



City of Pacific Grove

MEMORANDUM OF UNDERSTANDING

GENERAL EMPLOYEES ASSOCIATION

July 1, 2013 – December 31, 2016

**Memorandum of Understanding Between
City of Pacific Grove and
General Employees' Association**

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**Memorandum of Understanding Between
City of Pacific Grove and
General Employees' Association**

July 1, 2013 – December 31, 2016

In accordance with State requirements, the City of Pacific Grove, through its negotiating team, and the Pacific Grove General Employees' Association, through its negotiating team, have met and conferred in good faith on matters within the scope of representation. As a result of these meetings, the parties make the following Memorandum of Understanding as required and subject to the conditions of Government Code Section 3503.1.

ARTICLE 1 ADMINISTRATIVE

1.1 Parties

This agreement is made and entered into between the City of Pacific Grove (herein called the "City") and the Pacific Grove General Employees' Association, (herein called the "Association").

1.2 Recognition

The City recognizes the Pacific Grove General Employees' Association as the exclusive representative of the employees in the General Unit. The City further recognizes the Pacific Grove General Employees' Union affiliation with UPEC 792, LIUNA AFL/CIO.

1.3 Unit Description

The General Unit consists of all regular full- time employees of the City occupying positions in the following job classes:

Accounting Assistant	Library Technician
Accounting Assistant, Senior	Maintenance Supervisor
Administrative Technician	Maintenance Technician/Safety Coordinator
Animal Control Officer	Maintenance Worker
Arborist	Maintenance Worker, Senior
Code Compliance Officer	Office Assistant
Engineering Technician	Parking Enforcement Officer
Equipment Mechanic	Planner, Assistant
Equipment Mechanic, Senior	Planner, Associate
Housing Program Coordinator/ Code Compliance Officer	Planner, Senior
Library Assistant	Police Records Supervisor
Library Assistant, Senior	Police Service Technician

1.4 Coverage

This Memorandum of Understanding applies only to full-time positions in a classification represented by the Association only.

1.5 Duration and Scope of MOU

The MOU shall govern the period July 1, 2013 through December 31, 2016. It is understood that as to any terms not covered by this MOU. Section 4.20 of the Pacific Grove Municipal Code and *Administrative Policy & Procedures Manual* is applicable.

1.6. Nondiscrimination

The provisions of this Memorandum of Understanding shall be applied equally to all employees covered hereby without discrimination because of Association membership.

Employees may elect to exercise their right to join and participate in the activities of the Association for the purpose of representation in all matters of their working conditions and employer-employee relations.

1.7 Association Dues

While this agreement remains in effect the City will, upon verification that a City employee is a member of the Association, deduct from the employee's paycheck and forward to the Association, his or her membership dues. All other legal and required deductions notwithstanding, the employee shall have the right to cancel membership at any time by giving written notice to the City Manager. The City shall transmit to the Association, as soon as reasonably possible, the aggregate of such deductions, along with an itemized statement of the deductions taken. Dues deducted and paid to the Association in error shall be refunded to City upon presentation of proof of such error.

1.8 Release Time for Association Business

Designated Association representatives shall be allowed, as long as there is no disruption in work, a reasonable amount of release time off without loss of pay for purposes of participating in meetings and conferring or meeting and consulting sessions with City representatives on matters within the scope of representation. Such Association representatives shall first obtain permission through the appropriate management channel before leaving the work or work location.

1.9 Contracting Out

The City has the right to contract out bargaining unit services to meet the best interest of the City. In the event that the City exercises it's right to contract out bargaining unit work, the City shall provide at least 60 days' notice to Association and an opportunity for the Association to meet and confer on the impacts and effects of this decision and comply with current law.

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ARTICLE 2 COMPENSATION

2.1 Compensation Adjustment

A. Off-Salary Schedule Adjustment Effective 4/12/15 - 9/26/15

Effective the pay period beginning April 12, 2015, Classifications shown on Table A below shall be paid a monthly off-salary schedule adjustment, in the monthly amount shown on Table A for that classification. This off-salary schedule adjustment shall not be paid as salary. It is an off-salary schedule adjustment that shall be paid into a unique cafeteria plan, usable by the employee for non-PERSable purposes. This off-salary schedule adjustment shall end on September 26, 2015, the last day of the pay period.

Off-Salary Schedule Adjustment- Table A		
4/12/15 - 9/26/15		
Classification	Total Amount	Monthly Amount
Accounting Assistant	\$ 304.07	\$ 50.68
Accounting Assistant, Senior	\$ 304.07	\$ 50.68
Administrative Technician	\$ 2,054.67	\$ 342.44
Arborist	\$ 4,332.00	\$ 722.00
Code Compliance Officer	\$ 3,315.80	\$ 552.63
Housing Program Coord./Code Compliance Officer	\$ 243.00	\$ 40.50
Maintenance Supervisor	\$ 4,331.97	\$ 721.99
Maintenance Technician/Safety Coordinator	\$ 4,331.97	\$ 721.99
Maintenance Worker	\$ 1,613.49	\$ 268.92
Maintenance Worker, Senior	\$ 2,852.00	\$ 475.33
Planner, Assistant	\$ 1,331.96	\$ 221.99
Planner, Associate	\$ 1,501.44	\$ 250.24
Planner, Senior	\$ 3,475.70	\$ 579.28

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B. Equity Adjustment Effective 4/12/15 – 9/26/15

Effective the pay period beginning April 12, 2015, Classifications shown on Table B below shall receive a monthly equity adjustment in the monthly amount shown on Table B for that classification. The monthly equity adjustment shall not be paid as salary, but shall be paid into a unique cafeteria plan, usable by the employee for non-PERSable purposes. This equity adjustment shall end at the end on September 26, 2015, the last day of the pay period.

