MEMORANDUM OF UNDERSTANDING FROM MARCH 28, 2010 THROUGH MARCH 27, 2012

CITY OF PASADENA

BETWEEN

AND

INTERNATIONAL UNION OF OPERATING ENGINEERS LOCAL 501

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Memorandum of Understanding from March 28, 2010 through March 27, 2012 Between City of Pasadena

and

INTERNATIONAL UNION OF OPERATING ENGINEERS Local 501

ARTCILE 1 Preamble

- A. This Memorandum of Understanding (hereinafter referred to as a MOU) is entered into by the City of Pasadena, (hereinafter referred to as City), and Local 501 of the International Union of Operating Engineers, AFL-CIO, (hereinafter referred to as the Union).
- B. It is the intent and purpose of this Memorandum to set forth the total and complete understanding and agreement between the parties regarding wages, hours and other terms and conditions of employment. Any other prior or existing written understandings or agreements by the parties regarding any such matters are hereby expressly superseded or terminated in their entirety.

ARTICLE 2 Recognition

A. In accordance with provisions of the Charter of the City of Pasadena, the Meyers-Milias-Brown Act of the State of California and provisions of Employer-Employee Labor Relations Resolution No. 555, (hereinafter referred to as Resolution No. 555) the City recognizes the International Union of Operating Engineers, AFL-CIO, Local 501, as the majority representative for the purpose of meeting and conferring on matters of wages, hours and other terms and conditions of employment for all of its employees in certain specified classifications listed herein. Should the unit be modified in conformance with Employer-Employee Labor Relations Resolution No. 555 during the duration of this Memorandum, such classifications will be included under the terms of this Memorandum. All other classes not specifically listed are excluded from representation by Local 501 of the International Union of Operating Engineers.

ARTICLE 3 Term of Memorandum

- A. Except as may be otherwise specifically provided herein, the ordinances/resolutions and other changes to implement this Memorandum shall become effective on March 28, 2010. This Memorandum shall remain in effect through March 27, 2012.
- B. This Memorandum shall in all respects be subject and subordinate to the provisions of the Pasadena City Charter, and statutory provisions of the Federal Government and the State of California in effect at the time of the execution of this Memorandum.

ARTICLE 4 Scope

A. Management Rights

It is understood and agreed that the City reserves and retains all its inherent managerial rights, powers, functions and authority which the City had prior to entering into this Memorandum, which includes the merits, necessity, or organization of any service or activity provided by law or executive order; which includes but is not limited to the right of the public agency to hire, assign, direct, supervise, schedule, retain, and discipline employees; relieve employees from duties because of lack of work or funds, or under conditions where the employer determines continued work would be inefficient or non-productive; determine services to be rendered, operations to be performed, utilization of technology, and overall budgetary matters; determine the methods, processes, means, positions, and personnel by which government operations are to be conducted; determine the overall mission of the unit of government; maintain and improve the efficiency and effectiveness of government operations; take any necessary actions to carry out the mission of an agency in situations of emergency; and take whatever other actions may be necessary to carry out the obligations of the public not otherwise specified above; unless and only to the extent that the provisions of this Memorandum specifically curtail or limit such rights, powers, and authority, subject to the right of an employee to grieve the practical consequences of a City rights' decision on wages, hours and other terms and conditions of employment.

B. Union Activities

The designated Union officers and stewards shall be permitted to engage in contract disputes during the life of the agreement, and the adjustment of grievances of employees in the bargaining unit, subject to the limitations set forth in this Agreement. Except in extraordinary circumstances, these permitted activities performed during the normal employee duty time of such designated and appointed officers and stewards shall fall within one of the following categories:

- 1. Discuss with an employee a grievance or complaint;
- 2. Make inquiries in order to obtain relevant information related to a grievance, including discussions with supervisors, other employees or other management officials provided that such inquiry will not include the right while on City time to question visitors or non-employees of the City;
- 3. Assist employees in preparation for, or represent employees in the appeal and review steps of the grievance procedure or in arbitration;

- 4. Attend meetings with supervisors or other management officials with respect to grievance adjustments, consultation or general discussion directly related to wages, hours or working conditions, and other matters mutually agreed upon;
- 5. Prepare for meetings mutually agreed by the City and the Union to be scheduled for conferral or other purposes.

Subject to the initial provisions of this Agreement with respect to paid time for such activities, the City agrees that duly designated Union officers and other representatives will be allowed to meet with Management representatives during normal working hours without loss of pay. The foregoing release from normal working duties is subject, however, to the requirement that when any such designated Union officer or representative is representing an employee, he will request the permission of his immediate supervisor in advance of any meeting, advising the supervisor of his destination and when he expects to return. Such request will be granted by the supervisor unless work processes require the presence of the employee at that time. Upon returning to his duty station, the Union officer or representative will notify his supervisor. Upon arriving at the work place of the employees to be represented, the Union officer or representative will normally be permitted to contact the employee. The represented employee also shall be required to request permission for time off in advance of any meeting. To the maximum extent possible, interviews between representatives and the employees will be held away from other employees and away from the public. If the Union official is not permitted to contact the employee at the immediate time of his arrival at the work place, the supervisor in charge will advise the Union officer or steward the reason why he cannot do so and the time when the employee will be available.

All Union activities shall be conducted in such a manner as not to disrupt the work activities of the employees involved.

C. Union Representatives

The City agrees to recognize and deal with an appropriate number of local Union officers, including Union stewards, so that each employee in the bargaining unit will have reasonable access to a Union representative. No Union officer other than the Business Manager of the local Union or his representative, nor any steward, regardless of when selected, shall function as such for purposes of carrying on the Union activities, until the Director of Human Resources of the City has been notified in writing by the Business Manager of the local Union or his representative, or by an international Union or council officer of his or her selection as an official or steward. Notice of changes in the selection of Union officials and stewards, and their alternates, will be given whenever such changes occur.

The Union endorses the concept of employees utilizing the steward in the employee's assigned work area; provided, that it is recognized that there may be necessary occasions when a different steward or Union officer or his designee from among the list of authorized representatives provided to the City, shall take over representation of the aggrieved employee. In such cases, the Union will promptly notify the department head and the Human Resources Department of the change.

ARTICLE 5 Bulletin Boards

Space shall be provided on City bulletin boards at their present locations for Union posting of notices and bulletins of the following types:

- 1. Notices of Union recreational, social affairs, and related Union business news;
- 2. Notices of Union elections and such pertinent campaign material as is appropriate under Union policy;
- 3. Notices of Union appointments and results of Union elections;
- 4. Notices of Union meetings;
- 5. Union constitution, by-laws, and proposed amendments thereto;
- 6. Such other notices as may be mutually agreed upon by the Union and the Director of Human Resources.

All materials posted on bulletin boards shall indicate the date the material was posted the name of the organization responsible for the material and clearly indicate the author's identity, preferably by signature by an official of the Union. It must be clearly understood that such material is not official material or endorsed by the employer, and the material must not contain anything that would identify it as such. Copies of all information posted on any bulletin board shall be submitted to the Human Resources Department per Item 6 above at the time of their posting. The Union shall not knowingly post any false or misleading statement. In the event such material is posted, the City representative will so inform the Union representative, stating the basis for the objection, and such material shall be removed from the bulletin board immediately.

The Union shall not post, nor authorize its members to post, any material anywhere upon the City's property except as herein provided. The City may remove or relocate any of its bulletin boards in the event of violations of this section or for reasons such as alterations in the physical facilities, etc., and will inform the Union whenever the City removes such bulletin boards.

In consideration of the fact that certain members of this unit have their lunch hours included in their regular working schedule, the distribution of literature at the work place of employees shall be allowed during regular working hours.

ARTICLE 6 Non-discrimination

- A. The provisions of the Memorandum shall be applied equally to all employees without unlawful discrimination as to age, sex, marital status, race, color, ancestry, religious creed, medical condition, physical handicap, national origin, sexual orientation or political affiliation.
- B. All references to employees in this Memorandum designate both sexes, and whenever one gender is used it shall be construed to include both, where appropriate.

ARTCILE 7 No Strike

A. The parties to this Memorandum recognize their mutual responsibility to provide the citizens uninterrupted municipal services; therefore, during the period covered by this Memorandum, and extensions thereto mutually agreed upon for the purposes of negotiating a successor Memorandum of Understanding, or any other reasons mutually agreed upon, the City shall not lock out employees, and the Union shall not cause or sanction strikes or picketing. Should picketing be occasioned by persons or organizations other than the Union party to this Memorandum, employees may not refuse to cross such picket line unless Operating Engineers Local No. 501 specifically sanctioned, endorsed and approved such action.

B. <u>Impasse</u>

In the event that the parties are unable to reach agreement at the bargaining table, either party may request the assistance of the State Mediation and Conciliation Service to resolve the impasse. Should the impasse remain unresolved, the issue(s) in dispute can be submitted to the Municipal Employee Relations Officer for processing in accordance with the Resolution of Impasses Section of the City's Employer-Employee Relations Resolution No. 555.

ARTICLE 8 Modification Clause

Any agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall not in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved and implemented by City Council.

