

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF PASADENA

AND

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL UNION NO. 721

APRIL 27, 2013 – JUNE 30, 2015

TABLE OF CONTENTS

			<u>Page</u>
ARTICLE 1	PREA	AMBLE	1
ARTICLE 2	RECC	DGNITION	1
ARTICLE 3		И OF MOU	
ARTICLE 4	SCOF	PE (MANAGEMENT RIGHTS)	1
ARTICLE 5	UNIC	DN ACTIVITIES	2
ARTICLE 6	USE (OF BULLETIN BOARDS	3
ARTICLE 7	NON	-DISCRIMINATION	4
ARTICLE 8	NO S	TRIKE - NO LOCK OUT	4
ARTICLE 9	MOD	DIFICATION CLAUSE	4
ARTICLE 10	SAVI	NGS CLAUSE	4
ARTICLE 11	IMPA	ASSE	5
ARTICLE 12	SALA	RY INCREASES	5
ARTICLE 13	OVE	RTIME	5
ARTICLE 14	BILIN	IGUAL PAY	5
ARTICLE 15	LEAV	/ES OF ABSENCE	6
	A.	Sick Leave	6
	В.	Bereavement Leave	7
	C.	Workers' Compensation Leave	7
	D.	Military Leave	8
	E.	Jury Leave	8
ARTICLE 16	VACA	NOITA	8
ARTICLE 17	HOLI	DAYS	10
ARTICLE 18	REST	PERIODS	11
ARTICLE 19	CLEA	N UP TIME	11
ARTICLE 20	EMP	LOYEE BENEFITS	11
	A.	Life Insurance	11
	В.	Dental Care Program	11
	C.	Health Insurance/Employee Option Benefit Fund	12
	D.	Short Term Disability Plan	13
	E.	Long Term Disability Insurance	13
ARTICLE 21	RETII	REMENT	14
ARTICLE 22	REIM	1BURSEMENTS	15
	A.	Tuition Reimbursement	15
	В.	Uniforms	15
ARTICLE 23	SAFE	TY VESTS AND RAIN GEAR	16
ARTICLE 24	PRID	ESHARE II	16
ARTICLE 25	SALA	RY ADMINISTRATION	16
	A.	Probationary Period	16
	B.	Advancement Through Salary Range	16

	C.	Salary Upon Promotion	16
	D.	Temporary Assignment	17
ARTICLE 26	PAY	ROLL DEDUCTION AND DUES	17
	A.	Agency Shop	17
	В.	Agency Shop Defined	17
	C.	Rescission	18
	D.	Union Responsibilities-Hudson Notice	18
	E.	Implementation	18
	F.	Religious Exemption	19
	G.	Records	19
	H.	Indemnification	19
ARTICLE 27	DISC	CIPLINE	20
ARTICLE 28	GRIE	EVANCE	20
	A.	Definition	20
	В.	Objectives	20
	C.	Guidelines	20
	D.	Grievance Procedure	22
ARTICLE 29	LAYOFF		
	A.	Definition	25
	В.	Authority	25
	C.	Policy	25
	D.	Procedure	28
ARTICLE 30	WOF	RK HOURS	29
ARTICLE 31	STAN	NDBY STATUS	29
ARTICLE 32	REQ	UIREMENT OF CLASS B LICENSE FOR SOLID WASTE COLLECTORS	29
ARTICLE 33	CON	ITRACTING OUT	29
ARTICLE 34	ROU	ITE ASSIGNMENTS	29
ARTICLE 35	LAB(OR-MANAGEMENT COMMITTEE	30
ARTICLE 36	DRU	G AND ALCOHOL USE	30
ARTICLE 37	CHIL	D CARE SUBSIDY PROGRAM	31
ARTICLE 38	GAIN	NSHARE	31
Signature Pa	ge		33
EXHIBIT I	Sche	edule of Compensation Rates	34
EYHIRIT II	۸۱۲۵	hol and Drug Ahusa Policy	25

ARTICLE 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 721 of the Service Employees International Union, SEIU, (hereinafter referred to as the Union or SEIU 721).
- B. It is the intent and purpose of this MOU to set forth the understanding of the parties reached as a result of meeting and conferring in good faith regarding wages, hours and other terms and conditions of employment between the employees represented by Local 721 of the Service Employees International Union and the City of Pasadena. As used herein, the term "employee" means any person regularly employed by the City and assigned to a classification listed herein.
- C. This MOU sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, written or oral, regarding any such matters are hereby expressly superseded or terminated in their entirety.

ARTICLE 2 RECOGNITION

In accordance with provisions of the Charter of the City of Pasadena, the Meyers–Milias–Brown Act (MMBA) of the State of California and provisions of Employer–Employee Labor Relations Resolution No. 555, the City recognizes the SEIU Local 721 (SEIU 721) as the majority representatives 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 as listed in Exhibit I. All other classes not specifically listed are excluded from representation by SEIU 721.

ARTICLE 3 TERM OF MOU

The MOU is effective April 27, 2013 – June 30, 2015

ARTICLE 4 SCOPE (MANAGEMENT RIGHTS)

It is understood and agreed that the City reserves and retains all its inherent exclusive and non–exclusive managerial rights, powers, functions, and authority as follows: The rights of the City include, but are not limited to, the exclusive right to: (1) determine the purposes and functions of its departments, commissions, committees and boards; (2) set standards of service; (3) determine the procedures and standards of selection for employment and promotion; (4) direct its

employees; (5) take disciplinary action for cause; (6) relieve its employees from duty because of lack of work or for other legitimate reasons; (7) maintain the efficiency of governmental operations; (8) determine the methods, means and personnel by which government operations are to be conducted; (9) determine the allocation and content of job classifications; (10) take all necessary actions to carry out its purposes and functions in emergencies; and (11) exercise complete control and discretion over its organization and the technology of performing its work.

