the Employer/Employee Relations Ordinance, the Union or any person acting in its behalf, or each employee in a classification represented by the Union, shall not cause, authorize, engage in, encourage, or sanction a work stoppage, slowdown, refusal of overtime work, refusal to operate designated equipment (provided such equipment is safe and sound), or picketing, other than informational picketing, against the City or the individual or concerted failure to report for duty or abstinence from the full and faithful performance of the duties of employment, including compliance with the request of another labor organization or bargaining unit to engage in such activity in an attempt to induce a change in wages, hours, and other terms and conditions of employment.

(b) An employee shall not be entitled to any wages or City paid benefits whatsoever if the City Council, by majority vote, determines to its satisfaction, that the employee is, or has, engaged in any activity prohibited by subsection (a) of this Section. The City may take other action which it deems appropriate.

(c) If the City Council, by majority vote, determines to its satisfaction, that subsection (a) of this Section has been violated by the Union, the City may take such remedial action as it deems appropriate.

(d) The Union recognizes the duty and obligation of its representatives and members to comply with the provisions of this Memorandum of Understanding and to make every effort toward inducing all employees in this unit to fully and faithfully perform their duties. In the event of any activity prohibited by subsection (a) hereinabove, the Union agrees to take supererogatory steps necessary to assure compliance with this Memorandum of Understanding.

(e) The rights of the City as set forth in section 2-206 of the Employer-Employee Relations Ordinance, (Stockton Municipal Code, §§ 2-200, *et seq.*) are incorporated herein by reference.

Section 21. GPS Devices in City Vehicles

The City retains the right to move forward with its RFP process and install Global Positioning Systems (GPS) in City vehicles used by employees in this unit. The Association agrees to meet and confer with respect to the City's proposed GPS policy.

TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
TERM: JULY 1, 2016 – JUNE 30, 2019

IN WITNESS WHEREOF, this Memorandum of Understanding was ratified by a membership vote of the Association on May 24, 2016, and by an affirmative vote of the Stockton City Council on June 7, 2016. The parties hereto have executed this Memorandum of Understanding this 17th day of June 2016.

TRADES AND MAINTENANCE UNIT

Approved as to form:
Operating Engineers' Local No. 3

By: Michael Eggener 6-1-16
MICHAEL EGGENER
Business Representative

CITY OF STOCKTON

APPROVED AS TO FORM:

By: for
KURT WILSON
City Manager

By:
DEANNA L. SOLINA, ESQ.
Director of Human Resources

By:
BURKE DUNPHY
Negotiator for the City

Approved as to form:

John Luebberke, City Attorney

By:
MARCI ARREDONDO
Deputy City Attorney

ATTEST:
CITY CLERK

for
BONNIE PAIGE
City Clerk

Appendix A - Market Adjustments

For an up-to-date Salary Schedule, please check the Human Resources Website.

