

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

**MID MANAGEMENT/PROFESSIONAL
EMPLOYEES**

AND

CITY OF ATASCADERO

July 1, 2021 through June 30, 2024

ARTICLE I - GENERAL PROVISIONS

SECTION 1.1 PREAMBLE

This Memorandum of Understanding is made and entered into between the City of Atascadero, hereinafter referred to as the "City" and the Mid Management/Professional Employees, hereinafter referred to as the "Association" pursuant to California Government Code Section 3500, et seq. and the City's Employer - Employee Relations Policy. The purpose of this Memorandum of Understanding (MOU) is the establishment of wages, hours and other terms and conditions of employment.

The City and Association agree that the provisions of this MOU shall be applied equally to all employees covered herein without favor or discrimination because of race, creed, color, sex, age, national origin, political or religious affiliations or association memberships. Whenever the masculine gender is used in this MOU, it shall be understood to include the feminine gender.

SECTION 1.2 RECOGNITION

- a. The City of Atascadero recognizes the Association as the recognized and exclusive representative for the following classifications:
 - Associate Civil Engineer/Storm Water Manager
 - Associate Civil Engineer/Storm Water Manager/Registered Engineer
 - Public Works Operations Manager
 - Recreation Supervisor
- b. This recognition is exclusive of management employees and temporary employees.
- c. The City agrees to meet and confer and otherwise deal exclusively with the Association on all matters relating to the scope of representation under the Meyers-Miliias-Brown Act (Government Code Section 3500, et seq.), and as provided under the City's Employer-Employee Relations Policy.

SECTION 1.3 SEVERANCE

- a. If any provision of the Agreement should be found invalid, unconstitutional, unlawful, or unenforceable by reason of any existing or subsequently enacted constitutional or legislative provision shall be severed, and all other provisions of the Agreement shall remain in full force and effect for the duration of the Agreement.
- b. In the event that any provision of the MOU should be found invalid, unconstitutional, unlawful or unenforceable, the City and the Association agree to meet and confer in a timely manner in an attempt to negotiate a substitute provision. Such negotiations shall apply only to the severed provision of the Agreement and shall not in any way modify or impact the remaining provisions of the existing MOU.

SECTION 1.4 SOLE AGREEMENT

- a. The City and the Association agree that to the extent that any provision addressing wages, hours, and terms and conditions of employment negotiable under the Meyers-Milias-Brown Act found outside this MOU and are in conflict thereof, this MOU shall prevail.
- b. If, during the term of the MOU, the parties should mutually agree to modify, amend, or alter the provisions of this MOU in any respect, any such change shall be effective only if and when reduced to writing and executed by the authorized representatives of the City and the Association. Any such changes validly made shall become part of this MOU and subject to its terms.

SECTION 1.5 FULL FORCE AND EFFECT

- a. All wages, hours, and terms and conditions of employment that are negotiable subjects of bargaining under the Meyers-Milias-Brown Act, including those set in this MOU, shall remain in full force and effect during the term of this MOU unless changed by mutual agreement.
- b. The City will abide by the Meyers-Milias-Brown Act where and when it applies to the Association.

SECTION 1.6 GENERAL PROVISIONS

The parties agree to meet and confer with respect to any subject or matter within the scope of representation upon request. Provided, however, that any changes which fall within the scope of representation shall be by mutual agreement.

Except as set forth in this Memorandum of Understanding, and unless the Association agrees to reopen negotiations on a particular bargaining subject, the parties agree that there shall be no changes during the life of this MOU in the wage rates, benefits, or other terms and conditions of employment subject to the Meet-and-Confer process.

In the event any new practice, subject or matter arises during the term of this agreement which is within the scope of representation and an action is proposed by the City, the Association shall be afforded all possible advance notice and shall have the right to meet and confer upon request. In the case of an emergency and, in the absence of an agreement on such a proposed action, the City reserves its lawful management rights to take any action(s) deemed necessary and the Association reserves its rights to take any lawful action deemed necessary.

