

RESOLUTION NO. 15-26

RESOLUTION OF THE COUNCIL OF THE CITY OF CHICO APPROVING “MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF CHICO AND UNITED PUBLIC EMPLOYEES OF CALIFORNIA, LOCAL 792 REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JANUARY 1, 2026 THROUGH DECEMBER 31, 2027 (2026 MOU - UPEC)”

WHEREAS, the City Council has previously recognized the United Public Employees of California, Local 792 (“Union”) as the majority representative of the employees identified in the attached MOU; and

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

WHEREAS, City and Union have memorialized their agreement regarding matters within the scope of representation pursuant to the above referenced code provisions in the “MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF CHICO AND UNITED PUBLIC EMPLOYEES OF CALIFORNIA, LOCAL 792 REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR JANUARY 1, 2026 THROUGH DECEMBER 31, 2027 (2026 MOU – UPEC);” and

WHEREAS, all current negotiated items have been incorporated into the 2026 MOU – UPEC; and

WHEREAS, City and Union have executed the 2026 MOU – UPEC and the City Clerk has made copies of the 2026 MOU – UPEC available to this City Council for its consideration; and

WHEREAS, this City Council has reviewed the 2026 MOU – UPEC and finds that it should be approved.

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

1. The 2026 MOU – UPEC is hereby approved and supersedes in all respects any and all terms and provisions of all prior memorandums of understanding between City and employees

1 represented by Union, except to the extent that any term or provision of this 2026 MOU – UPEC  
2 expressly provides otherwise.

3 2. The City Manager is hereby authorized to make appropriate adjustments to the current  
4 Annual Budget, to City’s Administrative Procedure and Policy Manual, and such other rules and  
5 regulations of City as may apply, and to perform all other acts necessary to implement the terms and  
6 conditions set forth in the 2026 MOU – UPEC.

7 THE FOREGOING RESOLUTION WAS ADOPTED by the Council of the City of Chico at its  
8 meeting held on March 3, 2026, by the following vote:

9 AYES: Goldstein, Hawley, O'Brien, van Overbeek, Winslow, Bennett, Reynolds  
10 NOES: None  
11 ABSENT: None  
12 ABSTAIN: None  
13 DISQUALIFIED: None

14 ATTEST:

15  
16   
17 \_\_\_\_\_  
Deborah R. Presson, City Clerk

APPROVED AS TO FORM:

18  
19   
20 \_\_\_\_\_  
21 Ryan R. Jones (Feb 23, 2026 18:30:13 PST)  
22 Ryan R. Jones, City Attorney\*

23  
24  
25  
26  
27  
28  
\*Approved pursuant to The Charter of the  
City of Chico §906 (E)

**MEMORANDUM OF UNDERSTANDING**  
**BETWEEN**  
**CITY OF CHICO**  
**AND**  
**UNITED PUBLIC EMPLOYEES OF CALIFORNIA, 792**  
**REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT**  
**FOR**  
**JANUARY 1, 2026 – DECEMBER 31, 2027**  
**(2026 MOU - UPEC)**

Pursuant to California Government Code Section 3500 et seq., the Council of the City of Chico, through its designated representative, (“City”) and the Chico Employees’ Association (“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.

