

2018-2019

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF MANHATTAN BEACH

AND

**MANHATTAN BEACH MID-MANAGEMENT
EMPLOYEES ASSOCIATION**

January 1, 2018 – December 31, 2019

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CHAPTER 1 - INTRODUCTION

ARTICLE 1: PREAMBLE

This Memorandum of Understanding ("MOU" or "Agreement") is prepared between representatives of the City of Manhattan Beach ("City") and the Manhattan Beach Mid-Management Employees Association ("MBMEA" or "Association"). Full consideration has been given to salaries, employee benefits and other terms and conditions of employment.

ARTICLE 2: RECOGNITION AND EFFECTIVE DATES

This MOU shall become effective January 1, 2018 and will continue in effect through December 31, 2019. The MBMEA is the officially recognized exclusive representative for all classifications listed in Exhibit A, as well as any future classifications created for positions which are mid-management, supervisory or professional employees unless such classification qualifies as a confidential classification as defined by the City's Employer-Employee Relations Resolution. This MOU represents the full and complete understanding between the parties related to the subject matter set forth herein and all preliminary negotiations of whatever kind or nature are merged herein.

CHAPTER 2 - COMPENSATION

ARTICLE 3: SALARIES AND COMPENSATION

A. Initial Employment

The rate of compensation for initial employment in any classification shall be determined by the City Manager following the receipt of a recommendation from the Department Head from the department in which the applicant or promotee will be employed. The determination of the rate of compensation will be based upon the experience, education, skills and abilities of the employee.

B. Merit Pool

For calendar year 2018, three percent (3%) has been set aside for salary adjustments of employees. Individual employee salary increases shall be based on performance and shall acknowledge and reflect the level of job proficiency indicated by the employee's performance evaluation. Each employee's increase shall be determined by the City Manager who will consider feedback from the Department Head of each department that employs an employee in the Association.

For 2018, the top and bottom of the range will not change. Employees whose base salary is at the top of range will be eligible to receive a one-time lump sum payment for 2018 (per the criteria established in the previous paragraph) but it will not be added to the range.

Employee compensation will be effective the first full pay period in January 2018. It will then be set forth in the salary schedule of ranges in Exhibit A to this MOU.

C. Compensation for Calendar Year 2019

Effective the first full pay period in January 2019, the City shall grant a base salary increase for all represented employees of two percent (2%).

D. Timing of Compensation

The monthly salaries or compensation herein provided for shall be paid monthly, or in equal bi-weekly installments as approved by the City Council. Other salaries, wages, or compensation may be paid weekly, bi-weekly, or monthly, or as demands for same may be presented, at the discretion of the City Council. Hourly equivalents of monthly salaries for positions shall be those computed and published by the Finance Department.

E. Vehicle Allowance

Employees are eligible for a vehicle allowance according to the applicable City's Administrative Instructions.

ARTICLE 4: ACTING PAY

The "acting pay program" provides that payment will be made at 5% above the employee's existing base rate of pay beginning on the fifth consecutive working day in the acting position.

Should the temporary assignment go beyond 30 consecutive calendar days, payment will be made at the bottom of the range of the higher classification. Such acting pay is paid when an employee is designated by the Department Head to serve in a position above his/her own classification. To be so designated, the acting pay must be approved by use of a Personnel Action Form. Acting assignments generally shall not exceed twelve (12) months. Determinations to go beyond the twelve (12) months shall be determined by the City Manager. If the position for which the employee is acting is vacant and the law limits the acting assignment to 960 hours, the City will follow the law and limit the acting assignment to no more than 960 hours. The Parties agree that to the extent permitted by law, Acting Pay is special compensation as defined by CalPERS regulations and shall be reported as such to CalPERS pursuant to Title 2 CCR, Section 571(a)(3) Temporary Upgrade Pay.

ARTICLE 5: TOOL ALLOWANCE

The City will provide the Equipment Maintenance Supervisor with a \$700.00 annual allowance. This allowance is intended for the replacement of hand tools and the purchase of job related special tools. Receipts for such tools must be provided to the City to receive any or all of this allowance. Further, the City agrees to provide the means by which the Supervisor can secure his/her tools and equipment during the employee's non-working hours.

ARTICLE 6: BOOT ALLOWANCE

The City will provide safety/uniform shoes or reimbursement in the pay period including July 1 of each year of the MOU for employees required to wear safety boots, including the following classifications: Building Official, Equipment Maintenance Supervisor, Maintenance Supervisor, Principal Civil Engineer, Senior Plan Check Engineer, Traffic Engineer, Urban Forester, and Water Supervisor. The City will provide reimbursement for one (1) pair of boots plus one resole for a total of up to \$200.00 (for the boots and resole) with the method approved by the Finance Department, in the pay period including January 1 of 2018 and every two years thereafter. If an employee purchases boots which cost less than the maximum provided herein and wishes to purchase supplies for his/her boots (e.g., laces or mink oil) he/she may do so if the purchases are made at the same time as the purchase of the boots and the receipt(s) is provided at the same time as the receipt for the boots.

City specifications for safety boots will be determined with the input of the Association President and the appropriate managers/departments heads.