Year 1- eff. 7/1/16; Year 2- eff. 7/1/17; Year 3- eff. 7/1/18	Steps						
	1	2	3	4	5	6	7
Heating, Ventilation & Air Conditioning Mechanic	4,404.25	4,630.64	4,868.65	5,118.91	5,382.03	-	-
COLA year 1 (6%)	264.26	277.84	292.12	307.13	322.92	-	-
MA year 1 (4%)	176.17	185.23	194.75	204.76	215.28	-	-
Year 1 - With Market Adjustment	4,844.68	5,093.70	5,355.52	5,630.80	5,920.23	-	-
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (0%)	-	-	-	-	-	-	-
Year 2 - With Market Adjustment	4,844.68	5,093.70	5,355.52	5,630.80	5,920.23	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	4,844.68	5,093.70	5,355.52	5,630.80	5,920.23	-	-
Materials Specialist	3,109.90	3,269.74	3,437.80	3,614.50	3,800.31	-	-
COLA year 1 (6%)	186.59	196.18	206.27	216.87	228.02	-	-
MA year 1 (4%)	124.40	130.79	137.51	144.58	152.01	-	-
Year 1 - With Market Adjustment	3,420.89	3,596.71	3,781.58	3,975.95	4,180.34	-	-
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (.4%)	12.44	13.08	13.75	14.46	15.20	-	-
Year 2 - With Market Adjustment	3,433.33	3,609.79	3,795.33	3,990.41	4,195.54	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	3,433.33	3,609.79	3,795.33	3,990.41	4,195.54	-	-
Mechanic I	3,549.12	3,731.56	3,923.35	4,125.03	4,337.06	-	-
COLA year 1 (6%)	212.95	223.89	235.40	247.50	260.22	-	-
MA year 1 (4%)	141.96	149.26	156.93	165.00	173.48	-	-
Year 1 - With Market Adjustment	3,904.03	4,104.72	4,315.69	4,537.53	4,770.77	-	-
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (5.9%)	209.40	220.16	231.48	243.38	255.89	-	-
Year 2 - With Market Adjustment	4,113.43	4,324.88	4,547.16	4,780.91	5,026.65	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	4,113.43	4,324.88	4,547.16	4,780.91	5,026.65	-	-

TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
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Mechanic II (Heavy)	3,929.89	4,131.90	4,344.28	4,567.58	4,802.35	-	-
COLA year 1 (6%)	235.79	247.91	260.66	274.05	288.14	-	-
MA year 1 (4%)	157.20	165.28	173.77	182.70	192.09	-	-
Year 1 - With Market Adjustment	4,322.88	4,545.09	4,778.71	5,024.34	5,282.59	-	-
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (5.9%)	231.86	243.78	256.31	269.49	283.34	-	-
Year 2 - With Market Adjustment	4,554.74	4,788.87	5,035.02	5,293.83	5,565.92	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	4,554.74	4,788.87	5,035.02	5,293.83	5,565.92	-	-
Mechanic II (Light)	3,929.89	4,131.90	4,344.28	4,567.58	4,802.35	-	-
COLA year 1 (6%)	235.79	247.91	260.66	274.05	288.14	-	-
MA year 1 (4%)	157.20	165.28	173.77	182.70	192.09	-	-
Year 1 - With Market Adjustment	4,322.88	4,545.09	4,778.71	5,024.34	5,282.59	-	-
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (5.9%)	231.86	243.78	256.31	269.49	283.34	-	-
Year 2 - With Market Adjustment	4,554.74	4,788.87	5,035.02	5,293.83	5,565.92	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	4,554.74	4,788.87	5,035.02	5,293.83	5,565.92	-	-
Mechanic III (Heavy)	4,334.10	4,556.84	4,791.05	5,037.33	5,296.22	-	-
COLA year 1 (6%)	260.05	273.41	287.46	302.24	317.77	-	-
MA year 1 (4%)	173.36	182.27	191.64	201.49	211.85	-	-
Year 1 - With Market Adjustment	4,767.51	5,012.52	5,270.16	5,541.06	5,825.84	-	-
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (5.9%)	255.71	268.85	282.67	297.20	312.48	-	-
Year 2 - With Market Adjustment	5,023.22	5,281.38	5,552.83	5,838.27	6,138.32	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	5,023.22	5,281.38	5,552.83	5,838.27	6,138.32	-	-
Mechanic III (Light)	4,334.10	4,556.84	4,791.05	5,037.33	5,296.22	-	-
COLA year 1 (6%)	260.05	273.41	287.46	302.24	317.77	-	-
MA year 1 (4%)	173.36	182.27	191.64	201.49	211.85	-	-
Year 1 - With Market Adjustment	4,767.51	5,012.52	5,270.16	5,541.06	5,825.84	-	-

TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
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COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (5.9%)	255.71	268.85	282.67	297.20	312.48	-	-
Year 2 - With Market Adjustment	5,023.22	5,281.38	5,552.83	5,838.27	6,138.32	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	5,023.22	5,281.38	5,552.83	5,838.27	6,138.32	-	-
Public Works Maintenance Worker I	2,458.79	2,585.17	2,718.05	2,857.75	3,004.64	3,159.07	3,321.47
COLA year 1 (6%)	147.53	155.11	163.08	171.47	180.28	189.54	199.29
MA year 1 (4%)	98.35	103.41	108.72	114.31	120.19	126.36	132.86
Year 1 - With Market Adjustment	2,704.67	2,843.69	2,989.86	3,143.53	3,305.10	3,474.98	3,653.62
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (10%)	245.88	258.52	271.81	285.78	300.46	315.91	332.15
Year 2 - With Market Adjustment	2,950.55	3,102.20	3,261.66	3,429.30	3,605.57	3,790.88	3,985.76
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (1.6%)	39.34	41.36	43.49	45.72	48.07	50.55	53.14
Year 3 - With Market Adjustment	2,989.89	3,143.57	3,305.15	3,475.02	3,653.64	3,841.43	4,038.91
Public Works Maintenance Worker II	2,994.24	3,148.12	3,309.94	3,480.08	3,658.93	-	-
COLA year 1 (6%)	179.65	188.89	198.60	208.80	219.54	-	-
MA year 1 (4%)	119.77	125.92	132.40	139.20	146.36	-	-
Year 1 - With Market Adjustment	3,293.66	3,462.93	3,640.93	3,828.09	4,024.82	-	-
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (10%)	299.42	314.81	330.99	348.01	365.89	-	-
Year 2 - With Market Adjustment	3,593.09	3,777.74	3,971.93	4,176.10	4,390.72	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (1.6%)	47.91	50.37	52.96	55.68	58.54	-	-
Year 3 - With Market Adjustment	3,641.00	3,828.11	4,024.89	4,231.78	4,449.26	-	-
Senior Mechanic	4,561.50	4,795.94	5,042.46	5,301.64	5,574.16	-	-
COLA year 1 (6%)	273.69	287.76	302.55	318.10	334.45	-	-
MA year 1 (4%)	182.46	191.84	201.70	212.07	222.97	-	-
Year 1 - With Market Adjustment	5,017.65	5,275.53	5,546.71	5,831.80	6,131.58	-	-
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (5.9%)	269.13	282.96	297.51	312.80	328.88	-	-
Year 2 - With Market Adjustment	5,286.78	5,558.49	5,844.21	6,144.60	6,460.45	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-

MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	5,286.78	5,558.49	5,844.21	6,144.60	6,460.45	-	-
Senior Traffic Signal Electrician	4,911.09	5,163.53	5,428.93	5,707.96	6,001.34	-	-
COLA year 1 (6%)	294.67	309.81	325.74	342.48	360.08	-	-
MA year 1 (4%)	196.44	206.54	217.16	228.32	240.05	-	-
Year 1 - With Market Adjustment	5,402.20	5,679.88	5,971.82	6,278.76	6,601.47	-	-
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (2.6%)	127.69	134.25	141.15	148.41	156.03	-	-
Year 2 - With Market Adjustment	5,529.89	5,814.13	6,112.98	6,427.16	6,757.51	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	5,529.89	5,814.13	6,112.98	6,427.16	6,757.51	-	-
Senior Tree Surgeon	3,768.76	3,962.48	4,166.14	4,380.28	4,605.43	-	-
COLA year 1 (6%)	226.13	237.75	249.97	262.82	276.33	-	-
MA year 1 (4%)	150.75	158.50	166.65	175.21	184.22	-	-
Year 1 - With Market Adjustment	4,145.64	4,358.73	4,582.75	4,818.31	5,065.97	-	-
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (3.2%)	120.60	126.80	133.32	140.17	147.37	-	-
Year 2 - With Market Adjustment	4,266.24	4,485.53	4,716.07	4,958.48	5,213.35	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	4,266.24	4,485.53	4,716.07	4,958.48	5,213.35	-	-
Traffic Signal Electrician	4,466.63	4,696.21	4,937.59	5,191.41	5,458.23	-	-
COLA year 1 (6%)	268.00	281.77	296.26	311.48	327.49	-	-
MA year 1 (4%)	178.67	187.85	197.50	207.66	218.33	-	-
Year 1 - With Market Adjustment	4,913.29	5,165.83	5,431.35	5,710.55	6,004.05	-	-
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (2.6%)	116.13	122.10	128.38	134.98	141.91	-	-
Year 2 - With Market Adjustment	5,029.43	5,287.93	5,559.73	5,845.53	6,145.97	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	5,029.43	5,287.93	5,559.73	5,845.53	6,145.97	-	-
Traffic Signal Electrician Trainee	3,355.49	3,527.98	3,709.28	3,899.96	4,100.41	4,311.20	4,532.78
COLA year 1 (6%)	201.33	211.68	222.56	234.00	246.02	258.67	271.97