**Contents**

**ARTICLE ONE: GENERAL PROVISIONS..... 10**

**1.1 DEFINITIONS ..... 10**

A. GENERALLY. .... 10

B. SPECIFIC DEFINITIONS. .... 10

C. STRUCTURE OF MOU..... 11

**1.2 EFFECT OF MOU ..... 11**

A. ANNUAL BUDGET(S) AND CITY’S AP&P. .... 11

B. CITY, STATE, OR FEDERAL LAWS, RULES, OR REGULATIONS. .... 11

**1.3 TERM..... 11**

A. TERM. .... 11

B. RENEWAL OR TERMINATION. .... 12

**1.4 WAIVER OF MEET AND CONFER OBLIGATION DURING TERM OF MOU ..... 12**

A. WAIVER. .... 12

B. MATTERS NOT COVERED BY THIS MOU..... 12

**1.5 LIMITED REOPENER..... 12**

**1.6 LETTER AGREEMENT FOR VARIATION OF PROVISIONS..... 13**

**1.7 AMENDMENTS ..... 13**

**1.8 NON-DISCRIMINATION ..... 13**

A. UNION MEMBERSHIP..... 13

B. PROTECTED GROUP STATUS. .... 13

**1.9 EQUAL EMPLOYMENT OPPORTUNITY PLAN ..... 14**

**1.10 SEVERABILITY ..... 14**

**1.11 EXHIBITS INCORPORATED ..... 14**

**ARTICLE TWO: SPECIAL PROVISIONS – UNION..... 15**

**2.1 RECOGNITION ..... 15**

**2.2 UNION MEMBERSHIP ..... 15**

    A. UNION DUES DEDUCTION. .... 15

    B. DUES DEDUCTION DISCREPANCIES. .... 15

**2.3 EMPLOYEE INFORMATION LIST..... 16**

**2.4 TIME BANK ..... 17**

    A. EMPLOYEE CONTRIBUTION. .... 17

    B. CITY CONTRIBUTION. .... 17

    C. MAXIMUM HOURS. .... 17

    D. SCHEDULING AND CITY APPROVAL OF USE. .... 17

    E. UNION APPROVAL OF USE. .... 17

**2.5 CONTRACTING OF CITY WORK ..... 17**

**2.6 REPLACEMENT OF PERMANENT FULL-TIME POSITION..... 18**

**2.7 EMPLOYEE RIGHTS ..... 18**

**ARTICLE THREE: SPECIAL PROVISIONS - EMPLOYEE..... 19**

**3.1 PERSONNEL FILE INSPECTION..... 19**

**ARTICLE FOUR: SPECIAL PROVISIONS - CITY ..... 20**

**4.1 MEDICAL SUITABILITY FOR EMPLOYMENT ..... 20**

    A. CITY’S RIGHT TO REQUIRE. .... 20

    B. SECOND OPINION. .... 20

    C. THIRD OPINION. .... 20

**4.2 LIMITATION ON CITY USE OF HOURLY EXEMPT EMPLOYEES ..... 20**

<b>ARTICLE FIVE: PAY .....</b>	<b>22</b>
<b>5.1 BASIC PAY .....</b>	<b>22</b>
A. ESTABLISHED.....	22
B. PAY STEP PROGRESSION .....	22
C. PROMOTIONS- EFFECT ON BASIC PAY.....	23
D. COMPUTATION OF PAY. ....	23
E. PERMANENT PART-TIME POSITIONS - PAY.....	23
F. DIRECT DEPOSIT .....	23
G. PAY RANGE INCREASES. ....	24
<b>5.2 OVERTIME PAY .....</b>	<b>24</b>
A. METHOD OF EARNING OVERTIME. ....	24
B. METHOD OF COMPENSATION. ....	24
C. TRAVEL AND ATTENDANCE AT TRAINING SESSIONS.....	25
D. EXCLUSIONS FROM OVERTIME PAYMENT.....	25
E. CTO IN LIEU OF OVERTIME PAYMENT.....	26
F. OVERTIME PAYMENT - PERMANENT PART-TIME AND PERMANENT SEASONAL POSITIONS.....	26
G. EXEMPT EMPLOYEES - ADMINISTRATIVE LEAVE. ....	27
<b>5.3 CALL OUT PAY.....</b>	<b>28</b>
A. GENERALLY.....	28
B. ADMINISTRATIVE CALL-OUT PAY. ....	28
<b>5.4 OUT-OF-CLASS PAY.....</b>	<b>29</b>
A. COMPENSATION. ....	29
B. QUALIFICATION. ....	29
C. VOLUNTARY OUT-OF-CLASS WORK EXCLUSION.....	30
D. SUBMISSION OF OUT-OF-CLASS WORK.....	30
<b>5.5 PAY DIFFERENTIALS.....</b>	<b>30</b>

A.	NIGHT SHIFT PAY DIFFERENTIAL.....	30
B.	BILINGUAL PAY DIFFERENTIAL. ....	31
<b>ARTICLE SIX: EMPLOYEE BENEFITS.....</b>		<b>32</b>
<b>6.1</b>	<b>HOLIDAYS .....</b>	<b>32</b>
A.	ESTABLISHED.....	32
B.	ATTENDANCE POLICY.....	32
C.	HOLIDAYS - OBSERVED. ....	32
D.	COMPENSATION FOR HOLIDAYS WORKED. ....	33
E.	PREMIUM HOLIDAY PAY.....	33
F.	HOLIDAY TIME BANK. ....	37
<b>6.2</b>	<b>INSURANCES.....</b>	<b>39</b>
A.	MEDICAL AND DENTAL INSURANCE. ....	39
B.	INSURANCE REVIEW COMMITTEE. ....	39
C.	APPROVAL OF FUTURE PLAN CHANGES. ....	40
D.	LIFE INSURANCE.....	40
E.	LONG-TERM DISABILITY INSURANCE.....	41
F.	VISION INSURANCE.....	42
<b>6.3</b>	<b>LEAVE.....</b>	<b>42</b>
A.	FLOATING HOLIDAY LEAVE.....	42
B.	SICK LEAVE. ....	43
C.	LEAVE OF ABSENCE WITH PAY - BIRTH OR ADOPTION OF CHILD.....	45
D.	LEAVE OF ABSENCE WITHOUT PAY.....	45
E.	BEREAVEMENT LEAVE.....	45
F.	MILITARY TRAINING LEAVE AND NOTIFICATION PROCEDURE.....	46
G.	PERSONAL TIME OFF. ....	46
<b>6.4</b>	<b>VACATION.....</b>	<b>46</b>

A.	ACCRUAL - GENERALLY .....	46
B.	UTILIZATION.....	47
C.	EFFECT OF TERMINATION OF EMPLOYMENT. ....	48
<b>6.5</b>	<b>RETIREMENT PLAN .....</b>	<b>48</b>
A.	MISCELLANEOUS EMPLOYEE CONTRIBUTION FOR EMPLOYEES HIRED BEFORE JANUARY 1, 2013 OR CLASSIC MEMBERS.....	48
D.	CALPERS ELECTION ABOUT MISCELLANEOUS MEMBER’S PAYMENT OF CITY’S PENSION COSTS.	48
E.	MISCELLANEOUS EMPLOYEE COST SHARING OF ADDITIONAL BENEFITS. ....	49
F.	SAFETY EMPLOYEE CONTRIBUTION FOR EMPLOYEES HIRED BEFORE JANUARY 1, 2013 OR CLASSIC MEMBERS. ....	50
G.	SAFETY EMPLOYEES CONTRIBUTION FOR EMPLOYEES HIRED ON OR AFTER JANUARY 1, 2013 OR NEW MEMBERS.....	50
H.	CALPERS ELECTION ABOUT MISCELLANEOUS MEMBER’S PAYMENT OF CITY’S PENSION COSTS.	50
I.	SAFETY EMPLOYEE COST SHARING OF ADDITIONAL BENEFITS. ....	50
J.	CITY CONTRIBUTION. ....	51
K.	CONSISTENCY WITH PEPRA.....	51
L.	SPECIAL COMPENSATION. ....	52
<b>6.6</b>	<b>VARIOUS BENEFITS .....</b>	<b>52</b>
A.	EMPLOYEE ASSISTANCE PROGRAM.....	52
B.	EDUCATIONAL REIMBURSEMENT. ....	52
C.	DEFENSE OF EMPLOYEE FROM CIVIL ACTIONS OR PROCEEDINGS. ....	52
D.	SECTION 125 PLAN. ....	52
E.	PROTECTIVE CLOTHING AND EQUIPMENT.....	52
F.	UNIFORMS. CITY AGREES TO PROVIDE THE FOLLOWING UNIFORM AND PROTECTIVE EQUIPMENT ITEMS TO EMPLOYEES HOLDING THE FOLLOWING JOB TITLES: .....	53
G.	DAMAGE REIMBURSEMENT - PERSONAL CLOTHING AND PROPERTY. ....	54
H.	FEDERAL INSURANCE CONTRIBUTIONS ACT - MEDICARE CONTRIBUTION.....	55
I.	REIMBURSEMENT FOR PROFESSIONAL AND TECHNICAL LICENSES AND CERTIFICATIONS.....	55