ARTICLE 7: UNIFORMS - EQUIPMENT MAINTENANCE SUPERVISOR

The City shall provide the Equipment Maintenance Supervisor with clean and presentable work clothing to be laundered and provided through a uniform rental service. There shall be a minimum of eleven (11) sets of work clothing. In addition, the City will provide at the beginning of each fiscal year five (5) t-shirts with the City insignia to the Equipment Maintenance Supervisor. Any portion of the uniform which is torn, badly stained, or in any way unsuitable in appearance through work activity as determined by the supervisor shall be exchanged and replaced at the discretion of the City. The City will provide for alterations once a year, if needed. The employee shall pay for any additional uniform alterations. City uniforms shall not be worn off duty and every effort shall be made to maintain the highest public image of City employees. The City reserves the right to determine the manner in which this work clothing is provided, to select the uniform

rental service, and to select the style and color of the work clothing. Unless mutually agreed, this work clothing shall consist of the following:

- A. Work Pants/Short (combined of 11)
- B. Work Shirts/T-shirts
- C. Name Patches
- D. City Patches
- E. City Hats

The employee must make the choice at the beginning of the year whether to wear a collared shirt (with buttons) or with no collar (a t-shirt). The option to wear t-shirts or shorts shall be subject to revocation either individually or collectively at any time by the City if deemed in the City's best interest and such revocation (with at least 90 days' notice) shall not become the subject of any grievance proceeding.

All employees must wear appropriate reflective gear at all times when working in the public right of way. Employees who fail to do so may be subject to discipline.

The parties agree that to the extent permitted by law, the value of the uniforms provided in this article is special compensation as defined by CalPERS regulations and shall be reported as such to CalPERS pursuant to Title 2 CCR, Section 571(a)(5) Uniform allowance. Notwithstanding the previous sentence, for "new members" as defined by the Public Employees' Pension Reform Act of 2013, the uniform allowance will not be reported as compensation earned to CalPERS.

CHAPTER 3 - BENEFITS

ARTICLE 8: RETIREMENT

For unit members hired prior to January 1, 2013 as well as employees hired after January 1, 2013 who are not "new members" as defined by the Public Employees' Pension Reform Act of 2013 ("PEPRA") (i.e., "classic members"), they are responsible for paying the seven percent (7%) employee contribution to the 2% @ 55 retirement benefit which the City contracts for with CalPERS through a payroll deduction.

For unit members defined as "new members" under the PEPRA such employees will pay the higher of seven percent or one half of the total normal cost as defined by the Act as their employee retirement contribution.

The City contracts with CalPERS for the One-Year Final Compensation option (Government Code Section 20042) for unit members defined as "classic members." For unit members defined as "new members" under the PEPRA such employees' final compensation will be based on the highest annual average pensionable compensation during the three

consecutive years of employment immediately preceding the effective date of his or her retirement or any other three consecutive year period chosen by the employee per Government Code section 7522.32(a).

The retirement formula provided to employees hired before January 1, 2013 as well as those employees hired after January 1, 2013 who are not defined as "new members" per the Pension Reform Act of 2013 (i.e., "classic members") is the 2% @ age 55 benefit. For unit members defined as "new members" under the PEPRA such employees' are provided the 2% @ age 62 benefit provided for in the Public Employees' Retirement Law per Government Code section 7522.20(a).

Retiree Sick Leave Conversion

The City contracted with CalPERS for eligible employees to provide for Sick Leave Conversion pursuant to Section 20965.

Deferred Compensation and Retiree Savings

Employees may also opt to contribute salary reductions tax deferred through a City sponsored 457 plan.

Classified civil service employees will receive a City contribution of 2.5% of their base monthly compensation to a City-sponsored 401(a) plan. At-will employees shall receive a City contribution of 4.5% of their base monthly compensation to a City-sponsored 401(a) plan.

ARTICLE 9: INSURANCES (MEDICAL, RETIREE MEDICAL, DENTAL, VISION, LONG AND SHORT TERM DISABILITY, LIFE, FLEXIBLE SPENDING ACCOUNTS)

Each employee is eligible to participate in a City-approved group insurance benefits program providing comprehensive major medical, dental, life insurance, and accidental death and dismemberment insurance coverage. Enrollment in a long-term disability program is mandatory for employees. All employees covered under the insurance benefits program, in order to receive the insurance allowance, must enroll in a City-approved group medical plan or Medicare.

Medical

The City is enrolled in CalPERS Medical in accordance with the Public Employees' Medical and Hospital Care Act (PEMHCA). The City will contribute an amount for each bargaining unit member for health insurance. The amount the City will contribute will be ninety-five percent (95%) of the premium (up to a maximum of the PERS Choice plan), depending on whether the employee is enrolled as single, employee with one dependent or employee with two or more dependents. If the plan chosen is less costly than (or as costly as) the rates of the PERS Choice plan, the City will pay 95% of the premium for the plan chosen with the employee paying

(with a deduction from their pay) for the remainder (5%) of the plan chosen. If an employee chooses a plan which is more costly than the PERS Choice plan rate, the employee will pay the difference between the PERS Choice premium rate and the more expensive plan as well as the additional 5% of the PERS Choice premium rate for the coverage chosen, i.e., single, employee + 1 or employee + 2. The City's health insurance contribution will be inclusive of (not in addition to) the PERS statutory minimum.

Only employees who opt out of health insurance completely will receive cash back in the form of 95% of the employee only PERS Choice premium rate (up to the maximum per year they have designated to their flexible spending or dependent care account), which will be paid to the employee in his or her normal paycheck, subject to applicable taxes, to the extent the City would have contributed to the City's Section 125 Healthcare or Childcare flexible benefit plan (if qualified to participate) up to the maximum dollar amount allowed by law. If taken as pay, this amount will not be compensation earnable (i.e., PERSable) as it is not part of the employee's compensation and is not considered "special compensation" under the CalPERS regulations which define "special compensation". Employees may choose to allocate the amount to the City's Section 125 Healthcare or Childcare Flexible Benefits Plan up to the maximum allowed by law. Employees completely opting out of health insurance must show proof of coverage under another acceptable group health plan.