Subject matters within the scope of representation not referenced in this Memorandum of Understanding may be met or conferred upon at any time during the life of this Agreement based on mutual consent of the parties to meet and confer on such matters.

ARTICLE 9 Savings Clause

Should any part of this Memorandum be rendered or declared illegal or invalid by legislation, decree of a court of competent jurisdiction or other established or to be established governmental administrative tribunal or board, such invalidation shall not affect the remaining portions of this Memorandum.

ARTICLE 10 Productivity

The Union and the City agree on the importance of productivity. The Union and employees agree to support and encourage participation in problem-solving teams should they be implemented.

ARTICLE 11 Salaries

- A. All classifications in the bargaining unit shall receive salary increases on the dates indicated as follows:
 - 1. Effective March 28, 2011, each step in the salary ranges for all unit classifications shall be increased by 2.0%.

B. Salary Equity Reopener

Beginning January 4, 2011 and ending March 31, 2011, either the City or IUOE may request to reopen negotiations on salary equities for the classifications in the bargaining unit that are listed below. Negotiations on salary equities will commence no later than 60 days from the date of the request.

Power Plant Control Operator

Power Plant Mechanic

Power Plant Operator*

Power Plant Shift Supervisor

Senior Power Plant Mechanic

*The parties agree to tie the Power Plant Operator classification to the Power Plant Control Operator benchmark classification and set the salary of the Power Plant Operator

at \sim 8% less than the salary of the Power Plant Control Operator classification at the 5th step.

Should the parties reach agreement prior to July 3, 2011, on any salary equity adjustments for classifications in the bargaining unit, they will become effective on July 4, 2011.

ARTICLE 12 Special Pay Practices

A. Shift Differential

1. Effective the first pay period following the City Council's adoption of the MOU

For Swing Shift	\$1.40 per hour
For Graveyard Shift	\$1.40 per hour

Except for those employees covered under 2 below, Shift Differential shall be paid for all hours worked on the swing or graveyard shift. Shift Differential is not to be compensated for benefit purposes unless and only in situations required of cities by the Fair Labor Standards Act or the City's contract with PERS.

For purposes of applying the Shift Differential, the Swing Shift shall be defined as any hours worked between the hours of 4:00 p.m. and 10:59 p.m. on a nine-hour workday, and 3:00 p.m. and 10:59 p.m. on eight-hour Fridays, Saturdays and Sundays. The Graveyard Shift shall be defined as any hours worked between the hours of 11:00 p.m. and 6:30 a.m.

2. Employees holding classifications of Power Plant Shift Supervisor, Power Plant Control Operator or Power Plant Operator shall not receive a shift differential based upon actual hours worked, but shall instead receive shift differential pay for all paid hours regardless of shift work. Effective the first pay period following the City Council's adoption of the MOU, the amounts payable pursuant to this section shall be increased from \$1.00 to \$1.05 per hour.

This payment will continue during the temporary assignment of individuals to day shifts.

B. Welder Assignment Bonus

Effective the first pay period following the City Council's adoption of this Memorandum of Understanding, regular full-time employees in the classifications of Sr. Power Plant Mechanic, Power Plant Mechanic, and Power Plant

Mechanic Helper who are required to perform welding duties and who possess a valid American Society of Mechanical Engineers (ASME) High Pressure Welding Certificate are entitled to receive a bonus of \$70 per month.

C. Asbestos Handling and Removal Bonus

Effective the first pay period following the City Council's adoption of this Memorandum of Understanding, regular, full-time employees in the classifications of Sr. Power Plant Mechanic, Power Plant Mechanic, and Power Plant Mechanic Helper who are required to handle and remove asbestos and who are State of California certified to handle and remove asbestos are entitled to receive a bonus of \$70 per month.

ARTICLE 13 Overtime

- 1. All authorized actual time worked over eight (8) hours in any one day or forty (40) hours in any workweek, and all authorized actual work performed on regular days off shall be compensated at the rate of one and one-half times the employee's hourly straight time rate, plus applicable shift differential, in accordance with the Fair Labor Standards Act.
- 2. Employees may request compensating time off in lieu of overtime compensation, and will be granted comp time only subject to operational requirements. Comp time may be accumulated to a maximum of 80 hours, and must be used or paid off within one year of the date it is earned.
- 3. Any employee, including "Relief Operator" who is assigned to work continuous hours in excess of eight (8) shall receive the appropriate overtime rate for all such continuous hours in excess of eight (8) even if such continuous hours worked extend into a new day.
- 4. Two overtime or premium rates shall not be paid for the same hours of work, i.e., there shall be no pyramiding or duplication of overtime or premium rates.
- 5. Employees called into work unexpectedly outside of their regular shift shall receive pay for a minimum of two hours pay at the applicable overtime rate unless such call-in precedes an employee's scheduled shift.
- 6. All unscheduled overtime, including call-ins and call-backs, occurring on the graveyard shift shall be compensated at two times the employee's hourly straight time rate, plus applicable shift differential, in accordance with the Fair Labor Standards Act.

- 7. Overtime will be paid at the rate of two times the hourly straight time rate for continuous operations employees who are scheduled or called in to work overtime on their second or fourth day off.
- 8. Shift or working schedules shall not be changed solely for the purpose of avoiding the payment of overtime.
- 9. Management will attempt to assign overtime work as equitably as possible among all qualified employees in the same classification in the same organizational unit. In the assignment of overtime under this provision, however, management may consider special skills required to perform particular work.

10. Overtime Meals

- (a) Call-in When employees are called from their homes to perform emergency work outside of regular work hours, they shall, if possible to do so, be given meals at intervals of approximately four (4) hours, provided, however, that in no event shall an employee be required to work more than five (5) consecutive hours without a meal. Meals shall be reimbursed by the City at a flat rate of \$15.00 per meal.
- (b) Carry-over When an employee is required, to work two (2) hours or more beyond regular work hours, he shall be given the opportunity to secure a meal. The City shall reimburse the employee at a flat rate of \$15 per meal. Any subsequent meals shall be taken at intervals of approximately four (4) work hours but in no event shall an employee be required to work more than five (5) consecutive hours without a meal. Such subsequent meals shall be reimbursed at a flat rate of \$15 per meal. The intent, therefore, is the City may provide the opportunity for two meals to be taken at City expense in the case where an employee unexpectedly works eight hours beyond the regular shift.
- (c) Scheduled Overtime When an employee is required to perform pre-arranged work two (2) hours or more before regular work hours on a regular work day and continue to work into their regular work hours, they shall be provided with a meal at City expense. The City shall reimburse the employee at a flat rate of \$15 per meal. When an employee is required to perform prearranged work on a day off, meals shall be at employee's expense.

ARTICLE 14 Vacation

Vacations provided in this section shall be taken within the time limits provided herein except when, for the efficient administration of the City, the City Manager determines that vacation leave of absence cannot be scheduled. In such event, the City Manager may authorize pay in lieu of vacation, or he may allow accumulation of more than one vacation period.

1. Vacation Period and Carry-over

- (a) No vacation shall exceed two (2) vacation periods in any calendar year nor shall any employee carry over to the following calendar year more than one (1) vacation period. A "vacation period" is defined as the maximum amount of vacation provided in any calendar year. Upon written request to, and upon receipt of written approval from the department head, an employee may be permitted to carry over one (1) additional vacation period for a maximum of three (3) vacation periods to be used during a specified calendar year. Such additional vacation period shall be used during the calendar year for which it was requested.
- (b) On January 1 of each year, the provided vacation carried over by each employee, plus his current year's provided vacation allowance, shall be credited to the employee, based upon the schedule set forth in Subsection (3) of this section. At any time during said calendar year the employee may use said credited vacation, provided, however, all vacation shall be taken at such times as shall be approved by the head of the department in which such employee works.

2. Termination

(a) Upon termination of employment the City shall deduct from final compensation any vacation time taken in excess of the amount provided under these provisions.

(b) Unused Vacation

Any employee who terminates shall be allowed regular compensation for unused vacation accumulation due on the last actual work day.

3. Vacation-Schedule of Benefits

(a) Date of hire to 5 years

Every employee in continuous service shall be provided prorate vacation time for each month or major fraction thereof of actual service but not more than the number of hours for each six months of such service nor the number of hours in any calendar year shown in the following schedule:

Maximum Hours Vacation

Working Schedule (Hours per Week)	Per 6 Mos.	Per Year
40	40	80

(b) 5 years or more

Upon completion of five years of continuous service, each employee shall be provided 120 hours vacation, with additional hours of vacation provided in accordance with the following schedule:

Upon completion of	No. of additional hours
11 years continuous service	8
12 years continuous service	16
13 years continuous service	24
14 years continuous service	32
15 years continuous service	40

The maximum number of vacation hours shall be 160.

- 4. Regular employees working on a part time basis less than 40 hours per week but more than 20 hours per week for 6 months or more, shall be allowed half that share of vacation allowed 40-hour employees.
- 5. Vacations including scheduling are subject to approval of the department head. To the extent possible, vacation preference will be given in order of receipt of the vacation request. In addition to the established vacation policy, employees in the unit shall be required to comply with the following provisions:
 - (a) Vacation of five working days or more shall, when possible, be submitted to and acted upon by the Power Production Supervisor in January of each year. Vacation requests not submitted in January must be no later than one calendar month in advance of the requested first day of said vacation.

