

RESOLUTION NO. 87-25

1 RESOLUTION OF THE COUNCIL OF THE CITY OF CHICO APPROVING
2 "MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CHICO AND CHICO
3 FIRE MANAGEMENT EMPLOYEES (CFME) REGARDING PAY, HOURS, AND OTHER
4 TERMS AND CONDITIONS OF EMPLOYMENT FOR THE PERIOD OF JULY 1, 2025
5 THROUGH JUNE 30, 2027 (2025 MOU-CFME)"

6 WHEREAS, the Council has previously recognized the Chico Fire Management
7 Employees ("CFME") as the exclusive representative of employees assigned to Fire Management
8 positions of the City of Chico ("City"); and

9 WHEREAS, pursuant to the provisions of Government Code Section 3500 et. seq. and
10 Chapter 2R.72 of the Chico Municipal Code ("Personnel and Employee Representation Rules"),
11 authorized representatives of CFME and of City have met and conferred in good faith concerning
12 matters within the scope of representation; and

13 WHEREAS, City and CFME have memorialized their agreement regarding matters within
14 the scope of representation pursuant to the above referenced code provisions in the
15 "MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CHICO AND CHICO
16 FIRE MANAGEMENT EMPLOYEES (CFME) REGARDING PAY, HOURS, AND OTHER
17 TERMS AND CONDITIONS OF EMPLOYMENT FOR THE PERIOD OF JULY 1, 2025
18 THROUGH JUNE 30, 2027" (2025 MOU-CFME);” and

19 WHEREAS, all current negotiated items have been incorporated into the 2025 MOU-
20 CFME; and

21 WHEREAS, City and CFME have executed the 2025 MOU-CFME and the City Clerk has
22 made copies of the 2025 MOU-CFME available to this Council for its consideration; and

23 WHEREAS, this Council has reviewed the 2025 MOU-CFME and finds that it should be
24 approved.

25 NOW, THEREFORE, BE IT RESOLVED by the Council of the City of Chico as follows:

26 1. The 2025 MOU-CFME is hereby approved and supersedes in all respects any and all
27 terms and provisions of all prior resolutions and memoranda of understanding between City and
28 employees represented by CFME, except to the extent that any term or provision of this 2025
MOU-CFME expressly provides otherwise.

1 2. The City Manager is hereby authorized to make appropriate adjustments to the 2025-
2 26 Annual Budgets, to City's Administrative Procedure and Policy Manual, and such other rules
3 and regulations of City as may apply, and to perform all other acts necessary to implement the
4 terms and conditions set forth in the 2025 MOU-CFME.

5 THE FOREGOING RESOLUTION WAS ADOPTED by the Council of the City of Chico
6 at its meeting held on December 2, 2025, by the following vote:

7 AYES: **Goldstein, Hawley, O'Brien, van Overbeek, Winslow, Bennett, Reynolds**


8 NOES: **None**

9 ABSENT: **None**

10 ABSTAIN: **None**

11 DISQUALIFIED: **None**

12
13 ATTEST:

14 
15 Deborah R. Presson, City Clerk

APPROVED AS TO FORM:


John W. Lam (Nov 17, 2025 13:23:36 PST)
John Lam, City Attorney*

*Approved pursuant to The Charter of the
City of Chico §906 (E)

**MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF CHICO
AND
CHICO FIRE MANAGEMENT EMPLOYEES (CFME)
REGARDING PAY, HOURS, AND OTHER TERMS AND
CONDITIONS OF EMPLOYMENT FOR THE PERIOD OF
JULY 1, 2025 THROUGH JUNE 30, 2027
(2025 MOU-CFME)**

Pursuant to California Government Code Section 3500 et seq., the City of Chico, through its designated representative, ("City") and the Chico Fire Management Employees ("CFME") have met and conferred in good faith regarding various items relating to pay, hours, and other terms and conditions of employment for the employee unit represented by CFME.

As a result of the aforementioned meetings, City and CFME have reached agreement as provided in this Memorandum of Understanding ("MOU") pursuant to California Government Code Section 3505.1.

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SECTION I: APPLICABILITY, STRUCTURE, TERM, AND REOPENER

1.1 Applicability. This Memorandum of Understanding (MOU) shall apply to City employees assigned to Chico Fire Management Employees positions who are employed on or after the effective date, referred to as “CFME Employees” or “Employees”.

1.2 Structure of Memorandum. This MOU is structured with Sections, Subsections, Paragraphs, and Subparagraphs. As an example, the description of City contribution for life insurance is found in Section Three: Employee Benefits, Subsection Two - Insurances, Paragraph C - Life Insurance, Subparagraph 3 - City Contribution. This would be specifically cited as Subparagraph 3.2.C.3.

1.3 Term. Unless otherwise provided for herein, the provisions of this MOU shall become effective for the period of July 1, 2025 through June 30, 2027, provided, however, that such provisions shall only be applicable to those CFME Employees who were employed on and after approval of this MOU by Council. City or CFME Employees shall provide written notice to the other of the desire to negotiate a new MOU on or before April 1, unless otherwise agreed upon by both parties.

1.4 Letter Agreement for Variation of Provisions. It is recognized that occasions may arise during the term of this MOU when it is to the mutual benefit of City and CFME Employees to vary from the strict adherence to the provisions of this MOU. On such occasions, said provisions may be temporarily changed, modified, suspended, or otherwise varied from upon the voluntary and mutual agreement of the parties hereto as evidenced by a letter agreement signed by City Manager, on behalf of City, and by a CFME representative, on behalf of CFME Employees. Each such letter agreement shall temporarily modify this MOU, as to its term, conditions, provisions, and requirements, for the stated purpose(s) and duration as set forth in the letter agreement.

1.5 Limited Reopener. During the term of this MOU, the City and Chico Fire Management Employees (CFME) agree that CFME may have one (1) limited reopener regarding a pay or benefit issue. If this limited reopener results in an agreement, City and CFME agree that this limited reopener has been used. If this limited reopener does not result in an agreement, City and CFME

agree that this limited reopener shall remain available. CFME may initiate the limited reopener by providing thirty (30) days written notice in advance of the requested meeting date to the City, unless otherwise agreed between City and MOU.

1.6 Definitions.

Regular Hourly Rate. Regular Hourly Rate shall mean an hourly rate calculated by summing all non-overtime and non-out of class pay for the bi-weekly pay period, with the specific exception of Holiday Pay as defined in Section 4.1.A, and dividing the total by 112 for Employees assigned to a fifty-six (56) hour work week, and by 80 for those employees assigned to a forty (40) hour work week.

SECTION II: EXEMPT AND AT-WILL STATUS

2.1 Exempt. CFME Employees are non-exempt except Deputy Chiefs as defined by the Fair Labor Standards Act.

2.2 At-will. All CFME Employees except Battalion Chiefs and Fire Marshals are at-will employees who serve at the pleasure of the appointment authority. Battalion Chiefs and Fire Marshals shall not be considered at-will and the same procedures as are set forth in Chico Municipal Code section 2R.72.150, which are applicable to the discipline of classified employees, shall apply to the discipline and termination of Battalion Chiefs and Fire Marshals.

SECTION III: BASIC PAY PLAN

3.1 Established. A Basic Pay Plan shall be established consisting of pay ranges to which each applicable job title shall be assigned. A pay range shall consist of seven (7) pay steps. For each of said steps there shall be established an hourly pay rate and said steps shall be entitled "A" Step, "B" Step, "C" Step, "D" Step, "E" Step, "F" Step, and "G" Step. Said Pay Plan is set forth on the attached Exhibit "A."

