



City of South Lake Tahoe

"making a positive difference now"

12

STAFF REPORT FOR THE CITY COUNCIL MEETING OF JUNE 17, 2008

JUNE 10, 2008

TO: HONORABLE MAYOR AND COUNCIL

FR: JANET EMMETT, HUMAN RESOURCES MANAGER

CC: DAVID JINKENS, CITY MANAGER

RE: APPROVAL OF PROPOSED CHANGES IN MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF SOUTH LAKE TAHOE AND THE SOUTH LAKE TAHOE ADMINISTRATIVE AND CONFIDENTIAL EMPLOYEES ASSOCIATION

RECOMMENDATION

Adopt the resolution

ISSUE STATEMENT AND DISCUSSION

Background

Action is being requested by the City Council to approve a new Memoranda of Understanding (MOU) with the South Lake Tahoe Administrative and Confidential Employees Association. The previous MOU ran from October 1, 2006 through September 31, 2007. Since October 1, 2007 the Association has been working under the terms and conditions of the previous contract.

The Proposal before the City Council with the South Lake Tahoe Administrative and Confidential Employees Association

Representatives of City management and the South Lake Tahoe Administrative and Confidential Employees Association have met and conferred on wages, hours, and other terms and conditions covering the employees of this unit. The proposed changes to the existing MOU are consistent with instructions provided by the South Lake Tahoe City Council during the meet and confer process to the City's Labor Negotiator in conformance with California Law. Both the Association and City representatives have acted in good faith throughout the bargaining process in arriving at this proposed agreement. To complete this process successfully, the terms and conditions proposed

herein must be ratified at a public meeting. Ratification of the agreement that falls within the instructions provided by the City Council and ratified by the Association demonstrates good faith bargaining by the City of South Lake Tahoe.

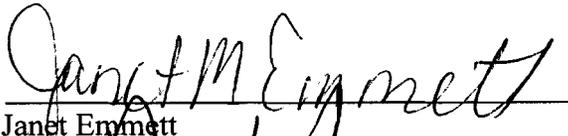
The following highlights the negotiated items. Some additional language changes were also made for clarification.

1. The agreement October 1, 2007 through September 30, 2010.
2. Salary changes as defined in the attached MOU agreement.
3. Health care plan changes to include the following:
 - a. new hires hired after 1-1-08 participate in a defined contribution retiree medical plan in lieu of a defined benefit plan.
 - b. new hires hired after 1-1-08 will participate in high deductible medical plan.
 - c. current employees continue on current low deductible plan with some plan design changes and with the option of transitioning to high deductible plan during annual open enrollment.
 - d. current employees participating in low deductible plan pay a share of monthly plan premium starting October 1, 2008.

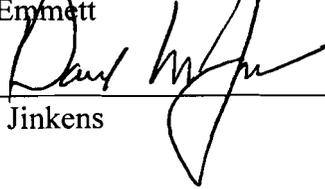
FINANCIAL AND/OR POLICY IMPLICATIONS:

The cost of the package outlined above is within the financial parameters established by the City Council, and is consistent with City Council policy.

Submitted by: _____


Janet Emmett

Approved by: _____


David Jinkens

cc: Director of Finance
Association Presidents

CITY OF SOUTH LAKE TAHOE

RESOLUTION NO. 2008 -

A RESOLUTION APPROVING A MEMORANDUM OF UNDERSTANDING WITH THE SOUTH LAKE TAHOE ADMINISTRATIVE & CONFIDENTIAL EMPLOYEES ASSOCIATION

WHEREAS, the City Council of the City of South Lake Tahoe and the South Lake Tahoe Administrative & Confidential Employees Association (General & Public Works) have met and conferred in good faith in accordance with the provisions of the Meyer-Milias-Brown Act of the California Government Code; and

WHEREAS, the South Lake Tahoe Administrative & Confidential Employees Association has ratified modifications to the Memorandum of Understanding for the term of October 1, 2006 through September 30, 2011,

NOW THEREFORE, IT IS HEREBY DETERMINED AND ORDERED THAT:

This City Council approves the modifications to the Memorandum of Understanding between the City of South Lake Tahoe and the South Lake Tahoe Administrative & Confidential Employees Association which are incorporated into the Memorandum of Understanding and directs the City Manager to take all steps that are proper and necessary to implement this agreement.

PASSED AND ADOPTED by the City Council of the City of South Lake Tahoe at a meeting on June 17, 2008 by the following vote:

AYES: _____

NOES: _____

ABSENT: _____

ABSTAIN: _____

Mike Weber, Mayor

ATTEST:

Susan Alessi, City Clerk

MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF SOUTH LAKE TAHOE
AND THE
ADMINISTRATIVE AND CONFIDENTIAL EMPLOYEES
ASSOCIATION

OCTOBER 1, 2007
THROUGH
SEPTEMBER 30, 2010

Approved ...date....

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MEMORANDUM OF UNDERSTANDING BETWEEN THE
CITY OF SOUTH LAKE TAHOE
AND THE
ADMINISTRATIVE AND CONFIDENTIAL EMPLOYEES' ASSOCIATION

Article 1. GENERAL PROVISIONS

Section 1.1. - PREAMBLE

This Memorandum of Understanding is entered into by the City of South Lake Tahoe (hereinafter referred to as the City) and the South Lake Tahoe City Administrative and Confidential Employees' Association, (herein referred to as the Association) after having met and conferred in good faith regarding wages, hours, and terms and conditions of employment of those employees in the representation unit identified in Appendix A. It is the intent of the parties to set forth herein their entire agreement resulting from such discussions.

Upon ratification by the City Council and the Association membership, this Memorandum of Understanding is binding under Government Code sections 3500-3510 (the Meyers-Milias-Brown Act) for the period commencing October 1, 2007, and ending September 30, 2010. This provision is based on the spirit of Interest Based Negotiations and will be administered under the principles of IBN.

Section 1.2- RECOGNITION

The City recognizes the South Lake Tahoe City Administrative and Confidential Employees Association, as the exclusive bargaining agent for the purposes of establishing wages, hours and terms and conditions of employment, for all permanent status employees in the current classifications shown on Appendix A.

Section 1.3 - MANAGEMENT RIGHTS

The Association acknowledges the City's rights and responsibilities as delineated in the current Section 17-4 of the City Personnel Rules and all applicable state and municipal laws; except both parties acknowledge the responsibility to meet and confer on any impact such actions may have on the wages, hours and terms and conditions of employees covered by this Memorandum of Understanding.

Section 1.4 - ASSOCIATION REPRESENTATION AND COMMUNICATION

A. Time off for Representation

City employees who are official representatives of recognized employee organizations shall be given reasonable time off with pay to attend meetings with management representatives, or to be present at hearings where matters within the scope of representation are being considered. The use of official time for this purpose shall be

reasonable and shall not interfere with the performance of City services as determined by the City.

Except by mutual agreement between the the Association and the City, the number of employees excused for such purposes shall not exceed three (3) from the bargaining unit. Such employee representatives shall submit a written request for excused absence to their respective Department Heads, with an information copy to the Human Resources Manager, at least two working days prior to the scheduled meeting whenever possible.

In addition, the City agrees that a total of twenty-four (24) hours in any calendar year may be used by Association members for the purpose of attendance at labor relations conferences. This time is a combined total for the Association and not a separate block of time for each subgroup.

B. Bulletin Boards

City departments which have employees in these bargaining units shall grant the association reasonable access to space on available bulletin boards for communications regarding official organization business, such as times and places of meetings. This privilege must not interfere with the needs of the department and may be revoked in the event of abuse.

C. Association Access to Employees

The City agrees that for purposes of representation on issues covered by this agreement, official representatives of the Association may meet with unit employees on City facilities during working hours, provided that prior notification has been given to the appropriate supervisor. The Association agrees that such meetings shall not interfere with the normal work duties of the employees.

Solicitation for membership in the Association or other internal association business not directly connected to administration of this agreement shall be conducted during the nonwork hours of all employees involved.

City facilities may be made available for use by City employees or the Association in accordance with such administrative procedures as may be established by the City Manager or Department Heads concerned.

Section 1.5 - PAST PRACTICES

The City and Association agree that those policies and practices affecting the wages, hours, or working conditions of employees in this unit not specifically amended by this Memorandum of Understanding will not be changed until and unless the Association and City have met and conferred prior to any change.

Section 1.6 - CONCERTED ACTIVITIES

It is agreed and understood that there will be no strike, work stoppage, slow-down, picketing, or refusal or failure to fully and faithfully perform job functions and responsibilities or other interference with the operations of the City by the Association or by its officers, agents, or members during the term of this agreement, including the recognition of picket lines or additional compliance with the request of other labor organizations to engage in such activity.

The Association recognizes the duty and obligation of its representatives to comply with the provisions of this agreement and to make every effort toward encouraging all employees to do so. In the event of a strike, work stoppage, slow-down, or other interference with the operations of the City by employees who are represented by the Association, the Association agrees in good faith to take all necessary steps to cause those employees to cease such action.

It is agreed and understood that any employee violating this article may be subject to discipline up to and including termination by the City.

Section 1.7 - MODIFICATIONS AND WAIVERS

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained in this agreement shall in any manner be binding upon the parties to the agreement, unless made and executed in writing by all parties involved, and if required, approved by the City Council and ratified by the membership of the Association.