J.	RETIREE MEDICAL TRUST.....	55
<b>6.7</b>	<b>BENEFITS - PERMANENT PART-TIME POSITIONS.....</b>	<b>55</b>
<b>6.8</b>	<b>BENEFITS - PERMANENT SEASONAL POSITIONS.....</b>	<b>56</b>
	<b>ARTICLE SEVEN: WORKING CONDITIONS.....</b>	<b>58</b>
<b>7.1</b>	<b>EMPLOYEE CLOTHING AND PHYSICAL APPEARANCE REQUIREMENTS.....</b>	<b>58</b>
<b>7.2</b>	<b>HOURS AND WORK WEEK.....</b>	<b>58</b>
A.	WORK WEEK DEFINED.....	58
B.	HOURS.....	58
C.	WORK AND MEAL BREAKS.....	58
D.	HOURS AND SHIFT MODIFICATION.....	58
E.	FLEXIBLE WORK SCHEDULES.....	59
F.	JOB SHARING.....	59
<b>7.3</b>	<b>SAFETY.....</b>	<b>62</b>
A.	SAFETY RULES.....	62
B.	WORK STATIONS, EQUIPMENT, AND TOOLS.....	62
C.	VIDEO DISPLAY TERMINAL EQUIPMENT.....	62
D.	SAFETY COMMITTEES.....	62
	<b>ARTICLE EIGHT: MEDIATION AND BINDING ARBITRATION.....</b>	<b>64</b>
<b>8.1</b>	<b>AGREEMENT TO MEDIATION AND BINDING ARBITRATION.....</b>	<b>64</b>
<b>8.2</b>	<b>PROGRESSION OF MEDIATION TO BINDING ARBITRATION.....</b>	<b>64</b>
<b>8.3</b>	<b>MEDIATION.....</b>	<b>64</b>
A.	UNION REQUEST.....	64
B.	INITIAL MEDIATION MEETING.....	64
C.	CONFIDENTIALITY.....	64
D.	ADVANCEMENT TO ARBITRATION.....	64

**8.4 BINDING ARBITRATION ..... 65**

A. UNION REQUEST. .... 65

B. SELECTION OF ARBITRATOR ..... 65

C. MEDIATION TRANSCRIPTS, RECORDS, AND DOCUMENTS..... 65

D. ARBITRATOR’S AUTHORITY..... 65

E. COSTS AND EXPENSES. .... 65

Exhibit “A” Schedule of Job Titles and Hourly Pay Rates.

Exhibit “B” Vacation Accrual Schedule.

Exhibit “C” Medical and Dental Insurance Carriers and Contributions.

## 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 “Meyers-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 (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 shall prevail and shall, upon approval by Council, 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 January 1, 2026, through December 31, 2027. 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 term set forth in Section 1.3.A 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 August 1 of any year during the term of this MOU in which the MOU expires at the end of the fiscal 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**

During the term of this MOU, the limited reopener option is suspended. Historically, City and Union have agreed that Union may have one (1) limited reopener regarding pay and/or benefits. If this limited reopener resulted in an agreement, City and Union have agreed that the limited reopener had been used. If the limited reopener did not result in an agreement, City and Union have agreed that the limited reopener remained available. When this section is operable, Union

may initiate the limited reopener by providing thirty (30) days written notice in advance of the requested meeting date to the City, unless otherwise agreed between City and Union. The City and Union further agree that Union's rights to reopen this MOU does not give the City the right to seek compensation decreases from employees represented during the term of MOU.

## **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 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. Union 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 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. 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. 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 or for the collection of dues from Employees declining payment of same.

### 2.3 EMPLOYEE INFORMATION LIST

Union and City agree that the City will notify the union via email, to the Labor Relations Representative and the Union Office Manager, the time, date, and location of the New Employee Orientation, including the number of bargaining unit employees anticipated to be in attendance at least ten (10) calendar days prior to new hire orientations being held.

The City will allow the Union representative thirty (30) minutes to meet with new employee(s) at either the opening or closing of the new employee orientation. City representatives will excuse themselves during the Union portion of the orientation and the Union agrees in its portion of the orientation not to engage in speech that could cause substantial disruption or material interference with City activities.

The City agrees to release time for one current employee to attend these meetings and for travel time to and from the orientation. The Union will provide the City with the name of the representative at least five (5) calendar days prior to the orientation.

**Information Provided.** Via digital file (e-mail), the City will as soon as possible, but within no more than thirty (30) calendar days of hire, provide the Union with the following information regarding the new employee:

- Name
- Job Title
- Department
- Work location
- Home Address
- Work, home, and personal cellular telephone numbers (as available)
- Personal email addresses on file with the employer (as available)

The City shall also provide the Union this same information, via digital file (Microsoft Excel, or the equivalent), on all bargaining unit members on a quarterly basis. Notwithstanding the foregoing, limited to the express purpose of Assembly Bill 119 requirements only, an employee may opt out via written request to the City (copy to the Union) to direct the City to withhold the disclosure of the employee's:

- Home Address
- Home Phone Number
- Personal Cellular Phone Number
- Personal email address

## 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, or that had been performed by Employees on an active reinstatement list, 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. City agrees to request a Meet and Confer with Union prior to moving forward with a decision to replace a full-time position with either a Permanent Seasonal or a Permanent Part-Time position.

## **2.7 EMPLOYEE RIGHTS**

Any employee shall have the right to represent themselves individually with the City and to present grievances, other workplace issues, and discipline appeals to the City and to have such grievances and appeals adjusted without the intervention of the Union up to but not including arbitration, provided that the adjustment shall not be inconsistent with the MOU and further provided that the Union shall be given an opportunity to be present at any formal steps of adjustment.

## **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.

## ARTICLE FOUR: SPECIAL PROVISIONS - CITY

### 4.1 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 insure 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.

### 4.2 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," including paid interns (hourly employees), 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. Upon mutual agreement, the 2,000 hour limitation may be extended in 1,000 hour increments.

## ARTICLE FIVE: PAY

### 5.1 BASIC PAY

- A. Established.** Basic Pay shall be established consisting of Pay Ranges assigned to each applicable job title in accordance with Appendix B1. Pay Ranges 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 Performance Report" 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. Employees exempt from the overtime provisions of the FLSA are set forth in Exhibit "A" and shall be paid for actual hours worked and paid leave for which they are eligible; however, they shall not be eligible for payment of hours over 40 per week or outside their regular workday or shift as is provided for in 5.2.D of this MOU.
- E. **Permanent Part-Time Positions - Pay.** Employees hired into Permanent Part-Time 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 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 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 the first pay period after ratification and approval, the City shall provide a four and one-half percent (4.5%) General Salary Increase (GSI) to UPEC members as specified in Exhibit A.

Effective the first full pay period of January 2027, the City shall provide a four and one-half percent (4.5%) GSI to UPEC members as specified in Exhibit A.

## **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, 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 rate of pay, as defined by FLSA.
- 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.** City agrees to pay employees for travel and attendance at training sessions, in accordance with the provisions of City's AP&P.

**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 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.

**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 15<sup>th</sup> 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 rate of pay, as defined by FLSA, which is effective at the time of the payout.

If an employee promotes to a FLSA exempt position, all CTO hours shall be paid out on the last paycheck of the employee's non-exempt assignment. Further, in the event an employee transfers to a different bargaining unit, all CTO hours in excess of the new unit's accrual limit shall be paid out on the last paycheck of the employee's current bargaining group assignment.

