MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF CHICO AND SERVICE EMPLOYEES INTERNATIONAL UNION TRADES AND CRAFTS UNIT REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JULY 1, 2025 THROUGH JUNE 30, 2028 (2025 MOU SEIU-TC)

Pursuant to California Government Code Section 3500 et seq., the Council of the City of Chico, through its designated representative, ("City") and the Service Employees International Union, Local 1021 ("Union") 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 Union.

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

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Exhibit "B" Mechanic Tool Requirements

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ARTICLE ONE: GENERAL PROVISIONS

1.1 DEFINITIONS

A. Generally. Except as otherwise provided herein, all words and phrases used in this MOU shall have the meanings as set forth in the Charter of the City of Chico ("Charter"), the Chico Municipal Code ("CMC"), the City of Chico Personnel and Employee Relations Rules ("City's PERR"), the City of Chico Administrative Procedure and Policy Manual ("City's AP&P"), and in California Government Code Section 3500 et seq., entitled, the "Meyer-Milias-Brown Act," ("MMBA").

B. Specific Definitions. The following words or phrases shall have the meanings as set forth below, unless the context in which any word or phrase is used requires another meaning:

1. "City" shall mean either the City of Chico, or the City Manager, or any Department Head or Officer thereof acting on behalf of the City of Chico or the City Manager, with regard to the provisions of this MOU.

2. "Compensating Time Off" ("CTO") shall mean compensating time off which is granted in lieu of pay for overtime hours worked.

3. "Council" shall mean the City Council of the City of Chico.

4. "Department Head" shall mean an individual employee's department head or department head's designated representative.

5. "Employee" shall mean permanent and probationary full-time and permanent and probationary part-time employees of City who are represented by Union and covered by this MOU, as set forth in Exhibit "A," entitled "Schedule of Job Titles and Basic Pay Ranges" ("Exhibit "A").

6. Fair Labor Standards Act ("FLSA") shall mean the Fair Labor Standards Act of 1938, as amended and as implemented, through Title 29 of the Code of Federal Regulations.

7. "Pay" shall include the term "wages" as used in MMBA.

8. "Permanent Part-Time" shall mean positions or Employees which have a regular schedule of twenty (20) or more hours per week but less than forty (40) hours per week.

9. "Permanent Seasonal" shall mean positions or Employees which have a regular schedule of between twenty (20) and forty (40) hours per week, and shall have a seasonal term of no more than ten (10) months per calendar year.

C. Structure of MOU. This MOU is structured with Articles, Subarticles, Sections, Subsections, Paragraphs, and Subparagraphs. As an example, the description of voluntary assignments excluded from overtime payment is found in Article Five - Pay, Subarticle 5.2 - Overtime Pay, Section D - Exclusions From Overtime Payment, Subsection 1 - Voluntary Assignments, and Paragraph a - Description. This would be specifically cited as Paragraph 5.2.D.1.a.

1.2 EFFECT OF MOU

A. Annual Budget(s) and City's AP&P. If any provisions of the current City Annual Budget and City's AP&P are inconsistent with any of the provisions of this MOU, the provisions of this MOU, upon approval by Council, shall prevail and shall, supersede any such inconsistent provisions.

B. City, State, or Federal Laws, Rules, or Regulations. Unless otherwise specifically provided for herein, this MOU shall not affect or supersede the Charter, the CMC, City's PERR, or any other rule or regulation promulgated thereunder. Further, this MOU shall not affect any Federal or State statutes, or any rules or regulations promulgated thereunder.

1.3 TERM

A. Term. Unless otherwise specifically provided for herein, all of the terms, conditions, and provisions of this MOU shall become effective for the period of July 1, 2025, through June 30, 2028. Such term shall remain in full force and effect, provided, however, that such terms, conditions, and provisions shall only be applicable to those Employees who are employed on and after the date that this MOU is approved by Council. This MOU supersedes and replaces in all respects the terms, conditions, and provisions established in all prior MOUs.

B. Renewal or Termination. This MOU shall be renewed automatically from year to year after the original term unless either party shall give to the other party written notice of its desire to terminate this MOU, or unless either party gives written notice of its desire to modify or amend this MOU, in which case the terms, conditions, and provisions of this MOU shall continue in effect until such time as such modifications or amendments are approved by Council. Written notice shall be given

to the other party on or before October 1 of any year during the term of this MOU in which the MOU expires at the end of the calendar year, unless otherwise agreed between City and Union.

1.4 WAIVER OF MEET AND CONFER OBLIGATION DURING TERM OF MOU

A. Waiver. City and Union acknowledge that, during the negotiations which resulted in this MOU, City and Union had the unlimited right and opportunity to make proposals regarding any matter not removed by law from the meet and confer or consultation arena, and that understandings and agreements arrived at by City and Union after the exercise of such right and opportunity are set forth in this MOU. Therefore, City and Union, for the duration of this MOU and subject to the exceptions contained herein, each waives the right, and each agrees that the other shall not be obligated, to meet and confer with respect to any subject or matter referred to or covered in this MOU.

B. Matters Not Covered by this MOU. If, during the term of this MOU, City or Union desires to meet and confer or consult in good faith with respect to any matter not specifically referred to or covered in this MOU, City and Union agree to abide by MMBA, regarding the obligation to meet and confer in good faith.

1.5 LIMITED REOPENER

The parties agree that any limited reopener shall be dormant throughout the term of this contract.

1.6 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 Union to vary from the strict adherence to this MOU's provisions. 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 Union Representative, on behalf of 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.

1.7 AMENDMENTS

This MOU represents the entire understanding of City and Union as to those matters contained herein. No prior written understanding shall be of any force or effect with respect to those matters covered in this MOU. This MOU may not be modified or altered except by written amendment appropriately

designated, signed, and dated by City and Union. Any such amendment shall, unless otherwise provided, be considered as a part of this MOU from the effective date of this MOU.

1.8 NON-DISCRIMINATION

A. Union Membership. City and Union mutually agree to respect Employee rights as set forth in City's PERR, which includes the right to membership in an employee organization without discrimination on the part of City. City agrees to cooperate with Union in any petition and election process for Agency Shop which Union may initiate.

B. Protected Group Status. City and Union agree not to discriminate against Employees regarding any protected status group referenced in the California Government Code Section 12940, as amended, and as set forth in California Government Code Section 3506, as amended.

1.9 EQUAL EMPLOYMENT OPPORTUNITY PLAN

Union agrees to abide by City's Equal Employment Opportunity Plan.

1.10 SEVERABILITY

If any provision of this MOU is held invalid or unconstitutional by any court of competent jurisdiction, such decision shall have no effect on the validity of the remaining provisions of this MOU, and such provisions shall continue to remain in full force and effect.

1.11 EXHIBITS INCORPORATED

All Exhibits referred to in and attached to this MOU are hereby incorporated in this MOU by this reference.

ARTICLE TWO: SPECIAL PROVISIONS - UNION

2.1 RECOGNITION

City recognizes Union as the majority representative of those non-confidential City Employees holding permanent allocated positions with the job titles set forth in Exhibit "A," pursuant and subject to the decertification provisions of City's PERR. This supersedes any previous recognition.

2.2 UNION MEMBERSHIP

A. Dues Deduction. City agrees to deduct Union dues from Union members' pay during each bi-weekly pay period of each month in accordance with City's PERR and City's AP&P No. 13-11. In accordance with City's PERR, City will pay such dues monthly to Union on or before the fifteenth (15th) day of the month immediately following the month in which the dues were deducted. Employees who authorize dues deduction through completion of a Dues Authorization Form shall be required to maintain Union membership and dues authorization. Provided, however, during the last full pay period prior to July 31 of the calendar year, Employees will have the opportunity to withdraw from Union membership and their dues-paying obligation. Employees, including new Employees, may elect to become Union members at any time, and their commitment to participation shall be subject to the provisions of this Subarticle 2.2.

B. Committee on Political Education Contribution. City further agrees to include a section on the Dues Authorization Form which allows Employees to contribute to Union's Committee on Political Education ("COPE") in an amount to be determined by Employee. Such contribution shall be included with Employee's Union dues and paid to Union in the same manner as set forth above. Union agrees that Union will segregate COPE contributions from Employee Union dues payments at the time of receipt from City, utilizing City's payroll Dues Authorization Form, a copy of which will be provided to Union upon completion by Employee.

C. Dues Deduction Discrepancies. Union agrees to indemnify, defend, and hold City harmless against any claims made and any suits filed against City resulting from the deduction of Employee Union dues or COPE contributions. In addition, Union agrees to refund forthwith to City any amounts paid to Union in error upon presentation of supporting evidence. Finally, City shall not be held responsible to either Employees or to Union for errors made in collecting dues, COPE contributions, or for the collection of dues from Employees declining payment of same.

2.3 EMPLOYEE INFORMATION LIST

Within thirty (30) days of the date of an employee's hire or by the first pay period of the month following their hire, the City shall provide the union with the new employee's name, home and mailing address, home phone number, personal email address, personal cell phone number, date of employment,

job classification, departmental work locations, and Basic Pay rate. Every 120 days, City shall provide to Union a list of all unit Employees represented by Union under this MOU. Such list shall include each Employee's name, home and mailing address, home phone number, personal email address, personal cell phone number, date of employment, job classification, departmental work location, and Basic Pay rate. City also agrees to provide, with such every 120-day list, a summary of unit Employees who have been hired, retired, transferred, promoted, or have terminated their employment with City during the previous six (6) months.

2.4 TIME BANK

City agrees to the establishment of a Union time bank for use by Employees for the sole purpose of performing or conducting Union business without loss of pay, subject to the following conditions:

A. Employee Contribution. Employees may contribute only vacation hours from Employee's accrued vacation balance, and such contribution shall be voluntary and non-revocable. Contributions shall be made on a form provided by City and signed by Employee making the contribution. Contributions shall be made in whole-hour increments only.

B. City Contribution. City will contribute one hour for each two hours of time contributed to Union's time bank by Employee.

C. Maximum Hours. The maximum number of hours from both Employee and City contributions which may be contributed and utilized in any calendar year shall be one-hundred twenty (120) hours. Any hours remaining in Union's time bank on December 31 shall be carried over into the next calendar year and credited toward the one-hundred twenty (120) hour maximum contribution amount. The time bank hours carried over from the previous year shall reduce Employee contributions commensurately for such year.

D. Scheduling and City Approval of Use. Union agrees to give City as much advance notice as is practicable, but in any event not less than seventy-two (72) hours, requesting use of Union's time bank hours. Union's time bank hours shall not be used by any Employee without prior written approval of Employee's Department Head, or Department Head's authorized representative, and only if such use does not unduly disrupt department operations.

E. Union Approval of Use. Union's time bank hours shall not be contributed or utilized without prior written approval of Union's designated representatives.

2.5 CONTRACTING OF CITY WORK

Union recognizes that City has a fundamental right to determine the methods, means, and personnel by which City government operations are to be conducted, including contracting or subcontracting City work. However, City agrees that when City determines to contract or subcontract City work that is currently being performed by Employees, City will meet and confer with Union regarding the effect that such decision may have on such Employees. City further agrees to provide to Union the final drafts, final reports, or documents on which decisions are based to contract out for services which have previously been performed by Employees. City agrees to receive and consider proposals from Union for the performance of City work by Employees, which City plans to contract out. City shall consider any Union proposals along with any bids from outside contractors for such City work. City shall provide Union with written notice regarding City's final determination of the methods, means, and personnel by which City work in question will be conducted.

2.6 REPLACEMENT OF PERMANENT FULL-TIME POSITION

City agrees to meet and confer with Union regarding the bargainable impacts on represented Employees should City determine to replace a full-time position with either a Permanent Seasonal or a Permanent Part-Time position.