Section 1.8- SAVINGS PROVISION

If any provisions of this agreement are held to be contrary to law by a court of competent jurisdiction, such provisions will not be deemed valid and existing except to the extent permitted by law. Those provisions declared invalid shall be deemed severable from this agreement; but all other provisions will continue in full force and effect.

Section 1.9 - REVISIONS TO THE CITY PERSONNEL RULES

A representative from this unit, as well as all other recognized bargaining units, will be invited to meet as a group to discuss proposed amendments or revisions to the Personnel Rules. Opportunities for input and discussion with the representatives will be held prior to the official posting for employees and consideration by the City Council.

ARTICLE 2. PAY RATES AND PRACTICES

Section 2.1 - WORK HOURS

Unless otherwise specified by the City, the standard work week for employees in fulltime positions shall consist of forty (40) hours during each seven (7) day work period, as work periods are defined by the City.

Section 2.2 - OVERTIME

This provision shall apply only to those employees designated as "confidential" as shown on Appendix A.

A. Definition/Approval

Overtime is defined as all management authorized hours worked in excess of forty (40) hours on paid status per workweek. Time spent in voluntary training is not considered time worked for the purposes of overtime calculation.

Permission to work overtime must be granted by the employee's department head or his/her designated representative. No overtime, except emergencies, may be authorized unless sufficient funds have been budgeted for that purpose.

B. Payment

Overtime over one-quarter of an hour shall be paid at the rate of one and one-half (1 1/2) times the employees regular rate as defined by the Fair Labor Standards Act, or may, at the request of the employee and with prior approval from the department head or his/her designated representative, be converted to compensatory time off at the rate of one and one-half (1 1/2) times the hours worked.

C. Accrued Compensatory Time

When elected, compensatory time earned shall be accrued at the end of each workweek, based on the total number of overtime hours in the workweek. Compensatory time earned within one workweek cannot be used within that same workweek.

Compensatory time off shall not be allowed to accumulate beyond a maximum of eighty (80) hours at any given time. Once a maximum of eighty (80) hours of compensatory time has been accrued, all additional hours of overtime worked shall be paid at the overtime rate.

When an employee separates from City service, he/she shall receive payment for any unused compensatory time on the books at that time. Such payment will be made at the employee's rate of pay at the time of separation.

Any non-exempt employee promoted to any exempt classification will be paid out for any comp time balance at the time of promotion – paid at the rate of pay being earned just prior to promotion.

Section 2.3 - CALL-BACK ASSIGNMENTS

This provision shall apply only to those employees designated as "confidential" as shown on Appendix A.

Employees who are called back to work on an unscheduled, emergency basis at a time outside their regularly assigned work shift shall receive a minimum of three (3) hours pay at the overtime rate as provided in the overtime section of this MOU.

Section 2.4 NIGHT SHIFT DIFFERENTIAL

The Street Supervisor or Superintendent assigned to supervise the night shift of the snow removal, shall be paid the 4% night shift differential from November 1 of each year through April 30, so long as the night shift differential is provided to the employees supervised.

Section 2.5 SNOW REMOVAL IN LIEU PAY

Street Superintendent, Street Supervisor, Fleet Manager, and Airport Maintenance and Operations Supervisor shall receive differential pay based on the formula described below. Snow removal operations generally require twelve hour shifts, varied start and ending times, extra shifts on weekends, and short notice availability.

The pay shall be determined in July of each year as follows:

- a. The snow removal (only) overtime of immediate subordinates shall be averaged for a three year period
- b. The percentage of overtime, based on a 2080 hour work year, shall be multiplied by 1.5.
- c. The Street Superintendent shall receive an additional 1% for extra duties involved in determining when to initiate snow removal operations.
- d. The calculated in lieu pay shall be paid as an additional percentage on base pay for the entire fiscal year in recognition of working extended hours during snow removal season.
- e. The recalculated rate shall become effective October 1 of each year.
- f. Employees in the classifications eligible for this pay shall be able and willing to be involved in snow removal operations which require twelve hour shifts, varied start and ending times, extra shifts on weekends, and short notice availability. Employees unable to perform snow removal related duties permanently or for an extended period of time shall be ineligible to receive this pay.

Section 2.6 - ACTING PAY

Employees may be assigned by management to temporarily assume some or all of the duties of a position which is vacant due to a temporary absence or termination of the incumbent. Additional compensation shall be given for such assignments when the following provisions have been met:

- a. The assignment is made in writing by the Department Head or his/her designated representative.
- b. The employee is assigned to perform a significant majority of the duties of a budgeted vacant position in a higher paid classification.
- c. The duties of the higher class are assigned to and performed by the designated employee for more than six (6) consecutive working days.

Employees who perform the duties of a higher classification under the above provisions, shall receive "acting" pay beginning on or retroactive to the first day of the assignment. Acting pay shall be five percent (5%) more than the employee's salary in the present classification, or the first step of the higher classification's pay range, whichever is greater. In no case shall the employee receive a salary greater than the top step of the salary range of the higher classification.

Acting pay shall apply to any overtime worked in the higher classification (when eligible), but shall not apply to any paid leave taken during the acting assignment.

Work assignments shall not be changed for the sole purpose of evading the requirement of providing acting pay to an employee who would otherwise be eligible.

Section 2.7 - SALARIES

- a. **Base Salaries:** Employees employed upon implementation of this agreement in all of the classifications in the bargaining unit will receive the following base-salary increases during the term of this agreement:

Three and a half percent (3.5%) effective October 1, 2007.

Four percent (4%) COLA and two percent (2%) equity adjustment effective October 1, 2008.

Four percent (4%) COLA and one percent (1%) equity adjustment effective October 1, 2009.

Section 2.8 – HEALTH BENEFIT COST SHARING OFFSET – CONFIDENTIAL CLASSIFICATIONS

In fiscal year 2008-2009 and 2009-2010 the City will provide an offset equal to one half of the employee's cost share expense. The employee will have the option to have this amount deposited into the employee's pre-tax 457 plan. For fiscal year 2008-2009 a deposit to the pre-tax 457 plan will be made effective January 1, 2009. For fiscal year 2009-2010 a deposit made into the pre-tax 457 plan will be made effective January 1, 2010. Employee also has the option of receiving the payment in cash less applicable taxes and deductions. Payment would be made in the first full pay period in January.

Section 2.9 – SIXTH STEP

Effective the pay period including December 11, 2001, a sixth step of 5% shall be added to salary ranges of all Association members. Eligibility for the sixth step is governed by the Personnel Rules.

Section 2.10 - MERIT PAY

Employees who meet the following criteria will receive a 6% merit pay differential in addition to their normal base pay. All of the following criteria must be met to receive the merit pay differential:

- a. Have worked for the City as a probationary/permanent employee not less than five years.
- b. Have not less than 520 hours of accumulated sick leave.
- c. Employees absent from work for more than the equivalent of two shifts, except for preapproved leave other than sick leave, in any calendar year, shall not receive merit pay differential for any pay period in which their accumulated sick leave is less than that specified in sub paragraph b above.

Section 2.11 - BILINGUAL PAY

The City will pay an additional \$50 per month (paid bi-weekly) to employees in this unit who are able to demonstrate bilingual capacity in Spanish. The testing will be administered through Human Resources. A written request for testing must be submitted to Human Resources. If it is determined that the employee is fluent in Spanish, the employee will be paid the bilingual differential effective the month in which the request for examination was submitted.

Section 2.12 - MANAGEMENT/SUPERVISION/PROFESSIONAL INCENTIVE PAY

Employees of this unit earning a minimum of 64 hours of education/training/licensing (documented and approved by their department head and City Manager), effective October 1, 1999, shall receive one and one-half percent (1.5%) above the authorized rate of pay contained in the approved salary plan. Any future hours earned must be preapproved by the department head and City Manager.

If education is used to accumulate the hours, courses must have been completed with a grade of "C" or better. One semester unit is equivalent to 15 hours; one quarter unit is equivalent to 10 hours.

Employees must submit proof of training within 60 calendar days of receiving the the required 64 hours of training or promotion. If the employee does so, Management Incentive Pay will begin retroactive to the date that the employee received the required 64 hours of training or promotion. If the employee fails to provide the proof of training within 60 calendar days, Management Incentive Pay will begin during the next full pay period after the employee provides proof of training to the City.

ARTICLE 3. PAID LEAVES

Section 3.1- HOLIDAYS

A. Holidays

Eight (8) hours of paid leave shall be granted to all eligible employees for each of the following days:

New Years Day	January 1
Civil Rights Day/	
Martin Luther King, Jr.'s Birthday	Third Monday in January
Washington's Birthday	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Columbus Day	Second Monday in October
Veterans Day	November 11
Thanksgiving Day	Fourth Thursday in November
Day After Thanksgiving	Fourth Friday in November
Christmas Eve	December 24
Christmas Day	December 25

Regular status, part-time employee shall be paid for holidays on a pro- rated basis, given the ratio of their budgeted work schedule to full-time status.

B. Holiday Observance

For employees whose regular work schedule is Monday through Friday, holidays which fall on a Saturday shall be observed on the preceding Friday, and holidays which fall on a Sunday shall be observed on the following Monday.