Equity Adjustment - Table B		
4/12/15 - 9/26/15		
Classification	Total Amount	Monthly Amount
Accounting Assistant	\$ 1,695.91	\$ 282.65
Accounting Assistant, Senior	\$ 1,695.91	\$ 282.65
Accounting Assistant, Senior (Y-Rated)	\$ 2,000.04	\$ 333.34
Animal Control Officer	\$ 2,000.04	\$ 333.34
Engineering Technician	\$ 2,000.04	\$ 333.34
Equipment Mechanic	\$ 2,000.04	\$ 333.34
Equipment Mechanic, Senior	\$ 2,000.04	\$ 333.34
Housing Program Coord./Code Compliance Officer	\$ 1,756.98	\$ 292.83
Library Assistant	\$ 2,000.04	\$ 333.34
Library Assistant, Senior	\$ 2,000.04	\$ 333.34
Library Technician	\$ 2,000.04	\$ 333.34
Maintenance Worker	\$ 386.49	\$ 64.41
Office Assistant	\$ 2,000.04	\$ 333.34
Parking Enforcement Officer	\$ 2,000.04	\$ 333.34
Planner, Assistant	\$ 668.02	\$ 111.34
Planner, Associate	\$ 498.54	\$ 83.09
Police Records Supervisor	\$ 2,000.04	\$ 333.34
Police Service Technician	\$ 2,000.04	\$ 333.34

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C. Off-Salary Schedule Adjustment Effective 9/27/15

Effective the pay period beginning September 27 2015, Classifications shown on Table C below shall be paid a monthly off-salary schedule adjustment, in the monthly amount shown on Table C for that classification. This off-salary schedule adjustment shall not be paid as salary. It is an off-salary schedule adjustment that shall be paid into a unique cafeteria plan, usable by the employee for non-PERSable purposes.

Off- Salary Schedule Adjustment - Table C		
Effective 9/27/15		
Classification	Annual Amount	Monthly Amount
Accounting Assistant	\$ 4,598.00	\$ 383.17
Accounting Assistant, Senior	\$ 4,598.00	\$ 383.17
Administrative Technician	\$ 8,199.00	\$ 683.25
Animal Control Officer	\$ 1,168.00	\$ 97.33
Arborist	\$ 13,776.00	\$ 1,148.00
Code Compliance Officer	\$ 11,580.00	\$ 965.00
Equipment Mechanic	\$ 4,923.00	\$ 410.25
Equipment Mechanic, Senior	\$ 4,923.00	\$ 410.25
Housing Program Coord./Code Compliance Officer	\$ 6,408.00	\$ 534.00
Maintenance Supervisor	\$ 13,776.00	\$ 1,148.00
Maintenance Technician/Safety Coordinator	\$ 13,776.00	\$ 1,148.00
Maintenance Worker	\$ 7,223.00	\$ 601.92
Maintenance Worker, Senior	\$ 10,358.00	\$ 863.17
Office Assistant	\$ 3,311.00	\$ 275.92
Planner, Assistant	\$ 7,782.00	\$ 648.50
Planner, Associate	\$ 8,656.00	\$ 721.33
Planner, Senior	\$ 13,233.00	\$ 1,102.75
Police Records Supervisor	\$ 1,472.00	\$ 122.67
Police Service Technician	\$ 1,168.00	\$ 97.33

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D. Equity Adjustment Effective 9/27/15 – 7/2/16

Effective the pay period beginning September 27, 2015, Classifications shown on Table D below shall receive a monthly equity adjustment in the monthly amount shown on Table D for that classification. The monthly equity adjustment shall not be paid as salary, but shall be paid into a unique cafeteria plan, usable by the employee for non-PERSable purposes. This equity adjustment shall end at the end of the fiscal year on July 2, 2016.

Equity Adjustment - Table D		
9/27/15 – 7/2/16		
Classification	Total Amount	Monthly Amount
Account Assistance, Senior (Y-Rated)	\$ 1,000.08	\$ 111.12
Animal Control Officer	\$ 1,000.08	\$ 111.12
Engineering Technician	\$ 1,000.08	\$ 111.12
Library Assistant	\$ 1,000.08	\$ 111.12
Library Assistant, Senior	\$ 1,000.08	\$ 111.12
Library Technician	\$ 1,000.08	\$ 111.12
Office Assistant	\$ 516.78	\$ 57.42
Parking Enforcement Officer	\$ 1,000.08	\$ 111.12
Police Records Supervisor	\$ 1,000.08	\$ 111.12
Police Service Technician	\$ 1,000.08	\$ 111.12

E. Pro-Rata Implementation

The provisions of sections A, B, C and D shall be given pro-rata implementation as follows:

- a) New Hire Employees. Employees hired after April 12, 2015 shall earn and receive off-salary schedule adjustment (Sections A and C) or equity adjustments (Sections B and D) for the period worked beginning on the date of hire.
- b) Employees Separated from Service. Off-salary schedule adjustments (Sections A and C) or equity adjustments (Section B and D) shall not be earned by any employee after they have separated from City service by reason of retirement, resignation or termination of employment.
- c) Calculation of Monthly Payments. Off-salary schedule adjustments (Sections A and C) or equity adjustments (Sections B and C) shall be pro-rated to account for implementation dates that occur during a partial month.

2.2 Certificate/Special Pay

Employees covered under this agreement that hold certain licenses and/or certificates may be eligible for a pay differential of 5% of base salary. Once an employee receives special pay under this section, it shall not cease unless and until the employee no longer maintains the license or certificate. The pay differential may be obtained as follows:

- a) With the approval of the department manager and the City Manager, employees covered under this agreement that hold and maintain a license or certificate that is not required by the employee’s job description, and is deemed by the approving authorities to provide significant benefit to the operation of the department, shall receive a 5% pay differential.

The department manager, with the City Manager's approval, shall decide how many such licenses or certificates are necessary to the efficient operation of the department and shall use fair and appropriate procedures to make a selection among qualified candidates.

- b) Personnel assigned responsibility for back flow prevention and who possess a back flow certificate shall receive a 5% pay differential.
- c) Employees who are certified and required to perform HAZ MAT* duties shall receive a 5% pay differential.
- d) Employees who are required to maintain a Class B driver license shall receive a 5% pay differential, effective January 1, 2006.

2.3 Shift Differential

Employees regularly assigned to work a shift between the hours of 7:00 p.m. and 7:00 a.m. shall receive a shift differential premium pay equal to 2.5% of the employee's base rate of pay.

ARTICLE 3 INSURANCE BENEFITS

3.1 Employee Health Plan Eligibility

Association employees shall be entitled to participate in the City-sponsored group health plans including medical, dental and vision.

Eligible employees enrolling in the medical plan program within 60 days following their appointment will be covered subject to the contract limitation with the medical plan carrier. Coverage shall commence when the employee is eligible for coverage under CalPERS rules and the medical plan carriers' rules.

Human Resources will notify employees of annual open enrollment periods to enroll in additional benefits; unless the employee can certify a qualifying loss of coverage.

3.2 City Paid Premium (PEMHCA)

The City will pay in accordance with the California Government Code 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA).