ARTICLE 5 UNION ACTIVITIES

- A. <u>Reasonable Time Off to Meet and Confer</u> the formally recognized employee organization may select not more than two employee members of such organization to attend scheduled meetings with the Municipal Employee Relations Officer or other management officials on subjects within the scope of representation during regular work hours without loss of compensation.
- B. The Municipal Employee Relations Officer may approve the attendance at such meetings of additional employee representatives with or without loss of compensation. The employee organization shall, whenever practicable, submit the names of all such employee representatives to the Municipal Employee Relations Officer at least two working days in advance of such meetings. Provided, further that:
 - 1. No employee representative shall leave his or her duty or work station or assignment without specific approval of the department head or other authorized City management official.
 - 2. Any such meeting is subject to scheduling by City management in a manner consistent with operating needs and work schedules.
 - 3. Management will endeavor to schedule such meetings during employee's regular work hours, unless the parties agree to meet outside of the employee's regular work hours.
- C. <u>Access to Work Locations</u> Reasonable access to employee work locations shall be granted officers of recognized employee organizations and their officially designated representatives, for the purpose of processing grievances or contacting members of the organization concerning business within the scope of representation. Such officers or representatives shall not enter any work location without the consent of the department head or his/her authorized—representative. Access shall be restricted so as not to interfere with the normal operations of the department or with established safety or security requirements.

- 1. Solicitation of membership and activities concerned with the internal management of an employee organization, such as collecting dues, holding membership meetings, campaigning for office, conducting elections and distributing literature, will not be permitted during working hours.
- D. <u>Use of City Facilities</u> The Union may, with approval of Human Resources, be granted use of City facilities for meetings to conduct Union business meetings provided the request for such use is made at least two business days prior to such meeting.
- E. The Union agrees that, except as specifically provided by the terms and conditions in the Employer–Employee Resolution or in this MOU, employees shall not be permitted to engage in Union activity during time in which they are being compensated by the City.

ARTICLE 6 USE OF BULLETIN BOARDS

- A. Recognized employee organizations, such as SEIU 721, may use portions of City bulletin boards under the following conditions:
 - 1. All materials must receive the approval of the department or division head in charge of the departmental bulletin board.
 - 2. All materials must be dated and must identify the organization that published them.
 - 3. The actual posting of materials will be done by a representative of the recognized employee organization after approval by the department head. Unless special arrangements are made, materials posted will be removed 31 days after the posting date by a representative of the recognized employee organization. Material which the department head considers objectionable will not be posted, provided however, the department head shall first discuss this denial with the Municipal Employee Relations Officer.
 - 4. The City reserves the right to determine where bulletin boards shall be placed and what portion of them are to be allocated to employee organizations' materials.
 - 5. An employee organization that does not abide by these rules will forfeit its right to have material posted on City bulletin boards.

ARTICLE 7 NON-DISCRIMINATION

The provisions of the MOU shall be applied equally to all employees without discrimination as defined by the laws which protect against discrimination based on protected class status as well as participation in the Union. Examples of protected classes include but are not limited to: age, gender, sexual orientation, disability, national origin, and religion.

ARTICLE 8 NO STRIKE – NO LOCK OUT

The parties to the Memorandum recognize their mutual responsibility to provide the citizens uninterrupted municipal services. Therefore, for the duration of this Memorandum the City agrees not to engage in a lock—out of employees and the Union will not engage in, cause, or sanction any strike, curtailment of work, sick out, slow down, restriction of production or service, or interference with the operations of the City, or picketing or patrolling during the term of this memorandum.

ARTICLE 9 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 the City Council, provided however, this provision shall not be deemed to preclude mutually agreed upon meet and confer sessions for the purpose of altering, waiving, modifying or amending this MOU.

ARTICLE 10 SAVINGS CLAUSE

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

ARTICLE 11 IMPASSE

In the event that the parties are unable to reach agreement on a successor Memorandum of Understanding, either party may request the assistance of Public Employment Relations Board (PERB) to facilitate mediation to resolve the impasse. Should the impasse remain unresolved, the union may request the parties' differences be submitted to a fact finding panel by complying with the provisions of the Meyers-Milias-Brown Act (MMBA).

ARTICLE 12 SALARY INCREASES

- A. Effective the beginning of the pay period following City Council approval of the MOU, unit members will receive a 2% base salary increase.
- B. Effective the beginning of the pay period that includes July 1, 2014, unit members will receive a 1% base salary increase.

ARTICLE 13 OVERTIME

- A. All authorized actual time over forty (40) hours in any work week, and all authorized actual work performed on holidays shall be compensated at the rate of one and one-half times the employee's hourly straight time rate. The 40 hours shall consist of all authorized actual time worked, and/or authorized paid leave time.
- B. Time worked shall be rounded to the nearest quarter of an hour (7 minutes or less round down; 8 minutes or more round up).
- C. Overtime shall not be paid in addition to regular time or leave time for the same hours of work.
- D. Employees recalled to work unexpectedly outside of their regular shift shall receive pay for a minimum of two (2) hours at one and one-half times the employee's hourly straight time rate. If an employee is scheduled in advance to work outside of normal work hours or to report early to a regular shift, no minimum payment will be required.

ARTICLE 14 BILINGUAL PAY

Employees may be eligible to receive bilingual pay of \$75 per month under guidelines established in the Bilingual Incentive Program provisions of the Manual of Personnel Rules, Practices and Procedures.

ARTICLE 15 LEAVES OF ABSENCE

A. Sick Leave

1. The Sick Leave may be granted for: personal illness or injury; absences for medical, dental, and/or vision care appointments; or to attend to an immediate family member (child, parent, spouse or registered domestic partner as defined by California Labor Code section 233) in who is ill/injured and needs care as permitted by that law.

2. Sick Leave Use

- a. Every employee who is unable to report to work at his usual time shall either call, or have someone call, his/her supervisor before the time he/she is scheduled to report for work to explain an absence. If a supervisor doesn't answer at the time of the call, a contact phone number shall be left as part of the message regarding the absence.
- b. Department heads shall have the authority to approve sick leave use for all employees.
- c. Employees requesting to use sick leave for four days or longer shall submit a signed verification of the need for absence due to illness/injury or the need to care for a family member. The verification must be provided by the personal physician, osteopath, chiropractor, or Christian Science practitioner attending to the employee or family member, and presented to the employee's supervisor before returning to work.
- d. A unit member who while on vacation becomes ill/injured and who provides a doctor's verification of illness/injury prior to returning to work that verifies that leave time for injury or illness in excess of three days was required, may request that the vacation time be substituted with sick leave. Such requests are subject to approval by the Department Head.