The City shall pay any surcharge assessed by PERS on the medical insurance premiums up to 3.3%. Any further surcharges shall be paid by the employee.

Affordable Care Act Minimum Essential Coverage Requirements and Reopener

Employees who are able to demonstrate to the City's satisfaction that they have minimum essential coverage as defined by the Affordable Care Act, (through another source other than coverage in the individual market, whether or not obtained through Covered California) may opt out of participation in the City's health plan.

During the term of this MOU, either party may reopen labor negotiations for the purpose of discussing potential penalties, taxes or other impacts under the Affordable Care Act.

Retiree Medical

Because the City contracts with CalPERS for the provision of medical insurance it complies with the requirements of Public Employees' Medical and Hospital Care Act (PEMHCA). Therefore, the City shall pay the CalPERS statutory minimum amount on behalf of all employees who retire from the City in accordance with the requirements of PEMHCA.

In addition to the provision of the CalPERS statutory minimum as provided in the previous paragraph, employees who retire from the City and who have a minimum of fifteen (15) years of

service with the City of Manhattan Beach shall receive a contribution of \$250.00 per month. Said contribution will be used toward health insurance costs, unless and until whichever of the following occurs first:

- 1) The retiree reaches 65 years of age,
- 2) The retiree becomes eligible for Medicare; or
- 3) The retiree passes away.

If any of the preceding conditions occur, the employee shall no longer be eligible to receive the additional \$250 per month retiree medical contribution.

Dental

The City shall contribute \$70.00 per month for each employee for either dental insurance coverage or received as cash, subject to all applicable federal and state tax withholding/reporting requirements. This \$70.00 cannot be used to pay for health insurance.

Vision

The City will continue to provide vision coverage and pay the full vision care plan premium for employees and eligible dependents through a carrier chosen by the City.

Long Term Disability

The City will provide coverage and pay the full premium for each employee in accordance with the City's Long Term Disability Plan.

Short Term Disability

The City will make available for voluntary participation at the employee's cost a short term disability plan. However, minimum participation will be required to be able to offer this plan.

Life Insurance

The City will provide coverage and pay the current premium for life insurance for each employee in accordance with the plan and carrier chosen by the City. The current life insurance plan benefit for an employee is 1.5 times the employee's annual base salary, up to a maximum of \$500,000.

Flexible Spending Accounts

The City will provide and administer flexible spending accounts to employees for healthcare and/or dependent care expenses.

ARTICLE 10: TUITION REIMBURSEMENT PROGRAM

All employees shall be eligible to participate in the City's tuition reimbursement program as outlined in the applicable Personnel Instruction. The current annual reimbursement amount for tuition and books is \$3,000.

ARTICLE 11: OVERTIME/WORK SCHEDULE

Employees subject to FLSA overtime compensation provisions and regulations who are required to work more than forty (40) hours in a defined workweek shall receive overtime pay at one and one-half. Overtime shall mean that time an employee is required to work in excess of forty (40) hours per defined workweek (i.e. seven consecutive 24 hour periods or 168 regularly recurring hours). For employees working the 9/80 work schedule, their workweek which will be used to calculate overtime will end exactly four hours after the start time of their work shift on the day of the week which constitutes the employee's alternating regular day off. For example, if an employee's workday starts at 7:30 a.m. on Friday and her regular day off is Friday, her workweek for calculating overtime shall start at 11:30 a.m. on Friday and end the following Friday at 11:29 a.m. Approval for all overtime must be requested and granted prior to working said overtime, except in emergency situations.

All employees are exempt from the FLSA's overtime compensation requirements except for the classification of Accountant.

For all employees in the unit who are exempt from overtime (all classifications except Accountant) they must use accrued leave to cover any absence from work for a full day or more. For absences of less than a day, exempt employees must use accrued leave to cover an absence of four hours or more. For the classification of Accountant, employees must use appropriate accrued leave to account for any absence.

ARTICLE 12: ALTERNATIVE WORK SCHEDULE

Employees work an alternative work schedule, unless otherwise provided by the City Manager or his/her designee. Alternative work schedules include:

- A 9/80 schedule consists of alternate weeks of one week that includes 4 consecutive workdays of 9 hours each, followed by 5 consecutive workdays within the next week, 4 consecutive days of which consist of 9 work hours each and 1 day of 8 work hours.

- A 4/10 schedule consists of a weekly work schedule of 4 consecutive workdays of 10 work hours each.

Any changes to an employee(s) work schedule are subject to meet and confer during the term of the MOU. In addition, the parties agree that the City reserves the right to modify the employee's regular day off (for employee's working a 4/10 or alternating regular day off for employees working a 9/80) to the Friday of its choosing without meeting and conferring.

CHAPTER 4 - LEAVES OF ABSENCE

ARTICLE 13: GENERAL LEAVE

All employees shall be entitled to annual general leave with pay. Employees begin to earn general leave as stated below, and may use such leave time as it is earned. If an employee terminates employment with the City and then returns, general leave shall be earned at the same rates as if he or she were a new employee. Employees whose classifications have changed and have become represented by the MBMEA, and who have accrued sick leave hours, will have their sick leave hours frozen. Frozen sick leave hours can only be used according to the City's General Leave Policy as memorialized in the memo issued in November 1993 when General Leave was implemented.