ARTICLE II - PAY PROVISIONS

SECTION 2.1 SALARY

This three (3) year agreement shall provide salary increases according to the following formula and schedules:

Year 1: The City understands and appreciates the need to retain our quality employees and the City acknowledges that the wages paid for certain positions are below the comparable wages for other cities within the County. Because the City hopes to increase retention and attraction of professional employees, the following salary adjustments will be made:

- The Associate Civil Engineer/Storm Water Manager position shall be increased by a total of 4.75% (four point seven five percent)
- The Associate Civil Engineer/Storm Water Manager- Registered Engineer position shall be increased by a total of 5% (five point zero percent)
- The Recreation Supervisor position shall be increased by a total of approximately 10% (ten point zero percent)
- The Operations Manager shall be increased by a total of approximately 15.5% (fifteen point five percent)

The increases for Year 1 are intended to include a both a Cost of Living Adjustment (COLA) component and an inequity adjustment.

The following monthly salaries are effective July 1, 2021:

MONTHLY SALARY Effective July 1, 2021

CLASSIFICATION	STEP A	STEP B	STEP C	STEP D	STEP E
Associate Civil Engineer/Storm Water Manager	6,699.57	7,034.55	7,386.28	7,755.59	8,143.37
Associate Civil Engineer - Registered Engineer	7,386.28	7,755.59	8,143.37	8,550.54	8,978.07
Public Works Operations Manager	6,867.01	7,210.36	7,570.88	7,949.42	8,346.89
Recreation Supervisor	5,380.16	5,649.17	5,931.63	6,228.21	6,539.62

Year 2- Effective July 1, 2022, all employees covered under this MOU shall receive a 4.0% (four point zero percent) COLA salary increase. The following monthly salaries are effective July 1, 2022:

MONTHLY SALARY
Effective July 1, 2022

CLASSIFICATION	STEP A	STEP B	STEP C	STEP D	STEP E
Associate Civil Engineer/Storm Water Manager	6,967.54	7,315.92	7,681.72	8,065.81	8,469.10
Associate Civil Engineer - Registered Engineer	7,681.72	8,065.81	8,469.10	8,892.56	9,337.19
Public Works Operations Manager	7,141.65	7,498.73	7,873.67	8,267.35	8,680.72
Recreation Supervisor	5,595.71	5,875.50	6,169.28	6,477.74	6,801.63

Year 3- Effective July 1, 2023, all employees covered under this MOU shall receive a 3.5% (three point five percent) COLA salary increase. The following monthly salaries are effective July 1, 2023:

MONTHLY SALARY
Effective July 1, 2023

CLASSIFICATION	STEP A	STEP B	STEP C	STEP D	STEP E
Associate Civil Engineer/Storm Water Manager	7,211.40	7,571.97	7,950.57	8,348.10	8,765.51
Associate Civil Engineer - Registered Engineer	7,950.57	8,348.10	8,765.51	9,203.79	9,663.98
Public Works Operations Manager	7,391.61	7,761.19	8,149.25	8,556.71	8,984.55
Recreation Supervisor	5,791.59	6,081.17	6,385.23	6,704.49	7,039.71

SECTION 2.2 EDUCATION INCENTIVE PAY

Employees shall be reimbursed up to \$1,600.00 per fiscal year for books, tuition and related educational expenses for attending college or other professional training, providing the coursework is job-related, and the employee received a passing grade.

SECTION 2.3 RETIREMENT

- a. Employees are provided retirement benefits through the California Public Employees Retirement System (CalPERS).

TIER 1

Miscellaneous Member employees covered under this MOU who were hired on or before July 14, 2012 are provided benefits pursuant to the 2.5% @ 55 Benefit Formula (Government Code Section 21354.4), Final Compensation 1 Year (G.C. Section 20042) and Unused Sick Leave Credit (G.C. Section 20965). The City will pay 3.3% (three point three percent) of the Miscellaneous Member employee contribution of 8% (eight percent). Miscellaneous Member employees will pay the remaining 4.7% (four point seven percent) of the employee contribution.

TIER 2

Miscellaneous Member employees covered under this MOU who were hired between July 14, 2012 and December 31, 2012, and Miscellaneous Member employees hired on or after January 1, 2013 who meet the definition of a Classic Member under CalPERS, are provided benefits pursuant to the 2% @ 55 Benefit Formula (G.C. Section 21354), Final Compensation 3 Year (G.C. Section 20037) and Unused Sick Leave Credit (G.C. Section 20965). The City will pay 2.3% (two point three percent) of the Miscellaneous Member employee contribution of 7% (seven percent). Miscellaneous Member employees will pay the remaining 4.7% (four point seven percent) of the employee contribution.