3.2 Assignment to Ranges. Employees shall be assigned to hourly pay rates within the ranges of said Plan by applicable job title in the manner set forth on the attached Exhibit "A."

3.3 Pay Range Increases. Effective the first full pay period following City Council adoption, the City shall provide an eight percent (8%) General Salary Increase (GSI) for Battalion Chiefs and Fire Marshal, and a four and one-half percent (4.5%) General Salary Increase (GSI) for the Deputy Chief, as specified in Exhibit A.

Effective the first full pay period of January 2027, the City shall provide a five and one-half percent (5.5%) GSI for all positions, as specified in Exhibit A.

In order to address compaction between the Fire Marshal and Fire Prevention Officer classifications, in addition to the General Salary Increase for all positions, effective the first pay period following City Council adoption, the City shall provide a five percent (5%) GSI to the Fire Marshal position, as specified in Exhibit A.

3.4 Step Progression.

1. Conditioned Upon Performance. Except as otherwise provided for hereinbelow, progression through Steps "A" through "G" of said pay ranges in said Plan for Chico Fire Management employees shall be subject to and conditioned upon the Employee achieving at least a "Fulfills Job Requirements" Summary Performance Rating on the Employee's "Employee Performance Report" ("satisfactory completion") for each of the time periods required to progress in the Pay Plan range, in accordance with the time sequence of progression set forth below.

2. Period of Service for Progression. Periods of service for progression through Pay Steps are applicable to all Chico Fire Management Employees. Progression from Pay Step "A" to Pay Step "B", on the fourteen-step pay plan, shall require a six (6) month period of service in Pay Step "A." Progression through all other Pay Steps shall require a twelve (12) month period of service in the prior Pay Step.

a. Anniversary Date Defined. An Employee's anniversary date shall be one year after the date of such employment or promotion.

b. Effective Date of Progression. Employees meeting the satisfactory completion requirements herein above shall be advanced to the next applicable pay step effective on the first day of the bi-weekly pay period which includes such Employee's anniversary date.

3.5 Compensation for Employees Promoted to Fire Management Positions. For Fire Management Employees, the salary rate for employees promoted into management positions from non-management positions shall be set at a level which will provide no less than five percent (5%) additional compensation over other combined wages, special and holiday pay, and education incentive pay received by the employee during the prior year as a non-Management Employee. However, the salary may not exceed the maximum salary for the position into which the employee is being promoted. Such calculation shall include the value of City paid employee retirement contributions.

3.6 Pay for Emergency Incidents. CFME employees who, in the course of their employment, are away from their official shift assignment and assigned to an emergency incident outside of City jurisdiction or pre-positioned for an emergency response outside of City jurisdiction, shall be compensated on a portal-to-portal basis. Portal to portal shall be defined as beginning at the time of dispatch to the return to jurisdiction when equipment and personnel are in service and available for City response. Non-exempt Employees on such assignments shall be compensated for overtime pursuant to Section 3.7, entitled "Overtime Pay". Exempt Employees shall receive any additional pay provided for the position in which they are assigned by the mutual aid agency that exceeds the amount paid to the Exempt Employee by the City for the same time period. Such payment shall be made only after receipt by the City of the reimbursement payment for such services. The payment to Exempt Employees shall be calculated by taking the reimbursement rate established by the mutual aid agency for the assigned position and subtracting the amount of the Exempt Employee's hourly rate of pay for the specific time period of service. Exempt Employees will receive the full amount of the reimbursement for those periods of the mutual aid assignment which fall outside of their regular established work week.

3.7 Direct Deposit. It is strongly encouraged that each City employee have their PAY directly deposited into a financial institution. Forms permitting such deposit(s) are available from the Finance Department.

3.8 Overtime Pay.

A. Method of Earning Overtime. Non-exempt Employees performing work in excess of their normally assigned work shift, work week or on their regularly scheduled day off, except as provided in subsection 5 below, shall be granted overtime: in fifteen (15) minute increments and all overtime worked shall be rounded to the closest quarter hour. As an example, if an employee works an extra 1 – 7 minutes, the time shall be rounded down to the closest quarter hour (No Overtime Earned). If an employee works an extra 8 – 14 minutes, the time shall be rounded up the closest quarter hour (15 minutes of Overtime Earned).

B. Method of Compensation.

1. All overtime worked by Employees shall be compensated by City by payment at one and one-half (1-1/2) times the Employee's regular hourly rate of pay for the pay period in which position in which said overtime is earned.

2. All overtime earned by Employees within a pay period shall be paid at the same time as payment is made for regular pay earned within said pay period.

3. An Employee terminating from the service of the City for any reason shall be paid for accrued overtime at the rate of pay set forth in Section 3.7.B.1 above. Such payments shall be made in conjunction with and included in the Employee's final paycheck.

4. All Fair Labor Standards Act overtime earned by Employees shall be paid after the end of the 24-day work period.

C. Compensating Time Off In lieu of Overtime Payment. Employees working overtime may accrue Compensating Time Off (CTO) in lieu of overtime payment, and may utilize such CTO, in accordance with the following conditions and provisions:

1. Such CTO shall be accrued at the rate of one and one-half hours for each hour of overtime worked.

2. The maximum amount of CTO that may be accrued and utilized shall be limited to two hundred forty (240) hours at any time.

3. By December 15th of each year, employees may designate and request payment for up to a maximum of two hundred forty (240) hours of unused CTO accrued in the following year; this designation is irrevocable. When requested, such payment shall be made on the Employee's first paycheck in December of the following calendar year. Payment for such hours will be made at the Regular Pay rate, as defined by the FLSA, in effect at the time of payment.

4. Approval for use of CTO shall be given by the Fire Chief or a designee in accordance with one or both of the following:

a. At the beginning of the work shift during which such CTO would be used after a determination has been made that there are sufficient on-duty Employees available to cover such work shift.

b. Scheduled in advance, in a manner similar to the scheduling of vacation, and subject to the same restrictions and conditions which exist on the scheduling of vacation.

D. Calculation of Employee Eligibility for Additional Overtime Payable Under the Provisions of the Fair Labor Standards Act. For the purposes of calculation of Employee eligibility to additional overtime compensation required under the Fair Labor Standards Act (FLSA) which is in excess of that provided for in this MOU, use of accrued leave, including sick leave, vacation leave, floating holiday, compensating time off, bereavement leave, childbirth/adoption leave, and any other paid leave which may subsequently be agreed to, shall be considered hours worked for the purposes of calculation of eligibility for FLSA overtime payments. The effect of this change will be to generate eligibility for FLSA overtime payments in every FLSA period for all active Employees who are regularly assigned to a 56-hour week.

E. Agreement Regarding Calculation and Payment of FLSA Overtime Pay. City agrees that the FLSA regular hourly rate shall be calculated in a manner consistent with the definition of regular hourly rate established in Section 1.6, with the addition of out of class pay, and other supplemental pays, as applicable.

F. Exclusions From Overtime Accrual/Payment - Employees Working In Management Positions. Employees who are either temporarily promoted to Deputy Chief classification, or higher classification, shall be excluded from receiving overtime payment and in lieu thereof shall receive a prorated amount of administrative leave pursuant to section 5.6 of this MOU.

3.9 Call-Back Pay.

A. Call-Back Pay – Minimum Hours. Battalion Chiefs and Fire Marshals who are called back to work from an off-duty status shall be paid in accordance with the provisions of this MOU relating to overtime:

1. Non-emergency (scheduled) call-back time shall be compensated with a minimum of three (3) hours of overtime at a rate of one-and one-half times (1.5x) the rate paid in accordance with the provision of this MOU. The call back time shall begin at the time the Employee reaches the job site or a City fire station, as may be appropriate for handling the assignment, and shall end at such time as the Employee completes the call-back assignment and leaves the job site or the fire station to return to his or her place of residence. If the Employee is assigned to one or more additional call-back tasks while completing the initial call-back job task, call-back time shall end at such time as the Employee completes the final job task and leaves the job site or the fire station to return to such residence.