3. Sick Leave Provisions

a. Effective the first pay period of January 2014, employees are eligible to accrue on a pay period basis, up to 80 hours of sick leave per year (3.08 hours per pay period) up to a maximum of 1200 hours.

- b. At the time of retirement from the City of Pasadena, employees may elect to convert up to 1200 hours of accumulated sick leave to CalPERS retirement service credit pursuant to Government Code Section 20965.
- c. For separation of employment other than retirement, sick leave accrual has no cash value to the employee.

B. Bereavement

Regular full-time employees absent for leave due to bereavement of an immediate family member may receive regular compensation for a maximum of 24 hours. "Immediate family member" is defined as spouse, child, parent, brother or sister, parent of spouse, grandparents, grandchildren, step parents, step children, step sister, step brother or registered domestic partner as defined by State law. Under special circumstances, the department head may approve bereavement leave upon the death of other than immediate family members as herein defined. Bereavement leave is provided separate from the sick leave provision.

C. Workers' Compensation Leave

- 1. <u>Job-Related Injury or Illness</u> Any employee incapacitated by reason of an injury or illness arising out of or in the course of his employment shall receive his/her regular compensation for a period not to exceed ten months. Regular compensation is the base salary which the employee is being paid on the date of the job related illness or injury. Such payment shall commence with the first day of the approved absence and end with the termination of the temporary disability, or the termination of the approved absence, or the expiration of ten months, whichever occurs first.
- 2. Where the approved absence is of less than ten months duration, and illness thereafter recurs or further treatment is necessitated in connection with the same injury or illness, the City Manager may grant additional leave of absence, subject to the limitations provided in the foregoing paragraph, but not to exceed a cumulative total of ten months.
- 3. This subsection shall not apply to any claim denied by the Division of Industrial Accidents Workers' Compensation Appeals Board.

D. Military Leave

- 1. Military leave of absence will be granted and paid in accordance with the law.
- 2. 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.

E. Jury Leave

- 1. If a unit member is required to be absent from work to report for jury duty, the employee will notify their supervisor of the absence as soon as possible, including, a phone message the night before if the employee finds out via a phone recording that he/she must report the next day.
- 2. There will be no reduction in pay for a unit member that is required to be absent from work for jury duty. Jury duty includes time in court awaiting assignment or release. In those cases in which the employee is released by the court with four or more hours remaining on his/her shift, the employee will report for duty and work the balance of the shift; for this the employee will receive a full day's pay, and shall pay to the City any amount received from the court for the jury duty, excluding mileage.
- 3. In those cases in which the employee is not released by the court with four or more hours remaining on his/her shift, the employee need not return to work. The employee shall receive the full day's pay, and shall pay to the City any amount received from the court for jury duty, excluding mileage.
- 4. Employees will submit proof of jury service to his/her supervisor.

ARTICLE 16 VACATION

A. 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/she may allow accumulation of vacation above the maximum.

1. Vacation Accrual and Maximum

Years of continuous	Hours	Annual	Vacation
service	accrued per	Accrual	Maximum Accrual
	pay period		
Hire date to completion	3.08	80 hours	240 hours
of five years			
Six years – completion of	4.62	120 hours	240 hours
10 years			
11 years	4.92	128 hours	320 hours
12 years	5.23	136 hours	320 hours
13 years	5.54	144 hours	320 hours
14 years	5.85	152 hours	320 hours
15 years	6.15	160 hours	320 hours

2. Request to use vacation

- a. Two (2) unit employees shall be allowed to schedule vacation at any one time.
- b. Employees will be permitted to request vacation in December of each year for the upcoming twelve months during the December reservation process. The Department will distribute vacation selection forms by mid-November. Employees may reserve time for vacation by submitting the vacation selection form by the 2nd Friday in December.
- 3. Upon reaching the maximum accrual, employees will cease earning vacation until use of vacation brings the accrual below the maximum.
- 4. The Department shall inform all employees who submit a vacation request whether their request will be granted by December 31st. In the event that the Department cannot accommodate all vacation requests, seniority within each classification will be used to make the final decision. The Department will process all first choice vacations (with conflicts decided by seniority), then process all second choice vacations. Once the Department informs the employee that their vacation request is granted, the Department may not cancel the request unless in the event of an emergency.
- 5. The Department will make every reasonable effort to accommodate vacation requests which are submitted after the reservation period.

Employees should submit any requests as soon as possible but no later than 3 working days prior to the request time.

B. <u>Termination</u>

<u>Unused Vacation</u> - Any employee who separates from employment, shall be allowed regular compensation for unused vacation accumulation as of the last actual work day. Payment for accumulated vacation will be processed with an employee's final paycheck.

ARTICLE 17 HOLIDAYS

- A. The following days shall be observed as 8 hour 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.
- B. Unit employees receive eight (8) hours of floating holiday per calendar year. Floating holiday hours will be added to each employees floating holiday bank with the first pay period in January. Use of floating holiday hours is subject to supervisor approval. Floating holiday hours are capped at sixteen (16) hours.
- C. If any of the foregoing holidays falls upon a Saturday, the preceding Friday is the holiday in lieu thereof. If any of the foregoing holidays falls upon Sunday, the Monday following is the holiday in lieu thereof.
- D. Every regular full-time employee shall be allowed a paid leave of absence of 8 hours for each holiday.
 - 1. 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 all hours worked on the holiday, in addition to 8-hours holiday pay at the straight time rate.
 - 2. If any holiday falls on such person's day off, he/she shall be compensated by paid leave of absence on another day, or he/she shall receive 8 hours pay at the straight time rate as shall be determined by the head of the department.

E. Employees of the Solid Waste Division will normally be required to work on all designated holidays, with the exception of January 1, the third Monday in January, the first Monday in September, the fourth Thursday in November, and December 25. Notwithstanding the aforementioned provision, the City may determine that any of the above holidays may be worked to meet reasonable operational demands.