For employees whose regularly scheduled day off falls on a fixed holiday, the number of holiday hours normally earned on that day shall be converted to compensatory time.

Whenever December 24th falls on Saturday or Sunday, the Christmas Eve holiday will be observed on the preceding Friday. Whenever December 25th falls on a Saturday or Sunday, the Christmas Holiday will be observed on the following Monday.

C. Holiday Eligibility

To qualify for holiday pay, an employee must be on paid status on his/her last regularly scheduled work day immediately preceding the holiday and on his/her first regularly scheduled work day immediately following the holiday.

Holidays which occur while an employee is on paid vacation or sick leave shall be charged to holiday hours and not the employee's vacation or sick leave balance.

D. Holidays Worked

This provision shall apply only to those employees designated as "confidential" as shown on Appendix A.

Employees who work on any fixed holiday at the direction of their department head or his/her designated representative shall be paid, or at the request of the employee given compensatory time off, at the overtime rate for the number of hours worked and, in addition, shall receive his/her regular holiday pay.

Section 3.2 - VACATION

A. Accrual

Employees covered by this agreement shall accrue vacation leave each payperiod in relation to their years of continuous service in a permanent-status position as follows:

<u>Years of Service</u>	<u>Accumulated Vacation per Year</u>
First five (5) years	88 hours
Beginning of the sixth (6th) year	128 hours
Beginning of the eleventh (11th) year	168 hours
Beginning of the fifteenth (15th) year	176 hours
Beginning of the eighteenth (18th) year	184 hours
Beginning of the twenty-first (21st) year	208 hours

Regular status, part-time employees shall accrue vacation on a proration of the schedule above, based on the ratio of their budgeted workweek to full-time status.

Employees shall not accrue vacation leave for any time spent on unpaid leave of absence.

B. Maximum Vacation Accrual

The total number of accrued vacation hours which may be carried over for an employee from one calendar year to the next shall be limited to the hours equivalent of thirty (30)

working days or six (6) workweeks. Any accrued vacation over this maximum shall be forfeited at the end of the calendar year with no payment. This limitation shall be imposed on the last day of the first full pay period of the calendar year.

C. Use and Scheduling of Vacation

Employees may begin to use accrued vacation leave after completion of six (6) months of service in a permanent-status position. Vacation leave may be taken in increments of less than one day with the approval of the department head or designated representative.

Vacation requests should be made, whenever possible, a minimum of ten (10) working days prior to start of the vacation leave to permit proper planning of staff needs and work assignments. Requests shall be made in accordance with the procedures established by the department head or his/her designated representative.

All other provisions of the current City Personnel Rules regarding vacation leave (included in section 12-1) shall continue to apply.

D. Vacation Sell Back

Employees may elect to sell back to the City accrued, but unused, vacation when the following provisions have been met:

1. The employee has used a minimum of forty (40) hours of accrued vacation during the twelve (12) months immediately preceding the selling of hours; and
2. The employee will have no less than sixty (60) hours of accrued vacation remaining after the selling of hours.

The employee will be compensated for such sold vacation hours at the salary rate in effect for that employee at the time the hours are returned to the City.

The minimum number of hours that can be sold to the City at any one time for its cash equivalent is ten (10) hours.

E. Additional Vacation Accrual

The City and Association agree that employees covered by this MOU may elect to accrue either forty (40) or eighty (80) additional hours of vacation per year provided, however, that any employee who so elects this additional accrual will take a reduction in pay equivalent to the additional hours accrued. This additional accrual must be accomplished over a twelve (12) month period of time, and additional hours purchased will be credited to the employee's vacation balance each payperiod as follows:

40 hours purchased = 1.54 hours vacation accrual each payperiod
80 hours purchased = 3.08 hours vacation accrual each payperiod

Section 3.3 - SICK LEAVE

A. Accrual Rate

Regular status, full-time employees shall accrue sick leave at the rate of eight (8) hours per month. Regular status, part-time employees shall accrue sick leave on a pro-rated basis, given the ratio of the budgeted workweek to full-time status.

B. Eligibility Requirements

Employees shall begin to accumulate sick leave as of the date of their employment into a permanent-status position, and shall be eligible to use sick leave once they have accrued sufficient leave hours. Sick leave shall be allowed only in the event of the employee's personal illness, medical appointment or physical disability, or the illness, disability or death of a family member which requires their personal attendance, as defined in current section 12-2 of the Personnel Rules.

Employees shall not accrue sick leave for any time spent on unpaid leave of absence.

C. Payment for Unused Sick Leave

Payment for portions of accumulated but unused sick leave will be made as follows:

1. Active Employees:

Employees whose accumulated sick leave exceeds five hundred twenty (520) hours at the beginning of the second full pay period in December 1999, shall have those hours in excess of five hundred twenty (520) hours placed in a catastrophic leave bank. Those employees with catastrophic leave may, at their discretion, use the catastrophic leave in lieu of regular sick leave. Once catastrophic leave has been used, it cannot be reaccrued.

2. Retired Employees

For the purposes of this section, a retired employee, is defined as an employee who retires under the provisions of the Public Employees Retirement System.

Employees retiring from City service shall receive a payment equivalent to one hundred percent of the employee's unused sick leave balance on record on the date of retirement.

3. Employees Terminating After Ten (10) Years Service

Any employee leaving City service after ten (10) years of service, but not retiring, shall receive a payment equivalent to one-half (1/2) of the employee's unused sick leave balance on record on the date of termination. For the purposes of this payment service shall be calculated from the date of original appointment to a permanent-status position. This provision shall not apply to employees who are terminated for cause.

4. Employees Who Die While in Active Service

The estate of any employee who dies while in active service with the City shall be paid an amount equivalent to one-hundred per cent (100%) of the employee's unused sick leave balance on record on the date of death. Payment made on behalf of the deceased employee under this provision shall be paid to any person so designated in writing by the employee or the heirs of the employee and filed with the Human Resources Office.

For the purpose of this section, the amount equivalent to accumulated sick leave balances shall be determined by applying the employee's current rate of pay at the time of the payment for unused sick leave.

Section 3.4 - DONATION OF SICK LEAVE

Unit employees shall be allowed to donate the equivalent of one shift's hours of sick leave to other employees who have experienced a serious illness or injury which is not covered fully by City paid time or insurance. The employee who is in need of donated sick time must have exhausted all compensatory time, sick leave and vacation before other employees may make donations. Donation of sick leave will be available only to individuals who are absent from work for periods in excess of five days, and who have not exhausted their paid time off through repeated nonrelated illness or injuries which were not of a serious nature.

Maximum donation of sick leave shall be one day (shift) per incident per donating employee. The final determination as to the recipient's eligibility for donated sick leave time shall be made by the Department Head. Any donated hours that remain in the recipient's bank after return to work from the qualifying incident, shall be pro-rated back to the individual donors' sick leave accounts.

Section 3.5 - SCHEDULING OF VACATION AND COMPENSATORY TIME OFF

Departments shall attempt to accommodate employees requests for time off and shall not unreasonably deny such requests. In approving such requests, consideration shall be given to both the wishes of the employee and the needs of the City service. Employees shall request time off in advance and the department head or his/her designated representative shall notify the employee as soon as possible of his/her approval or denial. No employee who has made a reasonable request to use his/her accrued time and has been denied such use, shall lose the accrued time requested.

Section 3.6- DRIVERS LICENSE RENEWALS

A. Time-off

The City agrees that employees who are required as a condition of continued employment (as indicated in the job specification) to maintain a valid commerical driver's license shall be granted up to two (2) hours paid time off for the purpose of completing the required medical and Department of Motor Vehicle written exams.

B. Medical Exams

The City agrees to reimburse to the employees defined above, their cost of medical exams to acquire and maintain a valid commercial driver's license. Such reimbursement will be limited to the amount specified in the agreement between the City and the contract City physician.

Section 3.7 - BEREAVEMENT LEAVE

Employees shall be allowed 40 hours paid time off per year for bereavement in the event of the death of one of the following: Parents, step-parents, spouse, registered domestic partner, child or step-child, brother, sister, step brother, step sister, current parents-in-law, current sister or brother in law, grandparent, current grandparent-in-law. In no event will an employee be eligible to receive more than a total of 40 hours per calendar year for bereavement leave.

ARTICLE 4. BENEFITS

For employees who work 30 hours per week or more, the City shall pay the monthly premium costs for the medical/dental and vision insurances for both employee and dependent coverage as outlined below. For regular status employees who work 20 hours or more but less than 30 hours per week, the City shall pay the premium cost for employee coverage only subject to cost sharing outlined below. Such employees may purchase dependent coverage by payment of the difference between the employee only and family premiums through payroll deduction in addition to any individual cost sharing. Health benefits are not available to regular employees working less than 20 hours per week.

Except as provided below, no employee/employee organization/elected official will receive a better medical/dental package than the one outlined herein, without the improvement being applied to this unit. If other units trade salaries or benefits for significant improvements, the members of this unit shall be offered the opportunity to negotiate an equitable trade. Savings attributable to plan changes will be placed in the Retiree Medical reserve account.