ARTICLE THREE: SPECIAL PROVISIONS – EMPLOYEE

3.1 PERSONNEL FILE INSPECTION

Pursuant to City's PERR Section 2R.72.060.A, Employees shall have the right to inspect their personnel files, maintained by City's Human Resources and Risk Management Office in accordance with the provisions of City's AP&P No. 13-9. The right of inspection shall also apply to Employee's representative, upon presentation of a written authorization form signed by Employee, as set forth in such AP&P.

3.2 PERMANENT PART-TIME AND PERMANENT SEASONAL EMPLOYEE SERVICE EQUIVALENTS

Permanent Part-Time and Permanent Seasonal Employees shall have their probationary period, evaluation periods, step increase periods, and eligibility for career ladder promotional opportunities measured in hours of compensated time, with 1,040 hours being considered equivalent to six (6) months and 2,080 hours being considered equivalent to a twelve (12) month period.

3.3 LAY-OFF PROCEDURE FOR PERMANENT PART-TIME OR PERMANENT SEASONAL EMPLOYEES ONLY

A. Generally. Elimination of a Permanent Part-Time or Permanent Seasonal position shall be considered a lay-off under City's PERR, provided, however, that any lay-off displacement rights shall be limited to other Union represented Employees, as noted below. The end of the season for a Permanent Seasonal Employee shall not be considered a lay-off. Lay-off displacement rights under City's PERR for Permanent Part-Time and Permanent Seasonal positions shall be limited to other Union represented Employees. Seniority for Permanent Part-Time and Permanent Seasonal Employees shall be measured in terms of hours of compensated time in such permanent positions, with 2080 hours being considered equivalent to one year of service.

3.4 RETURNING TO PERMANENT SEASONAL POSITIONS

Non-probationary Permanent Seasonal Employees shall have the right of first refusal of seasonal employment in their regular job classification in the subsequent season. Should they refuse to return to their previously assigned position, they would be considered to have resigned from their Permanent Seasonal position and would have no right to return to further employment with City.

ARTICLE FOUR: SPECIAL PROVISIONS - CITY

4.1 WORKER'S COMPENSATION – CALIFORNIA LABOR CODE SECTION 4850 EQUIVALENT

It is recognized that, as a long-standing prior practice and not as a requirement of State law, City has provided to Miscellaneous Employees the same workers' compensation benefits as provided to Safety

Employees under California Labor Code Section 4850. City agrees to continue providing such benefits during the term of this MOU provided that such Labor Code Section remains applicable to City's safety Employees. In the event that such Section is repealed or otherwise is made inapplicable to City's safety Employees, City's provision of such benefits to Employees shall cease and in lieu thereof only those workers' compensation benefits required by State law shall be provided.

4.2 MEDICAL SUITABILITY FOR EMPLOYMENT

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

B. Second Opinion. City further agrees that an Employee who is found to be not medically suited to perform the duties of the assigned position may obtain a second physical examination and opinion from a physician of Employee's choice and at Employee's expense provided, however, that the physician performing the second examination is acceptable to City.

C. Third Opinion. In the event that there is a difference of opinion between City's physician and Employee's physician regarding Employee's medical suitability to perform the duties of the assigned position, City agrees that a third physician, jointly selected by City's and Employee's physicians, shall examine Employee and make a final determination regarding Employee's medical suitability. The cost of the third examination shall be paid for by City.

4.3 LIMITATION ON CITY USE OF HOURLY EXEMPT EMPLOYEES

City shall limit the term of hourly exempt Employees in job titles, set forth in Exhibit "A," to a maximum of 2,000 hours. Employees who have retired from City service or from any other member

entity of the California Public Employees Retirement System, including the State of California, are exempt from the maximum of 2,000 hours of service, and may be employed as hourly exempt Employees for up to 960 hours per fiscal year. Nothing in this Subarticle shall be interpreted as limiting City's authority to set terms and conditions of employment of hourly exempt Employees in job titles included in Exhibit "A," so long as such service is less than 2,000 hours.

4.4 PROMOTION - FIELD SUPERVISOR POSITION

City agrees that vacancies in the position of Field Supervisor shall be filled through the career ladder process if there are a minimum of three (3) qualified candidates provided, however, that the definition of "qualified" will include demonstrated willingness to learn supervisory skills and ability to perform in a supervisory position, as determined by City's Human Resources and Risk Management Office and not subject to grievance.

4.5 EQUIPMENT MECHANIC ALLOCATIONS

Effective upon Council adoption of this MOU, City agrees to allocate all Equipment Mechanic positions at the Equipment Mechanic II level. Allocation of these positions at Equipment Mechanic II level will allow City to hire at the Equipment Mechanic I level, and advance Employees to the Equipment Mechanic II level at the point in time when Employee is working at the higher Equipment Mechanic II level. Nothing in this Subarticle shall prevent City from hiring new employees at the Equipment Mechanic II level. City and Union will develop and agree to modified job descriptions which clearly define the differences between the Equipment Mechanic I and Equipment Mechanic II job descriptions, on which advancement shall be based.

4.6 MAINTENANCE WORKER CROSS-TRAINING PROGRAM

City agrees to develop and implement a voluntary cross-training program for Maintenance Workers which will allow Maintenance Workers assigned to the General Services Department to obtain experience in operational areas in which they do not regularly work. This is not a cross-department training program. Access to and availability of the program shall be limited by City operational needs. Quarterly, in each calendar year, the Public Works Department – Operations and Maintenance, shall partially "close down" and provide a day of training on Type A Equipment to all interested parties. This training shall include an instructional component as well as the opportunity to have "hands on" practical

experience on each piece of equipment. The purpose of the training day(s) is to ensure that all employees interested in being able to pass the Type A equipment test are provided at least four (4) opportunities per year to gain education and experience on the required equipment.
Additionally, as previously committed, the City will annually provide a Type A Equipment test for all interested parties in the Fall of each calendar year. Sign-up sheets for the test will be available on department bulletin boards seven (7) days prior to the testing opportunity. Those employees who successfully complete the Type A Equipment test, shall be eligible for a promotion to positions requiring Type A certification for a period of five (5) years. Said eligibility list shall be maintained in the Human Resources and Risk Management office.

4.7 FILLING OF VACANCIES

A. A *vacancy* officially becomes a "Notice of Vacancy" once the City has confirmed that adequate budget exists to fill the role;

B. For the purpose of this article, "lateral positions" for Senior Maintenance Worker include:

1. Senior Maintenance Worker, Right of Way Technician, and Parking Meter Repair/Collections

C. For the purposes of filling future vacancies, Union and City agree that once a Vacancy is established, the City shall fill said vacancy in the following order:

1. Internal Lateral Transfer

i. Notice of a Lateral Transfer Opportunity shall be announced ("Announced" includes an email notice to all employees, including a verbal notice to all employees on a leave of absence, as well as a physical Lateral Transfer opportunity posting on the Public Works bulletin boards to "classification applicable" staff and notice to SEIU union rep.)

ii. Employees will have five (5) working days, from the date of posting, to submit a letter of intent for the lateral transfer opportunity.

iii. In order to be eligible to request a lateral transfer, the employee's last evaluation on file must have an overall rating of "Fulfills Expectations".

iv. If more than one (1) employee submits a letter of interest, the Appointing Authority and/or designee will evaluate candidates through an

examination process that includes an oral interview. Additional examination processes may be used if required for the role.

v. Once a vacancy is filled, a second Internal Lateral Transfer opportunity shall be announced. Lateral Transfer opportunities shall be limited to two (2) opportunities per established vacancy, unless otherwise expanded, as specified by the Department Director.

vi. Employees must not be on probation.

2. **Layoff Reinstatement List**

   i. Any potential Layoff Reemployment Lists will be reviewed to ensure our obligations under our Layoff provisions are met;

3. **Career Ladder Promotions** - this process shall be utilized in accordance with the Classification Plan.
4. **City wide list (Internal Promotion)**
5. **Reemployment list**
6. **Employment list (External Recruitment)**

ARTICLE FIVE: PAY

5.1 BASIC PAY

A. Established. Basic Pay shall be established consisting of Pay Ranges assigned to each applicable job title. A Pay Range shall consist of seven (7) Pay Steps. Each of the seven (7) steps shall have an hourly Basic Pay rate and shall be titled Steps A-G. Employees shall be assigned to hourly Basic Pay rates within the Pay Ranges by applicable job title in accordance with Exhibit "A." For the purpose of this Article, "Anniversary Date" shall mean the date that Employee is eligible for "B" Step, in the case of an Employee originally appointed at "A" Step, or in the instance of a promotion or employment in other than "A" Step, one year after the date of such employment or promotion.

B. Pay Step Progression.

1. Conditioned Upon Performance. Progression through Pay Steps for job titles listed in Exhibit "A," shall be subject to and conditioned upon Employee achieving a "Fulfills Job

Requirements" or above as the Summary Performance Rating on Employee's "Employee Evaluation" for each of the time periods required to progress in each Pay Step, in accordance with the required period of service for progression set forth in Subsection 5.1.B.2, below.

2. Period of Service for Progression. Periods of service for progression through Pay Steps are applicable to job titles listed in Exhibit "A." Progression from Pay Step "A" to Pay Step "B" 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. In addition to the required periods of service, Employees must achieve a "Fulfills Job Requirements" or above, in accordance with performance conditions set forth in Subsection 1, above.

3. Period of Service for Progression - Exception. The period of service for progression for an Employee whose probationary period has been extended for any reason shall be extended to match the extension of probation.

4. 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.

C. Promotions - Effect on Basic Pay. Employees, unless otherwise specified herein, who are promoted from one job classification to another job classification assigned to a higher Basic Pay Range shall be assigned to a Pay Step within the range assigned to the promotional job classification so as to receive at least a five percent (5%) pay increase so long as there is such a step. If the available top step in the promotional job classification range is less than 5% above Employee's current Basic Pay, Employee shall be assigned to the top step in the promotional job classification range. The Director may assign an employee to any Pay Step within the range assigned, so long as the increase equates to at least five percent (5%).

D. Computation of Pay. Employees will be paid for actual hours worked and paid leave for which they are eligible.

E. Permanent Part-Time and Permanent Seasonal Positions - Pay. Employees hired into Permanent Part-Time and Permanent Seasonal positions shall receive pay for their work at their established hourly rate for all hours worked. If otherwise eligible based on criteria established in this

MOU, such Employees shall be eligible for Call-Out, Administrative Call-Out, Out of Class, Night Shift Pay Differential, and Bilingual Pay Differential. Permanent Part-Time and Permanent Seasonal Employees shall be eligible for a pro-rated portion of the City's contribution to the group medical and dental insurance plans based on their regularly scheduled work hours. A modification in benefit accrual rate as provided for in Subarticles 6.7 or 6.8 shall be applicable to Permanent Part-Time and Permanent Seasonal Employees.

F. 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 within the Finance Department.

G. Pay Range Increases. Effective with the first full pay period after ratification and approval, the City shall provide a four percent (4%) General Salary Increase (GSI) to SEIU members. Effective July 12, 2026, the City shall provide a four percent (4%) GSI to all SEIU members. Effective July 11, 2027, the City shall provide a four (4%) GSI to all SEIU members.

H. One-Time Incentive Bonus. Effective the first full pay period following City Council Adoption of this MOU, all SEIU employees shall receive a one-time, non-pensionable, incentive bonus of three hundred fifty dollars ($350).

5.2 OVERTIME PAY

A. Method of Earning Overtime.

Except as otherwise provided herein, Employees performing work in excess of their normally assigned work shift or on their regularly scheduled day off, except as provided in Section 5.2.D, below, shall be eligible for overtime pay. Employees who perform overtime work for six (6) or more continuous hours without a meal break shall receive one (1) additional hour of overtime compensation. Overtime shall be granted 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). 1 hour or more: hour-for-hour basis subject to fractional increments as set forth above.