ARTICLE 18 REST PERIODS

- A. Every employee shall be provided two 15-minute rest periods per day for each period of not less than three or more than four hours. Employees may leave the job site for a rest period providing that the total time away from the job does not exceed 15 minutes.
- B. The time at which such rest periods are taken shall be determined by the department head who will schedule absence from duty so that service to the public is not impaired.
- C. Rest periods or coffee breaks may not be accumulated or added to a lunch hour, vacation or to other forms of leave.

ARTICLE 19 CLEAN UP TIME

Fifteen minutes at the end of the employee's shift shall be provided for purposes of clean-up to those employees whose jobs necessitate such clean up time. Should employees need additional time for clean-up, or time beyond the end of his/her shift, supervisor approval is required in advance to authorize the additional time worked.

ARTICLE 20 EMPLOYEE BENEFITS

A. Life Insurance

The City will provide life insurance coverage in the amount of \$20,000 for each employee.

B. Dental Care Program

The City will contribute 100% of the premium for the employee-only dental care coverage as provided by the City of Pasadena. For employees who cover a dependent, the City will contribute up to an additional \$75.84 per month for the dental plan premium.

C. <u>Health Insurance/Employee Option Benefit Fund</u>

- 1. The City of Pasadena participates in the CalPERS Medical program (per the Public Employee Medical and Hospital Care Act "PEMHCA"). For employees enrolled in a CalPERS medical plan, the City contributes the required statutory minimum (per Government Code section 22892) toward the medical premium which is part of the EOBF allowance.
- 2. The Employee Option Benefit Fund (EOBF) allowance is used to offset health premium costs and includes the PEMHCA minimum.
- 3. Effective January 1, 2014, the EOBF allowance for employees enrolled in a medical plan offered through the City is:

Tier 1:	Employee Only	\$1,081.85
Tier 2:	Employee +1	\$1,109.11
Tier 3:	Employee +2	\$1,221.77

- 4. The parties agree that either party has the right to reopen negotiations on the EOBF allowance for future years either as part of ongoing contract negotiations or by either party requesting to do so if not currently negotiating a successor MOU.
- 5. Employees in the unit as of who elect to opt out of medical coverage offered by the City because they have provided proof of medical coverage will receive an EOBF opt out allowance of \$962.85 per month which will be designated to the employee's deferred compensation account. Employees may elect to have 65% of the EOBF Opt Out allowance paid as cash in lieu of depositing the total allowance to a deferred compensation account offered by the City.
- 6. Effective January 1, 2014, new employees electing to opt out of medical coverage offered by the City because they have provided proof of medical coverage will receive an EOBF opt out allowance of \$400 per month which will be designated to the employee's deferred compensation account. New employees may elect to have 65% of the EOBF Opt Out allowance paid as cash in lieu of depositing deferring the total allowance to a deferred compensation account offered by the City.

D. <u>Short Term Disability Plan</u>

- 1. The City will provide a Short Term Disability (STD) Plan. The plan includes the following provisions:
 - a. Thirty (30) calendar day elimination period. Disability payments begin on the 31st day.
 - b. Payments shall not exceed 50% of the employee's salary up to \$1,730 per week.
 - c. Maximum duration is twenty-two weeks (154 days).
 - d. The premium will be paid by the City. The benefit is taxable to the employee.

E. <u>Long Term Disability Insurance</u>

- 1. 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. Disability payments will commence on the 181st calendar day of the illness or injury.
 - b. Payments shall not exceed a total of 50% of the employee's salary up to a maximum of \$900 per month and will be coordinated with deductible benefits as provided under the LTD plan.
 - c. The maximum benefit period will be five years.
 - d. The City and employee will jointly contribute to the cost of the Plan with the initial dollar contribution based on the City contributing \$4 per month and the employee \$2 per month.
- 2. 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.

ARTICLE 21 RETIREMENT

- A. Retirement benefits shall be provided as currently specified under the City of Pasadena's contract with Public Employees' Retirement System.
- B. Unit members employed by the City of Pasadena on or before December 31, 2012 and employees hired on or after January 1, 2013 who have less than a six month break in CalPERS covered service or are members of an agency with reciprocity, are provided the following retirement benefits:
 - 1. Miscellaneous 2.5% @ 55 benefit formula.
 - 2. Final compensation based upon the highest annual average compensation earnable during the 36 months of employment immediately preceding the effective date of his/her retirement or some other period designated by the retiring employee.
 - 3. Effective the beginning of the pay period following City Council approval of this MOU, employees pay the 8% employee/member contribution on a pretax basis.
 - 4. Effective the beginning of the pay period following City Council approval, the City does not report the value of the member contribution
- C. Unit members hired on or after January 1, 2013 who are "new members" as defined in the Public Employees' Pension Reform Act of 2013, are provided the following retirement benefits:
 - 1. Miscellaneous 2% @ 62 benefit formula with a three year (36 month) final compensation period.
 - 2. Final compensation based upon the highest annual average compensation earnable during the 36 months of employment immediately preceding the effective date of his/her retirement or some other period designated by the retiring employee.
 - 3. Employees will pay one-half of the total normal cost (for 2013 the rate is 6.25%).

- D. The City contracts for the following optional benefits which apply to all miscellaneous employees:
 - 1. 1959 Survivor Benefit Level 4 (Section 21574)
 - 2. Pre-Retirement Option 2W Death Benefit (Section 21548)
 - 3. Pre-Retirement Death Benefits to Continue After Remarriage of Survivor (Section 21551)
 - 4. \$500 Retired Death Benefit (Section 21620)
 - 5. 2% Annual Cost of Living Allowance Increase (Section 21329)
 - 6. Unused Sick Leave Credit (Section 20965)
 - 7. Military Service Credit (Section 21024)

ARTICLE 22 REIMBURSEMENTS

A. Tuition Reimbursement

- 1. Unit employees pursuing an Associate of Arts degree or higher in a jobrelated field at an accredited college or university, shall be eligible for tuition reimbursement of up to five hundred dollars (\$500) 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.