3.3 Health Flex Benefit

The City shall contribute \$100.00 per month into the City-administered Flexible Spending Plan only for employees enrolled in City health plans.

3.4 Cafeteria Plan for Health Care

A. Description

The City of Pacific Grove Cafeteria Plan consisting of the Tax Deferred Medical Premium option, the Dependent Care Reimbursement option, and the Unreimbursed Health Care Cost option (hereafter "Cafeteria Plan") is available to all members. There are two participation levels, identified as Core Plan A and Plan B Options. Once the selection is made, it will remain in force until the current calendar year ends and a selection is made during the following year's open enrollment period.

The medical premium option will be the default option and remain in effect until and/or unless changed by the employee. The basic group term life insurance will continue to be provided at City expense and will not be part of the Cafeteria Plan.

B. Rate of Contribution

The City shall contribute \$350 per month (\$161.54 for each of twenty- six pay periods) into each participating employee's Cafeteria Plan for Health Care.

C. Participation Levels

C.1 Cafeteria Plan-Core Plan A

The City shall pay the amounts set forth below toward premium for health insurance coverage elected through PERS. These amounts are inclusive of the PERS minimum health contribution.

Employees that have elected to participate in the "Core Plan" can also elect to participate in optional benefits. If the employee has any surplus Cafeteria Plan credits after making all elections required to participate in health insurance, the employee can use that surplus toward the Cafeteria Plan listed in the Cafeteria Plan Options Exhibit.

An employee electing to participate in the Core Plan A must enroll in Medical Insurance

Employees that wish to participate in the optional benefits in the plan, with the exception of the cash back option, but do not have any surplus credits, can elect to have pre-tax payroll deductions in an amount to cover the cost of their election.

C.2 Cafeteria Plan- Option B

Employees who elect not to participate in Core Plan A will be asked to sign a waiver – CalPERS form HBD-12A (Declaration of Health Coverage). They will have an opportunity to participate in the Cafeteria Plan Options listed in the Cafeteria Plan Options Exhibit.

Cafeteria Plan Options Exhibit

- Flexible Benefit Options
- Taxable cash back up based on unallocated dollars left over
- Dental Plan
- Vision Plan
- Pre-Tax spending accounts: dependent care, unreimbursed medical expenses
- Optional Insurance Programs (e.g. AFLAC) or other pre-tax offerings sponsored by the City
- Cost Sharing – Service Pension

3.5 Section 125 Plan

Employees may elect to participate in three Section 125 programs offered by the City. The available programs are Pre-Tax Premium Option, Dependent Care, and Flexible Spending Account. Each of these programs shall be administered in accordance to the IRS Code. For purposes of information, the following provides a description of the programs.

- Pre-Tax Premium Option- Permits payment of health insurance premiums subject to salary deduction with pre-tax income.
- Dependent Care- Permits payment of eligible dependent care with pre-tax income.
- Flexible Spending Account- Permits payment of eligible health care expenses not reimbursed by health insurance with pre-tax income.

3.6 Group Life Insurance

The City shall provide at its cost Group Life Insurance with Accidental Death and Dismemberment at a minimum benefit of \$50,000.

3.7 Short Term/ Long Term Disability Plan (STD/ LTD)

The City shall provide at its cost Short Term and Long Term Disability Insurance.

3.8 Medical, Dental, and Vision Insurance

The City and Association agree to periodically review health insurance policies currently in place to provide the most favorable insurance coverage available.

3.9 Medicare

City agrees to implement Medicare withholding for employees who have not achieved eligibility. It shall be the responsibility of the employee to voluntarily elect this benefit and notify the Payroll Department of the appropriate commencement date.

3.10 Retired Employees Health Premium

The City shall pay a health insurance premium supplement to Associations employees who retire from the City on or after January 1, 1999, equal to one half the cost of the highest premium paid by the City for Employee only health insurance, excluding premiums for dental and vision insurance, to a maximum of \$150.00 per month. The payment, which will be paid directly to the employee, shall continue for a period of five years following the effective date of the employee’s retirement or until the employee attains the age of 65 years, whichever occurs first.

In order to qualify for the supplemental payment, the retired employee must be enrolled in one of the City’s health insurance plans.

3.11 Workers Compensation Salary Continuation

Association members who suffer a bona fide on the job injury, as determined under the provisions of the California Workers’ Compensation laws, and who, as a result of such injury, are unable to work in their regularly assigned position or other position as determined by the City will be entitled to receive full salary and benefits for the first 90 days of such absence from the date of the incurred injury. No charge to the member’s sick leave, vacation, compensatory time off or other leave will be made during the 90 days from the date of the incurred injury. It is noted that the City offers a Disability Insurance policy which establishes additional benefits for absences due to disabilities.

3.12 Affordable Care Act

During the term of this agreement, one GEA representative shall be allowed to participate in meetings held by the City with its consultants to construe the Affordable Care Act (ACA). In addition, the City shall reimburse one GEA representative for costs incurred to undertake training in the ACA; those expenses shall not exceed \$350.

Before December 1, 2015, the parties shall meet and confer to (1) review requirements of the Affordable Care Act, and (2) review amounts the City shall contribute per employee for any health stipend.

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ARTICLE 4 FITNESS INCENTIVE

4.1 Fitness Incentive Program Overview.

The Fitness Incentive Program is coordinated by the Recreation Department.

Benefits to the City

- Lower rate of absenteeism of employees
- Higher employee morale
- Testing available for all ages and abilities
- Potential for decreased health care costs
- Potential for lowered health insurance costs

Benefits to the Employees

- All testing is confidential
- Increased morale
- Increased fitness/health
- Fee to employee - \$5.00 donation per person, per test session
- Incentives for fitness improvements (provided by employer)
- Potential for decreased health risks
- Potential for decreased absenteeism
- Ability to self-test and track improvements using the President's Challenge-Adult Fitness Test

4.2 Fitness Testing Procedure

There will be two scheduled fitness-testing times per calendar year. Employees will have the option of testing during one or both of the scheduled test dates. Employees volunteering to test twice a year, who improve their scores, will receive the difference in the incentive between their first and second score. For example, an employee who improved from level 3 to level 4 will receive \$50. The maximum incentive to be received by an employee during a calendar year is \$250.

The walk or run will be conducted in groups on the track. Testing should take no more than one hour for each participant, including the cardiovascular test. Results will be generated and a Fitness Voucher will be given to each participant.