- 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 Employees' eligibility for overtime shall be based on standards set forth in the FLSA.

**G. Exempt Employees - Administrative Leave.**

- 1. Basic Accrual.** In recognition of the fact that Employees identified as exempt in Exhibit “A” are not compensated for hours worked in addition to the normal working hours, exempt Employees shall receive forty (40) hours Administrative Leave per calendar year. Employees hired or promoted into an exempt position after the beginning of the calendar year shall receive a prorated amount of such Leave on a “percentage of year remaining” basis. Part-time exempt permanent Employees shall accrue a prorated amount of Administrative Leave based on Full Time Equivalent of positions to which Employees are assigned.
- 2. Additional Accrual.** In addition to the Administrative Leave set forth above, the Department Head may approve additional Administrative Leave on a case-by-case basis of up to a maximum of thirty (30) hours per calendar year. Furthermore, the City Manager may approve additional Administrative Leave on a case by case basis, up to a maximum of thirty (30) hours per calendar year. Basic and Additional accrual of Administrative Leave may not total more than a maximum annual Administrative Leave of one hundred (100) hours per calendar year. Such additional Administrative Leave may be approved by the City Manager based upon a determination that the affected Employee is required to work a substantial amount of time beyond the time normally expected of Employees.
- 3. Removal of Unused Administrative Leave.** Any Administrative Leave not taken by December 31 of any calendar year shall be removed, without compensation, from the Employee's payroll records; except that Employees who have received additional Administrative Leave pursuant to 5.2.H.2 may be allowed to retain and use such leave for up to six months if approved by the City Manager. Administrative leave shall be utilized in accordance with the applicable Administrative Procedure and Policy established by the City Manager. Employees who leave City service prior to the end of the calendar year shall receive no compensation for Administrative Leave on Employee’s payroll record.

### 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 include: email, text, and phone call, 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 Sections 5.2.B or 5.2.G for overtime compensation.

#### **5.4 OUT-OF-CLASS PAY**

Employees may be assigned to perform a portion of the duties of a permanent position in a higher classification on a temporary basis. Such assignments shall be termed “out of classification” or “out-of-class” work. Out-of-class work is only subject to out-of-class compensation when one or more of the Qualification criteria below are met.

It is understood that, from time to time, various higher level “tasks” may be assigned to an employee. It is recognized that the infrequent assigning of such tasks is meant to be non-habitual and does not constitute out of classification work subject to out-of-class compensation.

The City agrees to provide comprehensive training to supervisory employees regarding the concept and application of out-of-classification work.

- A. Compensation.** City agrees to compensate Employees, at that certain step in the salary range of the higher classification which generates an increase above the employee’s current salary of not less than five percent (5%).
- 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 perform a substantial amount of work in a higher job classification. For the purposes of this section a “substantial amount of work” shall be defined as either: four (4) hours or more within any single workday, or more than eight (8) hours, cumulatively, within two (2) consecutive pay periods. Employee shall be compensated for one (1) full workday of out-of-class work for each instance where out-of-class assignments reach the level of substantial amount of work as defined above.

For example, if an Employee accrues six (6) hours of out-of-class work in small increments within a pay period, no out-of-class pay is due until/unless the Employee works two (2) additional hours out-of-classification in the *next* pay period. Once the eight-hour cumulative threshold is met, the Employee is entitled to report a full workday of out-of-

class work for the purpose of receiving out-of-class compensation. Additionally, if the Employee accrues six (6) hours of out-of-class work in small increments within a pay period, yet doesn't accrue any additional out-of-class work in the next pay period, no out-of-classification compensation is due to the Employee.

Payment for out-of-classification assignments shall commence on the first day that such assignment(s) met the criteria for a substantial amount of work as defined above.

- C. 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.
- D. Submission of Out-of-Class Work.** Effective July 1, 2016, out-of-classification work must be submitted in the pay period it was worked. Under no circumstances shall compensation for out-of-classification work be issued more than ninety (90) days retroactively, unless previously approved by the Human Resources Director.

## **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. As used herein, the term "regularly assigned" shall mean assignment to a particular work shift for a period of time exceeding one (1) week. 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 verbal and written bilingual skills are at a level necessary for the assignment. Such eligibility shall be documented through a transaction and established prior to assignment.

**2. Designation of Position and Compensation.** The City Manager may designate positions within various departments as benefitting from bilingual skill usage, and in those cases qualified Employees shall be eligible to receive pay for all hours worked in the amount of five percent (5%) of their hourly regular pay rate.

**C. Notary Certificate Stipend.** The City Manager may determine that various City departments would benefit from an employee possessing a Notary Certificate. In cases where the City Manager has determined the need for a Notary exists, employees possessing a Notary Certificate shall be eligible for a Notary Certificate Stipend of twenty-five (\$25) per month. The City Manager has designated up to three (3) Notary Certificate Stipends within UPEC. Final approval is dependent upon the employee providing appropriate proof of notary certificate.

## 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. Employees are only eligible for Holiday compensation if they are in a “paid status” at the time of the holiday.
- 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.**
- 1. Holiday - Sunday.** When a holiday falls on a Sunday, the following Monday shall be observed provided, however, should Christmas Eve fall on a Sunday, such holiday shall be observed on Employee's last regular workday prior thereto.
  - 2. Holiday - Saturday.** If a holiday falls on a Saturday, time off or pay shall be granted at the discretion of City Manager. If time off is granted for Christmas Eve, the holiday shall be observed on Employee's last regular workday prior thereto.
  - 3. Holiday - Regular Days Off.** If Employee's regular days off are other than a Saturday or Sunday and the holiday falls on such day, time off or pay shall be granted at the discretion of City Manager. If time off is granted for Christmas Eve, the holiday shall be observed on Employee's last regular workday prior thereto.
  - 4. Christmas and New Year's Holiday - Monday.** Should the Christmas and New Year's holidays fall on a Monday, the Christmas Eve holiday shall be observed on Employee's last regular work day prior thereto.

**D. Compensation for Holidays Worked.** Employees who are required to be on duty on the established holidays, pursuant to 6.1.A above, or any observed holiday, pursuant to 6.1.C above, shall, in addition to their regular straight time pay for that work day (not applicable to Park Rangers – see 6.1.F. below), be compensated by granting of time off or pay, at the discretion of City Manager, at the rate of time and one-half for the hours worked on said holiday.

Employees who have been granted time off in observance of a holiday and who are subsequently required to work as the result of an emergency shall be additionally compensated at one and one-half (1-1/2) times their regular rate of pay, as defined by FLSA.