B. Uniforms

- Uniforms shall be provided to employees consistent with the conditions specified in the City's uniform vendor contract. Uniformed employees shall present themselves on each working day dressed in the approved uniform.
- 2. Rules and regulations for wearing of uniforms shall be set by the operating departments.
- 3. Employees who are required by Management to wear safety shoes/boots in carrying out their job duties, shall be reimbursed up to \$200 annually for the cost of purchasing such boots. Such safety shoes/boots must meet safety standards as determined by Management. Employees required to

wear safety shoes/boots shall purchase such shoes/boots within 90 days of hire.

ARTICLE 23 SAFETY VESTS AND RAIN GEAR

The City shall provide and replace safety vests, work jackets with reflector markings and rain gear which includes rain boots. Employee shall be responsible for proper care and maintenance of their safety vests, work jackets and rain gear, and shall reimburse the City for any lost or stolen items which have been assigned to the employee.

ARTICLE 24 PRIDESHARE II

Unit members must participate in the PrideShare II program as identified in the City's Personnel Manual of Policies and Procedures. Solo drivers are required to pay \$35 per month (\$17.50 per pay period). Non-Solo drivers have benefits provided per the policy.

ARTICLE 25 SALARY ADMINISTRATION

A. <u>Probationary Period</u>

The probationary period for employees hired into unit classification is twelve months.

B. <u>Advancement Through Salary Range</u>

- 1. Employees hired at step 1 are eligible for advancement to step two after successful completion of six months of service.
- 2. Movement to additional steps (3-5) shall be based on satisfactory job performance and shall be reviewed in the following time intervals:
 - a. Step 3 six months after the step 2 increase
 - b. Step 4 six months after the step 3 increase
 - c. Step 5 six months after the step 4 increase

C. <u>Salary Upon Promotion</u>

Unit employees promoted from Solid Waste Truck Operator I to Solid Waste Truck Operator II will be promoted to the lowest step of the salary range that provides at least a 5% base pay increase. In no event shall an employee be placed on a salary step higher than the top step of the Solid Waste Truck Operator II salary range.

D. <u>Temporary Assignment</u>

- 1. When a Solid Waste Truck Operator I is temporarily assigned as a Solid Waste Truck Operator II, the following shall govern:
 - a. To be considered for temporary assignment, a Solid Waste Truck Operator I must possess a valid Class B operator's license, be currently on an active Solid Waste Truck Operator II eligibility list or be deemed qualified as a driver by the department, based upon completion of appropriate training and satisfactory evaluation of performance.
 - b. Upon assignment as a Solid Waste Truck Operator II, the employee shall be placed at Step 4 of Solid Waste Truck Operator II rate of pay. Upon accumulation of six months of actual assignment, all subsequent assignments shall be at Step 5 of Solid Waste Truck Operator II rate of pay.

ARTICLE 26 PAYROLL DEDUCTIONS AND DUES

A. Agency Shop

It is mutually agreed by the parties that this Unit is an agency shop Unit. It is the intent of the parties that the agency shop provisions in the MOU comply with the applicable state law addressing the requirements of an agency shop (Government Code Section 3502.5).

B. Agency Shop Defined

It is mutually agreed by the parties that the term "agency shop" means that every employee represented by the Unit shall, as a condition of continued employment, either join the recognized employee organization (SEIU, Local 721), or pay the organization a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments of the organization. Employees also have the option to pay the service fee to a non-religious, and non-labor charitable fund exempt from taxation under Section 501 (c)(3) of the Internal Revenue Service Code.

C. Rescission

It is mutually agreed by the parties that the agency shop provisions in this MOU may be rescinded by a majority vote of all the employees represented by this Unit at any time during the term of the MOU.

D. <u>Union Responsibilities-Hudson Notice</u>

The Union agrees to provide notice and maintain constitutionally acceptable procedures to enable non-member agency shop fee payers to meaningfully challenge the propriety of the use of agency shop fees as provided for in *Chicago Teachers Union, Local No. 1, AFT. AFL-CIO et al. vs. Hudson* 106 S. Ct. 1066 (1986). Such notice and procedures shall be provided to non-member agency shop fee payers each year that this agency shop MOU is in effect.

E. Implementation

- 1. The parties acknowledge that the City has provided all current employees with an authorization notice advising them that the City has entered into an Agency Shop agreement with the Union, and that all employees in the Unit must either join the Union, pay a service fee to the Union, or execute a written declaration claiming a religious exemption (described below in subsection (F)) from this requirement. The City will provide a similar authorization to all employees hired into positions represented by the Union. Such notice shall include a form for the employee's signature authorizing payroll deduction of Union dues, a service fee or a charitable contribution equal to the service fee. Employees shall have 14 calendar days from the date they receive the form to fully execute it and return it to the Finance Department.
- 2. If the form is not completed properly and returned within 14 calendar days, the City shall commence and continue a payroll deduction of service fees from the regular bi-weekly paychecks of such employee. The effective date of Union dues, service fee, or charitable contribution shall begin no later than the first full pay period after receipt of the authorization form.
- 3. The employee's earning must be sufficient after the other legal and required deductions are made to cover the amount of the dues or fees authorized. When an employee is in a non-pay status for an entire pay period, no withholding will be made to cover the pay period from future earnings. In the case of an employee in a non-pay status only during part of

the pay period, whose salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other legal and required deduction (including health care and insurance deductions) have priority over Union dues and service fees.

F. Religious Exemption

- 1. Any employee who is a member of a bona fide religious body or sect that has historically held conscientious objections to joining or financially supporting public employee organizations shall not be required to join or financially support any public employee organization as a condition of employment. As described above, an employee qualifying for this exemption employee is required, in lieu of periodic dues, initiation fees, or agency shop fees, to pay sums equal to those amounts to a non-religious, non-labor charitable fund exempt from taxation under Section501(c)(3) of the Internal Revenue Code, chosen by the employee.
- 2. Charitable contributions shall be by regular payroll deduction only in order to qualify as a condition of continued exemption from the requirement of financial support to the Union.

G. Records

The Union shall keep an adequate itemized record of its financial transactions and shall make available annually, to the City, and to the employees who are members of the organization, within 60 days after the end of its fiscal year, a detailed written financial report thereof in the form of a balance sheet and an operating statement, certified as to accuracy by its president and treasurer or corresponding principal officer, or by a certified public accountant.