Employees participating in the fitness testing may do so on or off duty, providing there is adequate staffing. No overtime will be paid for off-duty participation.

4.3 Fitness Testing Components

- a) Fee \$5.00 donation per person, per test session
- b) Testing includes measurement of:
 - Muscular Endurance
 - Cardiovascular Endurance
 - Flexibility
- c) Testing can be adapted for persons with special needs

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4.4 Incentive Plan Compensation

The incentive for employees would be determined by the rating given to the employee after they complete the Fitness Profile. The Fitness Profile evaluates personal fitness test results based on the national norms for specific age and gender categories. Compensation would be determined as follows:

Level	Score	Compensation
Level 5	80 – 100	\$250.00
Level 4	60 – 79	\$150.00
Level 3	40 – 59	\$100.00
Level 2	20 – 39	\$0
Level 1	0 – 19	\$0

ARTICLE 5 RETIREMENT

This MOU shall incorporate the two-tiered retirement system to address Classic Members and New CalPERS Members required for Miscellaneous Employees by the California Public Employees' Pension Reform Act (PEPRA) of 2013.

5.1 Definition

The terms Classic Member and New CalPERS members are defined by PERS law and regulations, but in general these are construed to have the following meanings:

A. Classic CalPERS Member

"Classic Member" is typically defined as an employee who was hired on or before December 31, 2012, or is a member of a reciprocal retirement system.

B. New Employee

"New Employee" means an employee of a public employer who is employed for the first time by any public employer on or after January 1, 2013, and who was either:

- Not employed by any other public employer prior to that date; or
- Employed by another public employer prior to that date, but who was not subject to reciprocity between his new employer's plan and another public retirement system.

C. New CalPERS Member

"New Member" means an individual who either:

- Becomes a member of the plan for the first time on or after January 1, 2013 and either (i) was not a member of any other public retirement system prior to that date or (ii) was a member of another public retirement system prior to that date but was not subject to reciprocity between his new employer's plan and another public retirement system; or
- Was an active member in the plan and, after a break in service of more than six months, returned to active membership in that plan with a new employer.

5.2 Service Pension for Classic Members

The retirement formula expressed in Government Code Section 21354 commonly known as 2% at 55 local miscellaneous members shall apply to covered Classic Members.

5.3 Cost Sharing - Service Pension for Classic Members

- A. The parties shall engage in sharing the City’s employer contribution towards retirement benefits in accordance with Government Code Section 20516. Through June 30, 2015 cost-sharing shall be in effective and will require the employee to pay the portion of the employer contribution in excess of 10% of compensable earnings.
- B. Effective July 1, 2015, the Total Required Employer Contribution Rate (reported at Page 7 of the Actuarial Valuation for FY 2015-2016) by CalPERS for the City’s Miscellaneous Plan is 19.474% of payroll, plus the required employee contribution of 7%, equaling a total contribution of 26.474%.
- C. For Fiscal Year 2015-2016, the employee shall pay 12% of payroll; the City shall pay the remainder (14.474%).

5.4 Final Compensation for Classic Members

“Final Compensation” shall be applied for retirement purposes as specified in Government Code Section 20042, as one year’s highest compensation.

5.5 Credit for Unused Sick Leave for Classic Members

Employees shall be given service credit upon retirement for unused sick leave as specified in Government Code Section 20965.

5.6 New CalPERS Members Benefit Rate, Contribution and Final Compensation

New CalPERS Members shall receive and make contributions for PERS benefits in compliance with PEPRA.

- A. **Benefit Rate** New Members benefit rate shall be MISC 2% @ 62.
- B. **Contribution** New Members shall pay 50% of the normal cost of their pension benefit.
- C. **Final Compensation** Three-year average final compensation period.

5.7 1959 Survivor’s Allowance

The “1959 Survivor’s Allowance Fourth Level” as defined in Government Code Section 21574 shall apply to both Classic and New CalPERS Members.

5.8 Military Service Credit

Military Service Credit as defined in Government Code Section 21024 shall apply to both Classic and New CalPERS Members

5.9 Continued Application

The Parties agree that all elements of the CalPERS article shall have continued application until or unless it is amended by mutual agreement of the parties.

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ARTICLE 6 LEAVE PROVISIONS

6.1 Vacation

A. Accrual

Employees shall earn and accrue vacation according to the rate set in Section 4.20 of the Pacific Grove Municipal Code and *Administrative Policy & Procedures Manual*.

Vacation Leave Accrual as defined in Section 6.1 shall be in effect until June 30, 2015 at which time Section 6.5 PTO shall be implemented.

B. Accumulation

The maximum amount of vacation time that may be accumulated is 400 hours. A person whose employment with the City is terminated shall be entitled to receive pay for accumulated vacation at current rate, up to a maximum of 400 hours. Upon a showing of hardship, the City Manager may allow accumulation in excess of these limits.

C. Scheduling

Vacations shall be taken at such time during the year as approved by the department manager.

D. Accrual Credit for Part-Time Employees

Employees who transfer from part-time status to regular full-time status shall receive credit for that length of service as a part-time employee for the purpose of determining vacation accrual rates. The maximum amount of credit shall not exceed one-half year for every full year worked as a part-time employee. The credit shall be applied by establishing an appropriate "Adjusted Date of Hire" for the employee.

E. Vacation Leave Buy-Back Program

Employees may sell back to the City up to 80 hours of their vacation in any calendar year if the following conditions are met:

- 1) The employee has used (taken) at least 40 hours of vacation during the preceding calendar year.
- 2) The employee must have at least 40 hours of vacation remaining after the buy-back of some of the accumulated vacation.

6.2 Sick Leave

A. Accrual

Employees earn eight hours sick leave for each month of service.

Sick Leave Accrual as defined in Section 6.2 will be in effect until June 30, 2015 at which time Section 6.5 PTO shall be implemented.

B. Accumulation

There is no limit on the accumulation of sick leave.

C. Sick Leave Buy Out

Upon separation of employment, other than retirement, the employee shall be entitled to be paid for 50% of his/her sick leave accumulated at the time of such termination up to a maximum pay off of 1,000 hours. All remaining sick leave will have no monetary value and will be written off.

Upon retirement the employee shall be entitled to be paid for 50% of any accumulated sick leave in excess of that for which retirement credit is given.

In the event the employee is terminated by virtue of a conviction of a felony or any other illegal act, the City shall have no obligation to provide sick leave buy-out.