Summary of Compensation for Holidays Worked

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

**E. Premium Holiday Pay.** Employees required to work on the Premium Holidays identified as July 4th, Thanksgiving Day, or Christmas Day shall be paid, in addition to the hours paid for that day, an additional one (1) hour of Premium Holiday Pay for each hour worked on the Premium Holiday. Premium Holiday Pay is to be paid in addition to the regular Holiday pay for that day. 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, 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	
<b>Total Hours</b>		<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>20</b>	

***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	
<b>Total Hours</b>			<b>8</b>	<b>8</b>	<b>8</b>	<b>20</b>	<b>8</b>

***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	
<b>Total Hours</b>		<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>20</b>	<b>16</b>

**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 a 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	
<b>Total Hours</b>			<b>8</b>	<b>8</b>	<b>8</b>	<b>20</b>	<b>12</b>

**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	
<b>Total Hours</b>		<b>8</b>	<b>8</b>	<b>8</b>	<b>8</b>	<b>20</b>	<b>20</b>

**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	
<b>Total Hours</b>			<b>8</b>	<b>8</b>	<b>8</b>	<b>20</b>	<b>16</b>

**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 an employee's earnings. EXAMPLE: 8 hours of overtime pay = 4 additional hours of compensation.

**F. Holiday Time Bank.** Due to the seven day per week nature of operation of Park Ranger duties, Park Rangers shall be allotted Holiday Time Bank in lieu of Holiday Pay as outlined in Section 6.1.A through 6.1.C. as follows:

- 1. Accrual - Generally.** Employees' Holiday Time Bank shall be credited on January 1st and each July 1st. The January 1 Holiday Time Bank accrual includes ten (10) hours for each holiday as mentioned in Section 6.1.A., which falls in the first six (6) months of the calendar year, plus twenty (20) hours of additional Holiday Time Bank for the purposes of floating holiday. The July 1 Holiday Time Bank accrual includes ten (10) hours for each holiday as mentioned in Section 6.1.A, which falls in the second six (6) months of the calendar year.
- 2. Utilization.** All Employees who are scheduled to work and who are not required to be on duty on established City holidays may take time off, charging such time against Employees' Holiday Time Bank. If Employees have previously exhausted their Holiday Time Bank accrual, time off on a holiday would be charged to Employees' CTO balance, or to Employees' vacation balance if they do not have CTO. Upon the request of Employee, and upon the approval of Chief of Police or designee, Employees may use vacation for holidays even if they do have CTO available. In the absence of available CTO or vacation, Employee shall take leave without pay. Employees who are required to be on duty on designated City holidays may use Employees' Holiday Time Bank accrual for time off on other days that Employees select and which are approved by Chief of Police or designee. Such time off shall be treated as vacation for request and approval purposes.
- 3. Payment for Unused Holiday Time Bank Hours.** Employees will be paid for unused Holiday Time Bank hours at the time the next accrual of Holiday Time Bank hours are credited on each January 1 or July 1. Such payment will be made on a

separate check and will be paid by the end of the month following the Holiday Time Bank period ending date at Employee's Regular Pay rate which was in effect during the last full pay period of the Holiday Time Bank period.

- 4. Newly Hired Employees Accrual.** At the time of hire, new Employees shall accrue an amount of Holiday Time Bank accrual equal to ten (10) hours times the number of full-day designated City holidays remaining in the semi-annual period in which Employees are hired. If Employees' hire date falls prior to July 1, Employees shall also receive an additional twenty (20) hours Holiday Time Bank accrual for purposes of floating holiday. As an example, a new Employee hired on November 15 would be credited 40 hours of Holiday Time Bank accrual (10 hours each for Thanksgiving, the day after Thanksgiving, December 24, and December 25). A new Employee hired on May 1 would be credited thirty (30) hours of Holiday Time Bank accrual (10 hours for the last Monday in May and 10 additional hours because the hire date is prior to July 1). Upon ratification of this MOU, Holiday Time Bank will be credited to existing Park Rangers according to this provision.
- 5. Holiday Time Bank Conversion Upon Termination or Transition to non-Holiday Time Bank Position.** When Employees terminate or transition to a position that does not accrue Holiday Time Bank, Employees' Holiday Time Bank balance will be reduced by the total daily shift hours times the number of full-day holidays remaining in the semi-annual period. If Employees do not have an adequate Holiday Time Bank balance to offset previously taken holidays, Employees' CTO or vacation will be reduced accordingly. Any remaining holiday hours which cannot be deducted from Holiday Time Bank, CTO, or vacation accrual will be billed to the Employee. If the terminating Employee has unused Holiday Time Bank hours following the deduction for remaining holidays, Employee will be paid for such hours on a straight-time basis as part of Employee's final paycheck.

6. **Proration for Unpaid Leave.** Employees on unpaid leave will have Employees' Holiday Time Bank balance reduced by the total daily shift hours times the number of full-day holidays actually fall during Employees' period of unpaid leave. The provisions relating to the terminating Employees' Holiday Time Bank or excess use of Holiday Time Bank shall apply to Employees on unpaid leave when calculating Holiday Time Bank balance and/or final pay when Employees are no longer on unpaid leave. Further, Employees on Short-Term or Long-Term disability leave will have Holiday Time Bank balance reduced by the holiday hours paid by disability benefits.

## 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 "C," entitled "Medical and Dental Insurance Carriers and Contributions" ("Exhibit "C"). In the event that the actual monthly premium is less than the maximum contribution set forth in Exhibit "C," 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 Director of Human Resources and Risk Management, 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, and all other employees not eligible by contract definition, 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 "E" entitled, "Medical, Dental, and Vision Insurance Carriers and Contributions" ("Exhibit "E"). City agrees to provide Employees with a vision insurance plan which provides vision care benefits, to Employee only, which include 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 copayments 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, or sixteen (16) hours, 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) day, or sixteen (16) hours, 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) day 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, step-parents, parents-in-law, or other persons as approved by City's Human Resources and Risk Management Office, for whom Employee is responsible for care.
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. 13-24.
6. **Job-Related Illness or Disability.** An Employee who is off work as a result of a proven job-related illness or disability 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 Subsection 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:

<u>CITY SERVICE YEARS</u>	<u>MAX. CONVERSION %/MAX. \$ AMOUNT</u>
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 may transfer sick leave for illness of other City Employees in accordance with the provisions of City’s AP&P 13-26.
- 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 adoption of a child by an Employee, such Employee shall be entitled to a leave of absence with pay for a period of three (3) consecutive work weeks or one-hundred twenty (120) hours. Such leave must commence within one year of birth or adoption, the equivalent timeframe to FMLA/CFRA (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 13-24, entitled “Leave of Absence (With or Without Pay),” as is in effect at the time the request is made.
- E. Bereavement Leave.** In the event of a death of an Employee’s immediate family member, Employee may utilize Bereavement Leave in accordance with the provisions of City’s AP&P 13-24.