H. Indemnification

The Union shall indemnify, defend and hold the City harmless against any liability arising from any claims, demands, or other action relating to the City's compliance with the agency fee obligation, including claims relating to the Union's use of monies collected under these provisions. The City reserves the right to select and direct legal counsel in the case of any challenge to the City's compliance with the agency fee obligation, and the Union agrees to pay any attorney, arbitrator or court fees related thereto.

ARTICLE 27 DISCIPLINE

- A. The City may take disciplinary action for just cause.
- B. Disciplinary actions, which shall include only oral and written warnings, suspension, demotion and termination, will be consistently applied.
- C. When an employee is scheduled for a meeting at which disciplinary action may result, the employee will be notified of his/her rights to representation. If disciplinary action is determined to be appropriate, the employee will be notified of the discipline in writing (except oral warnings) and will be advised that appeal procedures may be made through the Grievance Procedure.

ARTICLE 28 GRIEVANCE

A. Definition

- 1. <u>Grievance</u> A dispute regarding an interpretation or application of the MOU or of the rules and regulations governing conditions of employment.
- 2. Employee A bargaining unit member.

B. Objectives

- 1. To resolve or settle an employee's grievance fairly, expeditiously and amicably.
- 2. To provide an orderly procedure for the presentation of a grievance and for successive steps of appeal as the employee may consider warranted.
- 3. To comply with applicable state and federal laws, the City Charter and the Salary Resolution.

C. <u>Guidelines</u>

- 1. An employee may file a grievance without jeopardizing the employee's employment.
- 2. Allegations of unlawful discrimination shall not be processed through the grievance procedure. The employee may submit such allegations through the Human Resources Department utilizing the Discrimination Complaint Procedure, or through the appropriate state or federal agencies.

3. 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
- c. Be represented by Union Business Representative
- 4. 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. Reasonable access to the employee's work location. If it becomes necessary for an employee/union representative who works for the City to leave his/her place of work to go to another work location to investigate a grievance, he/she shall obtain authorization from his immediate supervisor before leaving the job. Such a request shall not be unreasonably denied.
- b. Notification of the time and place of the grievance proceedings and the opportunity to be present at such proceedings.
- c. A copy of any written decisions or communications to the employee concerning the grievance proceedings.
- 5. A grievance may be discussed and processed on City time, except that no overtime or additional compensation shall be allowed if the proceedings extend beyond the employee's or the representative's workday or workweek. The employee and his representative shall cooperate with the City in such a manner that there will be a minimum of interference with the operations of the City's work.
- 6. A grievance involving a discharge or layoff due to a reduction in force shall be filed at Step 2 of the Grievance Procedure within five days of the notification of discharge or layoff.
- 7. A grievance may be initiated only by the employee concerned, except that a

general grievance regarding interpretation and implementation of the Memorandum of Understanding may be filed by the Union on behalf of employees represented by the Union. A general grievance shall be filed in writing with the Director of Human Resources at Step II within fourteen (14) calendar days of the action in question.

- 8. 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, 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.
- 9. This is the sole and exclusive method for resolving grievances.

D. Grievance Procedure

1. Step 1

- a. 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 elects to be represented, upon notification to the immediate supervisor, the employee may be assisted by a representative in presenting the grievance.
- b. The immediate supervisor shall make whatever investigation deemed necessary and may 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.
- c. If the employee is not satisfied with the decision of the immediate supervisor, appeal to Step 2 can be made in writing. 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 specific areas of disagreement, and the remedy being

requested. The grievance form shall be signed and dated by the employee.

2. Step 2

- a. If the employee desires to appeal his grievance to Step 2, the employee shall submit the grievance in writing as indicated above on forms provided to the department head, within seven (7) 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.
- b. 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.
- c. If the employee is not satisfied with the Step 2 decision, upon indicating areas of specific disagreement, appeal of the grievance to Arbitration for resolution may be made. However, oral warnings shall not be subject to appeal beyond the Step 2 level.

3. Step 3 (Advisory Arbitration)

- a. If the grievance has been properly processed and is not satisfactorily resolved at Step 2, the employee or the employer may appeal the grievance to Arbitration. The appeal shall be in writing; shall be signed by the employee, 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.
- b. If the employee is being represented, the employee may be assisted by a representative in the appeal.
- c. 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/her opinion as to what the issue, or issues are.

- d. Within seven (7) calendar days following the meeting to prepare the issue(s) statement, the parties shall either select an arbitrator by mutual agreement or request Public Employment Relations Board (PERB) 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.
- e. If the parties utilize PERB, within seven (7) calendar days following receipt of the list of arbitrators, the parties shall meet to select the arbitrators.
- f. The parties shall alternately strike one name from the list of arbitrators (the right to strike the first name to be determined by flipping a coin) until one (1) name remains, and that person shall be the arbitrators.
- g. 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.
- h. Within thirty (30) 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 arbiter's advisory opinion. A copy of the Municipal Employee Relations Officer's letter will be sent to the Union and union organization involved, if any.
- Each of the parties involved shall contribute equally to the cost of facilities, fees and expenses of the arbiter. The service of a court reporter and transcripts, which shall be determined in advance of the hearing, shall be paid by the party receiving such service, or

shared equally by both parties receiving the service. If the arbitrator requires a court reporter and transcripts, the cost shall be shared equally by both parties.

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

- 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. Within a given class, individuals will be laid off based upon seniority in that classification.
- 3. The layoff priority of employment categories shall be as follows:
 - a. Temporary or provisional employees.
 - b. Probationary, regular, full-time employees.
 - c. Permanent, regular, full-time employees
- 4. 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.

- 5. Employees for whom a layoff appears imminent shall be placed upon a retention list for that class.
- 6. 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. If qualified, employees shall have a right to a demotion to another classification in their own department if a vacancy exists.
 - b. Employees who are subject to layoff may be considered by other departments as follows:
 - 1) The employee is physically able to perform the required duties.
 - 2) 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.
 - 3) The employee meets the minimum qualifications and physical standards of the position.
- 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.
 - c. Employees who are laid off will be given the following considerations with regard to their other accumulated benefits:
 - 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.
 - 2) 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/her 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.
 - 3) Laid-off employees who are not recalled within the 12-month period will be completely separated from the City.
 - d. Employees laid off and given an opportunity to return to a job for which they are qualified 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 be removed from the reemployment list.