The Association agrees that the following shall not fall under nor be subject to the preceding paragraph regarding other "employee/employee organization/elected official":

City Council members may opt out of the City medical/dental insurance coverage upon proof of other insurance coverage. Such City Council member may qualify for a contribution paid directly to his/her alternate health plan provider by the City if the following conditions are met: (1) the City Council member was receiving medical/dental coverage from the City prior to opting for alternative coverage; (2) the City Council member is being required to pay for all or some portion of the alternate health plan; (3) the City's contribution for such alternate coverage will not exceed the dollar amount that the City would currently be paying for the Council member if he/she had continued coverage under the City's health/dental

plan instead of opting for alternate coverage; 4) City Council members who choose to opt out of the city's health/dental plan under this paragraph are opting out permanently and will not be eligible to be re-accepted into the city's health/dental plan unless the City Council member experiences an event considered a "qualifying event" by the city's health plan in effect at the time the request to rejoin the city's plan is received; 5) under this paragraph, the City must pay the alternate health plan provider directly; payments can not be made to City Council members.

Section 4.2 HEALTH AND WELFARE

- 4.2.1 Coverage – Employees covered by this agreement shall be eligible to receive the insurance benefits outlined below. The summary plan descriptions and/or formal plan documents for these benefit programs are available from the City Human Resources Department and are hereby incorporated by reference into this agreement.
- 4.2.2 Dental Plan Unless otherwise agreed upon by the parties, the dental plan benefit will continue for the term of this agreement. The City will pay the premium for employee only or employee plus dependent coverage for the term of this agreement.
- 4.2.3 Vision Care Unless otherwise agreed upon by the parties, the vision plan benefit will continue for the term of the agreement. The City will pay the premium for employee only or employee plus dependent coverage for the term of this agreement.
- 4.2.4 Employees Hired Prior to January 1, 2008: The City and Association agree that, unless otherwise agreed upon, the following low-deductible medical benefit will continue for the term of this agreement.

Fiscal Year 2007-2008: The City agrees to contribute the dollar amount necessary to fund the premium for low-deductible individual employee coverage or family coverage for the period of October 1, 2007 through September 30, 2008 for medical, dental and vision coverage.

Fiscal Year 2008-2009: Effective October 1, 2008, employees will be required to fund a share of the premium for low-deductible individual employee coverage or family coverage based upon the calculation method described below and as described in Appendix C:

- a. Using the monthly premiums for the fiscal year 2007-2008 as a base, employees will fund 50% of the increase in premium. Premiums will be determined by the City based upon advice of the health plan underwriters, third party administrator and other consulting services. The City reserves the right to make determinations regarding the premium level which may include increasing the aggregate funding percentage up to no more than

100%. Information on how the premium is determined is included in Appendix D.

- b. Employee share of the premium will be deducted from pay each pay period using pre-tax money in accordance with Section 125 of the IRS code. In the event the employee is in an unpaid status (leave without pay) the employee share of the premium shall be paid each pay period on an after-tax basis.
- c. Effective January 1, 2009, employees hired prior to January 1, 2008 may select the high-deductible health plan described in Section 4.2.5 below. The employee's selection will occur on an annual basis during the open-enrollment period.

Fiscal Year 2009-2010: Effective October 1, 2009, employees will be required to fund a further share of the premium for low-deductible individual employee coverage or family coverage based upon the calculation method described below and as described in Appendix C:

- a. Using the base amount for fiscal year 2008-2009 plus the City's 50% contribution for fiscal year 2008-2009 as a revised base, employees will fund 50% of the increase over the revised base. Premiums will be determined by the City based upon advice of the health plan underwriters, third party administrator and other consulting services. The City reserves the right to make determinations regarding the premium level which may include increasing the aggregate funding percentage up to no more than 100%. Information on how the premium is determined is included in Appendix D
- b. Employee share of the premium will be deducted from pay each pay period using pre-tax money in accordance with Section 125 of the IRS code. In the event the employee is in an unpaid status (leave without pay) the employee share of the premium shall be paid each pay period on an after-tax basis.

4.2.5 Employees Hired on or after January 1, 2008: The City and Association agree that unless otherwise agreed upon, the following high-deductible medical benefit will continue for the term of this agreement.

- a. Premiums and Deductibles: The City will pay the premium for high-deductible individual employee or family coverage. Individual employee coverage includes a \$1,250.00 annual deductible and \$2,000.00 annual out-of-pocket maximum for preferred provider care. Family coverage includes a \$1,250.00 per person (employee and family members) annual deductible with a \$2,500.00 total family annual maximum deductible for preferred provider care. Family coverage also includes a \$2,000.00 per person (employee and family members) annual out-of-pocket maximum with a \$6,000.00 total family annual

out-of-pocket maximum for preferred provider care. Out-of-pocket maximum does not include the deductible.

- b. Health Reimbursement Arrangement (VEBA funded HRA): Each employee receiving the high-deductible medical benefit will have a Health Reimbursement Arrangement (HRA) account under the City's healthcare funding investment program. The City will administer HRA accounts in the manner required by Federal law and employees will vest in their HRA accounts to the extent permitted by law. The City will make an initial \$1,000.00 contribution into a VEBA trust to fund the HRA account for each employee hired on or after January 1, 2008. The City will contribute \$35.00 per month for individual employee coverage and \$100.00 per month for family coverage into the VEBA funded HRA account for each employee participating in the high-deductible program. The City contribution will start at the beginning of the first full calendar month of employment.

4.2.6 Life Insurance: For the term of this agreement, the City will purchase a life insurance benefit for each employee providing \$50,000 coverage.

4.2.7 Spousal Employment Health Benefits: Employees' spouses must elect employer sponsored group medical coverage from their own employers when offered at an employee contribution cost for single coverage of no more than \$75.00 per month. Employees' spouses who obtain their own-employer's health benefit may remain on the City's medical benefit in a secondary capacity. Employees will be required to confirm in writing their spouses' eligibility for employer medical coverage at least annually. Spouse's both employed by the City of South Lake Tahoe must both independently have at least employee only health coverage under the City's plan.

4.2.8 Legislative Changes: In the event legislation changes such that employer financed universal health is required through the State or Federal government, there will be an immediate re-opener to discuss the impact of the legislation on the current City plan.

Section 4.3 RETIREE HEALTH

4.3.1 Employees Hired Prior to January 1, 2008

- a. Retiree Medical/Dental Plan - Employees who retire from City service shall be eligible to maintain membership in the City medical/dental for employee only, employee and spouse, and or employee and dependents:

<u>Years of Service with the City (from date of permanent hire)</u>	<u>% of Retiree Premium Medical/Dental Paid by City</u>
25 years or more	100%
20 years	75% plus 5% for each additional year
15 years	50% plus 5% for each additional year

10 years	25%
Less than 10 years	0%

Unit members hired after June 4, 2002 shall only be eligible to receive single coverage for City paid retiree medical insurance, at the same percentages outlined above.

Coverage shall continue indefinitely, however, the City health plan shall become a secondary plan to all components of Medicare at the time the retiree is eligible for the Medicare program as defined in the Plan Document. For the term of this agreement this includes Medicare Part A and B; as well as Medicare Part D is included for employees/retirees who are under age 50 as of 1-1-08..

- b. Retiree Vision Care -Retirees may purchase, at their own expense, the City sponsored vision care plan at the same rate the city pays on behalf of employees, if the retiree elects medical coverage.
- c. Retiree Death Coverage - For unit members hired prior to June 4, 2002 who have dependent retiree coverage: Upon the death of a retiree, the retiree spouse will be eligible to continue coverage at the same percentage as that prior to the retiree's death. Such coverage will continue until the spouse is eligible for Medicare at which time the city health plan will become secondary to all components of Medicare.

Upon the death of a retiree who retired prior to October 31, 1998 the following plan document provision applies:

“The Employer will continue to make the same contribution for the coverage as if the employee or retiree were still alive for the first twenty-four (24) months of that continuation. After twenty-four (24) months, coverage may be continued under the Continuation of Coverage (COBRA) provision of This Plan for an additional 12 months, provided the dependents elect coverage under that provision. The Covered Dependents will be totally responsible for contributions after the Employer's contributions cease.”

- d. Employees eligible for the defined-benefit retiree medical/dental plan described in this section 4.3.1 may opt-out of that benefit and choose instead to participate in the Retiree Medical Savings Account benefit described below in section 4.3.2. The employee's decision to opt-out of the defined-benefit medical/dental plan will occur during an open-enrollment period and is irreversible.
- e. Employees who do remain in the defined benefit as described in section 4.3.1. who otherwise meet the eligibility requirements as described in section 4.3.1. will retire with benefits as it is described in the plan document at the time of retirement. The City will continue to maintain the “low deductible plan” for the term of this agreement.

4.3.2 Employees Hired On or After January 1, 2008

a. **Retiree Medical Savings Account:** Employees hired on or after January 1, 2008 will participate in a Retiree Medical Savings Account (RMSA) instead of being eligible to continue to participate in the City's health plan during retirement as described in Section 4.3.1 above. The City will contribute \$50.00 for each pay period that an employee is in a paid status to each participating employee's RMSA beginning the first full calendar month of the employee's participation in the RMSA benefit. Upon retirement in good standing from the City, employees hired on or after January 1, 2008 may use their RMSA funds to purchase retiree health benefits from third-party providers of their choice and receive reimbursement for other incurred medical expenses as prescribed in Section 213(d) of the Internal Revenue Code.

b. **Vesting:** City contributions are vested on the following schedule:

Years of Service with the City (from date of permanent hire)	% of Account Vested
25 years	100%
20 years	75% plus 5% for each additional year
15 years	50% plus 5% for each additional year
10-15 years	25%
Less than 10 years	0%

c. **Legislative Changes:** In the event legislation changes such that employer financed universal health is required through the State or Federal government, there will be an immediate re-opener to discuss the impact of the legislation on the current City plan.