- (b) Requested vacations of two or less working days shall be submitted to the Power Production Supervisor no later than twenty-four hours in advance.
- (c) Except for emergencies, requests for vacations which are not submitted within the time limits stated herein, shall not be considered for approval except at the discretion of the department head.
- (d) Vacation schedules shall be posted on the vacation board within a reasonable time subsequent to approval by the department head or his designated representative.
- (e) Vacation relief schedules shall, whenever possible, be posted as far in advance as the circumstances permit.

ARTICLE 15 Holidays

1. The following days shall be observed as holidays:

January 1; the third Monday in January; February 12, the third Monday in February; the last Monday in May; July 4; the first Monday in September; the Monday or Friday closest to November 11; the fourth Thursday in November; the day following the fourth Thursday in November; December 25; and every day appointed by the City Council for a public feast, thanksgiving or holiday. Employees that are assigned to work a continuous shift shall observe the holiday on the calendar day on which it occurs. However, employees that are assigned to work a non-continuous shift shall observe the holiday on the same day that the City determines that the holiday is to be observed.

- 2. For non-continuous shift employees, in lieu of Admission Day, September 9th, one 8-hour floating holiday shall be provided to each employee to be taken at his/her option subject to operational considerations. For continuous shift employees, September 9 of each year shall be observed as a holiday.
- 3. Every regular full-time employee shall be allowed a paid leave of absence of 8 hours for each holiday. In the event any such person's working schedule in the opinion of the head of the department with the approval of the City Manager will not permit such leave of absence, such person shall receive time and one half for hours worked on such holiday, in addition to eight (8) hours pay at his straight time rate. If any holiday falls on such person's day off, he shall be compensated by paid leave of absence on another day, or he shall receive 8 hours pay at the straight time rate as shall be determined by the head of the department with the approval of the City Manager. When an observed holiday falls on an employee's day off, he shall be scheduled in-lieu time within the same pay period as the

holiday. Such in-lieu time may be pre-scheduled, prior to the holiday, within that same pay period.

4. When a holiday falls on the normal day off, the employee shall be compensated for all hours worked over 32 in that week at the overtime rate. Should two holidays occur in one week, the employee shall be compensated for all hours worked over 24 in that week at the overtime rate

ARTICLE 16 Leaves of Absence

A. Sick Leave

The Sick Leave provision may apply under the following:

- Personal illness or injury to the employee.
- Attendance to an immediate member of the family who is seriously ill and requires the employee's presence.

1. Definition

Personal illness shall be defined as the necessary absence from duty of an employee because of illness or injury. Absence authorized for medical or dental examinations shall also be chargeable to personal illness.

2. Procedure for Application

- (a) Every employee who is unable to report to work at his usual time shall either call, or have someone call, his supervisor preceding the time he is scheduled to report for work to explain his absence.
- (b) Department heads shall have the authority to approve "application for payment of wages during absence," for all employees, upon proper verification.
- (c) Employees requesting payment of wages for four days or longer shall secure and have "application for payment of wages during absence," signed by their personal physician, osteopath, chiropractor, or Christian Science practitioner attending the employee, and present such application to the Personnel Department before returning to work.
- (d) An eligible employee, who, while on vacation, has suffered a serious disability in excess of three days due to injury or illness requiring professional medical treatment, and who has been

confined to bed or seriously restricted in his mobility by his attending physician, may request, subject to departmental approval and proper verification, that his available sick leave credit be used in substitution for scheduled vacation. In order to receive this benefit, the employee shall:

- i. Notify his department head immediately of any serious disability or confinement and not wait for his return to duty.
- ii. The department head shall make a preliminary determination or investigation based on available information.
- iii. If the case seems to deserve approval, the department head shall ask the employee for full written information and confirmation and send to him an "application for payment of wages during absence" form, so the necessary medical report and physician's signature may be obtained before the final decision is made. In lieu of the doctor's signature on the "application for payment of wages during absence," a statement from the doctor on his letterhead as to the time, treatment, and extent of disability may be used and attached to the above-mentioned form on his return.
- iv. If the department head approves and endorses the request, he shall send all appropriate information with the form, "application for payment of wages during absence" to the Finance Department.

3. Sick Leave Allowance Provisions

(a) Sick Leave Allowance

All employees in this unit will be credited with their non-work connected sick leave as follows each calendar year:

Maximum Sick Leave
Length of Continuous Service Allocation per Calendar Year

6 months to 12 months 32 hours 1 year or more 40 hours

(1) Sick Leave as used herein shall be defined as a non-job related illness or injury necessitating the absence from work of the employee.

- (2) Medical, dental, eye or ear examinations which cannot be scheduled outside of normal working hours shall constitute sick leave for purposes of this section. In addition, injury to or illness of a member of an employee's immediate family which requires the employee to be absent from work, shall also constitute sick leave for the purpose of this section provided that such absence shall not exceed 3 regular working days. Immediate family means spouse, child, parent, brother or sister, or parent of spouse.
- (3) In the event an employee who is eligible for sick leave does not use the maximum sick leave days allowed during that calendar year, the unused portion shall be carried forward to the following calendar year to a maximum accumulation of 120 hours, so that combined with the current sick leave allowance an employee could use no more than 160 sick leave hours in a calendar year.
- (4) Accumulation of more than 120 sick leave hours will be added to the employee's Extended benefit as provided in section (b) hereof.
- (5) Persons who have exhausted their sick leave as defined above shall be required to utilize vacation time or time off with no pay for an illness or injuries of 4 days or less.

(b) Extended Illness or Injury Leave Allowance

In addition to the benefit provided in section (a) hereof, any employee regularly employed who has completed 12 months or more of continuous service, shall be entitled to regular compensation for extended illness or injury not arising out of and in the course of his employment in accordance with the following schedule:

Years of Continuous Service	Leave Allowance	
1 year to 2 years	40 hours	
2 years to 5 years	80 hours	
5 years to 10 years	160 hours	
10 years to 15 years	240 hours	
15 years or more	400 hours	

(1) Extended illness or injury as used herein means a non-job related illness or injury necessitating the absence from

work of the employee for a period of 5 or more consecutive work days. Satisfactory evidence of the extended illness or injury must be presented before the benefits provided herein shall apply.

- (2) The first day of any extended illness or injury leave shall be drawn from sick leave as provided in section (a) above before the extended benefit applies.
- (3) In the event there is no sick leave available, the first day of an extended illness or injury as herein defined shall be taken either as a vacation day or a day off with no pay.
- (4) The order in which Extended Illness or Injury Leave may be taken is first, unused sick leave as provided for in section [a-(4)] hereof; second, accumulated reserve leave credit as of December 31, 1977; and third, Extended Illness or Injury Leave Allowance.

(c) PERS Credit for Unused Sick Leave

In accordance with the Coalition Agreement on Retirement (Exhibit III), the City has amended its contract with PERS to provide Credit for Unused Sick Leave (Govt. Code Sec. 20965). Pursuant to Government Code Section 20965, such benefit will allow unused accumulated sick leave to be converted to additional service credit at time of retirement, at the rate of .004 of a year of service credit for each day of unused sick leave.

B. Bereavement Leave

Employees absent for leave due to bereavement of an immediate family member may receive regular compensation for a maximum of 3 days. Three working days may be defined as days in which the aggregate time off does not exceed 24 hours, or the equivalent. Three days bereavement leave are provided separate from the sick leave provision. Eligibility for bereavement shall be effective on the appointment date of the employee.

Immediate family member is defined as spouse, child, parent, brother or sister, grandparent, parent or spouse, or domestic partner. With approval of Management, an employee may be authorized bereavement time upon the death of an individual not specified as the employee's immediate family member as herein defined.

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C. Workers' Compensation Leave

- 1. Job-Related Injury or Illness Any employee incapacitated by reason of an injury or illness arising out of or during the course and scope of employment shall receive the benefits awarded under the Worker's Compensation Laws of the State of California.
- 2. Additionally, such employees may be eligible for supplemental Workers' Compensation payments, which, when added to the benefits awarded under California Workers' Compensation Laws, will result in payment to the employee of a sum equal to his/her regular net compensation. Regular net compensation is the base hourly rate at which the employee is being paid on the date of the commencement of the job-related illness or injury, less the amount of state and federal taxes. The employee may change the number of withholding allowances to actual number of allowances, subject to verification by the Human Resources Department.
- 3. Eligibility for Workers' Compensation supplemental payments (hereinafter referred to as the "supplement" or "supplemental pay") as defined in the foregoing paragraph is subject to the following conditions:
 - a. Claims denied by the City via the Workers' Compensation claims process are not eligible for the supplement. If a denied claim is subsequently resolved in favor of the employee, the supplement will be paid retroactively.
 - b. Claims relating to a disciplinary action against an employee, the commencement of which the employee has been informed, are not eligible for the supplement. Disciplinary action is defined as including only the following: oral and written warnings, suspensions, demotion and termination. In the event the applicable disciplinary action is resolved in favor of the employee and the employee is exonerated from any culpability, the supplement would be paid retroactively.
 - c. If and when the City's physician determines that only a portion of an injury is work-related, payment of the supplement will be prorated by the percent of the injury determined to be work-related. Sick leave may be used for any portion of the injury determined to be non-work related.
- 4. Workers' Compensation supplemental payments shall commence with the first day of the approved absence and continue until the termination of the temporary disability, or the termination of the approved absence, or for a maximum of twelve (12) months for the same work-incurred injury, whichever occurs first.