Employees begin to earn general leave on the first day of employment as follows:

<u>Tenure</u>		<u>General Leave Accrued</u>
Greater than:	Less than or equal to:	hours/month
Zero months	5 full years	16.667 (hours/month)
5 full years	10 full years	20.000 (hours/month)
10 full years		23.330 (hours/month)

Notwithstanding this chart, the City Manager retains the discretion to offer General Leave to an applicant or promotee with a starting balance so that once the employee begins working, he/she will have some General Leave to use if necessary. If the employee leaves the City prior to having earned the General Leave provided in the starting balance, it will be deducted from the employee's final paycheck.

Request for General Leave:

An employee may request the use of accrued general leave for vacation as well as for any purposes qualifying for sick leave pursuant to City policy and consistent with applicable law.

Employees wishing to use general leave for vacation and personal reasons should request such leave as far in advance as reasonably possible, but usually at least one week in advance of the requested period. Leaves will be scheduled, insofar as possible and practical, at those times requested by each employee. However, because of the nature of the work and the requirement that the orderly performance and continuity of services be maintained, it may be necessary to limit the number or prohibit any employees from using general leave during a particular period or at the same time. The granting of the use of general leave shall be solely at the discretion of the employee's supervisor.

Employees wishing to use general leave for sick leave purposes should request such leave only in cases of necessity and actual sickness. Requests for sick leave will be reviewed and granted consistent with applicable law.

Maximum General Leave Accumulation:

Employees may accumulate up to three years of general leave accrual. If an employee reaches the general leave accrual maximum, that employee will not accumulate further leave until such time that the employee's accrual falls below the maximum amount.

Payment of Leave Balances Upon Separation

When an employee separates from City employment, general leave balances shall be paid out at the employee's base rate of pay.

ARTICLE 14: GENERAL LEAVE CASH OUT

On or before the pay period which includes December 15 of each calendar year starting in 2018, an employee may make an irrevocable election to cash out up to one hundred and twenty (120) hours of accrued general leave which will be earned in the following calendar year at the employee's base rate of pay. On the pay day for the first pay period in December each year in the following year, the employee will receive cash for the amount of General Leave the employee irrevocably elected to cash out in the prior year. However, the employee's General Leave balance cannot be reduced below 80 hours. Thus, if by receiving cash for employee's General Leave, the employee's General Leave balance is less than 80 hours, the employee will receive cash (up to a maximum 120 hours) for the amount above 80 hours.

ARTICLE 15: PAID HOLIDAYS

The following days shall be recognized and observed as paid holidays:

1. New Year's Day, January 1.
2. Martin Luther King, Jr. Day, third Monday in January.

3. Presidents' Day, third Monday in February.
4. Memorial Day, last Monday in May.
5. Independence Day, July 4th.
6. Labor Day, first Monday in September.
7. Columbus Day, second Monday in October.
8. Veteran's Day, November 11th.
9. Thanksgiving Day, fourth Thursday of November.
10. Friday following Thanksgiving Day.
11. Christmas, December 25th.

If one of the paid holidays falls on a Sunday, the Monday following shall be observed as the holiday. If one of the paid holidays falls on a Saturday, the Friday preceding shall be observed as the holiday. If a holiday falls on a regularly scheduled day off, employees will accrue eight (8) hours in a holiday bank. The employee may use the hours in the holiday bank as leave time (requesting to use the leave similarly to a request for vacation) except that the hours must be used as leave and cannot be cashed out. There is no cash value associated with these holiday bank hours. The maximum number of hours an employee may have in the holiday bank is forty (40) hours. All employees will be paid for the above mentioned legal holidays.

Employees will receive paid holidays if they are in paid status the day preceding and day following a scheduled holiday.

ARTICLE 16: BEREAVEMENT LEAVE

The City will provide up to 40 hours of paid bereavement leave in a consecutive 12-month period beginning from the date the leave first begins, in the event of the passing of a member of the immediate family, as defined below. This bereavement leave will not be charged to the employee's accrued leave balances.

Immediate family is defined as: husband, wife, registered domestic partner, parent, brother, sister, child, mother-in-law father-in-law, sister-in-law, brother-in-law, foster child, foster parent, grandparent and grandchild.

ARTICLE 17: JURY DUTY

Employees of the City will receive regular compensation for jury duty service on their scheduled work days. The City will provide up to 2 weeks (80 hours) paid leave time for employees who serve for jury duty.

- A. Employees on jury duty will receive a maximum of 80 hours of pay each 12-month period. This includes the time to meet with a judge should the employee have reason for seeking an exemption from serving.

- B. Employees will not be compensated when serving on their regularly scheduled days off.
- C. Employees will remain on their normal work schedule throughout their jury service.
- D. Employees who are temporarily released from actual service for one-half (1/2) work day or more will report back to work for the remaining hours in the workday unless the employee has arranged in advance to take leave. If the employee is required to report in the afternoon, the employee will report to work for the first part of their shift.
- E. Employees are to immediately notify their supervisor when summoned for jury duty. The employee will provide proof of a jury summons. Upon completion of jury duty, the employee will provide documentation of time served.
- F. The employee will complete the timesheet showing the number of hours served per day marked with the notation "JD." The employee must provide written confirmation of jury service for the payment to be approved. The employee will receive full pay for the hours served subject to the maximum stated above.