- 12. 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.
- 13. Questions on seniority status, which affect retention and are influenced by previous reclassification actions, shall be adjudicated by the Director of Human Resources.
- 14. The terms and conditions of this layoff policy will not be used as a substitute for disciplinary action against any employee.

D. <u>Procedure</u>

- 1. <u>Notice</u>: 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 (2) 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. <u>Recall List</u>: The Personnel 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 HOURS

- A. Work schedules are defined as an employee's regularly assigned hours of the day and days per week. Changes in normal work schedules shall not be made arbitrarily, but rather to meet the operational needs of the department or for other legitimate reasons. Whenever possible, at least ten (10) calendar days notice will be provided to employees affected by a change in the normal work schedule.
- B. The normal workweek is Monday 12:00 a.m. through Sunday 11:59 p.m.

ARTICLE 31 STANDBY STATUS

Employees may be required by the department to be on standby during off duty hours for the purpose of responding to City or public emergency situations arising at times other than during normal working hours. Employees who volunteer for standby status will be placed on such standby status, if qualified, before non-volunteers.

ARTICLE 32 REQUIREMENT OF CLASS B LICENSE FOR SOLID WASTE COLLECTORS

As a condition of continued employment, all Solid Waste Collectors must obtain a Class B California Driver's License. The cost of obtaining a Class B license, as well as the cost of subsequent renewals, will be borne by the City.

ARTICLE 33 CONTRACTING OUT

If the City proposes to contract out bargaining unit work, the City shall notify the Union, in writing, after a Request for Proposal is approved and received by the City. Upon written request from the Union, the City shall meet with the Union to negotiate the impact on employees of any proposed contracting out prior to contracting out any bargaining unit work. Further, during the term of the 2013-2015 MOU, the City will not layoff employees resulting from its contracting out decision.

ARTICLE 34 ROUTE ASSIGNMENTS

Management retains the right to assign employees to routes which become permanently or temporarily vacant or to fill positions based on staffing needs. However, such assignment of routes shall not be made arbitrarily, or for reasons unrelated to merit. Rather, Management agrees to consider a number of factors in assigning routes, including but not limited to, seniority in classification, performance evaluations, attendance, vehicular accidents, and knowledge of the various routes.

ARTICLE 35 LABOR-MANAGEMENT COMMITTEE

- A. During the term of this Memorandum of Understanding, the parties agree to convene a Joint Labor-Management Committee, for the purpose of discussing issues impacting employees in this bargaining unit.
- B. The Committee shall meet during the months of April, July and October of each year if requested by either party, during regular working hours. The Committee shall consist of an equivalent number of Union and Management representatives. Human Resources may participate in the meetings if requested by either party. Union representatives shall be designated by the Union from among bargaining

- unit employees. Management representatives shall be designated by the Director of Public Works.
- C. Upon agreement, the parties can use the assistance of a Federal or State mediator in their discussions at the labor-management committee meetings.
- D. The parties agree that the Committee may make advisory recommendations to Management for consideration.

ARTICLE 36 DRUG AND ALCOHOL USE

- A. It is the responsibility of the City, the Union, and employees to maintain a safe, healthy and protective work environment. Therefore, employees shall not report for work under the influence of drugs or alcohol, or possess alcohol or illegal substances while at work, as such conduct is likely to result in reduced productivity, an unsafe work environment, poor morale, and a danger and liability to employees and the City.
- B. "Under the influence of drugs or alcohol" means the use of alcohol or 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 all necessary steps to fulfill these responsibilities and minimize potential dangers.
- C. The parties to this Memorandum of Understanding attach as Exhibit II an Alcohol and Drug Abuse Policy to further delineate the purpose, policy, application and responsibilities of the parties to promote a drug free work environment.

ARTICLE 37 CHILD CARE SUBSIDY PROGRAM

Employees represented by this Unit are eligible to participate in the City's Child Care Subsidy Program subject to the guidelines and parameters established by the City. Subsequent changes, if any, to the Program and/or benefit levels, are at the discretion of the City.

ARTICLE 28 GAINSHARE

The following Gainsharing provisions set forth the concept, goals, and procedures by which represented employees may share in the results of productivity improvement and cost reductions.

A. Gainsharing Areas of Potential Savings

The City and Union have identified three areas for potential savings calling for a reduction in:

Sick Leave and time off without pay (for purposes of Gainshare, sick leave shall include all unscheduled absences and time off without pay);

Workers Compensation Claims

Preventable Vehicular

B. Calculation of Gainshare Payments

Savings will be calculated for the period of October 1st through September 30th of each year. Distribution of savings will be in the form of a one time lump sum bonus to be paid to employees in the bargaining unit as of September 30th of each year who meet the individual criteria and goals of the SEIU Gainsharing Plan. Individuals who become bargaining unit members during the calculation period of October Ist through September 30th are eligible to receive a proration of the gainshare payment for which they qualify. Gainshare payments to eligible employees will be provided by the first pay period in November, provided all data for each of the 3 incentive categories is available to be finalized.

A Cost Reduction and Productivity Improvement Program

Employees represented by SEIU Local 721, have an opportunity to receive an annual monetary incentive based upon reaching certain goals that reduce costs and improve productivity in the areas of (1) sick leave reduction; (2) vehicular accident reduction, and (3) reduction of new lost-time claims for workers compensation. The following is a sample record of claims and usage in each category:

Number of Employees	Average Number of Sick Hours Used	Average Number of Lost-Time Workers Comp Claims	Average Number of Preventable Vehicle Accidents
27	49	5	19

Employees will be assigned to one of three tiers based on their individual performance in the three areas. It should be noted that each employee's bonus is based on the

individual's overall performance. Each individual employee must reach his or her individual goal in order to be eligible for the Gainshare bonus. The table below shows the criteria for each part of the Gainsharing plan. If an employee reaches all three goals in all three categories (use of sick leave, preventable vehicle accidents, and lost time workers compensation injuries), he or she shall receive the following incentive:

Gainsharing Tier	Number of Sick Hours Used	Number of New Lost- Time Workers Comp. Claims	Number of Preventable Vehicle Accidents	Gainshare Payment Per Employee
Tier 1	0 to 16 hrs (up to 2 days)	None	None	\$2,500
Tier 2	17 to 24 hrs (up to 3 days)	None	None	\$1,000
Tier 3	25 to 32 hrs (up to 4 days)	1 or less	1 or less	\$500

SIGNATURE PAGE

The parties hereto have caused their duly-authorized representatives to execute this Memorandum of Understanding effective December 16, 2013.