2. Emergency or unscheduled call-back time shall be compensated with a minimum of five (5) hours of overtime compensated at a rate of two times (2x) the rate paid in accordance with the provisions of this MOU. The call back time shall begin at the time the Employee is contacted to respond to the emergency, but no longer that thirty (30) minutes prior to the time the Employee reaches the job site or a City fire station, as may be appropriate for handling the assignment, and shall end at such time as the Employee completes the call-back assignment and leave the job site or the fire station to return to his or her residence. If the Employee is assigned to one or more additional call-back tasks while completing the initial call-back job task, call-back time shall end at such time as the Employee completes the final job task and leaves the job site or

the fire station to return to such residence. An Employee contacted to respond to an emergency who does not respond within thirty (30) minutes shall not be eligible for call-back overtime pay unless the duty officer directs the Employee to remain on the job, in which case call-back shall begin thirty (30) minutes prior to the time the Employee reports to the job site.

B. Deputy Chief Coverage. The Deputy Chief of Fire shall receive a stipend of fifteen hundred dollars (\$1,500.00) for a full twenty-four (24) hour shift coverage in relief of a Battalion Chief. Said coverage shall be limited to twelve (12) shifts per year. The limit may be extended as an extraordinary exception, as approved by the Fire Chief and the Deputy Director of Human Resources.

3.10 Computation of Pay – Upon Employment and Termination. Employees who commence or terminate employment other than at the end or the beginning of a pay period shall be compensated only for the actual hours worked during the pay period.

3.11 Other Pay – Educational Incentive Pay (EIP). Employees shall be eligible to receive EIP of two percent (2%) for a Master's Degree from an accredited college or university.

SECTION IV: WORKING CONDITIONS

4.1 Employee Clothing and Physical Appearance Requirements.

A. CFME agrees that Employees who are assigned to wear uniforms shall abide by the City of Chico Fire Department Rules and Regulations regarding such uniform wear.

B. CFME further agrees that Employees shall maintain their physical appearance in a manner which will not endanger their person in accordance with the applicable provisions of such Rules and Regulations.

4.2 Hours and Shifts.

A. 48/96 Work Schedule. Except as provided herein below, the parties agree that Employees who are assigned to shift schedules shall work 48/96 schedule on a three (3) platoon, twenty-four (24) hour shift basis.

1. The 48/96 Work Schedule shall not apply to Forty (40) Hour Work Week Employees as specified in Subparagraph B below.

2. City Manager has exclusive authority to implement and/or terminate the Work Schedule with a seven-day notice to Employees. Upon termination of this Work Schedule, absent an agreement to extend or modify, the work schedule shall revert back to the Kelly schedule.

3. The hours worked, as defined in Section 2.4.E above, shall be calculated based on 192 hours worked in a 24-day period for the purposes of determining overtime pursuant to the Fair Labor Standards Act (FLSA). Employees shall continue to be paid on a bi-weekly basis. Notwithstanding the methods for determining overtime for purposes of FLSA, Employees shall continue to earn overtime as set forth in Section 2.4, entitled "Overtime Pay," above.

B. Forty (40) Hour Work Week Assignments. The parties agree that Employees who are assigned to a forty (40) hour work week shall be scheduled as follows:

1. Forty-hour work week Employees may work either ten (10) hour days per day, four (4) days per week OR eight (8) hours per day, five (5) consecutive days per week, as determined by the Fire Chief.

2. City agrees to provide Employees at least seven (7) calendar days advance notice of any change to the forty (40) hour work week schedule assigned by the Fire Chief provided, however, that Employees may request and/or agree to a waiver of the seven (7) calendar day advance notice provided that such request and/or waiver is made in writing to City's Human Resources and Risk Management Office and approved by the Fire Chief.

4.3 Shift Exchanges. City agrees that Employees may exchange duty shifts when the exchange does not interfere with the operation of the Fire Department and is approved by the Fire Chief. CFME agrees that City is not responsible in the event an Employee fails to repay a shift exchange and agrees that an Employee who is not repaid for a shift exchange waives his or her rights to claim such time as overtime and that the City has no liability to pay for such time.

4.4 Shift Modification. City shall retain the right in its sole discretion to assign Employees to work shift or shifts different from their regular shift assignment without further consultation with

CFME provided that City agrees to provide Employee(s) a seven (7) calendar day advance notice of such shift change, except in the event of an emergency, in which case shifts may be modified immediately to meet the needs of the public health, safety and welfare.

Employees may request and/or agree to a waiver of the seven (7) calendar day advance notice provided that such request and/or agreement is made in writing to City's Human Resources and Risk Management Office and is approved by the Fire Chief.

4.5 Assignment Bidding Procedure. The Fire Chief shall develop and maintain a written assignment bidding procedure as part of the Fire Department Operating procedures. Should it become necessary to make adjustments or alterations in that procedure, the City will consult with CFME regarding possible changes and the impact of those changes on Employees.

4.6 Safety.

A. Safety Rules. CFME agrees that Employees shall abide by adopted Fire Department Rules and Regulations regarding the usage of safety equipment and the utilization of safe working operations and procedures.

B. Workstation, Equipment and Tools. City recognizes its responsibility to and will provide safe workstations, equipment and tools. In this regard, it is understood that the term "safe workstation" does not include any fire ground or fire scene to which an Employee may be required to respond.

C. Non-Job-Related Use of Fire Station Premises Permitted Subject to Departmental Rule. Subject to the provisions and restrictions of the applicable Department Rule and Regulation as approved by the Fire Chief, Employees may utilize fire station premises for non-job-related or personal purposes such as minor vehicle repair or car washes.

4.7 Break Periods. During each workday, Employees shall be entitled to take one (1) fifteen (15) minute break in the morning and one (1) fifteen (15) minute break in the afternoon at such times and at such locations as are determined by the Fire Chief. In addition, Employees shall be entitled to a one (1) hour lunch break each day provided, however, it is recognized that the time of the lunch break may vary because of emergencies, training periods or unusual circumstances and

that during such occurrences, the exact time of the lunch break will be determined by the officer in charge of the affected Station. It is further recognized and agreed that should the needs of the City, emergencies or other unusual circumstances cause Employees not to be able to take a work or lunch break, Employees shall not be entitled to accumulate and/or save such lost work or lunch break for use at another time.

4.8 Workday Defined. Except as provided herein, each and every day of the week shall be considered to be a standard workday with work duties and training to be performed by Employees as assigned by the Fire Chief. The beginning and ending times of the standard workday shall be as set forth in the City of Chico Fire Department Rules and Regulations. On all designated City holidays, work duties shall include the performance of equipment (including fire apparatus) and station maintenance, responding to emergency and non-emergency requests for assistance made by the public, participation in multi-agency training activities and the performance of other essential emergency related activities. Activities such as internal training, inspections, drills and other activities that may be accomplished at another time shall not be required.