6.3 Personal Necessity Leave

Employees may use up to five (5) days of accrued sick leave and or PTO leave per year in the event of the personal illness or injury of a family member, including father, mother, brother, sister, spouse, child, step-child, grandparent, or in-laws.

6.4 Bereavement Leave

Up to a maximum of five (5) days of paid leave will be granted per occurrence in the case of the death of a family member, including father, mother, brother, sister, spouse, child, step parent, step child, grandparent, in-laws, registered domestic partner, child of registered domestic partner or any other member of the immediate household.

6.5 Paid Time Off (PTO)

Effective July 1, 2015 a Two-Tiered Paid Time Off (PTO) program shall be implemented. The two-tiers shall identify the leave accrual rate and policy for Legacy Employees and New Employees.

6.5.1 Legacy Employees Paid Time Off (PTO)

This section shall set PTO rules for Legacy Employees only. PTO rules for New Hire Employees are set forth below and shall not apply to Legacy Employees

A. Definition

Legacy Employees shall be defined as those hired on or before June 30, 2015.

B. Effective Date

PTO shall be implemented effective July 1, 2015 (at the following pay period).

Vacation leave accrued before June 30, 2015 is usable as PTO, or at the employee's option (exercised before June 30, 2015), may be retained as a vacation leave bank.

Sick leave accrued before June 30, 2015 may be used as PTO, or at the employee's option (exercised before June 30, 2015), may be retained as a sick leave bank.

C. Accrual Rate

PTO Accruals are based upon full years of consecutive employment.

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Legacy employees shall earn PTO according the rates set out in the following table.

Years of Service	Hours Earned per Month
Less than 4	10.667
5 to 6	14.00
7 to 8	14.667
9 to 10	15.333
11 to 12	16.00
13 to 14	16.667
15	17.333
16	18.00
17	18.667
18	19.333
19	20.00
20 plus	20.667

D. PTO Accumulation

PTO shall not be accrued any time the employee’s PTO balance exceeds 296 PTO hours.

E. PTO Buy-Back Program

Employees may sell back to the City up to 80 hours of their PTO /vacation in any calendar year if the following conditions are met:

- The employee has used (taken) at least 40 hours of PTO/ vacation during the preceding calendar year.
- The employee must have at least 40 hours of PTO/ vacation remaining after the buy-back of some of the accumulated vacation.

F. PTO Pay Out

- PTO leave balance shall be paid out upon employee’s separation from employment in compliance with CalPERS rules and regulations.

6.5.2 New Employees Paid Time Off (PTO)

This section shall set PTO rules for New Hire Employees only. PTO rules for Legacy Employees are set out above and shall not apply to New Hire Employees

A. Definition

New Employees shall be defined as those hired on or after July 1, 2015.

#####

B. Accrual Rate

PTO Accruals are based upon full years of consecutive employment. New Employees shall earn PTO according the rates set out in the following table.

Years of Service	Hours Earned per Month
Less than 4	8.00
5 to 15	12.00
15 plus	15.333

C. PTO Accumulation

PTO shall not be accrued any time the employee’s PTO balance exceeds 244 PTO hours.

D. PTO Buy-Back Program

Employees may sell back to the City up to 80 hours of their PTO in any calendar year if the following conditions are met:

- The employee has used (taken) at least 40 hours of PTO during the preceding calendar year.
- The employee must have at least 40 hours of vacation remaining after the buy-back of some of the accumulated vacation.

E. PTO Pay Out

PTO leave balance shall be paid out upon employee’s separation from employment.

6.6 Holiday Schedule Through June 30, 2015

Through June 30, 2015, holidays observed shall be as set out in Section 4.20 of the Pacific Grove Municipal Code and *Administrative Policy & Procedures Manual* with the following adjustment.

- The following days shall not be observed as City holidays: Cesar Chavez Day and California Admission’s Day.
- Float Holiday through June 30, 2015. One (1) paid float holiday shall be awarded to any new hire employee to be taken on a day of the employee’s choosing within the fiscal year, subject to the scheduling needs of the City. If not used within one fiscal year, the time shall be forfeited.

6.7 Two-Tiered Holiday Schedule Effective July 1, 2015

Effective July 1, 2015 the Two-Tiered Holiday Schedule shall be implemented. The two-tiers shall identify the holiday schedules for Legacy Employees and New Employees.

6.7.1 Legacy Employees Holiday Schedule

A. Definition

Legacy Employees shall be defined as those employees hired on or before June 30, 2015.

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B. Holiday Schedule

Effective July 1, 2015, Legacy Employees shall receive annually the following eight (8) paid holidays:

- New Years' Day- January 1
- Memorial Day- Last Monday in May
- Independence Day- July 4
- Labor Day- 1st Monday in September
- Thanksgiving Day- 4th Thursday in November
- Thanksgiving Holiday- Day After Thanksgiving
- Christmas Eve Day- December 24
- Christmas Day- December 25

C. Holiday Schedule Observance

Unless otherwise provided, when a holiday falls on a Sunday, the following Monday shall be observed; a holiday falls on a Saturday, the prior Friday shall be observed. When a holiday falls on an employee's time off, the working day immediately preceding or immediately following such holiday, at the determination of the department manager and subject to approval of the personnel officer, shall be observed as a holiday.

D. Float Holidays

Effective July 1, 2015 and thereafter annually, Legacy Employees shall receive six (6) floating holidays each fiscal year.

Legacy Employees may select the date upon which they shall use any floating holiday, subject to scheduling needs of the City. If a floating holiday is not used within the fiscal year, the time shall be forfeited.

Floating holidays denied due to staffing shortages or other operational reasons will be paid or accumulated at the employee's choice at the end of the fiscal year. The employee will have the burden to prove the request was made in a timely manner and then denied.

6.7.2 New Hire Employees Holiday Schedule

A. Definition

New Employees shall be defined as those hired on or after July 1, 2015.

B. Holiday Schedule

Effective July 1, 2015 New Hire Employees shall receive the following six (6) paid holidays:

- New Years' Day- January 1
- Memorial Day- Last Monday in May
- Independence Day- July 4
- Labor Day- 1st Monday in September
- Thanksgiving Day- 4th Thursday in November
- Christmas Day- December 25

C. Float Holidays

New Hire Employees shall receive five (5) floating holidays annually each fiscal year.