Section 4.4 - RETIREMENT BENEFITS

A. Retirement Plan

All employees in this unit shall be members of the Public Employee's Retirement System (PERS). In exchange for a reduced COLA in 2002/03, the City shall pay the 8% employee contribution (formerly paid at 7%) required for each employee.

The City and the Association understand that the Public Employees Retirement System no longer allows employees who are within three years of retirement the option of paying their own PERS, effective June 30, 1994. The City and Association agree to pursue continuation of the benefit by implementing the reporting method allowed under IRC Section 414 (h) (2) of the Internal Revenue Code and PERS. It is our understanding that this will allow the benefit to continue without increased costs to the City.

The Association and the City agree to the revision of the PERS Contract which involves implementation of the 2.7% at 55 retirement option for miscellaneous employees. It is understood by both parties that, under PERS regulations, all miscellaneous employees employed by the City must be covered if the option is to be implemented.

PERS Survivor Benefit shall be maintained by the City at the "Index Level."

Section 4.5 - HEALTH CARE COST CONTAINMENT

Use of Recreation Center

Employees covered by this MOU are eligible to use the Recreation Center facilities by purchasing a three-month useage card from the Parks and Recreation Department. Current price of the card to employees covered by this MOU is \$15. Future adjustments of the price will be at the same percentage rate as that of usage cards sold to the public. Employees who purchase said card shall not be eligible for reimbursement under the City Wellness Program. The card may be used only by City employees. Employees may utilize the Recreation Center during times when the Center is open to the general public. In addition, employees of the Association may utilize the gymnasium and weight room facilities between the hours of 6 a.m. and 8 a.m. provided:

- a. A Parks and Recreation employee is on duty during those hours to provide access at the facility;
- b. Use of the facility during said hours does not interfere with the activities of maintenance employee(s);
- c. Employees must leave the facility in an orderly and clean condition.

Should employees not comply with the requirements outlined, the Parks and Recreation staff may restrict employee use of the facility during the hours of 6 a.m. and 8 a.m.

Section 4.6 - NO NICOTINE USE POLICY

As a condition of employment, new employees hired after 1-1-08 shall be prohibited from using nicotine products on or off duty.

Section 4.7 - EMPLOYEE ASSISTANCE PROGRAM

The City shall continue to provide an employee assistance program to provide psychological counseling services to all unit employees and their dependents. The benefits provided under this program shall be as described in the program description available from the Personnel Department.

Section 4.8 - EMPLOYEE WELLNESS AND PHYSICALS

For those employees who are not already provided a regular physical exam under Section 3.6 of this agreement (Driver's Licenses) or as required by O.S.H.A. regulations (i.e., chlorine and lead handlers), the City shall provide an optional, fully paid physical exam performed by the City-selected physician once every two years.

Employees may elect to have their periodic medical examination conducted by a physician other than the regular physician designated by the City. If this occurs, the City shall reimburse the actual cost of the physical to the employee, but such reimbursement shall not exceed the amount which would have been paid to the City selected physician. A mammogram, PSA and/or blood panel may be added to the annual physical if requested by the employee.

The results of this medical exam shall be sent by the physician to Human Resources, however, in order to protect the patient/ physician relationship, such information shall not be public. The results of the examination shall only include information related to the capability of the employee to meet the requirements of the position as determined by the physician.

The City shall incur no further responsibility for the employee's compliance with the advice or suggestions of the physician, nor for any additional treatment expenses not already covered by other employee benefits.

Nothing in this section shall preclude the City from requiring the employee to undergo special examinations from a physician of the City's choosing.

Section 4.9 - MILEAGE ALLOWANCE AND REIMBURSEMENT

Employees required to travel on City business will be assigned a City car, have a City car made available to them, or be reimbursed at the standard IRS rate, which meets the substantiation requirements, that is in effect at the time the mileage is driven for actual miles driven. Reimbursement for actual miles driven shall not include home to office use. Determination as to which of the above methods will be used shall be made by the City Manager after consultation with the Department Head.

Section 4.10 - UNIFORMS

4.8.1 The City agrees to continue the current uniform provisions and cleaning service for the following maintenance employees: fleet manager, facilities manager, airport maintenance and operations supervisor, street superintendent, and street supervisor.

A \$200 clothing allowance is available, in lieu of uniform provision and cleaning, for Fleet Manager, Facilities Manager, Airport Maintenance and Operations Supervisor, Street Superintendent and Street Supervisor. This clothing must carry City ID and be appropriate apparel.

4.8.2 Employees in classifications represented by this Unit shall wear professional attire that is appropriate to their classification, promotes safe working, and reflects positively on the City during public interactions.

Section 4.9 - EMPLOYEE TRAINING

A. Tuition Reimbursement

The City shall reimburse employees for expenses they have incurred for tuition and books in taking an approved job-related course. Only courses which relate to the employee's current position with the City or would prepare the employee for advancement within that career field will be considered as eligible for tuition reimbursement. Reimbursement shall not be made until employee submits documentation of expenses and successful completion of the course.

B. Training Courses

Upon approval of the Department Head, employees may be authorized to attend job related training programs during regular working hours. When the needs of the City services so require, the department head or his/her designated representative may direct an employee to attend a meeting or conference as part of the professional training required for the position. When such attendance is authorized or directed, payment for training-related expenses shall be paid by the City in accordance with authorized travel expense reimbursement policy, and shall be distinct from the compensation paid for time worked.

C. Travel time

Time spent traveling to and from authorized training programs shall be paid in accordance with the Fair Labor Standards Act.

ARTICLE 5. DISCIPLINARY APPEALS PROCEDURE

Section 5.1 - Application

The disciplinary appeals procedure described herein shall be available to all permanent status employees covered by this Memorandum of Understanding. It shall not be applicable to probationary employees.

Section 5.2 - Definition

As used in this procedure, disciplinary action shall mean discharge, demotion, reduction in pay, or suspension without pay. Suspensions without pay for periods of less than three (3) working days shall not be subject to the pre-action requirements of this procedure and may be appealed only to the City Manager Review level. The City Manager's decision on such appeals shall be final.

Suspension without pay shall be scheduled on consecutive days and shall not exceed a total of thirty (30) consecutive work days for any one suspension. In no event shall such suspension be imposed against vacation and/or compensatory time off previously earned by an employee.

Section 5.3 - REPRESENTATION / NO REPRISAL

An employee may be represented by individual(s) of his/her choice at any and all stages of this appeal process. The City shall grant a reasonable amount of paid release time from work for one employee to assist the appellant in preparing and presenting an appeal at any level of this procedure.

When an employee whom the City is proposing to discipline or whom the City has disciplined has identified a representative or representatives, such representative(s) shall be notified of formal actions taken in the disciplinary process.

In the case of disciplinary actions consisting of suspensions without pay for less than three (3) days, employees shall be given notification sufficiently in advance to allow a representative to be present during the presentation of the disciplinary document.

No employee shall be subject to restraint, coercion, or reprisal as a result of filing an appeal under this procedure.

Section 5.4 - Time Limits

Failure of the employee to file an appeal within the required time periods specified for any level of this procedure shall constitute an abandonment of the disciplinary action appeal. Failure of the City to act within the required time periods shall result in an automatic advancement of the appeal to the next step. Time limits specified in this procedure may be extended by mutual written agreement between the employee or his/her representative and the City.

The term, "submit to" as used in this procedure shall mean the actual delivery of the document to the addressee's normal place of business.

Section 5.5 - Pre-Action Procedure

A. Action Proposed by Department Head

Prior to imposing disciplinary action involving a suspension without pay of three (3) or more working days, reduction in pay, demotion, or discharge, the department head shall first provide the employee an advance written notice of the proposed action including the following:

1. The specific disciplinary action being proposed.
2. The specific grounds and particular facts upon which the action is based.
3. Copies of all documents and materials upon which the action is based or access to such material at a reasonable time.
4. Notification that the employee has a right to respond to the charges either orally, in writing, or both prior to implementation of the discipline, and that such response must be made to the department head within five (5) working days of the date the employee receives the notice.

B. Pre-Action Employee Response

The employee shall have the right to respond within five (5) working days to the proposed discipline verbally, and or in writing prior to the discipline being imposed. The employee's department head will usually be the Skelly Officer.

The department head/skelly officer shall issue a written decision on the proposed disciplinary action within five (5) working days of hearing or receiving the employee's response. Copies of this decision shall be sent to all parties directly involved in the discipline, including the supervisor or manager, the employee, his/her representative, and the Human Resources Manager.

Section 5.6 - Post-Action Appeal

A. City Manager Review

The employee has the right to submit an appeal of the department head's decision to the City Manager within ten (10) working days after receipt of the written decision. Any such appeal must be in writing, explaining the action being appealed, the reasons for the appeal, and the action the employee desires be taken.