4.9 Medical Suitability for Employment. City shall have the right for reasonable cause to require any Employee to undergo a physical examination, including psychiatric or psychological examinations, at the option of the City, to ensure an Employee's medical suitability to perform the duties of the position to which said Employee is assigned. Said physical examination shall be performed by a physician chosen by the City, and the cost of such examination shall be paid for by the City. City agrees that should an Employee, after such medical examination, be found to be not medically suited to perform the duties of the assigned position, the Employee shall have a reasonable amount of time to become medically suitable. If, after such reasonable time, the Employee remains medically unsuited for the assigned position, City shall have the right to take appropriate action including, but not limited to, transfer to another position for which the Employee is medically suited, if such a position is available, or termination.

SECTION V: EMPLOYEE BENEFITS

5.1 Holidays.

A. In lieu of receiving time off for the holidays observed by the City, non-exempt Employees assigned to a 56-hour week shall receive 10.15 hours of pay at their regular hourly rate each bi-weekly pay period or fraction thereof during the term of their employment. The number of hours to be paid is calculated as the number of City holidays (eleven) times 24 hours (one day) for a total of 264 hours of pay per year. For the convenience of the Employees and the City, such pay is spread evenly over the year through bi-weekly payment of the 10.15 hours of pay. Such payment shall be made at the Employee's regular hourly rate of pay. If the City Council declares a holiday in addition to those holidays normally observed by City, an additional payment of twenty-four (24) hours of pay shall be made to Employees for the pay period in which the additional holiday falls. Employees assigned to a forty (40) hour per week assignment shall not receive such holiday pay.

B. Holiday Time Bank. CFME Employees designated as exempt shall be allotted Holiday Time Bank, which shall be credited with one hundred and eighteen (118) hours on each January 1. The Holiday Time Bank accrual includes ten (10) hours for each holiday of the calendar year, plus eight (8) hours of additional Holiday Time Bank Accrual. Effective January 1, 2026 employees assigned to a forty (40) hour per week assignment shall receive for Holiday Pay in lieu of Holiday Time Bank as follows and for the following established City-paid holidays:

January 1 (New Year's);

3rd Monday in January (MLK observance);

3rd Monday in February (President's Day);

Last Monday in May (Memorial Day);

July 4 (Independence Day);

First Monday in September (Labor Day);

November 11 (Veteran's Day);

Thanksgiving Day and the day after Thanksgiving;

December 24 (Christmas Eve);

December 25 (Christmas Day); and

Such other days as may be proclaimed by the City Council as public paid holidays

In observing such holidays, the following procedures shall be utilized:

1. **Holiday – Sunday.** When a holiday falls on a Sunday, the following Monday shall be observed.

2. **Holiday – Saturday.** If a holiday falls on a Saturday, time off or pay shall be granted at the discretion of the City Manager provided that sufficient funds have been appropriated in the Annual Budget for payment of holiday pay. If time off is granted for Christmas Eve, the holiday shall be observed on the Employee's last regular work day prior thereto.

3. **Christmas Holiday – Monday.** Should the Christmas holiday fall on a Monday, the Christmas Eve holiday shall be observed on the Employee's last regular work day prior thereto.

C. **Floating Holiday.** All Employees regularly scheduled for a fifty-six (56) hour work week shall accrue 12 hours, and those Employees regularly scheduled for a forty (40) hour work week shall accrue 8 hours of Floating Holiday on January 1 of each year. Employees hired between January 1 and September 30 of the calendar year shall accrue the full annual accrual of Floating Holiday at the time of their hire. Employees hired after September 30 shall not accrue any Floating Holiday hours until the January following their hire date. Employees regularly scheduled for a fifty-six (56) hour work week may have a maximum balance of 24 hours (two annual accruals) of Floating Holiday at any time. Employees regularly scheduled for a forty (40) hour work week may have a maximum balance of 8 hours (one annual accrual) of Floating Holiday at any time. Should an Employee not use their accrued Floating Holiday by December 31 of the year in which their accrual reaches the maximum accrual allowed, any hours in excess of the maximum will be forfeited with no compensation to the Employee. Employees who terminate with unused accrued Floating Holiday leave shall not be eligible to receive payment for such leave.

Floating Holiday can be used at the discretion of the Employee with a minimum of three hours per occurrence, provided the absence can be covered through normal overtime hiring procedures.

5.2 Insurances.

A. Medical and Dental Insurance.

1. City Contribution. CFME Employees shall receive the maximum contribution per month toward the monthly premium rate for City's employee group medical and dental insurance plans, as set forth in Exhibit "B" entitled "Medical and Dental Insurance Carriers and Contributions". In the event that the actual monthly premium is less than the maximum contribution set forth in Exhibit "B" City's contribution shall be the actual monthly premium amount and CFME Employees shall not be required to make a contribution. Part-time CFME Employees, working less than thirty (30) hours per week, shall receive a prorated share of City's contribution for group medical and dental insurance. If the total cost for the medical or dental insurance coverage selected by Part-time CFME Employees is less than City's prorated contribution, Part-time CFME Employees shall not be eligible to receive the difference. Part-time CFME Employees are eligible to receive a pro-rated share of any payments made to employees who opt out of City's medical insurance coverage pursuant to Section III of Exhibit "B."

B. Insurance Advisory Committee. It is acknowledged that these provisions may not be fully implemented until all employee groups have agreed to the same provisions.

1. Purpose. The Insurance Advisory Committee ("Committee") will provide an ongoing review and periodic recommendations regarding the City's medical, dental and vision insurance plans ("Plan").

2. Composition. The Committee will be coordinated by a representative of the Human Resources and Risk Management Office. The Committee will consist of a maximum of two (2) representatives from each City insurance participant group. City insurance participant groups include City's recognized bargaining units, City's unrecognized employee groups, and City Retirees and one (1) City Council Representative. Current employee representatives shall not be charged vacation or other leave time if Committee meetings are held during employee's normal

work hours, nor shall employees receive overtime or call-back pay for service on the Committee. Retirees are not considered a separate participant group for purposes of overall plan rate increases or decreases, but are assigned to the participant group they retired from and become inclusive to that group.

3. Annual Health Care Review. Each recognized or unrecognized group may meet annually to review the Plan. The Committee may make advisory recommendations regarding any proposed Plan to the City Insurance Participant Groups and City Manager. The Committee will review proposed changes in the medical, dental and vision insurance plans, including, but not limited to, benefit levels, services provided, methods of cost containment, alternative plans and other related topics for consideration of an advisory ballot election. The Committee will have access to such non-confidential information as necessary to fulfill its purpose.

4. Election. An all-City employee advisory vote may be initiated by the Committee or the City Manager. The City Clerk will conduct a secret advisory ballot election for all individuals in City Insurance Participant Groups, as defined above, within thirty (30) calendar days of a request regarding above changes. City Clerk will then report the results of the election to the City Manager and Committee.

5. Approval of Modifications to the Plan. Modifications of insurance premium cost-sharing arrangements are to be negotiated by individual bargaining groups. Committee recommendations and election results will be taken under advisement; however, final modifications must be approved by the City Manager.

C. Life Insurance.

1. Benefit Provided. City agrees to provide CFME Employees with term life insurance in the amount of one times the annual base salary, rounded to the next multiple of \$1,000, and the spouse/registered domestic partner and minor children of CFME Employees with term life insurance in the amount of \$1,500. City agrees that the full cost of the premium shall be paid for by City.