B. Method of Compensation.

1. Rate. Except as otherwise provided herein, all overtime worked by Employee shall be compensated by City by payment at one and one-half (1-1/2) times Employee's regular hourly pay rate. Regular Hourly Rate is defined as the employee's base salary, pursuant to Exhibit "A".

2. Payment During Pay Period. 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. Payment at Termination. An Employee terminating from City service for any reason shall be paid for accrued overtime at regular pay rate set forth in Subsection 1, above. Such payment shall be made in conjunction with and included in Employee's final paycheck.

C. Travel and Attendance at Training Sessions.

Time spent by Employees for travel and attendance at meetings, training sessions, and conferences, which are required by City and the cost of which is paid by City, shall be compensated in accordance with the FLSA requirements.

D. Exclusions From Overtime Payment.

1. Voluntary Assignments.

a. Description. Notwithstanding any of the above, an Employee may volunteer for a job assignment to be performed by Employee during hours not normally worked by Employee. Such job assignment shall be substantially different from Employee's regular job assignment. As an example, a Public Works Employee may volunteer for an assignment as a Volunteer Firefighter.

b. Compensation; Overtime Pay and Retirement Exclusion.

(1) Compensation. Compensation for voluntary assignments, for which Employee has volunteered, shall be computed based upon a flat monthly stipend.

(2) Overtime Exclusion. The time spent by Employee on such voluntary assignment shall be excluded from the overtime provisions of this Subparagraph.

(3) Retirement Exclusion. The compensation for voluntary assignments is considered "other pay" and, as such, is not covered for the purposes of PERS benefits.

2. Employees Working in Management Positions. Employees who are either temporarily promoted to a management position or are assigned to work out of class in a management position, shall be excluded from receiving overtime payment for work that falls within the management position job duties and in lieu thereof shall receive a prorated amount of administrative leave pursuant to the Management Pay and Benefit Resolution, MOU, or Annual Budget approved by resolution of Council. However, Employees who are assigned to work out of class in a management position, and are required to work beyond the regularly scheduled work day for such position to perform job duties that fall within the Employee's regular position, shall be eligible to receive overtime payment for those hours beyond the regularly scheduled management position work day based on the Employee's regular hourly pay rate.

E. CTO in Lieu of Overtime Payment. Employees working overtime may accrue CTO in lieu of overtime payment, and may utilize such CTO, in accordance with the following conditions and provisions:

1. Accrual. CTO shall be accrued at the rate of one and one-half hours for each hour of overtime worked. The maximum amount of CTO that may be accrued and utilized at any time shall be limited to eighty (80) hours. Employees may choose to leave CTO in place into the following calendar year.

2. Utilization. CTO shall be utilized on a straight-time basis. Approval for use of CTO shall be given by Employee's Department Head, or Department Head's designee, subject to the same restrictions and conditions which exist on the scheduling of vacation.

3. Payment for Unused CTO. By December 15th of each year, employees may request payment for part or all of unused CTO accrued in the following year. 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 which was in effect at the time of the payout.

4. City Manager Authority. Notwithstanding anything above to the contrary, the City Manager shall have the authority to determine and order that CTO be paid or taken as time off.

F. Overtime Payment - Permanent Part-Time and Permanent Seasonal Positions. Permanent Part-Time and Permanent Seasonal Employees' eligibility for overtime shall be based on standards set forth in the FLSA.

5.3 CALL OUT PAY

A. Generally. It is understood and agreed that occasions may arise when it is necessary to call Employees back to work during non-working hours for the purpose of performing one or more job tasks. In consideration for the inconvenience to Employee responding to a call-out, the parties hereto agree that Employees shall be compensated for three (3) hours of call-out time should the performance of the necessary job tasks require less than three (3) hours of call-out work. Should the necessary job tasks require more than three (3) hours of call-out time, Employee shall be compensated for the actual time of call-out. Compensation for call-out time pursuant to this section shall be made in the same manner as provided in Section 5.2.B for overtime compensation. Call-out time shall begin at the time Employee is contacted to respond to the call-out, but not longer than thirty (30) minutes prior to the time Employee reaches the job site or City's Municipal Center, as may be appropriate for handling the assignment, and shall end at such time as Employee completes the call-out assignment and leaves the job site or City's Municipal Center to return to Employee's place of residence. In the event that Employee is assigned to one or more additional call-out tasks during the course of completing the initial call-out job task, call-out time shall end at such time as Employee completes the final job task and leaves the job site or City's Municipal Center to return to such residence. In the event the Call Out assignment overlaps with an employee's "regular shift" – the employee shall still be compensated for the minimum three (3) hours of Call Out pay, in addition to their "regular shift" compensation.

B. Administrative Call-Out Pay. It is understood and agreed that occasions may arise when it is necessary to contact Employees by telephone to do some administrative or coordination work from home during non-working hours for the purpose of performing one or more job tasks. In consideration for the inconvenience to Employee responding to such a need, the parties hereto agree that Employees shall be compensated for one (1) hour of administrative call-out time should the performance of the necessary job tasks require less than one (1) hour of work. Should the necessary job tasks require more than one (1) hour of time, Employee shall be compensated for the actual time worked from home.

Compensation for administrative call-out time pursuant to this section shall be made in the same manner as provided in Section 5.2.B. or Section 5.2.E. for overtime compensation.

5.4 OUT-OF-CLASS PAY

A. Compensation. City agrees to compensate Employees for those times that said Employees are assigned to perform the regular duties of a higher job classification when:

1. Absence of Employee. Employee holding such higher job classification is absent from work due to sickness, vacation, or is otherwise unable to perform the duties of Employee's position; or

2. City Need. On a temporary basis, the needs of City require the assignment of additional Employees to work out of classification.

B. Qualification. To qualify for out-of-class pay, Employee must be assigned by Employee's Department Head, or by such person designated by Department Head, to the higher job classification. In departments or workplaces where more than one employee is eligible for assignment to a management job classification, the department or division head shall establish a rotation system to ensure that all eligible, non-probationary employees have an opportunity for such assignment.

C. Compensation. City agrees to compensate Employees assigned to perform the regular duties of a higher job classification, five percent (5%) more than Employees' regularly assigned regular pay rate. If Employees are assigned to perform the regular duties of a classification which is two (2) levels above Employees' current position, Employees shall be compensated ten percent (10%) more than Employees' regularly assigned regular pay Rate. For example, Maintenance Worker working as a Field Supervisor.

D. Management Position Exception. Employees assigned to work out of class in a management position shall be compensated at a rate which is 10% above the employee's current pay rate.

E. Voluntary Out-of-Class Work Exclusion. It is understood that in an effort to assist Employees in obtaining experience or training for future promotional opportunities, Employees may from time-to-time volunteer to perform the duties of a higher job classification. Such voluntary performance on the part of Employees shall not be eligible for compensation as out-of-class pay. City

agrees to evaluate and record the performance of Employees performing such voluntary out-of-class work on a form prepared and maintained by City's Human Resources and Risk Management Office.

5.5 PAY DIFFERENTIALS

A. Night Shift Pay Differential. In addition to the various classes of pay set forth herein, there is hereby established a night shift pay differential rate for those Employees who are regularly assigned to a work shift which begins between the hours of 2:00 p.m. of one day and 3:00 a.m. of the following day. The phrase "regularly assigned" shall mean assignment to a particular work shift for a period of time exceeding one (1) week provided, however, a Senior Maintenance Worker assigned to street-sweeping duties on a regular rotating shift basis shall also be eligible for night shift pay differential for those shifts which begin during the abovementioned hours. Employees who qualify for night shift pay differential, as set forth above, shall be compensated by receiving additional compensation for each hour of night shift work at the rate of five percent (5%) of their regular pay rate with a minimum of $0.80 per hour.

B. Bilingual Pay Differential. In situations where a Department Head determines that it is necessary for an Employee to use bilingual skills, those Employees who have been previously determined to possess those skills at a level necessary for the assignment, and who are so assigned by Department Head, shall be eligible to receive additional compensation. Department Heads shall develop a method for rotation of bilingual assignments to allow qualified Employees access to the bilingual pay differential. Such rotation shall be based on the needs of the department, with due regard for the wishes of Employees.

1. Evaluation of Employees' Skills. Employees who wish to be considered for such assignment shall request a determination from Department Head that their bilingual skills are at a level necessary for the assignment. Such eligibility shall be documented through a transaction and established prior to assignment. Following establishment of eligibility based on skill level, such Employee may be assigned to use bilingual skills on an as-needed basis as determined by the supervisor, and such hours shall be reported as bilingual pay hours on the timecard and paid at the premium rate established in this subsection. The premium rate for intermittent use shall be ten percent (10%) above their Basic Pay rate for those hours during which they are required to use their bilingual skills.

2. Designation of Position and Compensation. City Manager may designate additional positions within various departments as benefitting from full-time bilingual skill usage, and in those cases qualified Employees shall be eligible to receive additional pay for all hours worked in the amount of an additional three percent (3%) of their hourly Basic Pay rate. Such Employees eligible for full-time bilingual pay shall not also be eligible to receive the part-time bilingual pay differential identified in the preceding subsection.

5.6 TOOLS AND TOOL ALLOWANCE

A. Tools Required. Employees with the assigned job titles of Equipment Services Aide, Equipment Mechanic I, Equipment Mechanic II, Senior Equipment Mechanic, and Shop Supervisor shall be required to provide all tools, set forth on the attached Exhibit "B," entitled "Equipment Mechanic Tool Requirements" ("Exhibit "B "), in order to perform their required duties. An Employee who does not supply the required tools shall be subject to appropriate disciplinary action. Shop Supervisor shall provide an updated "Equipment Mechanic Tool Requirements" in calendar year 2026 to be incorporated into the existing (Exhibit "B") after approval by City and Union.

B. Tool Allowance. In consideration of providing the tools required under Section A, above, and to reimburse Employees for replacing tools and providing insurance thereon, City agrees to pay a tool allowance in the amount of $1,000.00 to Employees assigned to the job titles listed in Section A, above. Such tool allowance shall be paid in a lump sum at the end of the calendar year, or upon Employee's termination if before the end of the calendar year, on a prorated basis depending on the number of days and months of the calendar year Employee is assigned to a particular job title. (Example: An Employee who is employed or assigned to the position of Equipment Mechanic I on July 1 of the calendar year would be eligible for one-half (½) of the tool allowance of the Equipment Mechanic I).

C. Replacement of Required Tools in the Event of Catastrophic Loss. Employees are required to provide a complete inventory of tools (including replacement value for each item) that they wish to leave onsite or in/on a City vehicle at least once per year by the Fleet Manager. In the event of a catastrophic loss (i.e., as a result of a major fire, bombing, theft, earthquake, or similar occurrence on City property or in City vehicle) of Employees' tools, City agrees to reimburse Employees for the

replacement value of tools lost as listed on the most recent approved list up to $40,000 over and above any insurance reimbursement.

5.7 CERTIFICATION PAY

A. Established. In recognition of the additional education, training, and experience that is demonstrated through certification of employees, and which is of value to City, certification pay is hereby authorized as set forth below. To receive such pay, Employees shall be required to submit a payment request, with appropriate documentation, on a form to be provided by City's Human Resources and Risk Management Office. In order to continue to receive the approved certification pay, the employee is required to, prior to the expiration of the identified certification, provide a copy of the "renewed" certification to the City's Human Resources and Risk Management Office. In the event a previously approved certification expires without the employee having submitted proof of the "renewed" certification as required above, the employee shall be required to submit a payment request, with appropriate documentation, on a form to be provided by the City's Human Resources and Risk Management Office. A maximum of three (3) certifications per employee shall be authorized. As a courtesy, the Human Resources and Risk Management Office will email a listing to SEIU members that shall include name, certification type, issue date, and expiration date. This listing shall be emailed by the tenth day of each month.