ARTICLE 18: CATASTROPHIC LEAVE PROGRAM

Employees in the unit shall be permitted to donate accrued general leave to other City employees who have exhausted all paid leaves, who have been granted an unpaid leave and who need to continue to be absent from work because of a catastrophic injury or illness. The value of the leave will be determined based on the donating employee's compensation. It will then be converted to general leave hours for the donee's use based on the donee's rate of pay. For example, if an employee who earns \$40 per hour donated 10 hours of general leave to an employee who earns \$30 per hour, the donee would receive \$400 divided by \$30 or 13.333 hours of general leave. Bargaining unit members may donate General Leave to members outside of the bargaining unit. Then value of such leave will be converted to the donee's rate of pay. Leave may not be donated from outside the unit. An employee wishing to donate leave must inform the Human Resources Department of his/her desire to donate leave, the amount of the donation and the employee to whom he/she wishes to donate.

ARTICLE 19: INJURY ON DUTY/WORKERS' COMPENSATION LEAVE

Employees are authorized injury leave when the employee suffers a compensable illness or injury while on duty or arising in and out of the course of employment, which may also qualify for Family Medical Leave. The City will pay the employee's salary for the first seven (7) days of a qualified absence. If the absence continues past seven (7) calendar days, the

employee will collect temporary disability. Temporary disability will be paid at the state-approved rate. The employee may subsidize his or her pay with accrued General Leave to make up a full pay check. Workers' compensation benefits will be administered per the California Labor Code.

ARTICLE 20: LEAVE OF ABSENCE WITHOUT PAY

The City Manager may grant an employee of the unit a leave of absence without pay for up to one year at his/her discretion. Such a leave will not be granted unless the employee has exhausted all other accrued leaves. An employee who fails to promptly return from a leave without pay may be subject to termination. The decision to grant or deny any leave of absence without pay is not subject to the filing of a grievance or any other challenge. The City Manager's decision is final.

CHAPTER 5 - EMPLOYER-EMPLOYEE RELATIONS

ARTICLE 21 – GRIEVANCE PROCEDURE

This grievance procedure is the sole and exclusive manner by which an employee or the Association can challenge any allegations that the City has misinterpreted, misapplied or violated this MOU in any way. A grievance shall be defined as an allegation by an employee or the Association of a misinterpretation, misapplication or violation of a particular provision of this MOU.

Step One - Immediate Supervisor. Any employee with a grievance shall initiate the grievance procedure within 15 working days of the date of the incident, or when the employee should reasonably have been made aware of the grievance, by explaining the situation orally or in writing to his or her immediate supervisor. The employee waives the right to proceed with the grievance if he or she does not initiate the procedure by the deadline. The supervisor shall make a decision and present his or her decision, in writing, to the employee within ten (10) working days.

Step Two – Director of Human Resources. The employee may advance the grievance, in writing, to the Director of Human Resources within ten (10) working days of receipt of the Step One decision. The employee waives the right to proceed with the grievance if he or she does not act by the deadline. If the employee or the Association so requests, following written submission of the grievance to the Director of Human Resources, the Director of Human Resources shall meet with the employee and his or her representative in an effort to resolve the issue. Within 15 working days, the Director of Human Resources, shall present his or her decision, in writing, to the employee.

If the grievant is the Association, the Association may skip step one and file the grievance directly with the Director of Human Resources within twenty (20) days of the date of the incident, or when the Association knew or should reasonably have been made aware of the grievance.

If the Association so requests, following written submission of the grievance to the Director of Human Resources, the Director of Human Resources shall meet with the Association and its representative in an effort to resolve the issue. Within 15 working days, the Director of Human Resources, shall present his or her decision, in writing, to the Association.

Step Three – Mediation. Either the employee or the Association may request the grievance be submitted to mediation within 15 working days of receipt of the Step Two decision. Upon request to mediate the grievance, the City shall make the formal, written request for a mediator from the California State Mediation and Conciliation Service.

Step Four - City Manager. The employee or the Association may present the grievance, in writing to the City Manager, within 15 working days of receipt of the Director of Human Resources' decision or the day of mediation if the employee or Association requested mediation. The employee waives the right to proceed with the grievance if the employee or the Association does not act by the deadline. If the employee or the Association so requests, following written submission of the grievance to the City Manager, the City Manager shall meet with the employee and his representative in an effort to resolve the issue. This meeting is not a hearing. Rather it is an informal meeting with the employee or Association will have the chance to explain its position. The meeting shall not last more than one hour. Within 15 working days of receipt of the grievance or of an informal meeting held as provided in this section, whichever is sooner, the City Manager or his or her designee shall present a decision, in writing, to the employee and the Association, with copies to the Director of Human Resources. The City Manager's decision shall be final.

The time limits contained herein can be extended by mutual agreement of the parties.

ARTICLE 22: DISCIPLINE

The disciplinary procedures listed in this article only apply to "classified" employees within the civil service system (listed in Article 7 of this MOU) and do not apply to at-will employees.

The City is committed to following the principles of progressive discipline. Disciplinary actions should be designed to fit the nature of the employee's performance or conduct. The particular action imposed shall depend on the severity of the conduct, the particular factual circumstances involved, the employee's work history and previous formal disciplinary record and take into consideration other incidents with comparable circumstances. For purposes of this Article, a working day is defined as a day City Hall is open for business.

Provisions:**A. Disciplinary actions defined:****1. Oral/Written Warning**

The use of an oral or written warning shall not be considered disciplinary action, and shall be used as a tool by supervisors to address performance problems or minor instances of misconduct and may be initiated at any time. The supervisor or manager will review with the employee both the specific deficiencies in question and the City's standards. The cause(s) of the deficiency will be identified along with specific improvement needed. The employee should be advised of the action that will be taken should he or she fail to achieve the improvement outlined within the time period specified. Any written warnings will be kept in the supervisory file, not the official personnel file, and a copy given to the employee. The supervisory file is intended to be a temporary file to record performance, both positive and negative, throughout the performance year. Once the performance evaluation is completed for the year and filed in the employee's personnel file, all items in the file should be referenced in the performance evaluation if appropriate, and discarded at the end of the performance year.