The City Manager may appoint a personal designee, who shall not be the concerned department head or others directly involved in the disciplinary action, to hear the appeal. The City Manager or his/her designee shall set a meeting date which shall not be more than fifteen (15) working days after receipt of the appeal by the City Manager. The appellant, the department head, and any other parties requested by the City Manager or his/her designee shall attend the meeting and present oral and/or documentary evidence relevant to the disciplinary action. The City Manager or his/her designee may also conduct such other independent investigation of the charges and discipline as he/she deems necessary.

Within ten (10) working days following the hearing, the City Manager or his/her designee shall issue a written decision to all parties involved. The designee has the authority to affirm, repeal, or modify the disciplinary action taken.

The City Manager's review may be waived by mutual agreement between the appellant and the City.

B. Hearing Officer

The employee has the right to appeal the decision of the City Manager's designee by submitting to the City Manager a written request for a hearing by an outside hearing officer. Such appeal must be submitted to the City Manager within ten (10) working days after receipt of the designee's decision.

The outside hearing officer shall be selected by the Human Resources Manager and the appellant from a list of qualified individuals provided by the State Mediation and Conciliation Service. The City and the appellant shall alternately strike names from the

list. The last name remaining shall be the hearing officer. The party striking first shall be determined by lot.

Upon mutual agreement and with the consent of the hearing officer, the City and the grievant may submit written materials to the hearing panel in lieu of holding a hearing.

All interested parties shall be notified in writing by the Human Resources Manager of the date, time, and place of the hearing at least ten (10) working days prior to the hearing.

The hearing shall be conducted under the following rules:

1. All hearing shall be private; provided, however, that the appellant may request a hearing open to the public.
2. Proceedings of the hearing shall be recorded but not transcribed except at the request of either party. The party requesting the transcript shall bear the expense involved unless shared expenses are agreed to by both parties. Should either party request transcription, a copy shall be made available to the other party.
3. Either the City or the appellant may call any individual as a witness and/or the hearing officer shall (as legally authorized by City Council action) issue subpoenas by request of either party. If a witness(es) called is a City employee, the City agrees to grant paid release time from work for the period of testimony. The appellant shall appear in person at the hearing, unless physically unable to do so.
4. The hearing need not be conducted in accordance with technical rules relating to evidence and witnesses, but hearings shall be conducted in a manner most conducive to determinations of the truth.
5. Each party shall have the following rights: To be represented by legal counsel or other person of his/her choice; to call and examine witnesses; to introduce evidence; to cross-examine opposing witnesses on any matter relevant to the issues; and to rebut the evidence against him/her.
6. Oral evidence shall be taken only on oath or affirmation.
7. The hearing officer shall determine relevancy, weight, and credibility of testimony and evidence, and shall base his/her findings on the preponderance of evidence.
8. The hearing officer shall render his/her findings in writing as soon after the conclusion of the hearing as possible.
9. The hearing officer may sustain or reject any or all of the charges filed against the employee and/or sustain, reject, or modify the disciplinary action invoked against the employee.

A copy of the hearing officer's decision shall be furnished to all parties directly involved in the disciplinary appeal.

The hearing officer's fees and expenses shall be borne equally by the association and the City, including the cost of transcription if required by the hearing officer. Each party shall bear the cost of its own presentation including preparation and post hearing briefs. Both parties agree to make every effort to limit the time involved in the hearing stage of this procedure, so as to contain the overall costs incurred.

The decision of the hearing officer shall be binding upon both parties to the appeal unless either party chooses to appeal to the Supreme Court under CCP 1094.5.

ARTICLE 6. GRIEVANCES

Section 6.1 - Application

To establish a mutually satisfactory and timely method of settlement of grievances, the following procedure is available to all employees covered by this Memorandum of Understanding.

Section 6.2 - Definition

A grievance is defined as an alleged violation, misinterpretation, or misapplication of the provisions of this Memorandum of Understanding, or other rules and regulations adopted by the City Council which govern personnel practices and working conditions.

No proposals to add to, amend, or terminate a memorandum of understanding nor any issue arising out of or in connection with such a proposal may be considered under this grievance procedure. Employees may not appeal disciplinary actions through this grievance procedure.

No complaint concerning the payment of compensation to an employee shall be considered under this grievance procedure, unless it alleges a specific violation of the provisions of this Memorandum of Understanding or the City Personnel Rules. No adjustment of compensation resulting from a grievance under this procedure shall be retroactive for more than one (1) year from the date upon which the complaint was filed.

Section 6.3- Representation/No Reprisal

A grievant may be presented by individual(s) of his or her choice in preparing and presenting a grievance at any stage of this procedure.

The City shall grant a reasonable amount of paid release time from work for one employee as identified by the grievant to assist the grievant in preparing and presenting the grievance at any level of this procedure.

Where the grievant has identified a representative or representatives, such representative(s) shall be notified of all formal actions occurring on the grievance.

No employee shall be subject to restraint, coercion, or reprisal as a result of filing a grievance under this procedure.

Section 6.4 - Time Limits

Failure of the employee to act within the required time periods specified for any level of this procedure shall result in a resolution of the grievance at the last step pursued. Failure of the City to act within the required time periods shall result in an automatic advancement of the grievance to the next step of the procedure. Time limits specified in this procedure may be extended by mutual written agreement between the grievant or his/her representative and the City.

The terms "submitted to" as used in this procedure shall mean the actual delivery of the document to the addressee's normal place of business.

Section 6.5 - Procedures

Every attempt shall be made by the parties to settle the issue at the lowest level of this procedure. Only upon mutual written agreement between the parties involved may any stage of this grievance procedure be waived.

Step 1 - SUPERVISOR

Within thirty (30) days following knowledge of the event or action on which the grievance is based, the employee shall notify his/her immediate supervisor either orally or in writing of the nature of the grievance. Within ten (10) working days of being notified of the grievance, the supervisor shall meet with the grievant, investigate the alleged grievance, and provide the grievant an answer to the grievance.

Step 2- DEPARTMENT HEAD

If the grievance is not resolved in Step 1, the grievant may submit a written grievance to his/her department head within ten (10) working days of receiving the Step 1 response.

The written grievance shall contain the following information:

1. The name of the grievant(s).
2. The specific nature of the grievance.
3. The date, time and place of the event or action on which the grievance is based.
4. The provision(s) of the agreement or rule(s) alleged to have been violated.
5. Date discussed with supervisor and a copy of the supervisors response if that response was in writing.
6. The action the grievant believes will resolve the grievance.
7. The name of the representative(s), if any, chosen by the grievant to participate in the grievance procedure.

If the Department Head believes the grievant has failed to provide this information, he/she shall inform the grievant of the deficiency(ies) and the grievant shall be given five (5) working days to perfect and resubmit the grievance.

The department head shall investigate the issues, meet with the grievant, and attempt to reach a satisfactory resolution of the grievance. No later than ten (10) working days after receipt of the grievance, the department head shall issue a written response. Copies of the response shall be sent to all parties involved in the grievance, including the employee, the employee's representative(s), and the Human Resources Manager.

STEP 3 - CITY MANAGER

If the grievant is not satisfied with the resolution presented by department head, he/she may appeal that decision to the City Manager. Such appeal must be received in writing by the City Manager no later than ten (10) working days after receipt of the Department Head's response. The written notice of appeal shall include the resolution sought, a copy of the Step 11 grievance, and the Department Head's response. If the City Manager believes the grievance is incomplete, he/she shall notify the grievant and his/her representative and the grievant shall be given five (5) working days to perfect the appeal.

The City Manager may appoint a designee, who shall not be the concerned Department Head, to hear the grievance.

The City Manager or his/her designee shall set a meeting date which will not be more than fifteen (15) working days after receipt of the appeal by the City Manager. The grievant, the concerned Department Head, and any other parties requested by the City Manager or designee shall attend the meeting and present oral or documentary evidence relevant to the grievance. The City Manager or his/her designee may also conduct such other independent investigation of the grievance as he/she deems necessary.

Within ten (10) working days following the meeting, the City Manager or his/her designee shall issue a written decision to all parties directly involved in the grievance.

STEP 4 - HEARING OFFICER

If the resolution presented by the City Manager or designee is not satisfactory to the grievant, the grievant may, within ten (10) working days from receipt of the decision, submit a written request to the City Manager for a hearing by an outside hearing officer.

The outside hearing officer shall be selected by the Human Resources Manager and the grievant from a list of qualified individuals provided by the State Mediation and Conciliation Services. The City and the grievant shall alternately strike names from the list. The last name remaining shall be the hearing officer. The party striking first shall be determined by lot.

Upon mutual agreement and with the consent of the hearing officer, the City and the grievant may submit written materials to the hearing officer in lieu of holding a hearing.

If the grievant is not represented by the Association, the Association shall have standing at any hearing as a party of interest but shall not be responsible for costs of the hearing officer.

All interested parties shall be notified by the Human Resources Manager in writing of the date, time, and place of the hearing at least ten (10) working days prior to the hearing.