1. Basic. Employees holding the classifications of Maintenance Worker, Senior Maintenance Worker, Supervisor, and other comparable/compatible job titles shall be eligible for certifications and applicable pay from the approved and agreed upon list contained on the "certification pay request form" as agreed upon by SEIU T&C, the Director of Public Works and the Human Resources and Risk Management Office. Employees are eligible for Certification Pays for certifications not listed as a minimum requirement in the job specification in which they are employed.

2. Compensation. Employees who possess current certifications from those listed on the "certification pay request form" shall be entitled to the rate outlined in the table below. Certification pay shall be limited to three (3) certifications at any time. For employees who possess certifications which are eligible for percentage-based certification pay, only one

certification pay within a series is permitted at any time. The maximum percentage-based Certification Pay an employee may receive is ten percent (10%) (Example.: An employee may possess the following: 7.5% Traffic Signal Technician III, 2.5% Collection Systems Maintenance I, and Class A Drivers' License). The Basic Pay rate on which such certification is calculated shall exclude Bilingual pay, Overtime pay, Out of Class pay, Shift Differential pay, and any other pays. Percentage based certifications are included in the three (3) maximum allowable certification pays.

Flat-rate compensation shall commence on the first paycheck of the month following the month in which the request for compensation is submitted to and approved by the Human Resources and Risk Management Office, and shall terminate at the end of the month that such certification expires, unless renewed or reissued prior to expiration. Percentage-based compensation shall commence on the first paycheck of the month following the month in which the request for compensation is submitted to and approved by the Human Resources and Risk Management Office, and shall terminate at the end of the pay period in which the certification expires.

All flat-rate Certification Pays shall be paid in even amounts across 26 pay periods (for example $50.00 per month certifications will be paid $23.08 every pay period).

3. Renewal and Recertification Cost Reimbursement. City agrees to reimburse employees for application fees and required training courses necessary to maintain, renew, or recertify eligible certifications from the certifications listed below (A4). City agrees to allow employees time during regular shifts to apply, test and train for listed certifications.

4. Eligible Certifications.

Certificate	Certification Pay	Issued by
Airport Safety & Operations Specialist-Basic (Field Supv/Airport Facilities)	$50.00 per month	Federal Aviation Administration
Class A Driver License	$150.00 per month	CA Dept. of Motor Vehicles
Collection Systems Maintenance I**	2.5%	CA State Water Resources Board

Collection Systems Maintenance II**	5%	CA State Water Resources Board
Emergency Vehicle Technician I	2.5%	Service Training and Education System
Emergency Vehicle Technician II**	5%	Service Training and Education System
Emergency Vehicle Technician III**	7.5%	Service Training and Education System
Traffic Signal Technician I	2.5%	Intl. Municipal Signal Assn.
Traffic Signal Technician II**	5%	Intl. Municipal Signal Assn.
Traffic Signal Technician III**	7.5%	Intl. Municipal Signal Assn.
ISA Certified Arborist	2.5%	International Society of Arboriculture
ISA Urban Forest Professional	$50.00 per month	International Society of Arboriculture
ISA Board Certified Master Arborist	5%	International Society of Arboriculture
Tree Risk Assessor Qualification (TRAQ)	5%	TRAQ
Qualified Applicator Certificate (Field Supervisor – Landscape)	2.5%	CA Department of Pest Regulation
Ground Operations Specialist*	$50.00 per month	Tree Care Industry Association
Certified Playground Inspector	$50.00 per month	National Recreation and Park Assn.
PACP/CACP/MACP (Senior Maintenance Worker – Underground)**	2.5%	NASSCO
Sign and Pavement Markings Technician I**	2.5%	International Municipal Signal Association
Sign and Pavement Markings Technician II**	5.0%	International Municipal Signal Association

**Only Employees assigned to the Tree Division are eligible for the Ground Operations Specialist certification. ** Only employees assigned to the Underground division are eligible for Collection Systems I and II, only Senior Maintenance Workers assigned to the Underground division are eligible for NASSCO PACP/LACP/MACP, only employees assigned to the Traffic division are eligible for Traffic Signal Technician II and above, only employees assigned to the Shop are eligible for Emergency Vehicle Technician II and above, and only employees assigned to the Traffic division working regularly in Signs and Pavement Markings are eligible for Sign and Pavement Markings Tech I and II. Those employees who currently possess and receive (1) the Certification Pay for the Level II and above certifications, or (2) Collection Systems I or II, as of the ratification of this MOU that are not currently assigned to the specific divisions now required to receive the certification as identified above shall continue to be eligible for that certification pay through the term of this MOU (subject to all requirements, including the quantity and percentage limitations set forth above).*

ARTICLE SIX: EMPLOYEE BENEFITS

6.1 HOLIDAYS

A. Established. For the purposes of this MOU, City shall provide eight (8), ten (10), twelve (12) hours, or whatever other daily shift total of hours an employee works, of holiday pay for the following established holidays: January 1, third Monday in January, third Monday in February, last Monday in May, July 4, first Monday in September, November 11, Thanksgiving Day, the day after Thanksgiving, December 24 (Christmas Eve), December 25 (Christmas), and such other days as may be proclaimed by Council as public holidays. These holidays constitute the entire and exclusive list of legal holidays observed by City.

B. Attendance Policy. It is the policy of City that unless Employee services are required in the interest of public health, safety, or general welfare, Employees shall not be required to be on duty on holidays.

C. Holidays - Observed.

The purpose of this language is to identify when a holiday will be observed for *most* city employees. If an employee is required to work on an observed holiday, pursuant to Section B above, the employee will be paid a differential at the rate of time and one-half.

1. Holiday - Weekend. When a holiday falls on a Saturday or Sunday, the holiday shall be observed on the Employee's closest adjacent workday.

2. Holiday - Regular Days Off. If Employee's regular days off are other than a Saturday or Sunday and the holiday falls on such day, the holiday shall be observed on an alternate date within the pay period. In the event the employee is unable to observe the holiday, that employee shall be entitled to Holiday Pay, pursuant to section 6.1.A, below.

3. Christmas - Monday. Should the Christmas holiday fall on a Monday, the Christmas Eve holiday shall be observed on Employee's last regular workday prior thereto (In the event that holiday falls on a Regular Day Off, please see C.2. above).

D. Compensation for Holidays Worked. Employees who work on established (actual) holidays will either be paid a differential in accordance with Section E or Section F below. In all cases, employees will additionally either be paid for another day of holiday pay, pursuant to 6.1.A above, or take the equivalent time off (1 day) at a later date.

Summary of Compensation for Holidays Worked

HOLIDAY TYPE	RATE OF PAY
Observed	1.5 x
Actual/Established Holiday	1.5 x
Premium Actual/Established Holiday	2.0 x

E. Non-Premium Holidays. Employees who are required to be on duty on the established, non-premium (not "observed") holidays, pursuant to 6.1.A above, shall be paid a differential for all hours worked at the rate of time and one-half (1-1/2 times).

F. Premium Holidays . Employees required to work on the Premium Holidays identified as **July 4th, Thanksgiving Day**, or **Christmas Day** shall be paid a differential, in addition to the regular hours for that day, an additional one (1) hour of Premium Holiday Pay (paid at straight time) for each hour worked on the Premium Holiday. As an example, total compensation for each of the Premium Holidays for an eight (8) hour shift worked would be as follows: payment for eight (8) hours worked on that day (generally, at straight time), plus one hour Premium Holiday Pay for each hour worked would be eight (8) hours Premium Holiday Pay, totaling sixteen (16) hours of pay for that day.

SCENARIOS

Scenario A:

Holiday: Friday (non-premium)

Schedule: Monday through Friday

	Sun	Mon	Tues	Wed	Thurs	Fri	Sat
Straight Pay		8	8	8	8		
Overtime Pay							
1.5 x Pay*						8 (12 hrs)	
2.0 x Pay**							
Holiday Pay						8	
Total Hours		**8**	**8**	**8**	**8**	**20**	

***Grand Total Hours:* 52**

Schedule: Tuesday through Saturday

	Sun	Mon	Tues	Wed	Thurs	Fri	Sat
Straight Pay			8	8	8		8
Overtime Pay							
1.5 x Pay*						8 (12 hrs)	
2.0 x Pay**							
Holiday Pay						8	
Total Hours			**8**	**8**	**8**	**20**	**8**

***Grand Total Hours:* 52**

Scenario B:

Holiday: Friday = Observed, Saturday = Actual (non-premium)

Schedule: Monday through Friday

	Sun	Mon	Tues	Wed	Thurs	Fri	Sat
Straight Pay		8	8	8	8		
Overtime Pay							8 (4 hrs)

1.5 x Pay*						8 (12 hrs)	8 (12 hrs)
2.0 x Pay**							
Holiday Pay						8	
Total Hours		**8**	**8**	**8**	**8**	**20**	**16**

***Grand Total Hours:* 68**

Note – In this case, the hours worked on Saturday are outside of the employee's scheduled shift, and as such, they are to be paid at the overtime rate of pay. Additionally, the employee is also eligible for additional compensation due to working on the Actual holiday – the value of which is 0.5 x pay, or 4 hours. This equates to grand total of 16 hours for Saturday.

Schedule: Tuesday through Saturday

	Sun	Mon	Tues	Wed	Thurs	Fri	Sat
Straight Pay			8	8	8		
Overtime Pay							
1.5 x Pay*						8 (12 hrs)	8 (12 hrs)
2.0 x Pay**							
Holiday Pay						8	
Total Hours			**8**	**8**	**8**	**20**	**12**

***Grand Total Hours:* 56**

Scenario C:

Holiday: Friday = Observed, Saturday = Actual (Premium)

Schedule: Monday through Friday

	Sun	Mon	Tues	Wed	Thurs	Fri	Sat
Straight Pay		8	8	8	8		
Overtime Pay							8 (4 hrs)
1.5 x Pay*						8 (12 hrs)	
2.0 x Pay**							8 (16 hrs)
Holiday Pay						8	
Total Hours		**8**	**8**	**8**	**8**	**20**	**20**

***Grand Total Hours:* 72**

Note – In this case, the hours worked on Saturday are outside of the employee's scheduled shift, and as such, they are to be paid at the overtime rate of pay. Additionally, the employee is also eligible for additional compensation due to working on the Actual Premium holiday – the value of which is 1.0 x pay, or 8 additional hours (one hour of premium pay for each hour worked), equating to 16 total hours of compensation for the premium holiday plus the four hours of overtime, as mentioned above.

Schedule: Tuesday through Saturday

	Sun	Mon	Tues	Wed	Thurs	Fri	Sat
Straight Pay			8	8	8		
Overtime Pay							
1.5 x Pay*						8 (12 hrs)	
2.0 x Pay**							8 (16 hrs)
Holiday Pay						8	
Total Hours			**8**	**8**	**8**	**20**	**16**

***Grand Total Hours:* 60**

* = EXAMPLE: 12 hours of pay for every 8 hours worked (1.5x)

**= EXAMPLE: 16 hours of pay for every 8 hours worked (2.0x or Holiday Premium Pay)

Note: Overtime will be paid pursuant to Article 5.2 of this agreement. Overtime is paid for all hours worked in excess of an employee's normally assigned work shift or on their regularly scheduled day off. Overtime is paid at the rate of one and one half times and employee's earnings. EXAMPLE: 8 hours of overtime pay = 4 additional hours of compensation.

6.2 INSURANCES

A. Medical and Dental Insurance. 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 "D" entitled, "Medical, Dental, and Vision Insurance Carriers and Contributions" ("Exhibit "D"). In the event that the actual monthly premium is less than the maximum contribution set forth in Exhibit "D," City's contribution shall be the actual monthly premium amount and Employees shall not be required to make a contribution.