- 5. The City expects that employees on Workers' Compensation leave will demonstrate reasonable cooperation and participation in their treatment as provided by the physician to promote a cure or relief from the effects of the injury. The City retains the right to terminate the supplement at any time if such cooperation and participation is not demonstrated.
- 6. If an employee on Workers' Compensation leave returns to work before having received the supplement for twelve (12) months, and the same injury recurs, or further treatment is required in connection with the same injury necessitating further leave, the employee may be eligible for additional supplemental pay, not to exceed a cumulative total of twelve (12) months for the same injury. The City may require an interim review on such an extended leave.

D. Jury Leave

Any regular full-time employee, who is summoned and ordered to report to jury duty, shall be allowed the necessary time to be absent from work at his regular rate of pay provided he/she deposits with the City any fees received for jury duty.

Moreover, an employee is required to promptly notify his/her supervisor of his/her summons for jury duty, so that the department can assign the employee who is on a swing shift or graveyard shift to day shift for the period of time the employee is on jury duty and the department can make any required staffing adjustments.

In the event the employee is released from jury duty at 1:00 p.m. or earlier, the employee must report to work for duty and work the balance of the work shift.

E. Witness Leave

In accordance with Government Code Section 1230.1, when an employee is served with a subpoena which compels his or her presence as a witness, he/she shall be granted a leave of absence with pay in the amount of the difference between the employee's regular pay and any amounts he/she receives for such appearance, other than mileage. This does not, however, apply to any employee subpoenaed to appear in any proceeding as a litigant or expert witness, subpoenaed to appear as a witness in any action brought about as a result of his/her own misconduct or connivance, or subpoenaed to appear or appearing during his/her off duty hours.

F. Military Leave

Military leave of absence may be granted for the duration of a war or natural emergency or as required by the Military and Veterans Code.

Notwithstanding the above, the City Manager may authorize a salary subsidy and/or benefits continuation classified below for employees who are involuntarily called to active duty as a result of a national emergency.

- 1. The City may provide a salary subsidy to supplement the employee's military pay, the total of which shall not exceed the amount of gross salary earned at the time the employee is activated. The subsidy will commence after the 30 days state-mandated full-salary provision is exhausted, and will continue until the employee is released from active military duty, but not to exceed a period of five months.
- 2. The City may provide continued health and dental contributions for employee and dependent coverage; provided that the employees and/or dependents are enrolled for those benefits at the time the employee is involuntarily called to active duty. This continued benefit would begin after the 30 days state-mandated benefits expire, and will continue until the employee is released from active military duty, but not to exceed a period of five months. The continued health and dental premium contribution shall be equal to the same amount of City contribution authorized for the employee's classification, but not to exceed the applicable premium rate for health and dental premiums.

D. Maternity Leave

The City provides an unpaid leave of absence of six months for maternity. Leaves beyond this period of time may be requested and must be approved by the City Manager.

Consistent with the City of Pasadena's Manual of Personnel Rules, Practices Procedures, Section 3.30, the City will grant job protected family and medical leave to eligible male or female employees for up to 12 weeks per 12 month period for the birth of a child, and in order to care for such child.

ARTICLE 17 Employee Benefits

A. Life Insurance

The City will provide life insurance coverage in the amount of \$25,000, double indemnity, for each employee. Additional coverage may be purchased at the employee's expense.

B. Dental Care Program

The City will contribute 100% of the employee only premium for a dental care program as provided by the City of Pasadena. In addition, the City will contribute up to \$95.13 per month toward the premium for dependent dental care coverage.

C. Health Insurance

During the term of this Memorandum of Understanding, the City will contribute a monthly amount per employee towards the health insurance premium as provided under the Public Employees Retirement System (PERS) Medical Program to eligible employees who enroll in the PERS Medical Program.

In addition, the City will provide each employee \$1141.88 per month through an Employee Option Benefit Fund which shall be used to pay on the balance of the employee's health premiums or designated to the employee's individual deferred compensation account. No cap will be placed on the amount of the unused insurance contributions to the EOBF which may be allocated to the employee's deferred compensation account.

Effective January 1, 2011, the City's contribution to the Employee Option Benefit Fund will be an amount equal to the rate for the least expensive family health plans offered to all City employees.

Employees agree to participate in cost containment efforts undertaken by the City.

D. Workers' Compensation

Workers' Compensation Insurance premiums shall be the responsibility of the City of Pasadena in accordance with the benefit schedule and ratings under California State law and resolutions and ordinances of the City of Pasadena.

E. Long Term Disability Insurance

The City will provide a Long Term Disability (LTD) Plan. The Plan will provide for disability payments to employees under, at least, the following basic provisions:

- a. The City will pay 60% of the premium for basic coverage. The employee will pay 40% of the premium for basic coverage.
- b. Disability payments will commence on the 61st calendar day of the illness or injury.
- c. Payments shall not exceed a total of 50% of the employee's salary up to a maximum benefit of \$900 per month and will be coordinated with deductible benefits as provided under the LTD Plan.
- d. The maximum benefit period will be five years.
- e. The employee will pay for all premiums through payroll deduction.
- f. In addition to the basic LTD Plan provided by the City, the employee may elect to enroll in a supplemental LTD Plan at his/her cost, which provides supplemental LTD payments equal to 60% of the employee's salary, coordinated with deductible benefits.

F. Deferred Compensation

Employees may participate and contribute to the deferred compensation program presently in effect.

ARTICLE 18 Tuition Reimbursement

Regular employees pursuing an Associate of Arts degree or higher in a job-related field at an accredited college or university, shall be eligible for tuition reimbursement of up to one thousand dollars (\$1,000) per fiscal year. In addition, Management shall have the discretion to approve reimbursement for job-related coursework not associated with a degree program. Upon presentation of receipts and grade cards, employees will be reimbursed for the actual costs of tuition, books, lab fees, or other student expenses. Parking fees are not reimbursable under this provision.

Eligibility for tuition reimbursement shall be in accordance with Section 4.10 – Tuition Reimbursement of the City of Pasadena's Manual of Personnel Rules, Practices and Procedures.

The increase in tuition reimbursement amount becomes effective July 1, 2011.

ARTICLE 19 Work Uniforms and Safety Shoes

The employee must pay for and replace any uniform lost or stolen which has been assigned to him or her. Rules and regulations for the wearing of uniforms shall be set by the operating departments.

The City shall provide work uniforms to operating personnel when assigned to maintenance duties.

Employees who are required to wear safety shoes will be reimbursed two hundred fifty dollars (\$250) annually in the month of October for the cost of purchasing such safety shoes. Effective the first October following the City Council's adoption of this Memorandum of Understanding and every October thereafter, employees who incur additional expense for the purchase of approved safety shoes shall be reimbursed up to \$50.00 for that additional expense upon presentation of a receipt.

The City shall also reimburse employees up to two hundred fifty dollars (\$250) annually for safety glasses which meet ANSI standard Z87.1-1989.

ARTICLE 20 Respiratory Examinations

The City shall provide each bargaining unit employee with one respiratory examination, consistent with Federal law.

ARTICLE 21 Bilingual Pay

During the term of this Memorandum of Understanding, employees may be eligible to receive bilingual pay of \$75 per month under guidelines established in the Bilingual Incentive Program provisions of the City's Manual of Personnel Rules, Practices and Procedures.

ARTICLE 22 Retirement

- A. Retirement benefits shall be provided as currently specified under the City of Pasadena's Contract with the Public Employees Retirement System.
- B. The City implemented a separate retirement plan with the PERS for all prospective employees hired after July 1, 1984. The new retirement plan provides for a modified benefit level as follows:
 - 1. Final compensation based on the average of the three highest years of work.
- C. On January 27. 2006, IUOE, as part of the Coalition, reached agreement with the City of Pasadena on an enhanced retirement plan as specified in Exhibit III Coalition Agreement on Retirement, which is attached to this Memorandum of Understanding.
- D. The City and each employee will contribute to the employee's retirement costs as specified in the Coalition Agreement on Retirement which is Exhibit III of this MOU. All such City contributions made under this section shall be deemed to be member contributions under the Public Employees Retirement System (PERS) and shall be recoverable by the member as such.
- E. Value of City Provided Uniforms as Compensation under PERS In accordance with PERS regulations, the City will report a uniform value of \$189 per year to PERS for compensation purposes for each employee who is provided a City uniform.
- F. In the event that the Coalition of miscellaneous City unions formed in 2009 to negotiate on Retirement disbands, either the City or IUOE may request to reopen negotiations on Reitrement.