2. Letter of Reprimand

A Letter of Reprimand shall be considered the lowest level of discipline. A Letter of Reprimand generally is appropriate to correct instances of less serious circumstances or employee misconduct which do not warrant suspension or discharge, repeated instances of minor misconduct or identified performance problems. The purpose of a Letter of Reprimand is to put the employee on notice that the City will take other disciplinary action unless immediate, real and consistent improvement in performance is demonstrated. The supervisor or manager issuing the Letter of Reprimand shall meet with the employee to discuss specific improvements required within a defined time period to avoid further disciplinary action. A copy of the Letter of Reprimand will be placed in the employee's official personnel file. A Letter of Reprimand may be appealed to the Department Head level only.

3. Suspension

Suspension is the temporary removal of an employee from his or her duties without pay.

4. Reduction in Pay

A Reduction in Pay is a reduction in compensation for a limited and defined period of time, and does not result in any classification change. The employee continues to report to work for the duration of the Reduction in Pay.

5. Demotion

Demotion is the movement of an employee from his current classification to a new classification having a lower salary range. The Department Head may demote an employee whose ability to perform such employee's required duties falls below standard, or for disciplinary purposes. Upon request of the employee, and with the consent of the prospective supervising official, demotion may be made to a vacant position as a substitution for layoff. No employee shall be demoted to a position for which such employee does not possess the minimum qualifications.

6. Discharge

Discharge is the involuntary termination of an employee. An at-will employee may be discharged at any time by the appointing power with or without cause.

B. Pre-Disciplinary Procedure

If an employee is to be suspended, receive a reduction in pay, be demoted or discharged, the employee shall:

1. Receive written notice of the intended action at least 7 calendar days before the date it is intended to become effective, stating the specific grounds and the particular facts upon which the action is based.
2. Receive copies of any known materials, reports or other documents upon which the intended action is based.
3. Be accorded the right to respond in writing to the intended charges within 7 calendar days unless the parties mutually agree to a different time frame.
4. Be accorded the right to meet with the Department Head or designee who has the authority to modify or eliminate the intended disciplinary action within 7 calendar days unless the parties mutually agree to a different time frame.
5. Be given the written decision of the Department Head or designee prior to the effective date of the disciplinary action.

C. Disciplinary Appeal Process

1. A disciplinary action of suspension of 3 days or less is appealable through the following procedure below:

Step 1: The employee must, within five (5) working days, present the appeal to the Human Resources Director for processing. The employee's appeal must state the specific policy(ies), rule(s) and/or MOU provisions that were allegedly improperly applied and the bases for appealing the imposed disciplinary action and stating the specific resolution desired. The failure of the employee to take this action shall constitute a waiver of the appeal, unless time limits are extended through mutual agreement.

Step 2: Within ten working days of receipt of the appeal, the Human Resources Director will set up a meeting between the employee and his/her representative with the City Manager or his or her designee to review the issues. A written decision will then be rendered within fifteen (15) working days of the meeting. The decision of the City Manager will be final.

2. A disciplinary action of suspension of 4 days or more, reduction in pay, demotion or discharge is appealable per the appeal procedure below.

D. Appeal Procedure:

Step 1: The employee may appeal to the City Manager within five (5) days of receipt of the disciplinary action. The City Manager or his/her designee shall call for a hearing to be held within ten (10) days from the receipt of the appeal and the discussion at said meeting shall be recorded. The Human Resources Director or his/her designee shall present the testimony on behalf of the City and the employee or his/her representative shall present the testimony on behalf of the appealing party(ies). The City Manager or his/her designee shall hear both sides of the issue and within thirty (30) calendar days from the date of such meeting, render a decision in writing to the employee.

Step 2: The employee has ten (10) working days from the receipt of the City Manager's or designee's decision to request an appeal before the Los Angeles County Civil Service Commission by submitting a written request to the Human Resources Director. The failure of the employee to take this action shall constitute a waiver of the appeal, unless time limits are extended through mutual agreement.

Qualified disciplinary appeal hearings referred to the Civil Service Commission shall be conducted in accordance with the Commission's adopted hearing rules. The

Commission may determine that a private hearing is necessary to secure all the facts in the case. Whenever such a finding is made, the Commission (or its designated hearing officer) may limit attendance at the hearing to the members of the Commission (or its designated hearing officer), the City Manager and/or representative, the employee requesting the hearing and his/her representative, the officer or officers from whose action the appeal was taken, and such witnesses and other persons as the Commission (or its designated hearing officer) may require to be present. The hearing need not be conducted according to technical rules relating to evidence and witnesses.

Upon the conclusion of the hearing, the Commission (or its designated hearing officer) shall make its findings, recommendations and advisory decisions in writing. Such findings, recommendations and decisions shall be countersigned and filed as a permanent record by the City Manager. The City Manager shall deliver a copy of such findings, recommendations and decisions to any officer or employee affected by such findings and recommendations, or from whose action the appeal was taken.

Step 3: The City Manager (or designee) may thereupon affirm, revoke or modify the action taken based on his/her judgment. The City Manager's decision shall then be final and conclusive.

a. **Retention of Documents**

Any disciplinary action up to the level of a suspension of four (4) hours or less shall be removed from an employee's personnel file at the time an employee leaves City employment if the employee has not been disciplined in the last 18 months.