TRADES AND MAINTENANCE UNIT SUCCESSOR MOU
TERM: JULY 1, 2016 – JUNE 30, 2019

MA year 1 (4%)	134.22	141.12	148.37	156.00	164.02	172.45	181.31
Year 1 - With Market Adjustment	3,691.04	3,880.78	4,080.21	4,289.96	4,510.45	4,742.32	4,986.06
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (2.6%)	87.24	91.73	96.44	101.40	106.61	112.09	117.85
Year 2 - With Market Adjustment	3,778.28	3,972.51	4,176.65	4,391.35	4,617.06	4,854.41	5,103.91
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	3,778.28	3,972.51	4,176.65	4,391.35	4,617.06	4,854.41	5,103.91
Tree Surgeon	3,410.08	3,585.36	3,769.64	3,963.40	4,167.13	-	-
COLA year 1 (6%)	204.60	215.12	226.18	237.80	250.03	-	-
MA year 1 (4%)	136.40	143.41	150.79	158.54	166.69	-	-
Year 1 - With Market Adjustment	3,751.09	3,943.90	4,146.60	4,359.74	4,583.84	-	-
COLA year 2 (0%)	-	-	-	-	-	-	-
MA year 2 (3.2%)	109.12	114.73	120.63	126.83	133.35	-	-
Year 2 - With Market Adjustment	3,860.21	4,058.63	4,267.23	4,486.57	4,717.19	-	-
COLA year 3 (0%)	-	-	-	-	-	-	-
MA year 3 (0%)	-	-	-	-	-	-	-
Year 3 - With Market Adjustment	3,860.21	4,058.63	4,267.23	4,486.57	4,717.19	-	-

Resolution No. 2016-06-07-1209

STOCKTON CITY COUNCIL

RESOLUTION APPROVING THE MEMORANDA OF UNDERSTANDING BETWEEN THE CITY OF STOCKTON AND THE STOCKTON CITY EMPLOYEES' ASSOCIATION, TRADES AND MAINTENANCE UNIT, OPERATIONS AND MAINTENANCE UNIT, WATER SUPERVISORY UNIT, AND AMENDED UNRREPRESENTED MANAGEMENT/CONFIDENTIAL AND LAW EMPLOYEES' COMPENSATION PLAN, AND THE INCORPORATION OF ADDITIONAL EXPENDITURES IN THE FISCAL YEAR 2016-2017 BUDGET TO FUND SALARY AND BENEFITS ADJUSTMENTS

The Director of Human Resources, in her capacity as the Employee Relations Officer, along with the negotiating team, met and conferred with officials of the Stockton City Employees' Association (SCEA), Trades and Maintenance Unit (T&M), Operations and Maintenance Unit (O&M) and Water Supervisory Unit and reached tentative agreements for successor Memoranda of Understanding and reduced the agreements to writing. The employee units ratified their respective agreements by a majority vote of their members; and

The City of Stockton and the SCEA, T&M, O&M, and Water Supervisory Units have in good faith completed their meet and confer obligation regarding their respective successor Memoranda of Understanding. Similar changes to salary and benefits will also be made to the Unrepresented Management/Confidential and Law Employees' Compensation Plan; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. The Memoranda of Understanding between the City of Stockton and the SCEA, T&M, O&M, Water Supervisory Unit, and Unrepresented Compensation Plan, attached hereto as Exhibits 1-5 and made part hereof by this reference, are hereby approved and adopted.