The hearing of the grievance shall be conducted under the following rules:

- a. All hearings shall be private; provided, however, that the grievant may request a hearing open to the public.
- b. Proceedings of the hearing shall be recorded but not transcribed except at the request of either party. The party requesting the transcript shall bear the expense involved unless shared expenses are agreed to by both parties. Should either party request transcripts, a copy shall be made available to the other party.
- c. Either the City or the grievant may call any individual as a witness and/or the hearing officer shall (as legally authorized by City Council action) issue subpoenas by request of either party. If a witness(es) called is a City employee, the City agrees to grant paid release time from work for the period of testimony. The grievant shall appear in person at the hearing, unless physically unable to do so.
- d. The hearing need not be conducted in accordance with technical rules relating to evidence and witnesses, but hearings shall be conducted in a manner most conducive to determinations of the truth.
- e. Each party shall have the following rights: To be represented by legal counsel or other person of his/her choice; to call and examine witnesses; to introduce evidence; to cross-examine opposing witnesses on any matter relevant to the issues; and to rebut the evidence against him/her.
- f. Oral evidence shall be taken only on oath or affirmation.
- g. The hearing officer shall determine relevancy, weight, and credibility of testimony and evidence, and shall base his/her findings on the preponderance of evidence.
- h. The hearing officer shall render his/her findings in writing as soon after the conclusion of the hearing as possible.
- i. The jurisdictional authority of the hearing officer shall be confined exclusively to the interpretation of the explicit provisions or rules which may be at issue in the grievance. The hearing officer shall have no authority to add to, delete from, alter, or amend any provision of this agreement or of any other City rules, or impose on any

party a limitation or obligation not exclusively provided for in this agreement or other City rules, or to alter any salary rate or structure.

A copy of the hearing officer's decision shall be furnished to all parties to the grievance.

The hearing officer's fees and expenses shall be borne equally by the grievant and the City, including the cost of transcription if required by the hearing officer. Each party shall bear the cost of its own presentation including preparation and post hearing briefs.

Both parties agree to make every effort to limit the time spent in the hearing stage of this procedure so as to control the overall costs incurred.

The decision of the hearing officer shall be binding upon both parties to the grievance unless either party chooses to appeal to the Supreme Court under CCP 1085.

ARTICLE 7. LAYOFFS

SECTION 7.1 - DEFINITIONS

CLASSIFICATION:	A job title and description approved by the City Council, which includes a set of job duties and minimum requirements and qualifications.
CLASSIFICATION SERIES:	A series of classifications which are related to each other as set forth in Appendix C of this MOU.
DEMOTION:	Placement in a classification whose top salary is at least 5% less than the top salary of the employee's previous classification.
FULL TIME:	36 or more hours per week.
HIGHER CLASSIFICATION:	A classification having a higher maximum salary.
LAYOFF:	A lay off is effective on the day and at the time that an employee's service to the City is terminated.
LOWER CLASSIFICATION:	A classification having a lower maximum salary.
POSITION:	A particular set of job duties normally assigned to one employee and established by the City Council; each position is assigned to a Classification.
SENIORITY:	An employee's full time service calculated from the employee's initial regular appointment to a position in

the General-Public Works or Administrative-Confidential bargaining units.

An employee who leaves a classification in the General-Public Works or Administrative-Confidential units and any employee who the City reinstates to a position in the General - Public Works and Administrative-Confidential Units within:

- a) one year from resigning or retiring in good standing from a position in the General-Public Works or Administrative-Confidential Units; or
- b) two years of being laid off or demoted in lieu of layoff from a position in the General-Public Works or Administrative Confidential Units shall have the seniority points earned before leaving a classification in the General-Public Works or Administrative-Confidential Units added to the seniority points they earn after returning to a classification within the General-Public Works or Administrative-Confidential Units to establish their total seniority points. Only the period of time the employee occupies in a position within a classification in the General-Public Works or Administrative-Confidential Units shall count towards an employee's seniority for layoff.

TRANSFER

Placement in a classification whose top salary is within 5% of the top salary of the employee's previous classification. The employee shall be placed on the salary step nearest the employee's previous salary that does not provide for an increase in salary.

SECTION 7.2 - ORDER OF LAYOFFS

Employees shall be laid off in the following order:

- A. All extra help, temporary, limited term, seasonal and provisional employees in the same department and within the same class shall be laid off before any regular employee is laid off.

- B. The layoff of regular employees shall be in the order in which their names appear on the layoff list for the affected classification, as prepared by the Human Resources Department, with those persons having the least number of points of seniority credit being laid off first.

SECTION 7.3 - LAYOFF LIST COMPUTATION

- A. Every Layoff list shall be established by the Human Resources Department based on information contained in the Human Resources Department Records for each classification.
- B. Regular employees who held seasonal, limited term or provisional status prior to permanent appointment shall receive seniority credit for status only if the service was continuously compensated employment prior to appointment to a permanent position. One point of seniority credit shall be given for each full calendar month of full-time service (one month of full time service is 173.3 hours) in the General-Public Works or Administrative-Confidential Units. Pro rata credit shall be given where the employment is less than full-time and/or the employment is less than a full month. In the event two or more employees have the same number of seniority points, such tie shall be broken by lot.

SECTION 7.4 - LAYOFF PROCESS

- A. The City Council shall determine the need for layoff by reducing the number of positions in a department or departments and classification or classifications.
- B. The Human Resources Department shall create a citywide seniority list for each classification in which the City Council has reduced the number of authorized positions.
- C. The Human Resources Department shall notify in writing each employee whose position has been eliminated by the City Council of the Council's decision. This notice shall specify the date on which the employee's position is to be eliminated and that the employee is to be laid off on that date or 30 calendar days after receipt of this notice whichever is later. This notice shall include whether or not the employee has the option of displacing a less senior employee in his/her series or of filling a funded, unfilled position.
- D. Any employee receiving a layoff notice, as provided for in paragraph C, shall have the following rights:
 - (1) To fill a funded, unfilled position in the same classification provided they meet the minimum qualifications for the unfilled position. If a funded, unfilled position exists in the same classification as the employee receiving a notice of layoff the employee's sole right is to fill that unfilled position and he/she may not displace a less senior employee.

- (2) If no funded, unfilled positions exist within the same classification as the employee receiving a layoff notice, and the employee receiving the layoff notice has a greater number of seniority points than one or more other employees in their classification the employee may displace the least senior employee in the classification affected by the layoff.
- E. In order to exercise their rights under paragraph D the employee must notify the Human Resources Department within five (5) business days of receipt of their layoff notice of their desire to be placed in the unfilled position or if there is no unfilled position to displace the least senior employee. Failure to provide the Human Resources Department notice of their desire to displace the least senior employee or to fill a funded, unfilled position within the allotted five (5) business days shall constitute an irrevocable waiver of their rights to displace the least senior employee or to fill a funded, unfilled position. An employee who fails to respond to the Human Resources Department within five (5) business days shall be laid off on the date contained in their notice.
 - F. If an employee exercises their right to displace a less senior employee, the less senior employee shall receive a layoff notice as is provided for in Paragraph C and shall have the same right to notice, displacement of a less senior employee and to fill a funded, unfilled position as the employee whose position was eliminated by the City Council. The process described in Paragraphs C and D shall apply as if the displaced employee's position had been eliminated by the City Council.

SECTION 7.5 - DISPLACEMENT IN LIEU OF LAYOFF

- A. An employee receiving a layoff notice and having more seniority than another employee in the same classification, whose position has not been eliminated, shall have the right to displace the least senior employee in that classification.
- B. If an employee is unable to retain a position under paragraph A then the employee receiving a layoff notice may demote to any lower classification in the classification series of which their classification is a part as set forth in Appendix C of this MOU, even if they have never held a position in the lower classification. The following conditions apply:
 - (1) Each employee demoting pursuant to this Section may ONLY demote to that classification which has the highest salary range at the time the demotion is effective.
 - (2) An employee may demote pursuant to this paragraph provided they have more seniority than an employee in the lower classification or there is a funded, unfilled position in the lower classification, provided they meet the minimum qualifications for the position.

- (3) If there is a funded unfilled position in the classification to which the employee is demoting the employee demoting will be assigned to that position, provided they meet the minimum qualifications.
 - (4) If there is no funded unfilled position then the employee will be placed in the position in that classification held by the least senior employee, provided they meet the minimum qualifications for the position.
 - (5) An employee receiving layoff notice may displace the least senior employee in the next lower classification within that classification series as set forth in Appendix C of this MOU or in each succeeding lower classification within the classification series.
 - (6) Not all classifications are part of a classification series. This paragraph is applicable only to those classifications series identified in Appendix C.
 - (7) Employees occupying a position for which there is no classification series or for which there are no funded positions in a lower classification in a series whose position is eliminated by the City Council shall be laid off provided they are the least senior employee in the classification in which the City Council has eliminated one or more positions, unless the employee can fill a funded unfilled position pursuant to Paragraph E.
- C. The Human Resources Department shall identify the one position, if any, to which an employee receiving a layoff notice may move by displacing a less senior employee or filling a funded, unfilled position.
- D. An employee placed in a position pursuant to Paragraphs A through C, who had previously obtained permanent status in the classification to which the position is assigned or in a higher classification in the same classification series as set forth in Appendix C of this MOU, shall not be required to serve a probationary period. An employee who is serving a probationary period at the time of placement in a new position shall be required to complete that probationary period.
- E. An employee who receives a layoff notice and is unable to displace a less senior employee in that classification or to demote to a position in a lower classification in the classification series, will be eligible to demote or transfer to a vacant position, if any such positions exist, within the City for which they meet the minimum requirements and for which on the job training can be provided sufficient that they can perform the duties assigned to that position. Subject to the following conditions:
- (1) Employees placed pursuant to this paragraph shall serve a probationary period of one year.
 - (2) If more than one such vacant position exists, the appointing authority(s), in conjunction with the Human Resources Department and in consultation

with the employee, shall determine which position is to be offered to the employee.