ARTICLE 23 Payroll

A. Step Raises

Employees hired or promoted to Step 1 of a pay range shall receive the Step 2 salary at the successful completion of six months of service, based on satisfactory

job performance. Increases to the Step 3, 4 and 5 levels shall be based on satisfactory job performance by the individual and shall be reviewed at least at the following time intervals:

Step 3--6 months after the Step 2 increase

Step 4--1 year after the Step 3 increase

Step 5--1 year after the Step 4 increase

Probation shall be one year for all employees newly hired or promoted.

- B. When an employee is promoted from employment in one classification to employment in a classification allocated to a higher salary schedule, he shall advance to the lowest step in such higher salary schedule that will provide an amount equal to or nearest to a one-step increase in compensation. The one-step increase will be measured by the compensation schedule from which the employee is being promoted.
- C. Notwithstanding anything in this section, the City Manager may approve a promotion at a higher step within the schedule.

ARTCILE 24 Temporary/Out of Class Assignment

When an employee is assigned on a temporary basis to the duties of an unfilled position, and such employee assumes the full duties and responsibilities of that position for a minimum of one (1) full day, such employee shall be compensated from the first day of the temporary appointment at a rate of pay which is no less than an amount equal to a one step increase in compensation based upon the step schedule of compensation rates for the employee's current classification, not to exceed the existing top step of the classification to which assigned.

Management shall determine if an employee is qualified to perform the duties of the higher Position.

When there is a current eligibility list, an employee will be selected from that list whenever possible. Whenever possible, temporary assignments will be rotated among qualified employees such that no one employee holds the temporary assignment for longer than six months except for relief operator assignments which shall be for 12 months (or longer upon mutual agreement). Special project assignments may, at the discretion of management, last longer, or for the duration of the project.

ARTICLE 25 Payroll Deductions and Dues

The City may deduct the regular dues of employee members of the recognized employee organization. Dues deduction shall be made only on the written authorization of the employee. Dues deduction authorization may be canceled and the dues deduction

discontinued at any time by the employee upon voluntary written notice to the Human Resources Department.

The recognized employee organization shall comply with the dues deduction requirements of the City of Pasadena.

ARTICLE 26 Discipline

The City may take disciplinary action for cause. Disciplinary actions shall include only the following: oral and written warnings, suspension, demotion and termination. These actions are subject to the employee's right to grieve.

ARTICLE 27 Grievance

A. Definition

- 1. <u>Grievance</u> -- a dispute between an employee or employees and the employer regarding an interpretation or application of the Employer-Employee Labor Relations Resolution, a written Memorandum of Understanding, or of the rules and regulations governing conditions of employment.
- 2. <u>Employee</u> -- within the context of this policy, statement refers to a full-time, regular employee who has initiated a grievance.

B. Guidelines

- 1. An employee may file a grievance without jeopardizing the employee's employment. A grievance shall not be filed to establish new rules and regulations, change prevailing ordinances or resolutions, nor circumvent existing avenues of relief where appeal procedures have been prescribed.
- 2. An employee may select one of the following methods of representation. To most effectively utilize the grievance procedure, the method selected should generally be used throughout the processing of the grievance. The employee may:
 - (a) Be self represented
 - (b) Be represented by another person
- 3. Once a grievance is presented and formal notification has been given to the department that the employee will be represented by another person in the grievance proceedings, then that representative shall be governed by this Memorandum of Understanding.

The representative shall be entitled to:

- (a) Notification of the time and place of the grievance proceedings and the opportunity to be present at such proceedings.
- (b) A copy of any written decisions or communications to the employee concerning the grievance proceedings.
- 4. A grievance may be initiated only by the employee concerned, except as otherwise provided herein.
- 5. A general grievance regarding interpretation and implementation of the Memorandum of Understanding may be filed by the Union on behalf of employees represented by that Union. A general grievance shall be filed in writing with the Director of Human Resources within fourteen (14) calendar days of the action in question.
- 6. An earnest and sincere effort shall be made by all parties to cooperate in the prompt resolution of a grievance in an amicable manner. The time limits may be extended when mutually agreed upon in writing between the appropriate parties. If the employee, or the employee's representative, or the City fails to proceed with the grievance within any of the time limits specified herein, the grievance shall be considered settled on the basis of the last decision rendered.
- 7. This is the sole and exclusive method for resolving grievances.
- 8. Incidents involving allegations of racial and/or sexual discrimination or harassment may be filed and taken to Step 2 of the grievance process. At that point, the employee has the option of processing the issue through the Department of Human Resources or through the grievance procedure, but not both. The employee shall inform the City of his/her election at the second step.

C. Grievance Procedure

1. Step 1

The employee shall orally present the grievance to the immediate supervisor within fourteen (14) calendar days following the event or events upon which the grievance is based. If the employee and the immediate supervisor are in the same representation unit, the grievance shall be presented to the next higher level supervisor not included in the unit. If the employee elects to be represented (per "Guidelines, Para.2"), upon notification to the immediate supervisor, the employee may be assisted by a representative in presenting the grievance.

The immediate supervisor shall make whatever investigation deemed necessary and shall arrange a meeting with the employee to discuss the grievance and, if possible, resolve it. In any event, the supervisor shall give an answer to the employee within fourteen (14) calendar days following the oral presentation of the grievance. If the employee has requested to be represented, the representative shall be given the opportunity to attend the meeting, and shall be informed of the immediate supervisor's decision on the grievance.

If the employee is not satisfied with the decision of the immediate supervisor, upon indicating the specific areas of disagreement, appeal to Step 2 can be made.

2. Step 2

If the employee desires to appeal his grievance to Step 2, there shall be submitted in writing the specific grievance and areas of disagreement, on forms provided, to the department head, within fourteen (14) calendar days following receipt of the immediate supervisor's decision at Step 1. If the employee has elected to be represented, assistance by the representative can be utilized in appealing the grievance.

The written grievance must contain a complete statement of the complaint, the facts upon which it is based, the employee's reasons for the appeal, and the remedy being requested. The grievance form shall be signed and dated by the employee.

The department head and the Director of Human Resources, or their designated representatives, shall attempt to resolve the grievance and shall arrange a meeting with the employee and appropriate representative. A decision, in writing, shall be given to the employee within fourteen (14) calendar days following the receipt of the written appeal or conclusion of the appeal meeting whichever is later.

If the employee is not satisfied with the Step 2 decision upon indicating areas of specific disagreement, appeal of the grievance to Advisory Arbitration for resolution may be made, except in the case of appeal of an oral warning, in which case Step 2 shall constitute the final appeal.

D. Advisory Arbitration

Except in the case stated above, if the grievance has been properly processed and is not satisfactorily resolved at Step 2, the Union or the employer may appeal the grievance to arbitration. The appeal shall be in writing; shall be signed by the authorized Union representative, or by the

appropriate representative of the City, and shall be submitted to the other party within fourteen (14) calendar days of the written decision at Step 2.

If the employee is being represented, the employee may be assisted by a representative in the appeal.

Within seven (7) calendar days after receiving the notice to appeal a grievance to arbitration, a meeting shall be arranged between the employee and the Director of Human Resources, or their representatives to prepare a joint written statement of issue, or issues, to be presented at arbitration.

In the event the parties are unable to agree upon the issue, or issues, to be presented at arbitration, each party will prepare its statement of the issue, or issues, and jointly submit their statements to the arbitrator. The arbitrator shall, at the beginning of the hearing referred to below, state his opinion as to what the issue or issues are.

The parties shall select a competent arbitrator mutually agreed to by both parties, or shall request the State Mediation and Conciliation Service to submit a list of seven (7) persons qualified to act as arbitrators. Attached to such request shall be the joint statement of the issue, or issues to be presented, or separate statements, if applicable.

Within seven (7) calendar days following receipt of the list of arbitrators, the parties shall meet to select the arbitrator. The parties shall alternately strike one name from the list of arbitrators (the right to strike the first name to be determined by lot) until one (1) name remains, and that person shall he the arbitrator.

The arbitrator shall hold a hearing on the issue, or issues submitted. The arbitrator shall not hear witnesses without the presence of both parties. He shall render a written opinion within 30 calendar days following the closing of the hearing unless the period has been mutually extended in writing. The opinion, which shall be bound by the present Memorandum shall be advisory only, shall not be binding on either party, and shall be limited to the issue, or issues, presented to the arbitrator. The opinion shall be sent to the Municipal Employee Relations Officer, with a copy to the employee.

Within fifteen (15) calendar days following receipt of the advisory opinion, the Municipal Employee Relations Officer shall advise the employee by letter whether or not he intends to take any further action regarding the issue, or issues, referred to in the arbitrator's advisory opinion. A copy of the Municipal Employee Relations Officer's letter will be sent to the employee and union organization involved, if any.

Each of the parties involved shall contribute equally to the cost of facilities, fees and expense of the arbitrator, including transcripts required which shall be determined in advance of the hearing. Each party shall bear its own witness and attorney fees.