- 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 eighty (80) hours of personal time off (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 of the above-mentioned 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**

The City of Chico recognizes the value of Vacation for its employees. The City understands that there are positive health benefits associated with taking vacations, including lower levels of stress and improved productivity. In that vein, the City supports the use of vacation by its employees.

- 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 "B" entitled, "Vacation Accrual Schedule" ("Exhibit "B") 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 "B." 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 "B" which constitutes a change in vacation accrual rates. For purposes of this Subsection 6.4.A.1 and Exhibit "B," 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 "B."
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 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.

In the event an employee has greater than 300 hours of vacation accruals on the books, the employee's manager may request that said employee schedule vacation days, not to exceed more than one (1) day of vacation per month, up to a maximum of no more than one half (1/2) of the employee's annual vacation accrual per calendar year. If, after requested by the manager to schedule vacation, an employee does not comply, the manager may schedule vacation time off on behalf of the employee (not to exceed the limits listed above).

Scheduling vacation by a manager is not intended to be a punitive tool; it is meant to ensure that internal controls exist within the organization and that employees reap the benefits of vacation, including increased productivity and better mental and physical health.

- 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. **Miscellaneous Employee Contribution for 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 formula. Employees covered by this section 6.5.A shall contribute the employee contribution amount established by CalPERS for the 3% at 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. **Miscellaneous Employee Contribution for 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 6.5.B 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 6.5.B who are classic members as defined by CalPERS may be eligible for a different pension formula, pursuant to 6.5A. above.
- D. **CalPERS Election about Miscellaneous Member's Payment of City's Pension Costs.** The parties acknowledge that CalPERS mandates an election of UPEC 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 UPEC bargaining unit and completion of the City's amendment to the CalPERS contract, UPEC unit member contributions will be made pursuant to Government Code Section 20516, and shall extend beyond the expiration of this MOU. The UPEC 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.

**E. Miscellaneous Employee Cost Sharing of Additional Benefits.** Effective the first pay period after ratification and approval of the 2026 UPEC MOU each bargaining unit member covered by this MOU shall pay, through payroll deduction, an additional six percent (6%) 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. Stated differently, 0.68% of the cost-sharing percentage that was effective September 2019 shall be rolled back effective with the first full pay period after ratification and approval.

Effective January 10, 2027, the cost-sharing percentage paid by each bargaining unit member covered by this MOU, through payroll deduction, shall be rolled back an additional one percent (1%) of PERSable compensation towards the City's costs, for a total of five percent (5%) 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.

- F. Safety Employee Contribution for 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 50 retirement formula. Employees covered by this section 6.5.E shall contribute the employee contribution amount established by CalPERS for the 3% at 50 Pension Formula. The required employee contribution as of the date of this MOU was nine percent (9%). The City shall not pay any portion of the required employee contribution.
- G. Safety Employees Contribution for Employees Hired On or After January 1, 2013 or New Members.** Employees hired on or after January 1, 2013, shall receive the 2.7% at age 57 retirement benefit formula. Employees covered by this section 6.5.F 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 6.5.F who are classic members as defined by CalPERS may be eligible for a different pension formula pursuant to 6.5.E, above.
- H. CalPERS Election about Miscellaneous Member's Payment of City's Pension Costs.** The parties acknowledge that CalPERS mandates an election of UPEC 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 UPEC bargaining unit and completion of the City's amendment to the CalPERS contract, UPEC unit member contributions will be made pursuant to Government Code Section 20516, and shall extend beyond the expiration of this MOU. The UPEC 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.
- I. Safety Employee Cost Sharing of Additional Benefits.** Effective the first pay period after ratification and approval of the 2026 UPEC each bargaining unit member covered by this

MOU shall pay, through payroll deduction, an additional six percent (6%) of PERSable compensation toward the City's costs, in addition to the amounts specified in 6.5.E. and F., toward the normal cost 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.G., the cost sharing, as described in this section, shall be implemented outside of the CalPERS contract amendment as authorized by Government Code Section 20516(f), and shall extend beyond the expiration of this MOU. Stated differently, 0.68% of the cost-sharing percentage that was effective September 2019 shall be rolled back effective with the first full pay period after ratification and approval.

Effective January 10, 2027, the cost-sharing percentage paid by each bargaining unit member covered by this MOU, through payroll deduction, shall be rolled back an additional one percent (1%) of PERSable compensation towards the City's costs, for a total of five percent (5%) in addition to the amounts specified in 6.5.E and f., 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.G., 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.

- J. City Contribution.** City agrees to pay the benefit contribution rate 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 on July 1, 2002, and to abide by all terms and conditions as established by such Contract so long as the contract exists between City and CalPERS.
- K. Consistency with PEPR.** It is the intent of the parties that the terms set forth herein be consistent with the provisions of PEPR, as it may be amended from time to time and, in the event of any inconsistency, that the provisions set forth in PEPR shall prevail.

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

## 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 fiscal 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 Dependent Care Plan or Medical Flexible Spending Account Plan), the Employee shall be responsible for any additional fees related to those benefits.
- E. **Protective Clothing and Equipment.** City agrees to provide the following protective clothing and equipment to Employees in accordance with the needs of their particular job assignments:
  - 1. Protective headgear (hard hats).
  - 2. Safety vests.
  - 3. Orange safety shirts.
  - 4. Raingear (coats, pants, and boots).

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

In particular, raingear shall be provided to Employees holding the job titles of Combination Inspector and Construction Inspector. In addition, City agrees to provide two sets of raingear for the general use of Employees assigned to the Engineering division of the Public Works Department, and one set of raingear for use by Employees assigned to perform the mail clerk duties in the Finance Office.

**F. Uniforms.** City agrees to provide the following uniform and protective equipment items to Employees holding the following job titles:

1. **Sworn Park Ranger, Senior Sworn Park Ranger:**

- (a) Uniform shirt.
- (b) Uniform trousers; uniform shorts for warm weather use.
- (c) Trouser belt.
- (d) Socks.
- (e) Shoes and/or boots.
- (f) Duty jacket.
- (g) Raingear (coats, pants, and boots).

Such uniform items shall be purchased by Employees with funds budgeted therefore in the Annual Budget of City, subject to the dollar amount limitation of \$900.00 per year, as set forth therein and in accordance with the appropriate departmental administrative procedure..