TIER 3

Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), Miscellaneous Member employees covered under this MOU who were hired on or after January 1, 2013 who meet the definition of a CalPERS new member under PEPRA are provided benefits pursuant to 2% @ 62 Benefit Formula (G.C. Section 7522.20) with Final Compensation 3 Year (G.C. Section 20037). The Miscellaneous Member employee will pay a member contribution rate of 50% (fifty percent) of the expected normal cost rate.

- b. Employee contributions shall be contributed to CalPERS on a pre-tax basis.
- c. The City pays and reports the value of Employer Paid Member Contributions (EPMC) for Tier 1 employees and for Tier 2 employees as described in Resolution No. 2003-073.

SECTION 2.4 SICK LEAVE/STAY WELL PLAN

- a. Sick leave accumulates at a rate of eight (8) hours (one day) per month. There is no limit to the accumulation.
- b. Employees with forty-eight (48) or more days of accumulated sick leave shall be eligible for the Stay Well Bonus. The Stay Well Bonus will be implemented as follows:
 1. The sick leave pay-off will occur during the twelve- (12) month period beginning the first day after the second pay period in October and ending on the last day of the second pay period in October of the following year after an employee has accumulated and maintained 48 days sick leave.
 2. Once the eligibility requirements have been met, an employee may opt to receive a pay-off equal to one-third (1/3) of the unused annual allotment of sick leave. The annual allotment is 95.94 hours.
 3. Checks will be prepared by December 15 of each year.
- c. In any calendar year, up to two days (16 hours) of sick leave may be used for personal reasons without explanation. These days are not intended as vacation days and may not be used to extend vacations.
- d. An employee may use in any calendar year accrued sick leave, up to the amount earned during twelve (12) months employment, to attend to the illness of the following family members:
 1. The employee's child (including biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child of a person standing in loco parentis).
 2. The employee's parent (including biological, foster, or adoptive parent, a stepparent, or a legal guardian).
 3. The employee's spouse or domestic partner.

If the employee is performing satisfactorily and the employee's workload would not be negatively impacted, the Department Head may approve additional time off, up to the amount earned during three (3) months of employment, for Family Care.

Family Care leave may also qualify for protection under the FMLA and/or CFRA, and any Family Care leave granted under this section shall run concurrently with FMLA and/or CFRA leave. FMLA/CFRA leave is addressed in a separate City policy.

SECTION 2.5 SICK LEAVE PAYBACK

When an employee terminates employment in good standing, after five (5) years of continuous

service with the City of Atascadero in a mid-management position, as defined by this MOU, he/she shall be paid one-half of his/her accumulated Sick Leave.

SECTION 2.6 ADMINISTRATIVE LEAVE

- a. Each employee will receive forty-eight (48) hours of Administrative Leave, which will vest as of July 1 annually. Except as provided below, Administrative Leave will not be carried over or accrue from one fiscal year to the next.
- b. If an employee is unable to use his/her Administrative Leave prior to the end of the fiscal year for work related reasons beyond his/her control (as verified by the Department Head), said leave will be carried over into the next fiscal year for a period not to exceed three (3) months. Said time will be available to the employee for use during that period, but will not be accrued for the purpose of payoff in the event of termination.
- c. In the event an employee covered by this Agreement is employed after January 1 of the fiscal year, the employee shall be eligible for twenty-four (24) hours of Administrative Leave.

SECTION 2.7 BEREAVEMENT LEAVE

The City shall provide up to twenty-four (24) hours of paid bereavement leave for bereavement purposes. Bereavement purposes include (1) the death of a member of the employee's immediate family, and (2) the critical illness of a member of the employee's immediate family where death appears to be imminent. The amount of bereavement leave provided under this section is twenty four (24) hours per family member.

The employee may be required to submit proof of a relative's death or critical illness before final approval of leave is granted.