D. Long-Term Disability Insurance.

1. City Contribution.

a. CFME Employees. CFME Employees and City agree that City will pay to the long-term disability insurance carrier, as defined herein, sixty percent (60%) of the monthly premium cost of the long-term disability insurance plan for each CFME Employee participating in such plan with a minimum contribution of one percent (1%) of CFME Employee salary. CFME Employees agree that CFME Employees participating in such plan shall pay the remaining forty percent (40%) of such monthly premium. If the total rate for the plan is less than the one percent (1%) minimum contribution set forth above, City's contribution shall be the actual premium amount, and participating employees shall not be required to make a contribution. In no case shall the City's obligation exceed the actual premium cost of the plan.

b. Alternative Long-Term Disability Insurance Program. City and CFME agree to continue participation in an alternative long-term disability insurance program for safety employees, which shall be on file with the Human Resources and Risk Management Office, so long as such participation does not financially impact the City's current plan. Notwithstanding anything in Subsection A above to the contrary, City agrees that its share of the premium payment amount shall continue to be equivalent to sixty percent (60%) of the premium payment amount of long-term disability insurance plan identified in Subsection A above, which such amount shall be considered as the maximum City payment, recognizing that the actual premium amount for the alternative plan could be less than such maximum City payment. Should increases or decreases occur in the future premium payment amount for the non-alternative plan, City's maximum premium payment for the alternative plan shall likewise increase or decrease, maintaining the 1% of salary minimum City payment. In the event that an individual Employee's alternative plan premium payment amount is less than the City's maximum premium payment amount, the Employee shall not be entitled to receive the difference between the two.

2. Payroll and Tax Treatment of Long -Term Disability Insurance Premium. In order to establish the long-term disability insurance premium as a post-tax employee

contribution so that benefits which might be received by CFME Employees would be treated as such for tax purposes, effective the first day of the first full pay period following City Council approval of this MOU, the actual amount of the premium to be paid by the City as provided for above shall be withheld from CFME Employee's taxable earnings. In turn, the City will pay a bonus to CFME Employees equal to the amount of the CFME Employee's premium contribution during the period in which the premium deduction is paid. Such bonus shall not be considered part of a CFME Employee's regular salary for calculation of retirement, life insurance, or any other salary-based benefit, but shall serve only as a mechanism to establish the long-term disability insurance benefit as an employee-paid benefit for tax purposes.

E. Vision Insurance.

1. Benefit Provided. City agrees to provide CFME Employees with a vision insurance plan which provides vision care benefits to the employee only, which include an eye examination and lenses every 12 months, and frames every 24 months, and provisions relating to contact lenses, with deductibles of \$10.00 for each eye examination, and \$25.00 for lenses or frames.

2. City Contribution. City agrees to pay the full cost of the employee only premium for CFME Employees.

3. Access for Employee Paid Dependent Coverage. City further agrees that a CFME Employee may purchase vision insurance coverage for the Employee's dependent spouse and children, at the CFME Employee's sole cost and expense, through bi-weekly payroll deduction of the additional premium amount.

5.3 Sick Leave.

A. Accrual - Generally. Sick leave credit, which commences upon employment of the individual and may be accumulated without limitation, shall be granted to all CFSM Employees. However, except as otherwise provided herein below, upon termination from the service of the City, no compensation for accrued sick leave either in time off or pay shall be granted.

B. Accrual Rate. CFME Employees of the Fire Department assigned to a 56-hour work week shall accrue sick leave in the amount of 11.20 hours per month. Part-time CFME Employees shall accrue a prorated amount of sick leave based on FTE of positions to which Part-time CFME Employees are assigned. Employees assigned to a 40-hour work week shall accrue sick leave in the amount of eight (8) hours per month.

C. Utilization.

1. Utilization Rate. Sick leave shall be deducted from a CFME Employee's total amount of accrued sick leave on an hour-for-hour basis. If a CFME Employee utilizes all of his or her accrued sick leave and is still unable to return to work due to illness or injury, such employee shall automatically be placed on leave without pay, unless the CFME Employee advises the Finance Office to charge the additional sick time off against the CFME Employee's accrued vacation balance, if any. Sick leave may be used for actual personal sickness of or injury to the CFME Employee, or such employee's family member as defined below, and for medical, dental, and vision care appointments.

2. Utilization for Illness of Family Members. CFME Employees may use their accrued sick leave for illness of family members. For purposes of this Subparagraph, "family member" includes a CFME Employee's spouse, registered domestic partner, children, stepchildren, parents, step-parents, and parents-in-law, or other persons for whom Employee is responsible for care as approved by City's Human Resources & Risk Management Office.

3. Job-Related Illness or Disability. CFME Employees who are off work as a result of a proven job-related illness or injury accepted as a Workers' Compensation claim shall not have such time off charged against their accumulated sick leave.

4. Use of Accrued Sick Leave Prior to Effective Date of Ordinary Disability Retirement. Notwithstanding anything herein above to the contrary, CFME Employees who are eligible to retire on an ordinary disability retirement, pursuant to the contract with the Public Employees' Retirement System, due to a non job-related illness or injury, shall be entitled to utilize any or all of their accrued sick leave prior to the effective date of such retirement

from City employment. However, except as otherwise provided in Paragraph 5.3.E. below, no compensation of any kind or character shall be made for any accrued sick leave which may remain credited to such CFME Employees on or after such effective date.

D. Upon Service Retirement. Upon service retirement, accumulated sick leave shall be credited to the CFME Employee's retirement account in accordance with the provisions of the retirement plan referenced in Subsection 5.6. below. However, should a CFME Employee elect to convert any of such leave to cash pursuant to Paragraph 5.3.E., such employee's retirement sick leave credit shall be reduced commensurately.

E. Sick Leave Conversion Upon Termination. Upon retirement or termination in good standing, CFME Employees may convert accrued sick leave to cash in accordance with the following schedule:

<u>Years of City Service</u>	<u>Maximum Conversion %/Maximum \$ Amount</u>
0-5 years	0
5-10 years	10% / \$1,000
10-15 years	25% / \$2,000
Over 15 years	50 % / \$3,000

5.4 Other Leave.

A. Leave of Absence Without Pay. Please refer to Administrative Procedure and Policy 13-24, entitled "Leaves of Absence".

B. Leave With Pay - New Employees. Notwithstanding anything in this Subsection to the contrary, the City Manager is authorized to approve up to a maximum of ten (10) days leave with pay during the first six (6) months of employment, for personal or health reasons, for newly appointed CFME Employees as may from time to time be designated by the City Manager, not employed by the City at the time of their appointment, on a case by case negotiated basis. Such leave of absence with pay shall not be subject to accrual or compensation upon the termination of the six (6) month period.

C. Leave With Pay - Birth or Adoption of Child.

1. Amount; When Taken. In the event of the birth of an Employee's child or adoption of a child by an Employee, such Employee shall be entitled to a leave of absence with pay for a period of three (3) consecutive work weeks or six (6) twenty-four hour shifts if they are assigned to a 56-hour work week, and three (3) consecutive work weeks or one-hundred and twenty (120) hours if they are assigned to a 40-hour work week. Such leave must commence within one (1) year of birth or adoption, the equivalent timeframe to Family Medical Leave Act/California Family Rights Act protected periods. An Employee shall be eligible for a single leave period for the event of a birth or adoption, without regard to the number of children involved. The birth or adoption of multiple children at one time shall not create eligibility for more than one (1) birth or adoption leave period.

2. Notification Procedure. Employees shall notify their Department Head as soon as possible after such birth or adoption date as to which days Employee will be on birth or adoption leave.

D. Leave With Pay - Less Than One Work Day or Shift. CFME Employees may be granted leave with pay for periods of less than one workday or shift provided that such leave:

- 1.** Is approved by the CFME Employee's department head, or the City Manager, as appropriate; and
- 2.** Is not used in lieu of accrued sick leave.