2. **Property and Evidence Technician:**

- (a) Uniform shirt or blouse.
- (b) Uniform trousers and/or skirts or split skirts.
- (c) Trouser belt.
- (d) Socks.
- (e) Shoes and/or boots.
- (f) Cardigan sweater.
- (g) Crew neck knit undershirts.
- (h) Tie or cross tie.

Such uniform items shall be purchased by Employees with funds budgeted therefore in the Annual Budget of City, subject to the dollar amount limitation of \$750.00 per year, as set forth therein and in accordance with the appropriate departmental administrative procedure.

**3. Code Enforcement Officer I/II and Supervising Code Enforcement Officer:**

- (a) Uniform shirt.
- (b) Uniform trousers.
- (c) Trouser belt.
- (d) Socks.
- (e) Shoes and/or boots.
- (f) Duty jacket.
- (g) Crew neck knit undershirts.
- (h) Knitted cap and/or hat.

Such uniform items shall be purchased by Employees with funds budgeted therefore in the Annual Budget of City, subject to the dollar amount limitation of \$750.00 per year, as set forth therein and in accordance with the appropriate departmental administrative procedure.

Uniform allowance shall be paid in a single lump sum no later than July 31 of each year. Employees must be in active status as of July 31 to receive the uniform allowance. Employees who have not served a full year of employment as of June 30 with the City will receive a prorated uniform allowance equal to the full months of employment.

- G. 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.

**H. 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. **Employees Hired Prior to April 1, 1986 Covered by Medicare Pursuant to City Council Resolution No. 97 02-03.** Employees hired prior to April 1, 1986 were eligible to voluntarily elected to participate in Medicare Coverage available through City’s prior agreement with PERS, pursuant to City Council Resolution No. 97 02-03.
- I. Reimbursement for Professional and Technical Licenses and Certifications.** City agrees to reimburse Employees who work in the related professional or technical field for Engineer in Training certifications and Professional Engineer licenses issued by the State Board of Registration of Professional Engineers and Land Surveyors; and Building Inspector certifications issued by the International Conference of Building Officials.
- J. Retiree Medical Trust.** City and Union will undertake discussions regarding the possibility of establishing a Retiree Medical Trust for Employees at no cost to City.

**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, or opt-out, 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 health insurance coverage could create a significant required Employee contribution, Permanent Part-Time Employees may choose whether or not to participate in the health 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, plans, 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 prorated 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, or opt-out, 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 thirty (30) 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 plans, 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, plans, 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 all 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, unless an alternative schedule is in place pursuant to 7.2.B, entitled "Flexible Work Schedule," below.
- B. **Hours.** Employee work hours shall be Monday through Friday, 8:00 a.m. to 5:00 p.m. or various hours as needed and scheduled for Permanent Part-Time positions.
- 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 or one (1) hour meal break. For Employees in the Sworn Park Ranger and Senior Sworn Park Ranger job classifications, said meal break shall be paid. Such breaks shall 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. Work shifts for Property Section Manager and Evidence Clerks shall be coordinated with Police Department overall schedules, and will often be set for periods other than Monday through Friday from 8:00 a.m. to 5:00 p.m.

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, notwithstanding FLSA requirements, 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, floating holiday, personal time off, and holiday leaves; medical, dental, Jury Duty Pay, and Childbirth/Adoption Leave; 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 Employee and an hourly-exempt employee. In the case of job shares with hourly- exempt employees, City's rules regarding maximum hours which may be worked by an hourly- exempt employee shall not apply.
- 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 work station equipment. It is agreed between the parties to this MOU that issues of safety relating to video display terminals and work station 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 day time 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:

United Public Employees of California:

Casey Chapot 02/23/2026  
Casey Chapot (Feb 23, 2026 08:05:27 PST)  
Casey Chapot (Date)

James LeDonne 02/23/2026  
James LeDonne (Feb 23, 2026 08:03:56 PST)  
James LeDonne (Date)

Ryan Heron 02/20/2026  
Ryan Heron (Date)

City of Chico:

Mark Sorensen 02/23/2026  
Mark Sorensen (Feb 23, 2026 08:52:32 PST)  
Mark Sorensen\* (Date)  
City Manager

\* Authorized pursuant to Chico  
Municipal Code 2R.04.060

APPROVED AS TO FORM:

Ryan R. Jones  
Ryan R. Jones (Feb 19, 2026 20:05:24 PST)  
Ryan R. Jones, City Attorney\*

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

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
CITY OF CHICO  
AND  
UNITED PUBLIC EMPLOYEES OF CALIFORNIA, 792  
REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR  
JANUARY 1, 2026 - DECEMBER 31, 2027  
(2026 MOU - UPEC)**