For purposes of this section, "immediate family" means: spouse or domestic partner, parent (including biological, foster, or adoptive parent, a stepparent, or a legal guardian), grandparent, grandchild, child (including biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child of a person standing in loco parentis), brother, sister, aunt, uncle, son-in-law, daughter-in-law, mother-in-law, father-in-law, brother-in-law, sister-in-law or significant other.

Twenty-four (24) hours of the paid absence shall be considered "bereavement leave", and any remaining time shall be from other paid time off available to the employee.

When an employee has exhausted the bereavement leave provided in this section, the employee may submit a request to his/her Department Head and request additional time off work. If approved, the employee must use their other accrued paid leave. The employee may elect which accrued paid leave he/she shall use during the additional leave. However, the employee may not use more than forty (40) hours of accrued sick leave for bereavement purposes. If the additional leave approved by the Department Head is longer than forty (40) hours, the employee is required to use accrued paid leave other than sick leave.

SECTION 2.8 – HOLIDAYS

The City shall recognize the following days as official City holidays.

<u>Holiday</u>	<u>Day Observed</u>
New Year's Day	January 1
Martin Luther King Jr. Birthday	3 rd Monday in January
Presidents' Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4 th
Labor Day	1 st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4 th Thursday in November
Day After Thanksgiving	Friday after Thanksgiving
Christmas Eve Day	December 24
Christmas Day	December 25
"Floating" Holiday	Off As Scheduled; Accrues January 1

Each classification covered under this agreement and employed by the City as of January 1st of each year shall be eligible for one floating holiday (8 hours). Floating holidays must have prior department approval and shall be consistent with the efficient operation of the department. The floating holiday may be used between January 1 and December 31 of each year.

SECTION 2.9 VACATION LEAVE

- a. Employees shall be entitled to vacation leave consistent with the City of Atascadero Personnel System Rules.
- b. In addition to the vacation leave accrued as outlined in Section 15.2 B of the City of Atascadero Personnel System Rules, employees shall receive:
 - An additional two days of vacation annually upon completing 15 years of service for a total accrual of 22 days per year or 6.77 hours per pay period; and
 - Two more days of vacation annually upon completing 20 years of service for a total accrual of 24 days per year or 7.385 hours per pay period.

SECTION 2.10 DEFERRED COMPENSATION MATCH

The City will match an eligible employee's contribution to a deferred compensation program. The match will be up to a maximum of \$250 annually for classifications covered under this agreement. All deferred compensation contributions are fully vested in the employee and shall not be available to the City.

SECTION 2.11 LONGEVITY EXCLUSIVELY AS SECTION 457 CONTRIBUTION

- a. For those active employees that have attained 10 years of continuous full time employment, the City, consistent with sections (b) through (f) below, shall deposit funds into a separate deferred compensation plan Section 457 account for each employee in the following amounts:
 - i. Fiscal Year 2021-2022: \$50 for each whole year of continuous full-time employment with the City
 - ii. After July 1, 2022: \$100 per year for each whole year of continuous full-time employment with the City
- b. Only employees who have received an overall rating of "satisfactory" or better on their last evaluation on file will be eligible for the longevity 457 contribution.
- c. Whole years of full time employment shall be determined on September 1st of each year for each active employee.
- d. Fractions of a year will be rounded down to the nearest whole year.
- e. For Fiscal Year 2021-2022, deposit into the deferred compensation account shall be made in one lump sum no later than 60 days after execution of this MOU. Thereafter, deposit into the deferred compensation account shall be made in one lump sum annually no later than the second pay period in September.
- f. Based on title 2 of the California Code of Regulations Section 571, the annual City deferred contribution for longevity into the separate deferred compensation plan, will not be considered special compensation, will not be reported to CalPERS as compensation and will not be considered as compensation when calculating an employee's retirement benefits. In the event that CalPERS at some time in the future determines that the longevity Section 457 Contribution meets the definition of "Special Compensation", both parties agree to reopen negotiations related to the financial impacts and implementation of this issue.

SECTION 2.12 WORK SHOES

The City shall contribute Two Hundred and Fifty (\$250.00) Dollars per fiscal year for the purchase of appropriate footwear, as determined by the Department Head, to employees in the following positions:

- Associate Civil Engineer/Storm Water Manager
- Associate Civil Engineer/Storm Water Manager/Registered Engineer
- Public Works Operations Manager
- Recreation Supervisor

Appropriate work shoes shall be worn by employees covered under this MOU who are exposed to potential foot injuries from hot, corrosive, poisonous substances, falling objects, crushing or penetration actions.