ARTICLE 23: JOB ABANDONMENT

Employees absent from work without authorization or notification for three (3) consecutive working days, shall be construed to have abandoned their employment with the City and may be subject to termination.

Resignation with Good Standing and Reinstatement

An employee wishing to leave in good standing shall file with the supervising official at least two (2) weeks before leaving the service a written resignation stating the effective date and reasons for leaving. Failure to comply with this rule shall be entered on the service record of the employee and may be cause for denying future employment by the City. The resignation shall be forwarded to the City Manager with a statement by the Department Head as to the resigned

employee's service performance and other pertinent information concerning the cause for resignation.

With the approval of the Department Head, an employee who has resigned with a good record may be reinstated within two (2) years of the effective date of resignation to the employee's former position, or to a vacant position in the same or comparable class. Upon reinstatement, the employee, for all purposes, shall be considered as though he or she was hired on the date of reinstatement.

ARTICLE 24: AGENCY SHOP AND DUES DEDUCTION

The parties agree that all mid-management, professional, and supervisory unit employees represented by the Manhattan Beach Manhattan Beach Mid-Managers Association have the right to join or not join the Association. However, the enactment of a local "Agency Shop" (which is authorized by law) requires that as a condition of continuing employment, employees in the bargaining unit must either join the Association or pay to the Association a service fee in lieu of Association dues. Such service fee shall be established by the Association, and shall not exceed the standard initiation fee, periodic dues and general assessments of the Association.

1. Association Dues/Service Fees

(a) The Human Resources Department shall provide all mid-management, professional, and supervisory unit employees with an authorization notice advising them that Agency Shop for the Association has become effective and an agreement exists with the Association, and that all employees subject to the agreement must either join the Association, pay a service fee to the Association, or provide proof of membership in a religious organization which holds historic opposition to membership in a labor organization. Such notice shall include a form for the employee's signature authorizing a payroll deduction of Association dues, a service fee or a charitable contribution equal to the service fee. All employees shall have 14 calendar days from the date they receive the form to fully execute it and return it to the City Human Resources Office.

(b) If the form is not completed properly or returned within 14 calendar days, the City shall commence and continue a payroll deduction of service fees from the regular biweekly paychecks of such employee. The effective date of Association dues, service fee, or charitable contribution shall begin no later than the beginning of the first pay period commencing 14 calendar days after receipt of the authorization form by the employee.

(c) The employee's earnings 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. All other legal and required deductions (including health care and insurance deductions) have priority over Association dues and service fees.

2. Religious Exemption

(a) Any employee who is able to demonstrate he/she is a member of a bona fide religion, body or sect that has historically held conscientious objections to joining or financially supporting public employee organizations, shall, upon presentation of active membership in such religion, body, or sect, not be required to join or financially support any public employee organization as a condition of employment. The employee may be required, in lieu of periodic dues, initiation fees or agency shop fees, to pay sums equal to the dues, initiation fees or agency shop fees to a nonreligious, non-labor charitable fund exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, chosen by the employee from a list of at least three of these funds, designated in a memorandum of understanding between the City and the Association, or if the memorandum of understanding fails to designate the funds, then to any such fund chosen by the employee. Proof of the payments shall be made on a monthly basis to the City as a condition of continued exemption from the requirement of financial support to the Association.

(b) Declarations of or applications for religious exemption and any other supporting documentation shall be forwarded to the Association within 14 calendar days of receipt by the City. The Association shall have 14 calendar days after receipt of a request for religious exemption to challenge any exemption granted by the City. If challenged, the deduction to the charity of the employee's choice shall commence but shall be held in escrow pending resolution of the challenge. Charitable contributions shall be made by regular payroll deductions only.

3. Rescission

The agency shop provision in this agreement may be rescinded by a majority vote of all the employees in the unit covered by the agreement, provided that:

- (a) A request for such a vote is supported by a petition containing the signatures at least 30 percent of the employees in the unit;
- (b) The vote is by secret ballot;

- (c) The vote may be taken at any time during the term of a subsequently negotiated memorandum of understanding, but in no event shall there be more than one rescission vote taken during the term of that MOU. Notwithstanding the above, the City and the Association may negotiate, and by mutual agreement provide for, an alternative procedure or procedures regarding a vote on an agency shop agreement.
- (d) If a "rescission vote" is approved by unit members during the term of a current memorandum of understanding, the Association agrees not to petition for or seek Agency Shop status for the duration of the current of the memorandum of understanding.

4. Indemnification

The Association 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 Associations 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 Association agrees to pay any attorney, arbitrator or court fees related thereto.

5. Requirement to Comply with Record of Financial Transactions

The Association is required to keep an adequate record of its financial transactions and shall make available annually, upon request, to the City and the City employees who are members of the Association, within 60 days after the end of the 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.

6. Reopener Regarding Changes in the Law

If at any time the law applicable to agency shop is modified (either Government Code section 3502.5 or federal law) the parties agree that either party has the right to reopen this agreement.

ARTICLE 25: NON-DISCRIMINATION

It is agreed that neither the MBMEA nor the City shall discriminate against any employee because of any other protected class identified by law.

ARTICLE 26: DESIGNATION OF AT-WILL AND CLASSIFIED EMPLOYEES

There are employees within the MBMEA who are considered either “at-will” employees or “classified” employees. “At-will” employees are non-classified employees who have no property interest to continued employment and are not covered under the City’s Civil Service System. “Classified” employees have property interests to continued employment, and are those who have been placed under the City’s Civil Service System. “At-will” employees receive a City contribution of 4.5% of their base monthly compensation to a City-sponsored 401(a) plan and classified employees receive a City contribution of 2.5% of their base monthly compensation to a City-sponsored 401(a) plan.