ARTCILE 28 Alternatives to Layoff

If, during the term of this Memorandum of Understanding, the City determines that work force reductions are necessary, shall, together with the Union, explore the following options prior to utilization of the layoff procedure.

- 1. Utilize normal attrition;
- 2. Offer voluntary retirement and buyout packages, including those developed by the Water & Power Labor-Management Committee. Voluntary retirement severance packages may include, but are not limited to, early retirement incentives, lump sum severance payments, and reimbursement for educational expenses.

After completion of the processes set forth above, the City may layoff employees in accordance with the layoff procedure set forth below.

3. Give appropriate notice to the Union of pending layoffs and meet and confer on the impact of layoffs. Included in this process shall be exploration of further alternatives to layoffs.

ARTICLE 29 Layoff

A. Definition

Layoff is defined as any involuntary separation wherein management eliminates a job without prejudice to the incumbent. Layoff shall result only from a change in the status of a position.

B. Authority

The City Manager shall have the authority to eliminate positions within any department because of curtailment of funds, reduction in force due to technological or operational changes, or elimination or modification of any activity or service.

C. Policy

1. The City will make every effort to accommodate those employees who may be subject to layoff through the process of normal attrition. In the event of the reduction of the work force, existing vacancies shall be used to

- the maximum extent possible to relocate affected employees, regardless of departmental jurisdiction.
- 2. Layoff shall be made by specific classification series. (I.e. Power Generation, Power Distribution.) Employees with two or less years in their classification series have the right to return to their prior classification series.
- 3. Within a given class, individuals will be laid off based upon seniority in that classification.
- 4. The layoff priority of employment categories shall be as follows:
 - (a) Temporary or provisional employees.
 - (b) Probationary, regular, part-time employees.
 - (c) Probationary, regular, full-time employees.
 - (d) Regular, part-time employees.
 - (e) Regular, full-time employees.
- 5. Departments which anticipate a possible reduction in staff because of the acquisition of new equipment, change in procedures, or for any other reason, shall notify the Human Resources Department and the affected employee as soon as possible in order that appropriate procedures may be initiated.
- 6. Employees for whom a layoff appears imminent shall be placed upon a retention list for that class. All vacancies within that class shall be filled from the retention list prior to using the regular eligible or rehire lists. The conditions applying to this list shall be as follows:
 - (a) Based upon seniority in their present class, employees will have the right to transfer to any vacant position in the same class within their department.
 - (b) If qualified, employees shall have a right to a demotion to another classification in their own department if a vacancy exists.
 - (c) If any employees cannot be placed under the provisions of Paragraphs a and b above, such employees may be considered by other departments as follows:

- i. The employee is physically able to perform the required duties.
- ii. The position is not one of greater supervisory responsibility and is compensated at a rate equal to or less than the employee's present rate.
- iii. The employee meets the minimum qualifications and physical standards of the position.

Departments, other than the one in which the particular layoff occurred, are not obligated to accept the laid-off employee.

- 7. Employees transferred to a new position in the same class shall receive the same salary step and retain the same anniversary date as in their previous position.
- 8. Employees who, in order to avoid being laid off, accept voluntary demotion shall be compensated in the established salary range of the class into which they transfer at the step nearest to, but not greater than, that received in their former classification. The employee's rate of pay shall be changed at the time that the reassignment is made or new duties and responsibilities are assumed and the employee shall retain the previous employment date for purposes of step advancement.
- 9. Employees who accept voluntary demotion shall be eligible at any time for reappointment to their previous classification on the basis of seniority when openings occur in the department where the layoff occurred, provided that they are able to perform the duties of the job. Rejection of a reappointment offer shall terminate eligibility for future consideration.
- 10. Employees who are subject to impending layoff may not be transferred to a vacant position with a higher salary range except through participation in the normal examination and selection procedures, as established by the Human Resources Department.
- 11. Employees who cannot be placed, and must be laid off, shall have their names placed on a reemployment list and shall be eligible as follows:
 - (a) To compete in promotional examinations for which they are qualified for a period of 12 months.
 - (b) To hold reemployment rights for a period of 12 months and be eligible for any vacancies which may occur during this period in the classification held by the employee in the department where the

- layoff occurred, provided that the employee is able to perform the duties of the job.
- 12. (a) Employees laid off pursuant to this Section shall be entitled to one months salary for each year of City service not to exceed six (6) months pay.
 - (b) Severance payments shall be prepared with the regular payroll and paid at the end of each month that the employee has not been recalled for the duration of his benefit.
 - (c) Employee must have completed at least one year of service before being entitled to this benefit.
 - (d) Employees who are laid off will be given the following considerations with regard to their other accumulated benefits:
 - i. Employees will not continue to accumulate any longevity-based benefit during the period that they are laid off, but will retain any benefits accumulated to the date of layoff. Employee retirement benefits cease at the time of, and will not be paid during a layoff period.
 - ii. The employee may remain in a layoff status for a maximum of 12 months. If the employee is recalled during this time, reinstatement will be made and all rights and benefits will be restored as a regular employee from the date of his first appointment within the period of the most recent continuous service, with an appropriate adjustment for the time that was not actually worked on the job.
 - iii. The laid-off employee will have the option of receiving payment for any accumulated vacation and/or sick leave, within the provisions of the respective policies, at any time during the layoff period. Such payment will be made in one sum and will be independent of any severance pay received.
 - iv. Employees who claim payment for accumulated vacation and/or sick leave and are subsequently recalled, will begin accumulating again the claimed benefit(s) on the date that they report back to work.
 - v. Laid-off employees who are not recalled within the 12-month period will be completely separated from the City service and will automatically receive payment for any

- accumulated vacation or sick leave which has not been previously claimed.
- vi. The employee shall have the option to make the total premium payment so that the above listed insurance programs may remain in full force and effect during the period of the layoff not to exceed twelve (12) months.
- (f) In the event of death of an employee while receiving severance pay, such payment shall cease.
- (g) Employees laid off and given an opportunity to return to their job classification shall be allowed a maximum of 14 calendar days after such notification to make themselves available. If an employee refuses such an opportunity to reemployment, the employee will lose any remaining severance pay entitlement and will be removed from the reemployment list.
- (h) Severance benefit payments shall cease when the laid-off employee returns to work with the City, or obtains another full-time position.
 - i. Provisions of this section pertaining to severance pay shall not apply to those employees whose layoff was necessitated by the City's inability to meet payroll, or to secure continued financing of projects supported by other agencies.
- 13. Provisional or temporary employees may be separated by the appointing authority without regard to seniority status, and shall have no reemployment rights, but may be returned to their former place on the eligible list
- 14. Employees who: (a) may be transferred, (b) accept a voluntary demotion, (c) are reemployed by the City, shall meet the job requirements of the class into which they are placed.
- 15. Questions on seniority status, which affect retention and are influenced by previous reclassification actions, shall be adjudicated by the Director of Human Resources.
- 16. When computing an employee's most recent continuous service and applicable severance payment, previous layoffs and any payments thereto will be disregarded.

17. The terms and conditions of this layoff policy will not be used as a substitute for disciplinary action against any employee.

D. Procedure

- 1. Notice: Each affected employee shall receive written notice from the appointing authority, specifying the exact date when layoff is to be effective; and at least two weeks' notice shall be given.
 - (a) The commencing date of the reemployment rights of the employee shall start from the effective date of layoff.
- 2. Recall List: The Human Resources Department will automatically establish a recall list for a period of 12 months.
 - (a) All departments where classifications exist which are on the recall list will be notified of the employee's availability.
 - (b) Individuals on the recall list will be appointed to vacancies for which they qualify in the department from which they were laid off, so long as any person in that class is on such a list, before any other names on any other eligible lists -- promotional or open competitive -- are used.

ARTICLE 30 Work Schedules

- A. Work schedules are defined as an employee's normally assigned hours of the day, days per week and the employee's shift rotation schedule.
- B. The standard work week is Monday, 12:01 A.M., through Sunday, midnight, except that shift employees may be assigned to work a schedule on a Sunday through Saturday basis consisting of forty (40) hours.
- C. The normal day for the shift employee shall be eight (8) consecutive hours. An employee, who, after reporting to work as scheduled, is sent home to return at a later time in the same day to work a different shift will be given the opportunity to work a complete reassigned shift.
- D. Shift employees are defined as those employees assigned to a regular shift on a twenty-four hours, seven-days per week basis.
- E. The normal work schedules showing employee's shifts, workdays and hours, shall be posted on the bulletin board at least fourteen (14) calendar days prior to their effective date.

- F. Changes in normal work schedules shall not be made arbitrarily but to meet the operational needs of the department or for other legitimate reasons. Whenever possible, at least ten calendar days notice will be provided to employees affected by a change in the normal work schedule. Notice of change(s) affecting individual employees shall be made as far in advance as circumstances permit.
- G. Shift employees are permitted to eat a meal during the work shift. Meal time during an employee's shift shall be taken when conditions permit and the meal shall be consumed at the employee's assigned work station.
- H. No employee shall leave his assigned shift until relieved unless otherwise directed by the appropriate authority.
- I. Forty hour-a-week employees are entitled to paid leave benefits based on an eight hour day regardless of their work schedule. Employees working less than full time but not less than half time shall receive proportional benefits as follows:

Medical and Dental - 30 hours a week or more.