2. The same cost of living, health plan, and changes afforded to the Unrepresented employees will be applicable to the unrepresented Council appointed positions of City Manager, City Attorney, and City Clerk.

3. The City Manager is hereby authorized and directed to execute the Memoranda of Understanding, and Unrepresented Compensation Plan be effective July 1, 2016.

4. The City Manager is hereby authorized and directed to include appropriate

funds in the annual budget for Fiscal Year 2016- 2017, as necessary to carry out the intent of the SCEA, T&M, O&M and Water Supervisory Unit agreements, and the Unrepresented Compensation Plan and as shown in Exhibit 6.

5. The City Manager and the Employee Relations Officer are authorized to take whatever actions are appropriate and necessary to carry out the purpose and intent of this resolution.

PASSED, APPROVED and ADOPTED June 7, 2016

ANTHONY SILVA, Mayor
of the City of Stockton

ATTEST:

BONNIE PAIGE
City Clerk of the City of Stockton

For Operating Engineers Local Union No. 3
of the International Union of Operating Engineers, AFL-CIO

Russ Burns
Business Manager

7/20/16
Date

Dan Reding
President

7/20/16
Date

Steve Ingersoll
Vice-President

7/20/16
Date

James K. Sullivan
Recording-Corresponding Secretary

7/20/16
Date

Rick Davis
Director, Public Employee Division

7-19-16
Date

TERMINAL AGREEMENT
BETWEEN
OPERATING ENGINEERS' LOCAL UNION NO. 3
REPRESENTING OMI THAMES WATER DESIGNATED EMPLOYEES
AND
CITY OF STOCKTON

From the date of this Terminal Agreement ("Agreement") through the date of the City of Stockton's ("City") transition of designated Operating Engineers' Local Union No. 3 ("OE3") employees, personnel actions resulting in terminations of designated represented employees of OMI Thames Water ("OMI") will be reviewed by the City's Human Resources Department, upon written request of OE3.

The City's Director of Human Resources or designee shall review documentation provided in support of OMI's termination of a designated OE3 employee for the sole purpose of determining whether the termination is for cause. The review does not establish or represent a *Skelly* due process right.

If the City's Director of Human Resources or designee does not agree with the termination, the Director of Human Resources or designee shall advise OE3 within ten (10) work days of OE3's written notification that the designated status shall be preserved, notwithstanding the termination and said employee shall be treated consistent with similarly situated designated OE3 employees still in active status with and at the time OMI operations are transitioned back to the City effective March 1, 2008, or upon the actual date of transition.

If the City's Director of Human Resources or designee agrees with OMI's termination of a designated OE3 employee, the Director of Human Resources or designee shall advise OE3 within ten (10) work days of its determination; the determination is non-grievable and with no appeal rights to the City.

3rd IN WITNESS WHEREOF, the parties hereto have executed this Agreement
____ day of October 2007.

OPERATING ENGINEERS' LOCAL UNION NO. 3 of the International Union of Operating Engineers,' AFL-CIO

By: _____
JOE SANTELLA
Its: Business Representative

By: _____
DON DIETRICH
Its: Director of Public Employee Divisions

CITY OF STOCKTON, a Municipal Corporation

By: _____
J. GORDON PALMER, Jr.
Its: City Manager

By: _____
DIANNA R. GARCIA
Its: Director of Human Resources

APPROVED AS TO FORM:
RICHARD E. NOSKY, City Attorney
By: _____
MICHON JOHNSON
Its: Deputy City Attorney