D. Pro-Rated Allocation

Employees who are hired during the Fiscal Year (FY) shall have the number of floating holidays prorated based upon their date of hire as follows:

Date of Hire	Number of Float
July 1 to August 30	5 float holidays
Sept 1 to Oct 31	4 float holidays
Nov 1 to Dec 31	3 float holidays
Jan 1 to Feb 28	2 float holidays
March 1 to June 30	1 float holiday

New Hire Employees may select the date upon which they shall use any floating holiday, subject to the scheduling needs of the City. If a floating holiday is not used within the fiscal year, the time shall be forfeited.

Floating holidays denied due to staffing shortages or other operational reasons will be paid or accumulated at the employee's choice at the end of the fiscal year. The employee will have the burden to prove the request was made in a timely manner and then denied.

ARTICLE 7 WORKING CONDITIONS

7.1 Hours

Forty hours shall constitute a week's work for each full-time employee.

The City will consider any alternative work schedule, but any modification to the work schedule must be recommended by the department manager and approved by the City Manager.

7.2 Overtime

Employees who are required to work in addition to regular straight time 40 hours for five consecutive days shall be paid overtime. Consistent with FLSA, compensatory time may apply only upon mutual agreement of the employee and the City.

7.3 Call Back

In those situations in which an employee who, following the completion of his/her work day and departure from his/her place of employment, is unexpectedly called back and must report to a work site in response to a directive from management because of unanticipated work requirements, that employee shall be credited with a minimum of three (3) hours of work compensated at the rate of one and one-half times base pay (including longevity pay).

7.4 Work Schedules

Work schedules shall be posted in a conspicuous location at least two weeks prior to the expected duty. Any changes in the schedule shall be posted at least five working days in advance. Work assigned for special events shall be scheduled in addition to the regular work week.

7.5 Reduced Work Week- City Hall Closure Days

City Hall offices of the City Manager, Finance Department and Community and Economic Development Department shall be closed for three (3) days between Christmas Day and New Year’s Day. (Unless otherwise modified for 2015, these dates shall be December 28, 29 and 30. Unless otherwise modified for 2016, these dates shall be December 27, 28 and 29.)

The City will distribute the final holiday closure schedule applicable to each department on or before October 1 of each year, but this date may be extended based upon operational need. Employees regularly scheduled to work during that time shall use PTO, float holiday, leave banks or leave without pay with the exception of those employees providing essential services as determined by the City, who will be required to work some or all hours during the closure. In addition, the Public Works Department shall be on a reduced work schedule and the Library shall be on a holiday schedule during this period.

7.6 Uniform

a) Uniforms Provided

The City will provide uniform service for designated members of the field departments.

b) Safety Shoes

The City will pay an allowance equal to \$200 each year to employees required to wear safety boots as part of the regular work uniform.

c) Uniform Allowance

The City will provide a uniform allowance for designed members of field departments in the amount of \$92.50 each calendar month. The three classifications to which this Article applies shall be the Police Services Technician, Animal Control Officer and Parking Enforcement Officer.

7.7 Performance Evaluations

Annual written performance evaluations shall be made by department managers, on forms provided by the City, for all employees.

The department manager shall discuss the evaluations with each employee evaluated.

Changes to job descriptions that result in a substantial change in duties are subject to the meet and confer process.

Permanent employees serving in regular established positions shall be advanced to the next higher salary step for their respective classifications after successful completion and satisfactory service in each of the salary steps for the classification until the top of the range is reached. Advancements are not automatic, but are based on possession of a rating on their last annual evaluation of “meets standards” or better and require the recommendation of the department manager and approval by the City Manager. Evaluations more than 90 days late will be deemed satisfactory and employee will receive a merit/step increase and or longevity step. The City agrees to pay retroactively (no more than 90 days) when applicable. In an effort to ensure members are evaluated in a timely manner and reduce the need for retroactive pay for step/merit or longevity increases, the City Manager will be notified of a delinquent evaluation within 30 days.

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ARTICLE 8 GRIEVANCE PROCEDURE

8.1 Definitions

- A. "Grievant" means an employee(s) filing a grievance.
- B. "Grievance" is a statement that the grievant has been adversely affected by a violation, misapplication or misinterpretation of the Memorandum of Understanding.
- C. "Immediate Supervisor" is the management employee directly supervising the grievant or in his/her absence his/her designee.
- D. "Day" is a calendar day.

8.2 Grievance Procedure Steps

Informal Step

Before filing a grievance, the grievant shall discuss the matter with his/her immediate supervisor.

Step 1

- a) If this grievant is not satisfied with the response at the informal step, the grievant shall submit the grievance in writing to his or her immediate supervisor within 21 days of the action causing the grievance or of the date the action reasonably could have been expected to be known to the grievant.
- b) Within 14 days of filing the grievance, the immediate supervisor shall respond in writing to the grievance.

Step 2

- a) If the grievant is not satisfied with the Step 1 response, the grievant may bring the grievance to the department manager, within 14 days of receipt of the Step 1 response.
- b) The department manager shall respond to the grievance in writing within 14 days of receipt of the grievance at Step 2.

Step 3

- a) If the grievant is not satisfied with the Step 2 response, the grievant may bring the grievance to the City Manager within 14 days of receiving Step 2 response.
- b) The City Manager shall respond to the grievance in writing within 14 days of receipt of the grievance at Step 3. The City Manager's response shall be final.

8.3 Release Time

The grievant shall be entitled to release from duty without loss of pay for the hearing of grievances. Other employees may be released from duty without loss of pay to serve as representatives or witnesses. Such releases are subject to the staffing and operational needs of the department.

8.4 No Discrimination

There shall be no restraint, interference, coercion, discrimination or reprisal against any employee for exercising any rights under the grievance procedure.

8.5 Representation

- A. The employee may be represented by the Association at any step of the grievance.
- B. An employee is also entitled to represent her/himself individually at any step of the grievance procedure.
- C. A grievant may not change her/his designation of representative organization, during the processing of a grievance except by mutual agreement of the parties.

8.6 Grievance Withdrawal

By mutual agreement of both parties the grievant and his/her representative may withdraw a grievance at any stage of the grievance procedure by giving written notice to the City representative who last took action on the grievance.

8.7 Review by the Association

If a grievant is not represented by the Association, the Association will be given seven calendar days in which to comment on the solution.

If the Association disagrees with the solution, it may, within the said seven (7) days, bring its position to the City Manager. The City Manager shall consider the Association's views before adopting a solution. In any event, the Association's position will be noted in the official grievance documentation. The City Manager's decision shall be final.

8.8 Waiver of Steps

By mutual written consent of both parties, any step of the grievance procedure may be waived.