E. Bereavement Leave. Please refer to Administrative Procedure and Policy 13-24, entitled "Leaves of Absence".

5.5 Vacation.

A. Accrual and Utilization - Generally. CFME Employees who have served the City for a period of six (6) months or more shall be entitled to an annual vacation leave with pay. Such vacation leave shall be earned by the employee in accordance with the schedule set forth in Exhibit C entitled "Vacation Accrual Schedule", provided that such CFME Employees, after satisfactorily

completing six (6) months of service, shall be credited with vacation leave equal to the amount they would have accrued during a six-month period.

B. Rate of Accrual. CFME Employees shall accrue vacation credit in accordance with the schedule in Exhibit "D". Part-time CFME Employees shall accrue a prorated amount of vacation based on Full Time Equivalent (FTE) of positions to which such employees are assigned.

C. Termination of Additional Accrual. CFME Employees shall cease to accrue additional vacation when their accumulated vacation leave balance is equal to the Maximum Accrued Balance identified for their accrual rate in Exhibit C. Accrual shall commence again when the CFME Employee's accrued vacation balance drops below the maximum. The CFME Employee shall receive notice of such termination of additional accrual. If a CFME Employee is unable to utilize accrued vacation by reason of illness or disability, the City Manager shall approve a limited-time waiver of the termination of additional vacation accrual provisions, based on the written request of the CFME Employee.

D. Effect of Termination of Employment. CFME Employees who terminate employment, or who are terminated, and who have completed satisfactorily at least six (6) months of service, shall be paid in lump sum for all accrued vacation earned prior to the effective date of their termination. Said payment shall be determined by multiplying the CFME Employee's hourly rate of pay times the number of hours of accrued vacation credited to employee at the time of termination. CFME Employees with less than six (6) months of service shall not be paid for any accrued vacation.

5.6 Management Leave. In recognition of the fact that exempt CFME Employees are not compensated for hours worked in addition to the normal working hours, exempt CFME Employees shall receive ninety-six (96) hours of Management Leave per calendar year.

5.7 Retirement Plan.

A. Established and City Contribution –CFME Employees Hired Before January 1, 2013, or Classic Members. CFME Employees hired before January 1, 2013, or those Classic Members, as defined by CalPERS, shall receive the 3% at age 50 retirement benefit formula.

CFME Employees covered by this Section shall contribute the employee contribution amount established by CalPERS for the 3% @ 50 Pension Formula. The City shall not pay any portion of the required employee contribution.

B. CFME Employees Hired On or After January 1, 2013. CFME Employees hired on or after January 1, 2013, shall receive the 2.7% at age 57 retirement benefit formula. CFME Employees covered by this Section shall contribute the employee contribution rate of fifty percent (50%) of normal costs as established by CalPERS. The City shall not pay any employee contribution. CFME Employees covered by this Section who are Classic Members as defined by CalPERS may be eligible for a different pension formula, pursuant to 5.6.A above.

C. CalPERS Election about Member's Payment of City's Pension Costs. The parties acknowledge that CalPERS mandates an election of CFME unit members, separate from ratification of this MOU, to provide for the cost sharing pursuant to Government Code Section 20516 described in Section 4.6.D. As soon as practicable after the ratification of this MOU, the City will initiate the contract amendment process. Upon approval and agreement from the CFME unit and completion of the City's amendment to the CalPERS contract, CFME unit member contributions will be made pursuant to Government Code Section 20516, and shall extend beyond the expiration of this MOU. The CFME and the City will take all actions necessary to implement the Government Code Section 20516 pension cost sharing agreement described in Section 5.6.D.

D. Employee Cost Sharing of Additional Benefits. Effective the first full pay period that contains July 1, 2020, each CFME Employee covered by this MOU shall pay, through payroll deduction, an additional three percent (3%) of PERSable compensation towards the City's costs, in addition to the amounts specified in 5.6.A. and B., toward the normal costs of pension benefits as permitted by Government Code Section 20516, and shall extend beyond the expiration of this MOU.

Effective the first full pay period following January 17, 2023, each CFME Employee covered by this MOU shall pay, through payroll deduction, an additional one percent (1%) of

PERSable compensation in addition to previously agreed cost sharing amounts, with employee cost share totaling four percent (4%).

Effective the first full pay period following July 1, 2023, each CFME Employee covered by this MOU shall pay, through payroll deduction, an additional one percent (1%) of PERSable compensation in addition to previously agreed cost sharing amounts, with employee cost share totaling five percent (5%).

If the contract amendment between the City and CalPERS is not completed as described in Section 4.6.C., the cost sharing, as described in this section, shall be implemented outside of a CalPERS contract amendment as authorized by Government Code Section 20516(f), and shall extend beyond the expiration of this MOU.

E. City Contribution. City agrees to pay the benefit employer contribution as established by that certain "Contract Between the Board of Administration, Public Employees' Retirement System and the City Council of the City of Chico" which was in effect as of June 30, 2002, and to abide by all terms and conditions as established by such Contract so long as the contract exists between City and PERS.

F. Consistency with PEPRA. It is the intent of the City and CFME Employees that the terms set forth herein be consistent with the provisions of PEPRA, as it may be amended from time to time. In the event of any inconsistency, the provisions set forth in PEPRA shall prevail.

5.8 Various Benefits.

A. FICA-Medicare Contribution.

1. Applicability Defined. The Federal Insurance Contributions Act (FICA) mandates that employees hired after April 1, 1986 be covered by and make payroll contributions for the Medicare portion of the Act at a rate of 1.45% of salary. The City is also required to contribute 1.45% of salary for such coverage.

2. Future Changes. Notwithstanding anything herein above to the contrary, if in the future the Federal Government mandates that all City employees shall be covered by and make payroll contributions for the Medicare portion of FICA, CFME Employees will be required

to make such contributions, and the City's payment thereof shall terminate. Should a CFME Employee's taxable Medicare wages exceed \$200,000 in any given calendar year, that employee will be responsible to contribute 0.9% of those wages exceeding \$200,000 as required by the Patient Protection and Affordable Care Act of 2010, as amended by the Health Care and Education Reconciliation Act of 2010, and City will not pay such contribution.

B. Wellness/Physical Fitness Program. CFME Employees shall be eligible to participate in the wellness/physical fitness program previously established by the City for public safety employees.

C. Health and Wellness Facilities. City agrees to reimburse employees up to \$55.00 per month for the cost of health and fitness facilities to assist Employees in attaining and maintaining overall wellness and physical fitness goals. Employees may utilize such facilities at Employees' option provided, however, Employees shall provide quarterly proof of membership. Active military duty or extended illness or injury on the part of an Employee may be considered in relieving an Employee of the need to meet this requirement in a particular calendar period. Employees requesting such an exception shall request the exception in writing from the Human Resources and Risk Management Office and may be required to provide documentation of such incapacity.

1. Employees shall have the right to select a health and fitness center provided, however, that:

a. Eligible health and fitness centers shall be defined as privately operated physical fitness businesses which provide at least the following: weight training equipment, aerobic apparatus and equipment, and aerobic exercise classes. Shall also mean fitness membership to Interactive Virtual training (e.g. Peloton, the Mirror, Nordic track, etc.)

b. The Employees shall be responsible for the payment of any initiation fee; and

c. City's maximum obligation for payment of an individual Employee's monthly membership fee shall not exceed \$55.00. CFME agrees that Employees who select

health/fitness centers with monthly membership fees exceeding City's maximum payment amounts shall be responsible for the payment of such additional fee amounts.

d. City shall reimburse Employees for monthly membership fees up to the maximum City payment amount set forth above upon submittal by such Employees of the appropriate City claim form and evidence of payment of such fees and participation at the required level.

e. Employees may request an advance of up to three (3) months of monthly dues by completing a request form which will be developed by the Human Resources and Risk Management Office which shall include an authorization for the City to recover such advance, or portion thereof, for which the Employee does not meet the participation or documentation requirements, over three bi-weekly pay periods.

f. All claims shall be submitted within ninety (90) days following the end of the coverage period to be eligible for reimbursement.