Retirement - at least four hours per day on a regular basis or an average of 87 hours a month, if hours vary from day to day. (No retirement eligibility for less than six months of part time work.)

- J. Employees assigned as "Relief Operators" will normally work on a Monday through Friday workweek and will normally be assigned Saturday and Sunday as days off; however, "Relief Operators" may be assigned to work any five-day period during the workweek.
 - "Relief Operators", when not actually assigned to a shift, may be assigned to a variety of Maintenance and Operational projects.
- K. During periods of major outages extending beyond one month, Operations crew assigned to work with Maintenance crew shall be assigned the same 9/80 work schedule as Maintenance crew.

ARTICLE 31 Safety

It shall be the responsibility of the City to administer the Safety Program and to make every reasonable effort that safety rules are carried out by all employees, in order to provide and maintain a safe place of employment. It shall be the responsibility of the employees to make every reasonable effort to ensure that they act in a safe manner. The Union will cooperate by encouraging all members covered by this agreement to perform their work in a safe manner.

It is the duty of all employees covered by this Agreement, in the course of performing their assigned duties, to be alert to unsafe practices, equipment, and conditions and to report any unsafe practices or conditions to their immediate supervisor.

Should a dispute arise over the application or interpretation of a safety rule, such dispute shall be resolved by use of the grievance procedure with the option for management to engage the services of a qualified safety consultant. However, nothing in this MOU shall prohibit the employee or the union from exercising their rights to take any safety issue to the appropriate State or Federal agency, once the City has had a reasonable opportunity to correct the problem.

ARTCILE 32 Wellness and Drugs/Alcohol

The parties agree that the health, welfare, and safety of employees in the unit are a primary concern. Therefore, employees are encouraged to participate in Wellness programs as and if provided by the City. Further, employees shall not report for work under the influence of drugs or alcohol, or possess alcohol or illegal substances while at work. "Under the influence of drugs or alcohol" means the excessive use of alcohol, the use of any illegal substance, or misuse of a prescribed drug in a manner and to a degree that causes impairment in the employee's work performance or the ability to use City property or City equipment safely. The parties agree to take necessary steps to fulfill these responsibilities and minimize potential dangers.

Without detracting from the rights and obligations recognized above, the City and Union agree to cooperate in encouraging employees affected with the condition of alcohol or drug abuse to undergo a program directed to the objective of their rehabilitation.

All employees holding classifications represented by this union agree to comply with the Alcohol and Drug Abuse Policy as provided by the City. Attached as Exhibit III is the text of the policy.

ARTICLE 33 Transportation Demand Management Program

Unit employees represented by I.U.O.E. who are assigned to the power plant (which is exempted from AQMD trip reduction requirements by Regulation XV) will not participate in the City's PRIDEshare Program. This exemption is due to all of the following: (1) continuous rotating shift operation, (2) number of unit employees (less than 50), and (3) non-use of City funded parking structures in the Civic Center area.

ARTICLE 34 No Smoking

All employees holding classifications represented by this union agree to comply with the No Smoking Policy as provided by the City. This policy is attached for information as Exhibit IV.

ARTICLE 35 Child Care

All employees holding classifications represented by this union shall be entitled to participate in the Child Care Voucher and Subsidy Program as provided by the City.

ARTICLE 36 Mileage

The City will provide reimbursement to the employee for use of his/her personal vehicle for authorized work-related travel. Such reimbursement shall be equal to the rate allowed for tax deduction by the Internal Revenue Service for employee business expenses not reimbursed for the applicable calendar year.

ARTICLE 37 Apprenticeship & Training Program

The City of Pasadena and the Southern California Operating and Maintenance Engineer, Local 501, Apprenticeship Training Trust Fund (Apprenticeship Training Trust Fund) agree to enter into a contract for apprenticeship and journeyman training. City employees enrolled in the Operating and Maintenance Engineers Apprenticeship Program (apprenticeship program) will receive training and classroom instruction as specified in the apprenticeship curriculum of the apprenticeship program.

Effective October 1, 2010, and every July 1st thereafter, the contract amount shall not exceed \$225.00 per year per journeyman based on the number of journey level Power Plant employees in the bargaining unit. In consideration, the City of Pasadena shall be provided with at least six (6) apprentice training slots and as many journeyman training slots as are available, on a first come first serve basis.

The parties agree that the City of Pasadena will be the sole determinant as to the number of apprentices employed by the City.

Local 501 will make a good faith effort to work with the City of Pasadena to upgrade the training program, and seek any economic support that may be available through other sources.

The contract with Local 501, IUOE Apprenticeship Training Trust Fund for apprenticeship and journey level training becomes effective on October 1, 2010 or on the date that Local 501 approves and the City Council adopts any required legal and implementing documents pertaining to participation in the apprenticeship program, whichever occurs later.

EXHIBIT I Schedule of Compensation Rates

- 1. Regular compensation is the step on the salary step schedule which the employee is being paid on the date of the job related illness or injury.
- 2. The Probationary Period is a part of the testing process. Probation shall be for one (1) year for all newly hired and promoted employees. Discharge during this period is not subject to appeal.

Effective March 28, 2011

Classification	Step1	Step 2	Step 3	Step 4	Step 5
Power Plant Control Operator	35.6542	37.4018	39.0885	40.7876	42.4987
Power Plant Mechanic	32.8874	34.4043	35.9212	37.4867	39.0644
Power Plant Mechanic Helper	25.2568	26.6186	27.9921	29.3539	30.6692
Power Plant Operator	32.8874	34.4043	35.9212	37.4867	39.0644
Power Plant Shift Supervisor	42.0376	44.6589	47.3043	49.9257	52.5469
Senior Power Plant Mechanic	36.7514	38.4596	40.1428	41.9138	43.6722

Power Plant Apprentice -

Upon successful completion of Semester 8

Effective October 4, 2010, this newly created apprentice class will be compensated as follows:

Rate

Entry level	60% of Power Plant Operator Step 1
Upon successful completion of Semester 1	5% increase
Upon successful completion of Semester 2	5% increase
Upon successful completion of Semester 3	5% increase
Upon successful completion of Semester 4	5% increase
Upon successful completion of Semester 5	5% increase
Upon successful completion of Semester 6	5% increase
Upon successful completion of Semester 7	5% increase

5% increase

EXHIBIT II

City of Pasadena

ALCOHOL AND DRUG ABUSE POLICY

A. PURPOSE

It is the purpose of this policy to eliminate substance abuse and its effects in the workplace, and to ensure that employees are in a condition to perform their duties safely and efficiently, in the interests of their fellow workers and the public as well as themselves.

B. POLICY

It is the City's policy that employees shall not be under the influence of or in possession of alcohol or drugs while on City property, at work locations, while on duty, or before reporting for duty; shall not utilize such substances when they have a reasonable expectation of call in for duty; shall not possess, provide or sell illegal drugs to any other employee or to any person nor have their ability to work impaired as a result of the use of alcohol or drugs.

While use of medically prescribed medications and drugs is not per se a violation of this policy, the employee must notify his/her supervisor, before beginning work, when taking medications or drugs (including the possible effects of taking such medication and drugs) which could foreseeably interfere with the safe and effective performance of duties or operation of equipment. In the event there is a question regarding an employee's ability to safely and effectively perform assigned duties while using such medications or drugs, clearance from a qualified physician may be required.

The City reserves the right to search, without employee consent, all areas and property in which the City maintains control or joint control with the employee, such as desks, file cabinets, City vehicles, etc. Otherwise the City may notify the appropriate law enforcement agency that an employee may have illegal drugs in his or her possession or in an area not jointly or fully controlled by the City, such as lockers assigned exclusively for the employee's personal use.

Employees determined to be under the influence of alcohol or drugs shall be prevented from engaging in further work and shall, for safety purposes be provided transportation from the work site.

C. <u>APPLICATION</u>

This policy applies to all employees of and to all applicants for positions with the City of Pasadena. This policy applies to alcohol and to all substances, drugs, or medications, legal or

illegal, which could impair an employee's ability to effectively and safely perform the functions of the job.

D. <u>EMPLOYEE RESPONSIBILITIES</u>

An employee must:

- 1. Refrain from the use of, or possession of, illegal drugs or narcotics while on duty or off duty;
- 2. Not report to work while his/her ability to perform job duties is impaired due to on or off duty alcohol or drug use;
- 3. Not possess or use alcohol or impairing drugs (illegal drugs and prescription drugs without a prescription) during working hours, when there is a reasonable expectation of being called to duty, when on breaks, during meal periods or at anytime while on City property;
- 4. Not directly or through a third party sell or provide illegal drugs to any person, including any employee, while either employee or both employees are on duty or off duty;
- 5. Submit immediately to a urine, breath or blood test, or other test as deemed appropriate, when ordered by a supervisor or manager who has reasonable suspicion that an employee is intoxicated or under the influence of drugs or alcohol;
- 6. Notify his/her supervisor, before beginning work, when having consumed alcohol or when taking any medications or drugs, prescription or non-prescription, which may interfere with the safe and effective performance of duties or operation of equipment;
- 7. Provide within 24 hours of request or as soon as reasonably possible bona fide verification of a current valid prescription for any potentially impairing drug or medication identified when a drug screen/test is positive. The prescription must be in the employee's name; and
- 8. Report to the supervisor or take other appropriate action when it is believed other employees may be under the influence of drugs or alcohol or engaging in illegal drug related activities.