<h1>ARTICLE 9. EDUCATION INCENTIVE AND PROFESSIONAL DEVELOPMENT</h1>

9.1 Education Incentive Pay

A. Conditions

With the approval of the department manager and the City Manager, an employee may undertake a course of study that, when completed as set out below, will make the employee eligible for additional pay as described. Any employee whose job description includes a requirement for a particular level of education or the possession of certain degrees, professional certificates, or credentials, shall not be eligible for additional pay under sections A or B. Any employee who is eligible to receive the benefits contained within sections A or B, shall not be eligible for additional pay under section C.

Employees who, prior to or in the course of their employment with the City, have obtained college level credits, degrees, certificates, or credentials as specified below, may present proof of such to their department manager and the City Manager and request additional pay under this section.

B. Definitions

- a) "Base Pay" means the monthly salary for the range and step of the eligible employee, and shall exclude any compensation received for overtime, clothing allowance, or other fringe benefits.
- b) "Satisfactory completion" means obtaining a grade of "C" or better in each course.

- c) "College level" means any post high school institution accredited by the California State Department of Education, the Western Association of Schools and Colleges, or equivalent organizations in other states or counties, or which has the prior approval of the City Manager.
- d) "Job related" means any academic course, the content of which would reasonably be expected to assist the employee in the performance of his/her duties. The City Manager's determination of the eligibility of any course shall be final. In the case of doubt, the employee may request the written determination of the department manager and City Manager.

C. Procedure

- a. Upon compliance with this section, employees shall receive an amount equal to 2.5% of their base pay upon satisfactory completion of 30 units of college level, job-related courses.
- b. Upon compliance with this section, employees shall receive an amount to total 5% of their base pay upon satisfactory completion of 60 units of college level, job-related courses. Compliance with the section shall also be satisfied by presentation of a certificate, diploma, or transcripts indicating attainment of an AA, AS, BA, BS, or other City approved degree from a post high school educational institution as defined above.
- c. Upon compliance with this section, employees whose job description includes a requirement for a particular level of education or the possession of certain degrees, professional certificates or credentials and who are deemed ineligible to receive the benefits under sections A or B, shall receive a lump sum payment of \$500.00 upon satisfactory completion of a course of study and/or examination that results in attaining an acknowledged level of professional development – evidenced, for example, by degree, credential or certification – in the employee's field of work. To qualify for this payment, the achievement must demonstrate, as determined by the department manager, attainment of a significant achievement based on national, state, or professional department standards. Employees who are eligible to receive the benefits contained within sections A or B shall not be eligible for payments under this section.
- d. The City Manager shall determine, prior to employee's embarking on the work and study required for the desired degree, credential or certification, whether the desired goal qualifies for the payment.
- e. No more than three such payments shall be paid to an individual during his/her tenure with the City.
- f. No person shall be eligible for benefits under section A through C unless and until they have completed one year of continuous full-time employment with the City of Pacific Grove and have satisfactorily completed the probationary period. Units completed prior to employment with the City of Pacific Grove, or during the probationary period, shall be considered in determining eligibility, provided the other requirements of this section are met.
- g. Prior to payment or compensation under this section, eligible employees shall submit a list of courses and credits to the department manager together with the transcripts or other proof of satisfactory completion as may be required.

- h. Compensation shall be paid the eligible employee for the pay period beginning on the first day of the month following submission of the forms and proof required in Section e. Compensation shall not be paid unless and until all said forms and proof are submitted to the department manager in a satisfactory manner not later than the 29th day of the month preceding the month at when compensation is to commence.
- i. Any person promoted, reclassified or transferred to a position not eligible for benefits as set forth in sections A or B shall lose the compensation under this section beginning the pay period commencing on the first day of the month next succeeding said promotion, reclassification or transfer.

9.2 Education Reimbursement

A. Definition

Expenses incurred by employees for the payment of registration, tuition, laboratory fees, or travel outside of Monterey County but within the State, and the purchase of required textbooks in certain courses are reimbursable by the City.

B. Conditions

Reimbursement provided under section 9.2 above is subject to the following conditions:

- a) The City must determine in advance that the course is job related. These courses are for the benefit of the City and the department to which the employee is assigned.
- b) Reimbursement is provided only upon satisfactory completion of the course.
- c) The course must be taken on other than City time.
- d) The limit payable in respect to courses taken in any one fiscal year by one employee is \$1,000.00.
- e) If the cost per hour of classroom time is more than \$16.00, then advance approval by the department manager is required.
- f) With advance approval of the department manager, employees shall not be required to use any accumulated leave to attend job-related classes held during their normal work shift.

C. Continuing Education Units

The foregoing shall also cover course work required to maintain Continuing Education Units, where required.

9.3 Training Opportunity

The City shall provide all eligible regular full-time employees three (3) full days paid training sessions per year. All training(s) shall be offered by the City during the employees regularly scheduled work shift. No overtime shall be incurred as a result of the training. Location of training shall be at the discretion of City. City shall pay standard per diem for necessary and approved overnight lodging. In-service conducted solely by staff shall not qualify as a training day under this section.

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ARTICLE 10 MISC

10.1 Safety Committee

The City shall convene a Safety Committee to discuss the provision of safety equipment appropriate to specific job classifications.

10.2 Salary Schedule Plan

During the term of this MOU, the City shall prepare and present a revised Salary Schedule Plan proposal for review by the Association. The City and Association thereafter shall then initiate good faith efforts to meet and confer regarding implementation of the Salary Schedule Plan. The parties shall conclude the Meet and Confer Process within 90-days after the first meet and confer session is held (this 90 day period shall not include any time required by impasse procedures.) Implementation of the Salary Schedule Plan shall occur during the term of this MOU following the development and Meet and Confer process described above.

10.3 Golf Course Side Letter Agreement

The conditions set forth in the Golf Course Side Agreement dated February 13, 2014, and included in this MOU as Attachment A, shall be recognized through the term of this MOU.

ARTICLE 11 SAVINGS CLAUSE

If any Article or Section of this Memorandum or Understanding should be found invalid, unlawful or unenforceable by reason of any existing or subsequent enacted legislation or by judicial authority, all remaining Articles and Sections of this Memorandum of Understanding shall remain in full force and effect for the duration of the MOU. In the event of invalidation of any Article or Section, the City and the Association agree to meet within 30 calendar days of such invalidation for the sole purpose of meeting and conferring upon said Article or Section.