D. Moving Expense Reimbursement. The City Manager is authorized to reimburse, on a case by case negotiated basis, up to a maximum of \$1,500 in moving expenses for newly appointed CFME Employees, as may from time to time be designated by the City Manager, who reside outside of Butte County at the time of their appointment. The actual amount reimbursed shall be based upon, among other factors, the actual cost of moving, excluding meal and lodging costs, the distance of the move and the amount of the pay differential which results from appointment to a City position. Moving expense reimbursement shall be subject to applicable tax laws.

E. Retiree Medical Expense and Health Insurance Trust -CFME Employees Promoted from International Association of Firefighters.

1. **Trust.** The Trust has been created at CFME's request for the administration of a retiree health benefit and for mandatory contributions of all employees in the bargaining unit who promoted to CFME from the International Association of Firefighters (IAFF) bargaining unit. The City will not participate in the administration of the Trust.

2. Required Employee Contribution. The City shall withhold a mandatory contribution of \$50.00 per pay period on a pre-tax basis, subject to applicable federal tax laws, from the pay of every active and eligible employee who is a member of the bargaining unit represented by CFSM, effective during the first pay period of February 2015. These contributions shall be remitted bi-weekly, in one check to the custodian of the Southern California Firefighter Benefit Trust. With each check, the City shall submit a list of all eligible bargaining unit members to the Plan Administrator mailed, faxed, or emailed to the contact on file with the City. The City and CFME agree that CFME has the right, subject to approval of its members according to CFME's internal rules, to prospectively, modify the amount of the mandatory employee contribution in any flat dollar increment of \$25.00 per pay period, so long as the modification is mandatory for all eligible employees covered by the MOU, and CFME notifies the City in writing sixty (60) days in advance of the effective date of any change to the mandatory employee contribution amount.

3. Indemnity. CFME agrees, to the fullest extent permitted by applicable law, to indemnify and hold harmless the City and each of its agents, officers, and employees against all costs, expenses, liability, and damages resulting from any misrepresentation, negligent action or inaction, or breach of, the Trust, or any rules, policies, or procedures established by the Trust's Board of Trustees.

4. No City Guarantee Regarding Benefit Payout After Funding. Employees who participate in the Trust assume the entire risk from any investment gains or losses associated with these funds or other decline in their value. Nothing contained in this Letter Agreement shall constitute a guarantee by the City that the assets of the Trust will be sufficient to pay any benefit to any person or to make any other payment during an employee's life expectancy after retirement. Payments to be paid from the Trust are limited to the remaining assets in the Trust and governed by the Board of Trustees adopted Plan.

E. Wellness/Physical Fitness Program. It is the intent and purpose of this program to establish fitness and wellness criteria for Employees to enable Employees to maintain the necessary fitness required to safely perform the duties of their positions and to enhance their

overall health and well being. The public safety, safety of fellow Employees and the individual's safety depend on knowledge, skills and abilities, including mental and physical fitness. Said program will comply with the provisions in the current IAFF MOU.

F. Uniform Allowance. CFME and City agree that the total budgeted Uniform Allowance shall be \$500.00 per member per fiscal year.

G. Cellular Phone Allowance. Allowance available pursuant to existing Budget Policy.

SIGNED AND DATED AS FOLLOWS:

For United Public Employees of California:


Wes Metroka (Nov 24, 2025 13:33:07 PST) Nov 24, 2025

Wesley Metroka (Date)


Robert DeLong Nov 24, 2025

Robert DeLong (Date)

For the City of Chico:


Mark Sorensen (Nov 24, 2025 08:43:48 PST) Nov 24, 2025

Mark Sorensen* (Date)
City Manager

* Authorized pursuant to Chico
Municipal Code 2R.04.060

APPROVED AS TO FORM:


John W. Lam (Nov 24, 2025 08:58:42 PST) Nov 24, 2025

John Lam, City Attorney*

*Pursuant to The Charter of the City of
Chico §906 (E)

**MEMORANDUM OF UNDERSTANDING BETWEEN
CITY OF CHICO
AND
CHICO FIRE MANAGEMENT EMPLOYEES (CFME)
REGARDING PAY, HOURS AND OTHER TERMS AND
CONDITIONS OF EMPLOYMENT FOR THE PERIOD OF
JULY 1, 2025 THROUGH JUNE 30, 2027
(2025 MOU-CFME)**

**EXHIBIT "A"
SCHEDULE OF HOURLY PAY RATES**

Effective December 14, 2025

POSITION TITLE	A	B	C	D	E	F	G	BIWEEKLY PAY RATE		ANNUAL PAY RATE	
								MINIMUM	MAXIMUM	MINIMUM	MAXIMUM
Battalion Chief (56 Hour)	\$40.62	\$42.65	\$44.78	\$47.02	\$49.37	\$51.84	\$54.43	\$4,549.44	\$6,096.16	\$118,285.44	\$158,500.16
Deputy Fire Chief (40 Hour)	\$70.49	\$74.01	\$77.71	\$81.60	\$85.68	\$89.96	\$94.46	\$5,639.20	\$7,556.80	\$146,619.20	\$196,476.80
Fire Marshal (40 Hour)	\$59.50	\$62.47	\$65.59	\$68.87	\$72.31	\$75.93	\$79.73	\$4,760.00	\$6,378.40	\$123,760.00	\$165,838.40

Effective January 10, 2027

POSITION TITLE	A	B	C	D	E	F	G	BIWEEKLY PAY RATE		ANNUAL PAY RATE	
								MINIMUM	MAXIMUM	MINIMUM	MAXIMUM
Battalion Chief (56 Hour)	\$42.86	\$45.00	\$47.25	\$49.61	\$52.09	\$54.69	\$57.42	\$4,800.32	\$6,431.04	\$124,808.32	\$167,207.04
Deputy Fire Chief (40 Hour)	\$74.37	\$78.09	\$81.99	\$86.09	\$90.39	\$94.91	\$99.66	\$5,949.60	\$7,972.80	\$154,689.60	\$207,292.80
Fire Marshal (40 Hour)	\$62.77	\$65.91	\$69.21	\$72.67	\$76.30	\$80.11	\$84.12	\$5,021.60	\$6,729.60	\$130,561.60	\$174,969.60

MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF CHICO
AND
CHICO FIRE MANAGEMENT EMPLOYEES (CFME)
REGARDING PAY, HOURS, AND OTHER TERMS AND
CONDITIONS OF EMPLOYMENT FOR THE PERIOD OF
JULY 1, 2025 THROUGH JUNE 30, 2027
(2025 MOU-CFME)

EXHIBIT "B"

MEDICAL AND DENTAL INSURANCE CARRIERS AND CONTRIBUTIONS

I. CARRIERS

Employees shall be covered by the medical and dental insurance carriers on file with the Human Resources and Risk Management Office.

II. CITY CONTRIBUTIONS.

A. EPO, PPO 90/10 and PPO 80/20. The City shall make the following maximum contribution per month toward the monthly premium rate for City's employee group medical and dental insurance plans, as defined herein. The amount of the City's contribution shall vary based on the medical plan selected by the Employee. In the event that the actual monthly premium is less than the maximum contribution set forth below, City's contribution shall be the actual monthly premium amount and Employees shall not be required to make a contribution. Any premium costs in excess of the City's contribution shall be paid by the Employee. Under no circumstances would Employees be eligible to receive any other compensation for excess City contribution amounts.