B. Insurance Review Committee. City agrees to the continuance of the previously established Insurance Review Committee consisting of City's Human Resources and Risk Management Office, who shall coordinate the Committee, and two representatives from each City employee group. The purpose of the Committee is for an ongoing review of City's medical, dental, vision, life, and long-term disability insurance plans and making recommendations to Council, City Manager, and the respective employee groups regarding benefit levels, services, methods of cost containment, alternative plans, and other related topics. Committee members shall establish guidelines for conducting meetings, frequency of meetings, and the Committee work program. Employee representatives shall not be charged vacation or other leave time if such meetings are held during Employee's normal work hours, nor shall such Employees receive overtime or call-back pay for service on the Committee. The Committee shall have access to such non-confidential information necessary to carry out its purpose.

C. Approval of Future Plan Changes.

1. Approval. Notwithstanding any provision of this Subsection to the contrary, Union and Employees agree that future changes from the established medical and dental insurance plan

or premium structure to a different plan or premium structure shall be approved by a majority of those City employees covered by the plan who vote on such changes.

2. Committee Review and Recommendations. The Insurance Review Committee established in 6.2.B. shall review and recommend to Council those proposed changes in the medical, dental, vision, life, and long-term disability insurance plan benefits and structure to be voted upon by employees covered by the plan. The proposed changes reviewed by Committee may be initiated by Committee, by employee organizations or groups, or by City, by and through City Manager. After review and acceptance of Committee recommendations by Council, City Clerk shall, within fifteen (15) calendar days, conduct a secret ballot election for covered employees. City Clerk shall then report the results of the election to Committee and Council.

Notwithstanding the provisions hereof, should Committee decline to recommend a City proposal for submittal to a vote of covered employees, Employees agree to meet and confer with City, upon City's request, concerning any such proposal. If, after a reasonable period of negotiations, including implementation of established impasse procedures, no agreement has been reached on City's proposal, City may submit City's proposal to a vote of all covered employees, in which case the results of the election shall be final.

D. Life Insurance.

1. City Contribution. City agrees to provide 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 such Employees with term life insurance in the amount of $1,500, the full cost of the premium for which shall be paid for by City.

2. Carrier Identified. For the purposes of this Subsection, the carrier of the life insurance plan referred to herein shall be on file with the Human Resources and Risk Management Office.

E. Long-Term Disability Insurance.

1. City Contribution. City agrees to 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 Employee participating in such plan with a minimum contribution of one percent

(1%) of Employee salary. Union agrees that 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.

2. Carrier Identified. For the purposes of this Subsection, the long-term disability insurance carrier for full-time and Permanent Part-Time Employees referred to herein shall be on file with the Human Resources and Risk Management Office. For the purpose of this Subsection, the long-term disability insurance carrier referred to herein for Permanent Seasonal Employees shall be State Disability Insurance through the State of California Employment Development Department.

3. 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 Employees would be treated as such for tax purposes, the actual amount of the premium to be paid by City as provided for above shall be withheld from Employee's taxable earnings. In turn, City will pay a bonus to Employees equal to the amount of Employee's premium contribution during the period in which the premium deduction is paid. Such bonus shall not be considered part of 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.

F. Vision Insurance.

1. City Contribution. Employees shall receive the maximum contribution per month toward the monthly premium rate for City's employee group vision insurance plan, as set forth in Exhibit "D" entitled, "Medical, Dental, and Vision Insurance Carriers and Contributions" ("Exhibit "D"). City agrees to provide Employees with a vision insurance plan which provides vision care benefits, to Employee only, which includes an eye examination, lenses and frames or contact lenses, the full cost of the premium for which shall be paid by City. The vision care benefits include an eye examination and lenses every twelve (12) months, and frames every twenty-four (24) months, with a deductible of $10.00 for each eye examination, and $25.00 for lenses or frames.

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

3. Carrier Identified. For the purposes of this Subsection, the carrier of the vision insurance plan referred to herein shall be on file with the Human Resources and Risk Management Office.

6.3 LEAVE

A. Floating Holiday Leave. In addition to the holidays identified above, Employees shall accrue two (2) days of Floating Holiday Leave on January 1 of each year which may be scheduled and used like Vacation Leave. Employees hired after October 1 of the calendar year shall not accrue Floating Holiday Leave during the year of their hire. Employees hired between January 1 and September 30 of the calendar year shall accrue two (2) days of Floating Holiday Leave at the time of their hire. Employees transferred to a position represented by Union during the course of the year shall accrue two (2) days or shift of Floating Holiday Leave at the time of their transfer, unless they have previously been credited with such leave as a City Employee. Employees who have previously accrued Floating Holiday Leave while represented by another City bargaining unit will be allowed to retain any remaining hours of Floating Holiday Leave for their use. Any Floating Holiday Leave not taken by the last day of the calendar year shall be removed, without compensation, from Employee's payroll records. Employees who terminate with unused accrued Floating Holiday Leave shall not be eligible to receive payment for such Leave.

B. Sick Leave.

1. Accrual - Generally. Sick leave credit, which commences upon employment of the individual and may be accumulated without limitation, shall be granted to all Employees for non- job related illness or injury. However, except as otherwise provided herein below, upon termination of Employee's service with City, no compensation for accrued sick leave either in time off or pay shall be granted. It is recognized that sick leave utilization is not considered as a right which may be used at

Employee's discretion, but shall be allowed only in case of necessity for actual personal sickness of or injury to Employee or approved family member, and for medical, dental, and vision care appointments.

2. Accrual Rate. Employees shall accrue sick leave in the amount of eight (8) hours per month.

3. Utilization Rate. Sick leave shall be deducted from an Employee's total amount of accrued sick leave on an hour-for-hour basis. In the event that an Employee utilizes all of Employee's 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, in accordance with the time restrictions in Section 6.3.D, unless Employee advises City's Human Resources & Risk Management Office to charge the additional sick time off against Employee's accrued vacation balance, if any.

4. Utilization for Illness of Family Members. Employees may use their accrued sick leave for family illness. For the purposes of this subsection, family members shall include spouse, registered domestic partners, children, step-children, parents, stepparents, parents-in-law, or other persons for whom Employee is responsible for care as approved by City's Human Resources and Risk Management Office.

5. Notification Procedures. An Employee who will be off work on sick leave shall notify Employee's immediate supervisor in accordance with City's AP&P No. 13-21.

6. Job-Related Illness or Injury. An Employee who is off work as a result of a proven job-related illness or injury accepted by the City as a Workers' Compensation claim shall not have such time off charged against such Employee's accumulated sick leave.

7. Use of Accrued Sick Leave Prior to Effective Date of Ordinary Disability Retirement. Notwithstanding, anything herein above to the contrary, Employees who are eligible to retire on an ordinary disability retirement pursuant to the contract with PERS 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 provided in 6.3.B.9, no compensation of any kind or character shall be made for any accrued sick leave which may remain credited to Employee on or after such effective date.

8. Upon Service Retirement. Upon service retirement, accumulated sick leave shall be credited to Employee's retirement account in accordance with the provisions of the retirement plan referenced in Subarticle 6.5, provided, however, should an Employee elect to convert any of such sick leave to cash pursuant to Subsection 6.3.B.9, Employee's retirement sick leave credit shall be reduced commensurately.

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

CITY SERVICE YEARS	MAX. CONVERSION %/MAX. $ AMOUNT
0 - 5 Years	0
5 - 10 Years	15% / $1,500
10 - 15 Years	30% / $3,000
Over 15 Years	60% / $5,000

10. **Transfer of Sick Leave for Illness of Other City Employees.** Employees covered by this MOU may transfer sick leave pursuant to AP&P 13-26, as approved April 1, 2017.

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

1. Amount; When Taken. In the event of the birth of an Employee's child or Employee's registered domestic partner's child, adoption of a child by an Employee or Employee's registered domestic partner, such Employee shall be entitled to a leave of absence with pay for a period of fifteen (15) consecutive workdays or shifts. Such leave must commence within one 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 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 of Absence Without Pay. Employees may apply to take a leave of absence without pay in conformance with the provisions of Administrative Procedure and Policy (AP&P) 13-24, entitled "Leave of Absence".

E. Bereavement Leave.

1. Amount; When Taken. In the event of a death of an Employee's immediate family member, Employee shall be entitled to a period of five (5) workdays of leave with pay. Such leave shall only be taken within seven (7) days after the death of the immediate family member or within seven (7) days of the date of the funeral or memorial service for the deceased. For the purposes of this subsection "immediate family member" shall include Employee's husband, wife, registered domestic partner, child, step-child, mother, father, step-parent, brother, sister, mother-in-law, father-in-law, grandparents, spouse's grandparents, grandchildren, the other parent of Employee's child, or other persons as approved by City's Human Resources and Risk Management Office.

2. Notification Procedure. Employees shall notify their Department Head as soon as possible after the death of an immediate family member as to which days Employee will be on bereavement leave.

F. Military Training Leave and Notification Procedure. Union agrees that Employees who are members of a military reserve, National Guard Unit, or both, shall provide City with a schedule of Employee's military reserve or National Guard Unit meetings and summer camp assignment dates as soon as such schedules are available to Employee, but no later than the next working day following their notification from the military reserve or National Guard Unit. Such Employees shall provide City with a copy of military orders for active-duty training as soon as such orders are available.

G. Personal Time Off. Employees shall receive forty (40) hours of personal time off (PTO) per calendar year. Effective the first full pay period following the date of City Council's Adoption of this MOU, employees shall receive forty (40) additional hours of PTO per calendar year. Any Employee who works less than full time or is hired or promoted into any of the job titles listed in Exhibit "A" during the above-mentioned time period shall receive a prorated amount of PTO on a "percentage of year remaining" basis. Employees who leave City service prior to the end of the above-mentioned time period shall receive no compensation for PTO on the Employees' payroll records. Any PTO not

taken by the last day of the calendar year shall be removed, without compensation, from the Employee's payroll records.

6.4 VACATION

A. Accrual - Generally. Employees who have served 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 Employees in accordance with the schedule set forth in Exhibit "C" entitled, "Vacation Accrual Schedule" ("Exhibit C") provided that Employees, after satisfactory completion of six (6) months of service, shall be credited with vacation leave equal to the amount Employees would have accrued during a six-month period. Employees may accrue annual vacation credits to an amount not to exceed the Maximum Accrued Balance as set forth Exhibit "C." Permanent Employees who leave City employment in good standing, and who are subsequently rehired within twenty-four (24) months of their termination date, shall have their prior City service counted in determining length of service for vacation accrual. Such credit for prior service shall apply only to the vacation accrual benefit calculation.

1. Rate of Accrual. Employees shall accrue vacation credit in accordance with the schedule in Exhibit "C" which constitutes a change in vacation accrual rates. For purposes of this Subsection 6.4.A.1 and Exhibit "C," Length of Service Date shall mean the date Employee first reaches the minimum number of months of service listed in the "Length of Service" column in Exhibit "C."

2. Termination of Additional Accrual. Employees shall cease to accrue additional vacation when their accumulated vacation leave balance is equal to the Maximum Accrual Balance identified for their accrual rate. Accrual shall commence again when the balance drops below the Maximum Accrual Balance. Employee shall receive written notice from City's Human Resources and Risk Management Office of such termination of additional accrual. If Employee is unable to utilize accrued vacation by reason of illness or disability, City Manager shall approve a limited-time waiver of the termination of additional vacation accrual provisions in Subsection 6.4.A.1, above, based on the written request of Employee.

B. Utilization. Employees may utilize their accrued vacation as it is earned, at a time that shall be determined by Employee's Department Head, or Department Head's authorized representative, in accordance with the needs of City and with due regard for the wishes of Employee.