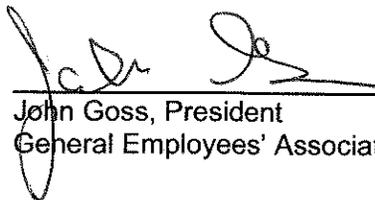
This MOU constitutes a full and complete agreement between the parties on all matters within the scope of representation.



Thomas Frutchey, City Manager
City of Pacific Grove

3-22-15

Date



John Goss, President
General Employees' Association

3/19/15

Date

Attachment A

Golf Side Letter Agreement Between City of Pacific Grove and General Employees' Association

Joint Proposal 2-13-14 @ 3:55 pm

OVERALL TENTATIVE AGREEMENT PACIFIC GROVE GENERAL EMPLOYEE ASSOCIATION (GEA) SIDE LETTER

1. Hourly Employees at CourseCo:
City to provide salary augmentation--including special, education, and certificate pays for nine months.
City to provide one year of retirement contribution equivalent to City share of PERS, based on last salary step with City, including special, education, and certificate pays.
2. Salaried Employees at CourseCo:
Confirm job offer at CourseCo to be at the regular step earned on or before May 1, 2014 (excluding longevity steps) and that salary offered is minimum for the 2-year transition period. City to provide one year of retirement contribution equivalent to City share of PERS, based on last salary step with City, including special, education, and certificate pays.
3. Any employee moving to CourseCo accrues seniority as if still at the City. Any employee who does not complete two full years of employment at CourseCo by reason of involuntary separation is eligible to return to City and displace another City worker in accordance with seniority or be placed on a reemployment list. (This paragraph shall not control seniority rights at CourseCo or other City contractor.)
4. In the event City golf links employees are not selected for all 4 initial CourseCo positions any employee displaced will be considered for CourseCo employment (in its independent exercise of discretion) and if selected will be offered the same initial salary augmentation and retirement calculation of one year compensation. During the initial 2 year transition period to CourseCo if a City employee replaces a CourseCo employee they shall be eligible for pro rata benefits, i.e., any remaining 9-month salary augmentation and any remaining 2 year reinstatement rights. (This paragraph shall not be construed to allow overlapping payment of these benefits.)
5. a. The City will contract with CalPERS to offer the PERS two-year service credit option benefit to employees in the Maintenance Worker classification series. This benefit shall be available for those employees choosing this option (Option 1) for the period from 90 days to 180 days following the first effective date that the credit is available. City shall not pay any increased costs for any employee who elects this benefit as it is understood that any increase in the City's PERS rate (Employer Contribution) for the two year service credit option will be passed on to active employees represented by UPEC/PGGEA until and unless changed through the bargaining process and approved by the City Council. Employees selecting Option 1 shall be placed on administrative leave, without pay, beginning May 1 and continuing until the effective date ("award") of the two-year service credit. City shall pay each employee who elects to take unpaid administrative leave the sum of \$350 per month during the unpaid administrative leave, as payment in lieu of any City

contribution for medical insurance or cafeteria plan. An employee eligible to take unpaid administrative leave may instead opt to utilize their accrued paid leave (if any).

b. As an alternative (Option 2), all employees choosing to separate or retire will have the option of the two-year service credit, if eligible, or City to provide 457 contribution (or cash, or health insurance contribution) of \$23,000. Employees electing to retire under either option above, shall irrevocably choose either Option 1 or Option 2 on or before February 26, 2014.

c. Any employee accepting CourseCo employment consistent with paragraphs #1 or #2 above, shall not be eligible for either Option 1 or Option 2, except as provided by Paragraph 7, below.

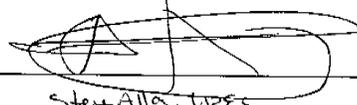
d. Any employee laid off during the initial two year period due to being displaced by a CourseCo employee who was involuntarily separated shall receive the pro-rated balance of the \$23,000 under Option 2, excluding those months prior to being bumped during which the employee actually worked for the City.

6. Should any City layoff occur, part-time employees in the same or a lower classification will be laid off prior to the layoff of a full-time employee.
7.
 - a. Employees laid off shall be placed on a 3-year reemployment list and shall be offered future positions in reverse seniority order with full-time employees having preference. In addition, employees taking employment with CourseCo who separate employment with CourseCo in the initial 2-year period may exercise their bumping rights or be placed on the reemployment list. Eligibility for re-employment requires no incidence of criminal conduct or ethical violation since separation and requires the ability to perform job tasks in Minimum Qualifications of Job Description. Should an employee exercise their re-employment rights with the City, they shall reimburse their separation bonus to the City.
 - b. Any employee who takes employment with CourseCo and is later separated during the first 2 years from CourseCo employment, but who chooses to not exercise bumping rights, shall receive the pro-rated balance of the \$23,000 under Option 2, less any City payment made pursuant to Paragraph 1.
8. The terms offered under this agreement do not establish a precedent in the event of any future outsourcing.
9.
 - a. The City agrees to not implement a reduction in force (RIF) of more than 6 full time PGGEA-represented positions due to the contracting of golf, sewer maintenance, turf mowing, street striping, tree trimming, and janitorial services currently under consideration. This number is inclusive of any employee electing CourseCo employment under paragraphs 1 and 2 and any employee electing separation under paragraph 5.

- b. Should the City seek to contract out any other City services in the future, in addition to those currently under consideration, City will meet and confer with Association no less than 60 days in advance.
- 10. Upon the parties signing an agreement to the foregoing that is ratified by the members and the City Council, UPEC/PGGEA will withdraw the current unfair Practice Charge regarding outsourcing.
- 11. A side letter implementing this agreement shall be presented to the City Council for approval at its February 19, 2014 regular meeting.
- 12. Discussion of the extension of the 2-year PERS service credit to other GEA employees or for a longer term shall be deferred to the successor MOU presently under negotiation.

AGREE TO RECOMMEND

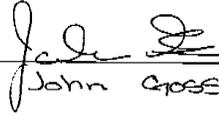
February 13, 2014



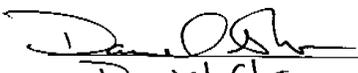
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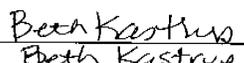
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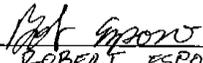
 Daniel Cho



 VINCENT CENTURI



 Beth Kastrop
 City of Pacific Grove HR



 ROBERT ESPOSITO



 KING WAYMAN

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