Any future increases in premiums shall be shared proportionately between the City and CBC based on the percent of the total premium cost share listed below, unless the City Council decides to pick up the full cost of the yearly insurance premium increase.

PERCENT OF TOTAL PREMIUM								
	CITY CONTRIBUTION				EMPLOYEE CONTRIBUTION			
	EPO	PPO 90/10	PPO 80/20	HDHP	EPO	PPO 90/10	PPO 80/20	HDHP
SINGLE	86.38%	86.38%	69.38%	100.00%	13.62%	13.62%	30.62%	0.00%
DOUBLE	87.52%	87.52%	69.30%	100.00%	12.48%	12.48%	30.70%	0.00%
FAMILY	87.17%	87.17%	69.79%	100.00%	12.83%	12.83%	30.21%	0.00%

B. High Deductible Health Plan. The City shall pay 100% of the premium and contribute negotiated percentages of Out-of-Pocket maximums into the employee's HSA. Full contributions shall continue until negotiated otherwise. See tables below.

C. Dental Insurance. The City shall pay 75% of the premium for dental insurance. For example: Calculation of the Dental 75/25 (City Employee) split: Composite rate x 75% = City's Contribution
Example: $76.70 \times .75 = 57.53$ Maximum City Contribution = \$57.53, Employee Contribution = \$19.17

Effective January 1, 2025

MEDICAL					
City Contribution					
	PPO 90/10	PPO 80/20	EPO	HDHP	HSA**
Single	682.40	506.47	682.40	512.00	110.00
Double	1,472.09	1,074.15	1,472.96	1,093.00	176.00
Family	1,887.23	1,393.01	1,888.10	1,411.00	220.00
Employee Contribution					
	PPO 90/10	PPO 80/20	EPO	HDHP	HSA
Single	107.60	223.53	107.60	0.00	---
Double	209.91	475.85	210.04	0.00	---
Family	277.77	602.99	277.90	0.00	---
DENTAL			VISION		
City Contribution					
Single	57.53			5.47	
Double	57.53			5.47	
Family	57.53			5.47	
Employee Contribution					
Single	19.17			0.00	
Double	19.17			4.66	
Family	19.17			10.24	

**Monthly HSA City Contribution Formula: 40% of Max Out of Pocket

Single HSA Contribution: $40\% \times \$3,300 = \$1,320$ (yearly contribution)/12 = \$110
Double HSA Contribution: $40\% \times \$5,280 = \$2,112$ (yearly contribution) /12 = \$176
Family HSA Contribution: $40\% \times \$6,600 = \$2,640$ (yearly contribution) /12 = \$220

Effective January 1, 2026

**Monthly HSA City Contribution Formula: 40% of Max Out of Pocket

Single HSA Contribution: $40\% \times \$3,400 = \$1,360$ (yearly contribution)/12 = \$113.33
Double and Family HSA Contribution: $40\% \times \$6,800 = \$2,720$ (yearly contribution) /12 = \$226.67

III. EMPLOYEES NOT REQUIRED TO PARTICIPATE IN CITY'S INSURANCE PLAN.

Employees who have alternative group medical insurance coverage shall not be required to participate in City's medical insurance plan. Employees shall provide verification of such alternative coverage to the Human Resources and Risk Management Office during the open enrollment period of each year. Employees shall provide verification during the open enrollment period of all subsequent years that Employee chooses to opt out of City's medical insurance plan. Employees who opt out of City's medical insurance plan shall receive a payment of \$ 200.00 per month in cash. Employees who lose their alternative coverage shall be allowed to immediately enroll in City's medical insurance plan, and shall no longer receive the \$200.00 per month payment.

**MEMORANDUM OF UNDERSTANDING BETWEEN
CITY OF CHICO
AND
CHICO FIRE MANAGEMENT EMPLOYEES (CFME)
REGARDING PAY, HOURS AND OTHER TERMS AND
CONDITIONS OF EMPLOYMENT FOR THE PERIOD OF
JULY 1, 2025 THROUGH JUNE 30, 2027
(2025 MOU-CFME)**

EXHIBIT "C"

VACATION ACCRUAL SCHEDULE: 56 HOUR EMPLOYEES

Employees Hired Prior to December 31, 2013

Length of Service	Bi-weekly Accrual Rate	Annual Accrual Rate	Max Accrual Balance
7th month through 36th month	6.81	177.06	280
37th month through 96th month	8.97	233.22	420
97th month through 108th month	9.4	244.40	448
109th month through 120th month	9.82	255.32	476
121st month through 132nd month	10.26	266.76	504
133rd month through 144th month	10.69	277.94	533
145th month through 156th month	11.12	289.12	560
157th month through 168th month	11.56	300.56	580
169th month through 180th month	11.99	311.74	619
181st month through 192nd month	12.43	323.18	645
193rd month through 204th month	12.85	334.10	673
205th month and forward	13.27	345.02	700

Employees Hired January 1, 2014 or After

Length of Service	Bi-weekly Accrual Rate	Annual Accrual Rate	Max Accrual Balance
7th month through 36th month	6.81	177.06	280
37th month through 96th month	8.97	233.22	420
97th month through 108th month	9.4	244.40	448
109th month through 120th month	9.82	255.32	476
121st month through 132nd month	10.26	266.76	500
133rd month through 144th month	10.69	277.94	500
145th month through 156th month	11.12	289.12	500
157th month through 168th month	11.56	300.56	500
169th month through 180th month	11.99	311.74	500
181st month through 192nd month	12.43	323.18	500
193rd month through 204th month	12.85	334.10	500
205th month and forward	13.27	345.02	500

**MEMORANDUM OF UNDERSTANDING BETWEEN
CITY OF CHICO
AND
CHICO FIRE MANAGEMENT EMPLOYEES (CFME)
REGARDING PAY, HOURS AND OTHER TERMS AND
CONDITIONS OF EMPLOYMENT FOR THE PERIOD OF
JULY 1, 2025 THROUGH JUNE 30, 2027
(2025 MOU-CFME)**

EXHIBIT "C"

VACATION ACCRUAL SCHEDULE: 40 HOUR EMPLOYEES

Employees Hired Prior to December 31, 2013

Length of Service	Bi-weekly Accrual Rate	Annual Accrual Rate	Max Accrual Balance
7th month through 36th month	4.87	126.62	280
37th month through 96th month	6.41	166.59	420
97th month through 108th month	6.72	174.58	448
109th month through 120th month	7.02	182.38	476
121st month through 132nd month	7.33	190.55	504
133rd month through 144th month	7.64	198.53	533
145th month through 156th month	7.95	206.52	560
157th month through 168th month	8.26	214.69	580
169th month through 180th month	8.57	222.68	619
181st month through 192nd month	8.88	230.85	645
193rd month through 204th month	9.18	238.65	673
205th month and forward	9.48	246.45	700

Employees Hired January 1, 2014 or After

Length of Service	Bi-weekly Accrual Rate	Annual Accrual Rate	Max Accrual Balance
7th month through 36th month	4.87	126.62	280
37th month through 96th month	6.41	166.59	420
97th month through 108th month	6.72	174.58	448
109th month through 120th month	7.02	182.38	476
121st month through 132nd month	7.33	190.55	500
133rd month through 144th month	7.64	198.53	500
145th month through 156th month	7.95	206.52	500
157th month through 168th month	8.26	214.69	500
169th month through 180th month	8.57	222.68	500
181st month through 192nd month	8.88	230.85	500
193rd month through 204th month	9.18	238.65	500
205th month and forward	9.48	246.45	500