Work shoes not appropriate and/or not approved shall be tennis shoes, sandals, deck shoes, canvas shoes, athletic shoes, open toe shoes, dress shoes and any other shoe easily penetrated.

Proof of purchase is required. Once purchased, such appropriate footwear must be worn while working.

ARTICLE III - HEALTH AND WELFARE

SECTION 3.1 HEALTH INSURANCE COVERAGE

1. For unit members who elect to have "Family" coverage, the City shall pay an amount not to exceed \$2,035.57 per month for employees electing Family coverage. The City contribution shall go toward the cost of all medical, dental, vision and life insurance benefit premiums for the unit member employee and dependents. City shall pay for increased costs to medical, dental, vision and life insurance premiums for the employee and fifty percent (50%) of increased costs for dependents based upon HMO plan costs.
2. For unit members who elect to have "Employee +1" coverage, the City shall pay an amount not to exceed \$1,513.88 per month for employees electing Employee +1 coverage. The City contribution shall go toward the cost of all medical, dental, vision and life insurance benefit premiums for the unit member employee and dependent. City shall pay for increased costs to medical, dental, vision and life insurance premiums for the employee and fifty percent (50%) of increased costs for the dependent based upon HMO plan costs.
3. For unit members who elect to have "Employee Only" coverage, the City shall pay an amount not to exceed \$1,076.83 per month for employees electing Employee Only coverage. The City contribution shall go toward the cost of all medical, dental, vision and life insurance benefit premiums for the unit member employee. City shall pay for increased costs to medical, dental, vision and life insurance premiums for the employee based upon the HMO plan costs.

For unit members who elect to have "Employee Only" coverage, available funds remaining from the City's contribution toward insurance coverage shall be paid to an employee hired on or before September 1, 2000 as additional compensation. This amount shall not exceed \$240.56 per month.

SECTION 3.2 LIFE INSURANCE

The City shall provide a term life insurance policy on each employee in the amount of Fifty-Thousand Dollars (\$50,000).

The City shall provide a term life insurance policy for each eligible dependent enrolled in health coverage in the amount of One Thousand Dollars (\$1,000) per dependent.

SECTION 3.3 – LONG TERM DISABILITY INSURANCE

The City shall provide a City-paid program to provide Long-Term Disability Insurance for all classifications covered under this agreement.

ARTICLE IV - CLOSING PROVISIONS

SECTION 4.1 TERM

The term of this MOU shall commence on July 1, 2021, and expire on June 30, 2024.

SECTION 4.2 JOINT COMMITMENT TO FAIR AND REASONABLE CHANGES TO THE CALPERS SYSTEM

The interests of the City and the Association are generally aligned: both seek fair and reasonable changes to the CalPERS system to ensure long-term sustainability of the system. Needed State-level changes acceptable to both executive management and City labor groups are most likely to be initiated by CalPERS member agencies and labor, working collaboratively.

The City and the Association hereby jointly commit to:

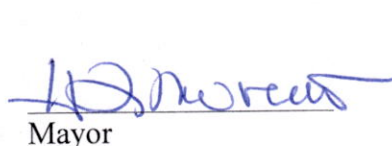

- Request state-level membership organizations (e.g., the League of California Cities, state-wide labor affiliates) to alert and engage members, to make this issue a priority, and encourage committing to a set of collaborative solutions;
- Encourage, educate, and engage peers (e.g., other cities, other labor groups) to make this issue a priority and to lend their voice to our jointly agreed upon request to state-level membership organizations;
- Jointly analyze options with an open mind as to potential solutions; and
- Other potential collaborative efforts as they arise.

SECTION 4.3 SIGNATURES

This MOU has been ratified and adopted pursuant to the recommendation of the following representatives:

	<u>9/29/21</u>	_____	_____
Mid Mgmt./Prof.	Date	Mid Mgmt/Prof.	Date

CITY OF ATASCADERO

	<u>9/30/2021</u>		<u>9/29/21</u>
Mayor	Date	City Manager	Date