- (3) If more than one employee is eligible to fill a vacant position(s) the appointing authority(s) may select the employee(s) which best meet the needs of the department(s).
- (4) Any disputes arising among appointing authorities, or with the Human Resources Department or employee(s) pursuant to this paragraph E shall be resolved by the City Manager whose decision shall be final.

SECTION 7.6 - RE-EMPLOYMENT RIGHTS

- A. Employees laid off or placed in a lower classification in accordance with this article shall be placed on a re-employment list for each classification in which they have reinstatement rights for a maximum of two years in the order of their seniority.
- B. Whenever a vacancy occurs in a classification for which there is a re-employment list, the appointing authority shall appoint the most senior person on the list provided that person is available and meets the current minimum qualifications for that position.
- C. If no re-employment list exists for the particular classification in which a vacancy occurs but a re-employment list(s) exists for other classifications, and employees on the re-employment list(s) meet the minimum qualifications for the position, can be trained on the job to perform the duties of the position and are available, the appointing authority shall offer the position to one of the employees on the re-employment list(s). If more than one employee on such list or lists meet the minimum qualifications and could be trained on the job to perform the duties of the available position, the appointing authority may select the person to whom the position is to be offered based on the needs of the department in which the vacancy exists. An employee being appointed to a position pursuant to this paragraph shall serve a one year probationary period.

7.7 - SEVERANCE PAY

- A. Employees who have been laid off pursuant to this Article and action by the City Council shall be eligible for compensation at their base hourly rate, in addition to any other payoffs to which the employee is entitled, according to the following schedule:

YEARS OF SERVICE*

PAY PERIODS OF COMPENSATION**

MORE THAN

LESS THAN OR

EQUAL TO

1	2	2
2	3	3
3	4	4
4	5	5
5	6	7
7	8	8
8	9	9
9	10	10
10		13

* Year(s) of service means full calendar year(s) from the employee's date of hire.

** Employees working less than full time at the time a layoff notice is issued to them shall receive the same proportion of full time compensation as the proportion of pay period they were working at the time the layoff notice was issued.

B. In addition to the cash compensation in paragraph A above employees laid off pursuant to this article and action of the City Council shall continue to receive City health plan coverage for themselves and their families, if their families are enrolled in the City health plan at the time the layoff notice is issued according to the following schedule:

<u>Years of* Service</u>	<u>Months of Continued Health Plan Coverage**</u>
Less than 1	0
1 but less than 2	1
2 but less than 3	2
3 but less than 4	3
4 but less than 5	4
5 but less than 6	5
6 or more	6

* Year(s) of service means full calendar year(s) from the employee's date of hire.

** Part time employees will receive the same proportion of city paid health insurance as they are receiving at the time the layoff notice is issued and can continue their health insurance coverage if they continue to pay the same additional premium as they are paying at the time the lay off notice is issued.

Laid off employees who become eligible for another employer sponsored health plan shall no longer be eligible for the City paid health plan benefits regardless of the number of months elapsed since the effective date of their layoff and

regardless of whether or not they choose to participate in the employer sponsored health plan for which they are eligible.

- C. Employees who are rehired by the City during the period for which they have received benefits under paragraph A above shall repay to the City any compensation in excess of the number of pay periods of their layoff. Employees rehired who have maintained their City sponsored health plan during the period of their layoff shall not be subject to any waiting period or any exclusion for preexisting conditions.
- D. Laid off employees receiving compensation under paragraphs A and or B above are not eligible for any other compensation or benefits such as paid holidays, vacation or sick leave accrual. This paragraph does not affect employees otherwise eligible for Workers Compensation, Long-Term Disability or Retirement benefits.

IN WITNESS THEREOF, the parties hereto have executed this Memorandum of Understanding this 11 day of June 2008.

Jim Cavaler
Ex Director
CSLTACEA

David H. [unclear]
City Manager

APPENDIX A

Confidential Classifications

Executive Assistant – City Attorney
Legal Assisant
Senior Human Resources Clerk/Human Resources Clerk

Administrative Classifications

Accountant
Accounting Manager
Airport Maintenance & Operations Supervisor
Assistant City Clerk
Assistant Management Analyst/Associate Management Analyst
Building Official
Engineering Manager
Engineering Supervisor/Storm Water Coordinator
Facilities Manager
Fleet Manager
Human Resources Analyst
Information Systems Manager
Legal Analyst
Planning Manager
Purchasing Manager
Redevelopment & Housing Manager
Risk Management Coordinator
Street Superintendent
Street Supervisor

APPENDIX B- CLASSIFICATION SERIES

Human Resources Analyst
Assistant City Clerk
Administrative Assistant
Secretary

Senior Administrative Clerk/Senior Human Resources Clerk/Senior Recreation
Receptionist
Administrative Clerk/Human Resources Clerk/Recreation Receptionist

Senior Police Records Technician
Police Records Technician

Airport Maintenance and Operations Supervisor
Airport Maintenance and Operations Technician

Senior Airport Assistant
Airport Assistant

Accounting Manager
Accountant
Grants Coordinator
Senior Accounting Technician
Accounting Technician

Information System's Manager
Network Systems Administrator
Information Systems Specialist
Information Systems Technician

Recreation Supervisor
Recreation Coordinator

Parks Supervisor
Parks Supervisor (Seasonal Programs)
Lead Parks Maintenance Worker
Senior Parks Maintenance Worker
Parks Maintenance Worker
Police Maintenance Worker
Custodian

Planning Manager
Associate Planner
Assistant Planner
Planning Technician

Engineering Manager
Engineering Supervisor/Storm Water Coordinator
Associate Civil Engineer
Assistant Engineer/Environmental Programs Analyst

Senior Public Works Inspector
Public Works Inspector
Engineering Technician

Building Official
Principal Building Inspector
Senior Building Inspector
Building Inspector

Senior Permit Technician
Permit Technician

Fleet Manager
Lead Equipment Mechanic
Equipment Mechanic

Street Superintendent
Street Supervisor
Lead Street Maintenance Worker
Sign Maintenance Technician
Heavy Equipment Operator
Street Maintenance Worker

Facilities Manager
Facilities Worker

Redevelopment & Housing Manager
Housing Rehabilitation Specialist/Loan Program Specialist
Redevelopment & Housing Assistant

Purchasing Manager
Inventory Control Specialist
Purchasing Technician

Legal Analyst
Legal Assistant
Executive Assistant-City Attorney

Associate Management Analyst/Risk Management Coordinator
Assistant Management Analyst

Economic Development Specialist

APPENDIX C

EXAMPLE OF CALCULATION FOR HEALTH SHARE COST SHARING

LOW DEDUCTIBLE MEDICAL PLAN USING FAMILY PREMIUM

October 1, 2007 to September 30, 2008 Family Premium = \$1314¹
City paying 100% of the premium = \$1314

October 1, 2008 to September 30, 2009
Assume 8% premium increase.² New Family Premium = \$1419³
Premium less base: \$1419 - \$1314 = \$105 increase
50% of increase = \$52.50
City pays \$1314 + \$52.50 = \$1366.50 (new "base" going into next year)
Employee pays \$52.50 per month

October 1, 2009 to September 30, 2010
Assume 8% premium increase. New Family Premium = \$1533
Premium less base: \$1533 - \$1366.50 = \$166.50
50% of increase = \$83.25
City pays \$1366.50 + 83.25 = \$1449.75 (new "base" going into next year)
Employee pays \$83.25 per month

¹ Example is based on family premium. Same formula will be applied to employee-only premium.

² Premium increase percentage will be calculated each year.

³ Total monthly premium has been rounded to nearest dollar.

APPENDIX D

EXAMPLE OF HOW PREMIUM IS CALCULATED

The premium rate each year is calculated based on the following general information:

100% of fixed costs which include legally required notifications, broker fee, administration fee, and various other administrative costs.

Plus

A percentage of the aggregate costs which include:

Medical, prescription, dental, vision aggregates.

“Aggregate” is the funding level needed to cover claims incurred during the plan year for the City’s self funded plan. In plan year 2007-2008 the premium was set to cover 90% of the aggregate costs.

**The City reserves the right to make determinations regarding the premium level which may include increasing the aggregate funding percentage up to no more than 100%..*

Example (actual 2007-2008 rates rounded for purpose of example)::

	Single	Family
Fixed costs total	\$99	\$161
Aggregate costs total	\$457	\$1279
90% of aggregate	\$411	\$1151
100% fixed plus 90% aggregate	\$510	\$1302

A separate calculation will be done for the low deductible plan and for the high deductible plan once there are enough participants in the high deductible plan to develop an experience history of claims.