Employees who believe they may have an alcohol or drug usage problem are urged to voluntarily seek confidential assistance from the Employee Assistance Program or other resources available in the community. While the City will be supportive of those who seek help voluntarily, the City will be equally firm in identifying and disciplining those who continue to be substance abusers and do not seek help.

E. MANAGEMENT RESPONSIBILITIES AND GUIDELINES

- 1. Managers and supervisors are responsible for reasonable enforcement of this policy, and for the administration of discipline as deemed appropriate, consistent with the Discipline Section (B-XV).
- 2. Managers and supervisors may request and, if necessary, subsequently order that an employee submit to a drug and/or alcohol test when a manager or supervisor has a reasonable suspicion that an employee is intoxicated or under the influence of drugs or alcohol while on the job or subject to being called. "Reasonable suspicion" is a belief based on objective facts sufficient to lead a reasonably prudent person to suspect that an employee is under the influence of drugs or alcohol so that the employee's ability to perform the functions of the job is impaired or so that the employee's ability to perform his/her fob safely is reduced.

For example, any of the following, in combination, may constitute reasonable suspicion:

- a. Slurred speech;
- b. Odor of an alcoholic beverage on breath;
- c. Unsteady walking and movement;
- d. An accident involving the employee and/or equipment or property where the cause may be symptomatic of suspected use;
- e. Physical altercation;
- f. Verbal altercation;
- g. Unusual behavior where the cause may be symptomatic of suspected use;
- h. Possession of alcohol or drugs; or
- i. Information obtained from a reliable person with personal knowledge. The supervisor shall make reasonable attempts to verify or corroborate such information prior to requesting or ordering an employee to submit to a drug test.
- 3. Any manager or supervisor requesting or ordering an employee to submit to a drug and/or alcohol test shall document in writing the facts constituting reasonable suspicion that the employee in questions is intoxicated or under the influence of drugs. Whenever possible a witness will be asked to observe the employee as well.
- 4. Any manager or supervisor encountering an employee who refuses an order to submit to a drug and/or alcohol analysis shall remind the employee that failure to comply is insubordination and will result in disciplinary action. Where there is reasonable suspicion

that the employee is under the influence of alcohol or drugs, the manager or supervisor shall, for safety purposes, provide the employee transportation from the work site.

- 5. Managers and supervisors shall not physically search the person or employees, nor shall they search the personal possession of employees without the consent of the employee.
- 6. Managers and supervisors shall notify the appropriate law enforcement agency when they have reasonable suspicion to believe that an employee may have illegal drugs in his or her possession, or when the supervisor is unable to reasonable control a situation where the employee poses a potential liability to himself/herself, or others.

F. PHYSICAL EXAMINATION AND PROCEDURE

The urine, breath, blood, or other appropriate test may test for any substances which could impair an employee's ability to effectively and safely perform the functions of his/her job, including, but not limited to, prescription medications, alcohol, heroin, cocaine, morphine and its derivatives, P.C.P., methadone, barbiturates, amphetamines, marijuana and other cannabinoids.

G. CONSEQUENCES OF FAILING DRUG AND/OR ALCOHOL ANALYSIS

- 1. Pre-employment Physicals
 - a. Failure to take a pre-employment drug test when scheduled may result in not being hired.
 - b. A positive result from a drug and/or alcohol analysis will result in the applicant not being hired where the applicant's use of drugs and/or alcohol (including lawful use of prescribed drugs/alcohol) could affect requisite job standards, duties or responsibilities.
 - c. If a drug screen is positive at the pre-employment physical, the applicant must provide within 24 hours of request bona fide verification of a valid current prescription for the drug identified in the drug screen. If the prescription is not in the applicant's name or the applicant does not provide acceptable verification, or if the drug is one that is likely to impair the applicant's ability to perform the job duties, the applicant may not be hired.
- 2. During Alcohol/Drug Tests Ordered for Reasonable Suspicion
 - a. All testing shall be conducted by a laboratory certified by the National Institute on Drug Abuse and licensed by the State of California. Such laboratory shall perform such quality measures as will ensure the accuracy of the results it reports. Including split of samples.
 - b. A positive result with confirmation from a drug and/or alcohol analysis may result in disciplinary action, up to and including discharge.

- c. If the drug screen is positive, the employee must provide within 24 hours of request or as soon as reasonably possible bona fide verification of a valid current prescription for the drug identified in the drug screen. The prescription must be in the employee's name. If the employee does not provide acceptable verification of a valid prescription, or if the prescription is not in the employee's name, or if the employee has not previously notified his or her supervisor, the employee will be subject to disciplinary action up to, and including discharge.
- d. If an alcohol or drug test is positive for alcohol or drugs, the City shall conduct an investigation to gather all facts. The decision to discipline or discharge will be carried out in conformance with applicable discipline procedures.

H. CONFIDENTIALITY

Laboratory reports or test results shall not appear in an employee's general personnel folder. Information of this nature will be contained in a separate confidential medical folder that will be securely kept under the control of the Director of Human Resources. The reports or test results may be disclosed to City management on a strictly need-to-know basis and to the tested employee upon request. Disclosures, without patient consent, may also occur when: (1) the information is compelled by law or by judicial or administrative process; (2) the information has been placed at issue in a formal dispute between the employer and employee; (3) the information is to be used in administering an employee benefit plan; (4) the information is needed by medical personnel for the diagnosis or treatment of the patient who is unable to authorize disclosure.

EXIHIBIT III

Coalition Agreement on Retirement

City of Pasadena Coalition of Miscellaneous Employee Units' 27 January 2006 Tentative Agreement

- 1. Plan: The City agrees to contract for 2.5% at 55 for implementation as provided herein. 2.5% at 55 shall be subject to a vote of all miscellaneous employees as required by PERS. If the miscellaneous employees vote to approve the amendment to the PERS plan, they shall pay a portion of the cost by paying a portion of their own Employee Normal Contribution as provided below at #3.
- 2. <u>Plan Effective Date:</u> The plan agreed to by the Parties shall be" implemented on January 1, 2007.
- 3. <u>Employee Payment:</u>
 - A. Effective July 1, 2006, employees pay 2.2%.
 - B. Effective July 1,2007, employees pay an a:dditional 1.4% for a total of 3.6%.
- 4. <u>Pre-tax:</u> All' employee contributions shall be made on a pre-tax basis and credited to the employee's PERS member account.
- 5. <u>Market Volatility:</u> No change based on market volatility. The City shall absorb all increases due to market volatility and shall receive the benefit of all reductions due to market volatility.
- 6. Other PERS Optional Benefits:
 - 'A. Credit for Unused Sick Leave (GC 20965) shall be implemented as soon as administratively possible after the Parties reach total agreement in these City/Coalition negotiations.
 - B. Military Buy Back (GC 21024) shall be implemented as soon as administratively possible after the Parties reach total agreement in these City/Coalition negotiations.
 - C. Survivor Spouse (GC 21548) shall be implemented as soon as administratively possible after the Parties reach total agreement in these City/Coalition negotiations.
 - D. Level 4 Survivor Benefit (GC 24574) shall be implemented as soon as administratively possible after the Parties reach total agreement in these City/Coalition negotiations.
- 7. <u>Full Understanding:</u> The Parties agree that until June 30, 2009, neither party, nor any Union that is a member of the Coalition, shall be required to negotiate or compel any other party to negotiate concerning an enhanced retirement plan, retirement contributions, or any PERS Optional Benefit, except for EPMC (GC 20692).

Any bargaining unit in the Coalition may have EPMC (GC 20692) implemented at the cost of one percent (1 %) if such implementation occurs prior to October 1, 2006.

Tentative Agreement page 2

As provided by applicable State law, the terms and conditions of this agreement shall I continue until otherwise modified or changed in writing by a subsequent mutually negotiated agreement.

Read, understood and agreed:

Pete Hodes, AFSCME

ance Bedolla

Nicolina Montova. P

Don Becker, City of Pasadena

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IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Memorandum of Understanding the day, month and year noted.

INTERNATIONAL UNION OF **OPERATING ENGINEERS, Local 501**

CITY OF PASADENA **AUTHORIZED MANAGEMENT** REPRESENTATIVES

Chris Brown

Business Manager, IUOE Local 501

Ron Frease

President, IUOE Local 501

Gavin Koon

Business Representative, IUOE Local 501

Mardel Baldwin Chief Steward

Union Steward

Randolph Smith Union Steward

Steven Caterino Union Steward

Michael J. Beck City Manager

Phyllis Currie

General Manager, Water & Power

Mary Ellen Schubel

Interim Director, Human Resources

Arthur Chavez

Human Resources Manager

Approved as to form:

Date