C. Effect of Termination of Employment. 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. Employees with less than six (6) months of service shall not be paid for any accrued vacation. Said payment shall be determined by multiplying Employee's hourly rate of pay times the number of hours of accrued vacation credited to Employee at the time of termination.

6.5 RETIREMENT PLAN

A. Established and City Contribution - Employees Hired Before January 1, 2013 or Classic Members. Employees hired before January 1, 2013 or those Classic Members, as defined by CalPERS, shall receive the 3% at age 60 retirement benefit formula. Employees covered by this Section shall contribute the employee contribution amount established by CalPERS for the 3% @ 60 Pension Formula. The required employee contribution as of the date of this MOU was eight percent (8%). The City shall not pay any portion of the required employee contribution.

B. Employees Hired On or After January 1, 2013 or New Members. Employees hired on or after January 1, 2013, shall receive the 2% at age 62 retirement benefit formula. 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. Employees covered by this Section who are classic members as defined by CalPERS may be eligible for a different pension formula.

C. CalPERS Election about Member's Payment of City's Pension Costs. The parties acknowledge that CalPERS mandates an election of SEIU-TC unit members, separate from ratification of this MOU, to provide for the cost sharing pursuant to Government Code Section 20516 described in Section 6.5.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 SEIU-TC bargaining unit and completion of the City's amendment to the CalPERS contract, SEIU-TC unit member contributions will be made pursuant to Government Code Section 20516, and shall extend beyond the expiration of this MOU. The SEIU-TC and the City will take all actions necessary to implement the Government Code Section 20516 pension cost sharing agreement described in Section 6.5.D.

D. Employee Cost Sharing of Additional Benefits. Effective the first full pay period following the date of City Council adoption of this MOU, each bargaining unit member 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 6.5.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. If the contract amendment between the City and CalPERS is not completed as described in Section 6.5.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 Parties 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.

G. Special Compensation. All specialty pays and special compensation will be reported to CalPERS in accordance with State Law.

H. In-Lieu Retirement Contribution for PERS Annuitants in City Employment. Employees who are excluded from participation in PERS as a result of their pre-existing status as a retiree from a PERS member agency, and for whom the City therefore is not able to make PERS contributions, City agrees to deposit into such Employee's Section 457 deferred compensation account, on a bi-weekly basis, an amount equal to the employer-paid employee contribution provided for in Section A of this Subarticle. Effective June 14, 2015, the City shall not pay any portion of the required employee contribution.

6.6 VARIOUS BENEFITS

A. Employee Assistance Program. City agrees to provide counseling services to Employees at City's cost, in accordance with the provisions of City's AP&P No. 13-15. City retains the right to annually select the counseling service provider for the ensuing calendar year in accordance with City's purchasing system.

B. Educational Reimbursement. City agrees to reimburse Employees for the cost of tuition and mandatory course-related books and materials incurred from participation in university, community college and other educational or training programs, subject to the reimbursement requirements and procedures set forth in City's AP&P No. 15-5.

C. Defense of Employee from Civil Actions or Proceedings. City agrees to defend Employees from civil actions or proceedings in accordance with the applicable provisions of the California Government Code.

D. Section 125 Plan. The Section 125 Plan established pursuant to Sections 105, 125 and 129 of the Internal Revenue Code of 1986, as amended, allows Employees who make a contribution for medical, dental, and vision insurance coverage to make that contribution on a pre-tax basis through the Plan. City shall pay the costs to establish and maintain the Section 125 plan, however, if Employees wish to access other benefits such as Flexible Spending Accounts, Health Savings Accounts, Voluntary Life Insurance, AFLAC, or other plans whose premiums are paid with pre-tax dollars, the Employee shall be responsible for any additional fees related to those benefits.

E. Uniforms, Protective Clothing, and Equipment. City agrees to provide the following uniforms, protective clothing, and equipment to Employees in accordance with the needs of their particular job assignments:

1. Maintenance Workers (assigned to the Tree Division)

a. Pants (Protective Safety Climbing Pants, leather in-seam)

b. Boots (Safety, Climbing)

Such uniform items shall be purchased by Employees with funds budgeted in City's Annual Budget, subject to the dollar amount limitation of $250.00 per year, as set forth therein and in accordance with

the appropriate departmental administrative procedures. Said allowance shall be made payable in the first full pay period of July of each calendar year.

2. All Other Employees.

a. Protective headgear (hard hats).

b. Rain gear (coat, pants, and boots).

c. Orange safety shirts.

d. Safety vests.

e. Gloves (rubber, leather, and specialty).

f. Safety goggles.

g. Ear protection (earmuffs or plugs).

h. Clip-on steel toe-protection devices.

i. Coveralls.

The purchase of Boot ("Puncture Resistant" boots are strongly encouraged; however, not mandatory) and Pant items shall be purchased by Employees with funds budgeted in City's Annual Budget, subject to the dollar amount limitation of $500.00 per year, as set forth therein and in accordance with the appropriate departmental administrative procedures. Said allowance shall be made payable in the first full pay period of July of each calendar year with an additional payment of $350.00, the first full pay period following ratification and approval of this MOU.

F. Fee Reimbursement and Medical Examinations - Class A or Class B Driver Licenses. City agrees to reimburse each Employee who is required to have a State of California Class A or Class B driver license to perform Employee's job duties the difference in the cost between the current DMV license fee for an initial or renewal Class A or Class B license and the current DMV license fee for a Class C license. Such reimbursement shall be made only upon obtainment of an initial or renewal of an existing Class A or Class B driver license and shall require submittal by Employee of the appropriate fee payment receipts and driver license certification.

1. Medical Examination. City agrees to provide, at its sole expense, medical examinations required for Employees to obtain or renew a Class A or Class B California driver license when such license is required for the performance of such Employees' job duties. Such medical

examination shall be performed by a physician selected by City and shall be arranged by City's Human Resources and Risk Management Office. In this latter regard, the appropriate Department Head shall certify the names of such Employees to City's Human Resources and Risk Management Office as the need arises, and City's Human Resources and Risk Management Office shall schedule such medical examinations. City agrees to allow Employees to take such medical examinations during Employee's regular work hours.

2. Reimbursement for Voluntary Class A or Class B Driver Licenses. The provisions of this Section shall also apply to those Employees holding the positions of Equipment Mechanic II and Senior Equipment Mechanic, who voluntarily obtain a Class A or Class B driver's license in order to operate vehicles and equipment requiring such licenses during the performance of their regular job duties. With Department Head approval, the provisions of this Section shall also apply to Employees who voluntarily obtain a Class A driver license to operate vehicles and equipment requiring such license. Pursuant to 5.7.D, Employees who voluntarily obtain a Class A license shall be eligible for Certification Pay.

G. Reimbursement for Professional and Technical Licenses and Certifications. City agrees to reimburse Employees pursuant to Article 5.7.A.3.

H. Damage Reimbursement - Personal Clothing and Property. City agrees to reimburse Employees a reasonable amount of money for damaged (not lost) personal clothing or property which is damaged during the performance of Employee's regularly assigned duties. Such reimbursement shall be made in accordance with and subject to the limitations of the provisions of City's AP&P No. 13-19.

I. Federal Insurance Contributions Act - Medicare Contribution.

1. **Applicability.** 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 FICA at a rate of 1.45% of salary. 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, Employees covered by this MOU shall be required to make such contributions, and City's payment thereof shall terminate.

6.7 BENEFITS - PERMANENT PART-TIME POSITIONS

Permanent Part-Time Employees shall receive pro-rated benefits based on their regular schedule, including sick, vacation, bereavement, floating holiday, personal time off, and holiday leaves; medical, dental, Jury Duty Pay, and Childbirth or Adoption Leave; and all other benefits provided under this MOU to other covered Employees. Proration of benefits shall be based on the percentage of the forty (40) hour work week an Employee is regularly scheduled to work, for all benefits except medical and dental insurance. Medical and dental benefits shall only be prorated if an Employee works less than thirty (30) hours a week. The proration of benefits shall not be modified in response to temporary adjustments to the work schedule. Should an adjustment to the work schedule exceed ninety (90) days, the proration of benefits will be adjusted to the modified level following the first ninety (90) days, and will be returned to the original proration as soon as the modified schedule ends. An adjustment in the work schedule of more than ninety (90) days which generates a change in benefit proration shall not permanently modify Employee's designated schedule or employment rights.

Because the proration of the fixed City contribution to medical, insurance coverage could create a significant required Employee contribution, Permanent Part-Time Employees may choose whether or not to participate in the medical insurance plan, so long as this is not precluded by the conditions of the contract between City and the insurance carriers. Such Employees will be allowed to opt in or out of medical insurance coverage no more often than every six (6) months. Should Employee opt to not participate in the medical City shall have no obligation to pay the prorated contribution to Employee.

6.8 BENEFITS - PERMANENT SEASONAL POSITIONS

For the period of active Seasonal employment, Permanent Seasonal Employees shall receive pro-rated benefits based on their regular schedule, including sick, vacation, bereavement, floating holiday, personal time off, and holiday leaves; medical, dental, Jury Duty Pay and Childbirth or Adoption Leave; and all other benefits provided under this MOU to other covered Employees. Proration of benefits shall be based on the percentage of the forty (40) hour work week a Permanent Seasonal Employee is regularly scheduled to work, for all benefits except medical and dental insurance. Medical and dental

benefits shall only be prorated if an Employee works less than thirty (30) hours a week. For less than full-time Permanent Seasonal Employees, the proration of benefits shall not be modified in response to temporary adjustments to the work schedule. Should an adjustment to the work schedule exceed ninety (90) days, the proration of benefits will be adjusted to the modified level following the first ninety (90) days, and will be returned to the original proration as soon as the modified schedule ends. An adjustment in the work schedule of more than ninety (90) days which generates a change in benefit proration shall not permanently modify the designated schedule or employment rights of Employee. Permanent Seasonal Employees regularly scheduled to work forty (40) hours per week shall receive the full benefit package provided to non-seasonal full-time Employees.

For the period of active Seasonal employment, full-time Permanent Seasonal Employees shall be covered with medical, dental, and vision insurance benefits in the same manner established for non-seasonal full-time Employees. Those Permanent Seasonal Employees who are scheduled to work less than forty (40) hours per week shall have access to the medical, dental, and vision insurance options identified for Permanent Part-Time Employees. Seasonal Employees who are regularly scheduled to work less than thirty (30) hours per week may choose whether or not to participate in the medical~~,~~ insurance plan, so long as this is not precluded by the conditions of the contract between City and the insurance carriers. Such Employees will be allowed to opt in or out of medical-insurance coverage no more often than every six (6) months. Should Employee opt to not participate in the medical plan, City shall have no obligation to pay the prorated contribution to Employee.

ARTICLE SEVEN: WORKING CONDITIONS

7.1 EMPLOYEE CLOTHING AND PHYSICAL APPEARANCE REQUIREMENTS

Union agrees that Employees shall wear clothing that is appropriate for their particular job assignments and shall maintain their physical appearance in a manner which will not endanger their person, in accordance with City's AP&P No. 13-29.

7.2 HOURS AND WORK WEEK

A. Work Week Defined. The work week for Employees covered by this MOU shall consist of forty (40) hours per week and shall begin at 12:00 midnight on Saturday and shall extend to the next following Saturday at 12:00 midnight.

B. Hours. Employee work hours shall be Monday through Friday, 7:00 a.m. to 3:30 p.m., provided, however, that certain Employees shall be scheduled to work five (5) consecutive days other than Monday through Friday to provide for Saturday and Sunday park maintenance and repair coverage, as follows:

1. Park Department - Street Tree Division: Monday through Friday, 7:00 a.m. to 3:30 p.m.
2. General Services Department - Equipment Services Personnel:
   a. Day Shift: Monday through Friday, 7:00 a.m. to 3:30 p.m.
   b. Swing Shift: Monday through Friday, 2:30 p.m. to 11:00 p.m.
3. General Services Department - Maintenance Personnel:
   a. All Personnel Except Street Sweeper Operators: Monday through Friday, 7:00 a.m. to 3:30 p.m.
   b. Street Sweeper Operator: Five (5) day staggered shift schedule, variable starting times, as assigned.