Employees in the following classifications who were employed by the City prior to January 1, 2018 are designated to be “Classified”:

1. Accountant
2. Equipment Maintenance Supervisor
3. Facility/Electrical Supervisor
4. Geographic Information Systems Analyst
5. Maintenance Supervisor
6. Planning Manager
7. Police Records Manager
8. Principal Civil Engineer
9. Purchasing Manager
10. Recreation Services Manager
11. Senior Accountant
12. Senior Civil Engineer
13. Senior Plan Check Engineer
14. Senior Planner
15. Urban Forester
16. Water Supervisor

All other classifications within the MBMEA as well as all employees hired into any of the above classifications on or after January 1, 2018 are considered “at-will” positions. The City will ensure that employees who are selected to promote from a “classified” position to an “at-will” position will be advised, prior to their promotion, that that their status will change upon promotion.

During the first month after City Council approval of this MOU, existing “classified” employees will be given a one-time option to change their designation from “classified” to “at-will”.

ARTICLE 27: SAVINGS CLAUSE

If any provision of this MOU is for any reason held to be illegal or unconstitutional, such decision shall not affect the validity of the remaining portions of this MOU.

ARTICLE 28: MANAGEMENT'S RIGHTS RESERVED

The City need not meet with the representatives of the Association to consider and decide:

- (a) Issues of public policy;
- (b) The merits, necessity, or organization of any department, service or activity provided by the City pursuant to law or ordinance;
- (c) Matters which relate to the management of the City or the direction of its work force, including the right to direct employees, to hire, promote, transfer, assign, or retain employees, or suspend, demote, discharge, or take other proper disciplinary action against employees, maintain the efficiency of the operation of the City Government, and take any actions necessary to meet conditions of an emergency nature, subject to the rules and regulations of the City. The City Manager need not meet with the representatives of any recognized employee organization to consider the personal grievance of an individual employee or group of employees until the procedure for the resolution of grievances provided for in this MOU has been completed.
- (d) If the City proposes a work schedule change for a member of the unit by informing the Association, and if the Association has no objection, the schedule change can go into effect on the date the parties agree.

This MOU was ratified by the Manhattan Beach Mid-Management Employees Association and then approved by the City Council of the City of Manhattan Beach on _____, 2018.

MBMEA


CITY OF MANHATTAN BEACH

BY 
Shawn Igoo
President

BY _____
Teresia Zadroga-Haase
Human Resources Director

BY 
Eve Kelso
Vice President

BY _____
Bruce Moe
Interim City Manager

BY 
Gwen Eng
Secretary/Treasurer

BY _____
Christine Tomikawa
Human Resources Manager

BY 
Vicky Barker
Chief Labor Negotiator

BY _____
Peter J. Brown
Chief Labor Negotiator

Exhibit A

The following is a list of the classifications represented by the MBMEA and their salary for 2018

(Effective first full pay period of calendar year)

	Min.	Max.
Accountant	5130	6,767
Building Official	10150	13206
City Engineer	11241	14625
Cultural Arts Manager	8295	10805
Economic Vitality Manager	10150	13206
Environmental Programs Manager	8295	10805
Equipment Maintenance Supervisor	6985	9059
Facility/Electrical Supervisor	6985	9059
Geographic Information Systems Analyst	6985	9059
Information Systems Manager	10150	13206
Maintenance Manager	10150	13206
Maintenance Supervisor	6985	9059
Management Analyst	6221	8076
Older Adult Supervisor	6221	8076
Planning Manager	10150	13206
Police Records Manager	6221	8076
Principal Civil Engineer	10150	13206
Purchasing Manager	8295	10805
Recreation Services Manager	8295	10805
Revenue Services Manager	8295	10805
Senior Accountant	6221	8076
Senior Civil Engineer	8295	10805
Senior Management Analyst	6985	9059
Senior Plan Check Engineer	8295	10805
Senior Planner	8295	10805
Traffic Engineer	8295	10805
Urban Forester	6985	9059
Utilities Manager	10150	13206
Water Supervisor	6985	9059

The following is a list of the classifications represented by the MBMEA and their salary for 2019

(Effective first full pay period of calendar year)

	Min.	Max.
Accountant	5233	6902
Building Official	10353	13470
City Engineer	11466	14918
Cultural Arts Manager	8461	11021
Economic Vitality Manager	10353	13470
Environmental Programs Manager	8461	11021
Equipment Maintenance Supervisor	7125	9240
Facility/Electrical Supervisor	7125	9240
Geographic Information Systems Analyst	7125	9240
Information Systems Manager	10353	13470
Maintenance Manager	10353	13470
Maintenance Supervisor	7125	9240
Management Analyst	6345	8238
Older Adult Supervisor	6345	8238
Planning Manager	10353	13470
Police Records Manager	6345	8238
Principal Civil Engineer	10353	13470
Purchasing Manager	8461	11021
Recreation Services Manager	8461	11021
Revenue Services Manager	8461	11021
Senior Accountant	6345	8238
Senior Civil Engineer	8461	11021
Senior Management Analyst	7125	9240
Senior Plan Check Engineer	8461	11021
Senior Planner	8461	11021
Traffic Engineer	8461	11021
Urban Forester	7125	9240
Utilities Manager	10353	13470
Water Supervisor	7125	9240