CITY OF PASADENA

SERVICE EMPLOYEES INTERNATIONAL UNION, LOCAL UNION NO. 721

Michael J. Beck, City Manager

Victor Holloway, SEIU President

Rivera, SEIU Vice-President

Renee Anderson, SEIU Representative

Paul Kim, SEIU Representative

Kristi Recchia, Director of Human Resources

Peter J. Brown, Liebert Cassidy Whitmore

Jaime/Arellano, Management Analyst

Siobhan Foster, Director of Public Works

Thanos Gauthier, PW Superintendent

EXHIBIT I

SERVICE EMPLOYEES INTERNATIONAL UNION (SEIU) SCHEDULE OF COMPENSATION RATES

Effective the beginning of the pay period following City Council approval:

Classification	Step 1	Step 2	Step 3	Step 4	Step 5
Solid Waste Truck Operator I	17.3607	17.9960	19.0391	20.2381	21.4010
Solid Waste Truck Operator II	21.4130	22.4082	23.4753	24.5063	25.5733

Effective the beginning of the pay period that includes July 1, 2014:

Classification	Step 1	Step 2	Step 3	Step 4	Step 5
Solid Waste Truck Operator I	17.5343	18.1759	19.2295	20.4405	21.6150
Solid Waste Truck Operator II	21.6271	22.6323	23.7101	24.7514	25.8291

EXHIBIT II

City of Pasadena and SEIU ALCOHOL AND DRUG USE POLICY

A. PURPOSE

It is the purpose of this policy to ensure that unit members who perform their job do so free of the effect of alcohol or any substances (whether illegal or not), 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 employees or to any person while on or off duty; nor have their ability to work impaired as a result of the use of alcohol or any drugs or substances.

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.

If the City has a reasonable suspicion that an employee may have alcohol or drugs on City property, the City may 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 reasonably believed to be under the influence of alcohol or drugs (the use of alcohol or any illegal substance or use of a prescribed drug in a manner and to a degree that causes any impairment in the employee's work performance or the ability to use City property or equipment safely) shall be prevented from engaging in further work and may as addressed below in this policy, be ordered to submit to a drug and/or alcohol test and

shall, for safety purposes be provided transportation from the work site, whether that is to a drug and/or alcohol test or if no test is administered, to the employees' residence or other similar location.

The City has established a voluntary Employee Assistance Program (EAP) to assist those employees who voluntarily seek help from alcohol or drug problems. Employees should contact their supervisors or the Human Resources Department for additional information.

Employees who voluntarily seek treatment for alcohol consumption, abuse, or alcoholism or substance abuse requiring an absence from work may, with department head approval, be allowed to use earned sick leave and/or vacation during such absence. The employee is also entitled to use Family and Medical Care Leave/California Family Rights Act Leave in accordance with the law.

C. APPLICATION

This policy applies to all employees of 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, substances, 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 off duty alcohol or drug (whether illegal or legal)use;
- 3. Not possess or use alcohol 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 possess or use illegal drugs or substances or prescription drugs without a prescription.
- 5. Not directly or through a third party sell or provide illegal drugs or substances to any person, including any employee, while either employee or both employees are on duty or off duty;
- 6. Submit immediately to a urine, breath or blood test, or other test as deemed

appropriate, when ordered by a supervisor or manager;

- 7. 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;
- 8. Provide within 24 hours of request 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
- 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.
- 10. 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. 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 job safely is reduced.

For example, any of the following, alone or 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. If the manager or supervisor reasonably believes that an employee is under the influence, and wants to talk to the employee before sending him/her to a test, the employee shall be advised of his/her right to representation. Upon the employee's request for representation, any interrogation or testing shall cease until representation is present, unless representation is not immediately available. However, if based on the reasonable suspicion, the manager or supervisor wants to send the employee to the test without interrogating the employee, he/she may do so.
- 4. 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 question is intoxicated or under the influence of drugs. When possible, the supervisor shall seek the opinion of a person such as a police officer who is trained to recognize persons under the influence prior to ordering an employee to submit to a drug test.
- 5. 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 to the collection facility to submit to the test.
- 6. Managers and supervisors shall not physically search the person or employees, nor shall they search the personal possession(s) of employees without the consent of the employee.
- 7. 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 reasonably 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 (as determined by the lab) 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, PCP, methadone, barbiturates, amphetamines, marijuana and other cannabinoids. Any positive drug test must be confirmed by a reliable test. The confirming test must be at the same or better level of accuracy as a Gas Chromatography/Mass Spectrometry (GC/MS) test. Employees who are being tested shall have the right to request a sample split for analysis by an independent laboratory.

G. RESULTS OF DRUG AND/OR ALCOHOL ANALYSIS

- 1. A positive result with confirmation from a drug and/or alcohol analysis may result in disciplinary action, up to and including discharge. However, consideration may be given to postpone, reduce or cancel pending disciplinary action when an employee voluntarily obtains treatment for a substance abuse problem. All relevant facts will be taken into consideration in determining if discipline is appropriate and if so, at what level.
- 2. If the drug screen is positive, the employee must provide within 24 hours of request 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, of 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.
- 3. If an alcohol or drug test is positive for alcohol or drugs, the City shall immediately conduct an investigation to gather all facts. Any decision to discipline or discharge will be made at the earliest possible time and shall be carried out in conformance with applicable discipline procedures.
- 4. Any employee who tests positive for drugs and/or alcohol is subject to follow-up random testing over the 12 month period following the positive test. There will be at least two random follow-up tests during the 12 month period.

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) 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.