C. Work and Meal Breaks. During each work shift, Employees shall be entitled to take two (2) fifteen (15) minute work breaks and one-half (½) hour meal break, as appropriate to Employee's job assignment, to be taken at such times and at such locations as are determined by Department Head provided, however, it is recognized that the time of such breaks may vary because of emergencies, training periods or unusual circumstances and that during such occurrences, the exact time of the meal break will be determined by Employee's supervisor. It is further recognized and agreed that should the needs of City, emergencies, or other unusual circumstances cause Employees not to be able to take a work break, Employees shall not be entitled to accumulate and save such lost work break for use at another time.

D. Hours and Shift Modification. City retains the right in its sole discretion to assign Employees to work hours or work shifts different from their regular hours or shift assignment without further consultation with Union, provided that City agrees to provide Employees with a seven (7) calendar day advance notice of such change, except in the event of an emergency, in which case hours or shifts may be modified immediately to meet the needs of the public health, safety, and welfare.

If any Employee feels that Employee's hours or shift modification is unreasonable, or was made in an arbitrary or capricious manner, said Employee shall have the right to file a grievance thereon in accordance with the procedure set forth in City's PERR. Employees may request or agree to a waiver of the seven (7) calendar day advance notice, provided that such request or agreement is made in writing to City's Human Resources and Risk Management Office.

E. Flexible Work Schedules. City Manager, or City Manager's designee, may approve, upon the request of Employee, modification of Employee's daily work hours, in order to provide Employee with a flexible work schedule. In determining whether or not to approve such request, City Manager, or City Manager's designee, will consider the recommendation of Employee's department head and the needs of City, with due regard for the wishes of Employee.

Union agrees that Employees who are enrolled in City-approved educational course work or training programs, or who wish to participate in an alternative work schedule as approved by their department head, may agree to modifications in their daily work hours or work week, including waiver of the meal break and overtime pay requirements of this MOU which are necessary for such course work, training programs, or alternative work schedule without additional approval of Union.

City Manager, with sole discretion, shall have the right to modify or terminate any flexible work schedules, with a 30-day written notification to Employees.

F. Job Sharing. A permanent, non-probationary Employee may request to share the hours, pay, and benefits of a single position with another permanent or hourly exempt Employee for a specified period of time. Such shared position and the pro-ration of benefits and other conditions established shall hereinafter be referred to as "job share."

1. **Job Share Request**. A job share request must be submitted through Employee's immediate supervisor, to Employee's Department Head. The supervisor and Department Head shall

give consideration to such request, but are not obligated to accept or implement Employee's proposal. If Department Head does not concur with the request, Employee shall be so notified, and shall have no right to grieve such denial. Should Department Head concur with Employee's request, the request shall be submitted to City Manager for consideration. City Manager shall review and consider the request of Employee to job share and make a determination as to whether such job share is in the best interests of City, and notify the requesting Employee and Department Head of that decision. Employee shall have no right to grieve the determination of City Manager. A request to job share shall not be approved if it results in any measurable increase in cost to City for the position.

2. Job Share Agreement. A job share agreement will be developed between City, Union, and the two Employees who will be participating in the job share. That agreement shall provide for a specific sharing of work schedule, and benefits. The following general rules shall apply to such job share agreements:

a. Set period of time. Each agreement will provide for a set period during which the agreement shall be valid, and shall also provide for the time frames and conditions under which the agreement may be terminated. Such agreement may be modified or extended at Employees' request, with the approval of City Manager.

b. Pro-ration of benefits and seniority. Each agreement will establish the basis for pro-ration of all benefits and seniority provided under this MOU. The probationary period and accumulation of vacation eligibility and seniority shall be generally pro-rated based on number of hours worked. Benefits to be pro-rated include, but are not limited to, sick, vacation, bereavement, and holiday leaves; medical, dental, vision, life and long-term disability insurance; Counseling, Educational Reimbursement, Jury Duty Pay, and Childbirth/Adoption Leave; Sick Leave Conversion at retirement, tool allowance, driver licenses reimbursement; and all other benefits.

c. Schedule. Each agreement will identify a work schedule and identify the commitment of each participating Employee to work when the other Employee is absent.

d. Retention of Property Right to the Position. The agreement will identify which Employee(s) shall retain property rights to the position that is shared. Should the job share participants elect to share the property rights to the position, neither will have the right to continue in the

position should the job share agreement be terminated. An Employee who leaves a permanent position to share another position shall have no right to return to the original position should the job share be terminated, but may be placed in another vacant permanent position for which the Employee is qualified if one is available.

e. Identity of Job Share Employees. The agreement will identify the employment status of Employees' participating in the job share. Permanent non-probationary Employees are eligible to participate. City will also consider proposals for job share of a permanent position between a permanent and an hourly-exempt employee so long as the conditions of the agreement are consistent with use of City's rules regarding hourly- exempt employees.

f. Exceptions. City Manager shall have the authority to make exceptions to the provisions specified in this Paragraph when so requested by the affected Employees and Union when it is in City's best interests to do so.

3. Lay-off Procedures. Employees who are participating in a job share shall have their total seniority adjusted as provided for in Paragraph 7.2.F.2.b. Additionally, the job share agreement may specifically limit the Employees' rights within the lay-off and personnel reduction procedures provided for in City's PERR Section 2R.72.140.E. and F.

7.3 SAFETY

A. Safety Rules. Union agrees that Employees shall abide by adopted rules and regulations regarding the usage of safety equipment and the utilization of safe working operations and procedures. Any such Employee in violation of such safety rules and regulations shall be disciplined in accordance with the appropriate provisions of City's PERR.

B. Work Stations, Equipment, and Tools. City recognizes its responsibility to and will provide safe work stations, equipment, and tools.

C. Video Display Terminal Equipment. In order to provide a safe and healthy workplace for its Employees, City agrees to purchase video display terminal equipment that is safe and efficient to use and prevents health hazards such as eye strain and eye fatigue. City will provide instruction in the proper operation and adjustments of video display terminals and video display terminal workstation equipment. It is agreed between the parties to this MOU that issues of safety relating to video display

terminals and workstation equipment shall be referred to City-wide Safety Committee for review and recommendation.

D. Safety Committees.

1. City-Wide Safety Committee. City and Union recognize the previous establishment of a City-wide safety and loss control program for the benefit of Employees and City and to comply with the requirements of State law and the California Joint Powers Risk Management Authority, of which City is a member. Such program includes a consolidated safety and loss control committee consisting of members of each departmental safety committee and headed by City Human Resources and Risk Management Office. Such committee will discuss safety and health conditions and loss prevention measures applying to City organization as a whole, and those safety and health concerns which cannot be resolved by departmental safety committees.

2. Departmental Safety Committees. City and Union recognize the previous establishment of departmental safety committees comprised of Employees. Said committees shall meet on a regularly scheduled basis, no less often than quarterly, and shall maintain minutes of such meetings. Such committees shall discuss safety and health conditions and shall provide written suggestions to City regarding methods of safe operations and procedures and the identification of hazardous procedures and equipment.

ARTICLE EIGHT: MEDIATION AND BINDING ARBITRATION

8.1 AGREEMENT TO MEDIATION AND BINDING ARBITRATION

City agrees to a process of third-party mediation and binding arbitration, as set forth herein, which only shall be used for grievances arising out of the interpretation of the provisions of this MOU.

8.2 PROGRESSION OF MEDIATION TO BINDING ARBITRATION

If requested by grievant, the Mediation and Binding Arbitration request replaces the hearing request as set forth in PERR 2R.72.240.A.5.b(5), provided, however, that the fifteen (15) working daytime limit set forth in such PERR shall be applicable to such Mediation and Binding Arbitration request.

8.3 MEDIATION

A. Union Request. Within ten (10) working days after receipt of a request for mediation of the grievance, City shall contact the State Mediation and Conciliation Service and request the appointment of a mediator to mediate the grievance.

B. Initial Mediation Meeting. The mediator shall schedule an initial mediation meeting, at a time which is mutually agreeable to all parties, to begin the mediation process. At the initial mediation meeting, the parties shall provide the mediator with written statements outlining their respective positions on the grievance issues.

C. Confidentiality. The mediator shall conduct all meetings and discussions in private and shall make no public statements regarding any aspect of the mediation. Neither party to the mediation shall make any public statement regarding any aspect of the mediation.

D. Advancement to Arbitration. Implementation of the arbitration process shall not occur until the mediator has released the parties from the mediation process.

8.4 BINDING ARBITRATION

A. Union Request. If the grievance is not resolved through the mediation process, the grievance may proceed to arbitration upon request of Union made within twenty (20) working days of the conclusion of the mediation process.

B. Selection of Arbitrator. The parties to the grievance shall mutually agree on the selection of an arbitrator. If the parties are unable to agree on such selection, the State Mediation and Conciliation Service shall be requested to provide a list of five (5) arbitrators for consideration by the parties. Selection of the arbitrator from such list shall be made by either mutual agreement or, failing such agreement, by each party eliminating the names of unacceptable arbitrators, with Union first eliminating a name, then City eliminating a name, and so on until the name of one arbitrator remains, which such arbitrator shall be deemed selected to arbitrate the issues.

C. Mediation Transcripts, Records, and Documents. During the arbitration process, neither party shall have the right to, nor shall they, cite any information developed in the mediation process in the arbitration process or hearing.

D. Arbitrator's Authority. The arbitrator's authority shall be limited to making determinations regarding the violation, misapplication or misinterpretation of the provisions of this MOU. The arbitrator shall not have the authority to add to or delete from such provisions nor make decisions which involve or direct changes or modifications to the scheduled pay or benefit provisions contained herein. In the event that there exists between the parties hereto a dispute as to whether a matter is subject to the arbitration process set forth herein, the arbitrator shall consider and determine whether the matter is subject to arbitration prior to hearing and considering the merits of the grievance issue.

E. Costs and Expenses. The cost of the arbitrator's compensation and expenses shall be shared equally between the parties. Each party shall be responsible for its own costs in securing witnesses for legal or other representation and for presentation of material.

SIGNED AND DATED AS FOLLOWS:

Service Employees International Union, Local 1021:

Jason Anderson (May 22, 2026 11:07:33 PDT) 05/22/2026
Jason Anderson (Date)
SEIU Chapter President

Kevin Seeger (May 22, 2026 15:42:45 PDT) 05/22/2026
Kevin Seeger, Secretary (Date)
SEIU Chapter Secretary

Rob Henderson (May 22, 2026 16:12:19 PDT) 05/22/2026
Rob Henderson (Date)
SEIU Chapter Negotiations Team Member

Dary Sardad (May 22, 2026 16:18:42 PDT) 05/22/2026
Dary Sardad (Date)
SEIU, Chief Negotiator

City of Chico:

Mark Sorensen (May 23, 2026 16:49:23 PDT) 05/23/2026
Mark Sorensen (Date)
City Manager

*Authorized pursuant to Chico Municipal Code 2R.04.060

APPROVED AS TO FORM:

Ryan Jones (May 21, 2026 07:10:00 PDT) 05/21/2026
Ryan R. Jones, City Attorney* (Date)
*Approved pursuant to The Charter of the City of Chico Section 906 (D)

MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF CHICO AND SERVICE EMPLOYEES INTERNATIONAL UNION TRADES AND CRAFTS UNIT REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JULY 1, 2025 THROUGH JUNE 30, 2028 (2025 MOU-SEIU-TC)

EXHIBIT "A"

SCHEDULE OF HOURLY PAY RATES

EFFECTIVE: June 14, 2026							
	A	B	C	D	E	F	G
Equipment Mechanic I	26.13	27.44	28.81	30.25	31.76	33.35	35.02
Equipment Mechanic II	31.42	32.99	34.64	36.37	38.19	40.10	42.10
Field Supervisor	32.65	34.28	35.99	37.79	39.68	41.66	43.74
HVAC Technician	31.00	32.55	34.18	35.89	37.68	39.56	41.54
Maintenance Aide	17.66	18.54	19.47	20.44	21.46	22.53	23.66
Maintenance Worker	21.46	22.53	23.66	24.84	26.08	27.38	28.75
Parking Meter Coll/Rep	25.14	26.40	27.72	29.11	30.57	32.10	33.71
Right of Way Technician	25.14	26.40	27.72	29.11	30.57	32.10	33.71
Senior Equip Mechanic	34.33	36.05	37.85	39.74	41.73	43.82	46.01
Shop Supervisor	37.09	38.94	40.89	42.93	45.08	47.33	49.70
Sr. Maintenance Worker	25.14	26.40	27.72	29.11	30.57	32.10	33.71

EFFECTIVE: July 10, 2026							
	A	B	C	D	E	F	G
Equipment Mechanic I	27.18	28.54	29.97	31.47	33.04	34.69	36.42
Equipment Mechanic II	32.67	34.30	36.02	37.82	39.71	41.70	43.78
Field Supervisor	33.95	35.65	37.43	39.30	41.26	43.32	45.49
HVAC Technician	32.23	33.84	35.53	37.31	39.18	41.14	43.20
Maintenance Aide	18.37	19.29	20.25	21.26	22.32	23.44	24.61
Maintenance Worker	22.31	23.43	24.60	25.83	27.12	28.48	29.90
Parking Meter Coll/Rep	26.17	27.48	28.85	30.29	31.80	33.39	35.06
Right of Way Technician	26.17	27.48	28.85	30.29	31.80	33.39	35.06
Senior Equip Mechanic	35.70	37.49	39.36	41.33	43.40	45.57	47.85
Shop Supervisor	38.57	40.50	42.53	44.66	46.89	49.23	51.69
Sr. Maintenance Worker	26.17	27.48	28.85	30.29	31.80	33.39	35.06

EFFECTIVE: July 11, 2027							
	A	B	C	D	E	F	G
Equipment Mechanic I	28.27	29.68	31.16	32.72	34.36	36.08	37.88
Equipment Mechanic II	33.98	35.68	37.46	39.33	41.30	43.36	45.53
Field Supervisor	35.30	37.07	38.92	40.87	42.91	45.06	47.31
HVAC Technician	33.52	35.20	36.96	38.81	40.75	42.79	44.93
Maintenance Aide	19.10	20.05	21.05	22.10	23.21	24.37	25.59
Maintenance Worker	23.21	24.37	25.59	26.87	28.21	29.62	31.10
Parking Meter Coll/Rep	27.21	28.57	30.00	31.50	33.07	34.72	36.46
Right of Way Technician	27.21	28.57	30.00	31.50	33.07	34.72	36.46
Senior Equip Mechanic	37.12	38.98	40.93	42.98	45.13	47.39	49.76
Shop Supervisor	40.11	42.12	44.23	46.44	48.76	51.20	53.76
Sr. Maintenance Worker	27.21	28.57	30.00	31.50	33.07	34.72	36.46

MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF CHICO AND SERVICE EMPLOYEES INTERNATIONAL UNION TRADES AND CRAFTS UNIT REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JULY 1, 2025 THROUGH JUNE 30, 2028 (2025 MOU-SEIU-TC)

EXHIBIT "B"

EQUIPMENT MECHANIC TOOL REQUIREMENTS

THIS EXHIBIT WILL BE REVIEWED BY THE SHOP SUPERVISOR AND UPDATED PER MOU SECTION 5.6.A.

Employees assigned to the job titles set forth below shall supply the tools set forth thereunder.

I. Equipment Mechanic I

A. 1/4" drive Socket Set (including ratchet, extension and sockets) - 10 pieces.

B. 1/4" drive Metric Socket Set (including ratchet, 3 extensions [2", 4",6"], universal joint, 6" breaker bar, long shank driver, 12 sockets [4mm-14mm]).

C. 3/8" drive Socket Set (including ratchet, extensions and sockets) - 19 pieces.

D. 3/8" drive Metric Socket Set (including ratchet, 3 extensions [2", 4", 6" universal joint, 6" breaker bar, long shank driver, 12 sockets [4mm-14mm]).

E. 1/2" drive Standard Socket Set (including ratchet, breaker bar, extensions and sockets) - 16 pieces.

F. 3/8" drive Deep Socket Set (including ratchet, breaker bar, extensions and sockets) - 6 pieces.

G. Box-End Wrenches - 12 pieces.

H. Combination Wrenches - 22 pieces.

I. Combination Wrenches (Metric) - short combination 12 point, flank drive (6mm-19mm).

J. Screwdrivers (assorted sizes and types) - 14 pieces.

K. Pliers (assorted) - 5 pairs.

L. Tool Box (roll-a-way) - 1 box.

M. Hammers - 3 hammers (1 - 1 to 2 oz. ball peen; 1 - 6 to 10 oz. ball peen, 1 - 12 oz. or larger ball peen).

N. Brake Repair Tools - 4 pieces.

O. Battery Terminal-Cable Cleaner - 1 set.

P. Punch and Chisel Set - 8 pieces.

Q. Allen Wrenches - 1 set.

R. Pry Bar - 1 bar.

EQUIPMENT MECHANIC TOOL REQUIREMENTS

Equipment Mechanic I- Continued

S. Scrapers - 2 scrapers.

T. Open End Ignition Wrench Set - 1 set.

U. Snap Ring Pliers - 3 sets (1 - inside pliers; 1 - outside pliers, 1 set with changeable tips).

V. Metal Snips - 1 pair.

W. Feeler Gauges - 1 set.

X. Metric Allen Wrenches.

Y. 1/4" Drive Sockets (deep and torax).

Z. 3/8" Universal Drive Sockets.

AA. End Wrenches - tubing - standard and metric.

BB. Ignition Test Light.

II. Equipment Mechanic II:

In addition to the tools required under Section I above, an Equipment Mechanic II shall also supply:

A. 3/4" drive Standard Socket Set - 14 pieces.

B. 1/2" drive Impact Socket Set - 9 pieces.

C. Tie Rod End Knocker - 1 piece.

D. Crescent Wrenches - 2 pieces.

E. Heavy Duty Combination Wrenches - 5 pieces.

F. 1/2" drive Torque Wrench - 1 piece.

G. 3/8" Air Ratchet.

MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF CHICO AND SERVICE EMPLOYEES INTERNATIONAL UNION TRADES AND CRAFTS UNIT REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JULY 1, 2025 THROUGH JUNE 30, 2028 (2025 MOU-SEIU-TC)

EXHIBIT "C"

VACATION ACCRUAL SCHEDULE

Employees working a 40-hour work week schedule shall accrue vacation credit in accordance with the following schedule:

Employees Hired Prior to December 31, 2013*			
Length of Service	**Bi-weekly Accrual Rate**	**Annual Accrual Rate**	**Max Accrual Balance**
7th month through 60th month	3.08	80.08	320
61st month through 96th month	4.62	120.12	320
97th month through 108th month	4.93	128.18	320
109th month through 120th month	5.23	135.98	340
121st month through 132nd month	5.54	144.04	360
133rd month through 144th month	5.85	152.10	380
145th month through 156th month	6.16	160.16	400
157th month through 168th month	6.47	168.22	420
169th month through 180th month	6.78	176.28	440
181st month through 192nd month	7.09	184.34	460
193rd month through 204th month	7.39	192.14	480
205th month and forward	7.69	199.94	500

Employees Hired January 1, 2014 or After			
Length of Service	**Bi-weekly Accrual Rate**	**Annual Accrual Rate**	**Max Accrual Balance**
7th month through 60th month	3.08	80.08	320
61st month through 96th month	4.62	120.12	320
97th month through 108th month	4.93	128.18	320
109th month through 120th month	5.23	135.98	340
121st month through 132nd month	5.54	144.04	360
133rd month through 144th month	5.85	152.10	380
145th month through 156th month	6.16	160.16	380
157th month through 168th month	6.47	168.22	380
169th month through 180th month	6.78	176.28	380
181st month through 192nd month	7.09	184.34	380
193rd month through 204th month	7.39	192.14	380
205th month and forward	7.69	199.94	380

*For this Exhibit "C" only, employees hired prior to December 31, 2013, shall inlcude those employees laid off during 2013 and reinstated to City service pursuant to Chico Municipal Code Section 2R.72.140.

MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF CHICO AND SERVICE EMPLOYEES INTERNATIONAL UNION TRADES AND CRAFTS UNIT REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JULY 1, 2025 THROUGH JUNE 30, 2028 (2025 MOU-SEIU-TC)

EXHIBIT "D"

MEDICAL, DENTAL, AND VISION 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

The City and Employees shall each contribute toward the monthly premium rate for City's employee group medical, dental, and vision insurance plans, as set forth below, based on the medical plan selected by the Employee. The allocation of any future rate increases between the City and Employee contributions shall be determined through future agreement between City and Union.

Effective January 1, 2026

MEDICAL					
City Contribution					
	EPO	**PPO 90/10**	**PPO 80/20**	**HDHP**	**HSA**
Single	797.29	797.29	591.81	598.00	78.14
Double	1,720.64	1,718.89	1,254.33	1,276.00	125.02
Family	2,204.53	2,203.66	1,626.80	1,647.00	156.27
Employee Contribution					
	EPO	**PPO 90/10**	**PPO 80/20**	**HDHP**	**HSA**
Single	125.71	125.71	261.19	0.00	---
Double	245.36	245.11	555.67	0.00	---
Family	324.47	324.34	704.20	0.00	---

DENTAL	PPO	PPO BUY-UP	VISION
Single	59.48	58.13	5.47
Double	59.48	58.13	5.47
Family	59.48	58.13	5.47
Single	19.82	51.27	0.00
Double	19.82	51.27	4.66
Family	19.82	51.27	10.24

Health benefit premiums shall be shared proportionately between the City and Union based on the percent of the total premium cost used for current year premium contributions/deductions. It is understood that premium cost sharing is based on a proportionate percentage as defined below:

CITY OF CHICO CONTRIBUTION AMOUNTS						EMPLOYEE CONTRIBUTION AMOUNTS					
	EPO	**90/10**	**80/20**	**HDHP**	**Dental**		**EPO**	**90/10**	**80/20**	**HDHP**	**Dental**
EE Only	86.38%	56.43%	69.38%	100.00%	75.00%	**EE Only**	13.62%	43.57%	30.62%	0.00%	25.00%
EE + 1	87.52%	56.14%	69.30%	100.00%	75.00%	**EE + 1**	12.48%	43.86%	30.70%	0.00%	25.00%
Family	87.17%	56.74%	69.79%	100.00%	75.00%	**Family**	12.83%	43.26%	30.21%	0.00%	25.00%

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

Employees who have alternative group medical insurance coverage are not required to participate in City's medical insurance plan. Employees are required to provide verification of such alternative coverage to the Human Resources Office during the open enrollment period. Employees shall continue to provide verification during the open enrollment period in all subsequent years that Employees choose 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:

a. Into Employee's Medical Flexible Spending Account established with the City's Section 125 Plan; or
b. Into Employee's City deferred compensation account; or
c. As cash to the Employee.

Employees who lose their alternative coverage shall be required to immediately enroll in City's medical insurance plan, and shall no longer receive the $200.00 per month payment.