**EXHIBIT "A"**

**EFFECTIVE: March 8, 2026 (4.5% General Salary Increase)**

<b>POSITION TITLE</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Accountant I	33.63	35.31	37.08	38.93	40.88	42.92	45.07
Accountant II	37.99	39.89	41.88	43.97	46.17	48.48	50.90
Accounting Assistant	20.95	22.00	23.10	24.25	25.46	26.73	28.07
Accounting Technician	28.08	29.48	30.95	32.50	34.12	35.83	37.62
Administrative Assistant	24.40	25.62	26.90	28.25	29.66	31.14	32.70
Administrative Specialist	31.06	32.61	34.24	35.95	37.75	39.64	41.62
Assistant Engineer	38.61	40.54	42.57	44.70	46.94	49.29	51.75
Assistant Planner	30.68	32.21	33.82	35.51	37.29	39.15	41.11
Associate Engineer*	49.28	51.74	54.33	57.05	59.90	62.90	66.05
Associate Planner*	35.31	37.08	38.93	40.88	42.92	45.07	47.32
Building Plans Examiner II	34.47	36.19	38.00	39.90	41.90	44.00	46.20
Case Worker Aide	27.33	28.70	30.14	31.65	33.23	34.89	36.63
Code Enforcement Officer I	32.84	34.48	36.20	38.01	39.91	41.91	44.01
Code Enforcement Officer II	35.30	37.07	38.92	40.87	42.91	45.06	47.31
Code Enforcement Supervisor	41.61	43.69	45.87	48.16	50.57	53.10	55.76
Combination Inspector I	32.84	34.48	36.20	38.01	39.91	41.91	44.01
Combination Inspector II	34.47	36.19	38.00	39.90	41.90	44.00	46.20
Communications Analyst	38.73	40.67	42.70	44.83	47.07	49.42	51.89
Communications Specialist	31.06	32.61	34.24	35.95	37.75	39.64	41.62
Community Development Counter Supv.	34.47	36.19	38.00	39.90	41.90	44.00	46.20
Community Development Technician	23.28	24.44	25.66	26.94	28.29	29.70	31.18
Construction Inspector	32.84	34.48	36.20	38.01	39.91	41.91	44.01
Contracts Specialist	37.89	39.78	41.77	43.86	46.05	48.35	50.77
Crime Analyst	38.73	40.67	42.70	44.83	47.07	49.42	51.89
Engineering Aide	18.60	19.53	20.51	21.54	22.62	23.75	24.94
Engineering Technician	30.26	31.77	33.36	35.03	36.78	38.62	40.55
Fire Permit Technician	23.28	24.44	25.66	26.94	28.29	29.70	31.18
GIS Analyst	33.54	35.22	36.98	38.83	40.77	42.81	44.95
Housing Financial Specialist	32.23	33.84	35.53	37.31	39.18	41.14	43.20
Information Systems Analyst	38.73	40.67	42.70	44.83	47.07	49.42	51.89
Information Systems Technician I	21.85	22.94	24.09	25.29	26.55	27.88	29.27
Information Systems Technician II	29.05	30.50	32.02	33.62	35.30	37.07	38.92
Landscape Plans Examiner/Inspector	34.47	36.19	38.00	39.90	41.90	44.00	46.20
Mail Clerk	19.25	20.21	21.22	22.28	23.39	24.56	25.79
Multimedia Coordinator	42.66	44.79	47.03	49.38	51.85	54.44	57.16
Office Assistant	20.51	21.54	22.62	23.75	24.94	26.19	27.50
Park Services Coordinator	33.35	35.02	36.77	38.61	40.54	42.57	44.70
Parking Coordinator*	42.66	44.79	47.03	49.38	51.85	54.44	57.16
Payroll Assistant	24.40	25.62	26.90	28.25	29.66	31.14	32.70
Permit Technician	23.28	24.44	25.66	26.94	28.29	29.70	31.18
Planning Technician	24.84	26.08	27.38	28.75	30.19	31.70	33.28
Police Program Specialist	31.06	32.61	34.24	35.95	37.75	39.64	41.62
Property & Evidence Technician	21.16	22.22	23.33	24.50	25.73	27.02	28.37
Property Section Coordinator	38.73	40.67	42.70	44.83	47.07	49.42	51.89
Social Case Worker	31.85	33.44	35.11	36.87	38.71	40.65	42.68
Senior Accounting Assistant	24.40	25.62	26.90	28.25	29.66	31.14	32.70
Supervising Combination Inspector	36.20	38.01	39.91	41.91	44.01	46.21	48.52
Traffic Signal Operations Engineer*	42.66	44.79	47.03	49.38	51.85	54.44	57.16

**EFFECTIVE: January 10, 2027 (4.5% General Salary Increase)**

<b>POSITION TITLE</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Accountant I	35.14	36.90	38.75	40.69	42.72	44.86	47.10
Accountant II	39.70	41.68	43.76	45.95	48.25	50.66	53.19
Accounting Assistant	21.88	22.97	24.12	25.33	26.60	27.93	29.33
Accounting Technician	29.33	30.80	32.34	33.96	35.66	37.44	39.31
Administrative Assistant	25.49	26.76	28.10	29.51	30.99	32.54	34.17
Administrative Specialist	32.46	34.08	35.78	37.57	39.45	41.42	43.49
Assistant Engineer	40.35	42.37	44.49	46.71	49.05	51.50	54.08
Assistant Planner	32.05	33.65	35.33	37.10	38.96	40.91	42.96
Associate Engineer*	51.50	54.08	56.78	59.62	62.60	65.73	69.02
Associate Planner*	36.90	38.75	40.69	42.72	44.86	47.10	49.45
Building Plans Examiner II	36.02	37.82	39.71	41.70	43.79	45.98	48.28
Case Worker Aide	28.57	30.00	31.50	33.07	34.72	36.46	38.28
Code Enforcement Officer I	34.31	36.03	37.83	39.72	41.71	43.80	45.99
Code Enforcement Officer II	36.90	38.74	40.68	42.71	44.85	47.09	49.44
Code Enforcement Supervisor	43.49	45.66	47.94	50.34	52.86	55.50	58.27
Combination Inspector I	34.31	36.03	37.83	39.72	41.71	43.80	45.99
Combination Inspector II	36.02	37.82	39.71	41.70	43.79	45.98	48.28
Communications Analyst	40.48	42.50	44.62	46.85	49.19	51.65	54.23
Communications Specialist	32.46	34.08	35.78	37.57	39.45	41.42	43.49
Community Development Counter Supv.	36.02	37.82	39.71	41.70	43.79	45.98	48.28
Community Development Technician	24.30	25.52	26.80	28.14	29.55	31.03	32.58
Construction Inspector	34.31	36.03	37.83	39.72	41.71	43.80	45.99
Contracts Specialist	39.58	41.56	43.64	45.82	48.11	50.52	53.05
Crime Analyst	40.48	42.50	44.62	46.85	49.19	51.65	54.23
Engineering Aide	19.45	20.42	21.44	22.51	23.64	24.82	26.06
Engineering Technician	31.62	33.20	34.86	36.60	38.43	40.35	42.37
Fire Permit Technician	24.30	25.52	26.80	28.14	29.55	31.03	32.58
GIS Analyst	35.05	36.80	38.64	40.57	42.60	44.73	46.97
Housing Financial Specialist	33.68	35.36	37.13	38.99	40.94	42.99	45.14
Information Systems Analyst	40.48	42.50	44.62	46.85	49.19	51.65	54.23
Information Systems Technician I	22.82	23.96	25.16	26.42	27.74	29.13	30.59
Information Systems Technician II	30.35	31.87	33.46	35.13	36.89	38.73	40.67
Landscape Plans Examiner/Inspector	36.02	37.82	39.71	41.70	43.79	45.98	48.28
Mail Clerk	20.11	21.12	22.18	23.29	24.45	25.67	26.95
Multimedia Coordinator	44.57	46.80	49.14	51.60	54.18	56.89	59.73
Office Assistant	21.45	22.52	23.65	24.83	26.07	27.37	28.74
Park Services Coordinator	34.86	36.60	38.43	40.35	42.37	44.49	46.71
Parking Coordinator*	44.57	46.80	49.14	51.60	54.18	56.89	59.73
Payroll Assistant	25.49	26.76	28.10	29.51	30.99	32.54	34.17
Permit Technician	24.30	25.52	26.80	28.14	29.55	31.03	32.58
Planning Technician	25.95	27.25	28.61	30.04	31.54	33.12	34.78
Police Program Specialist	32.46	34.08	35.78	37.57	39.45	41.42	43.49
Property & Evidence Technician	22.13	23.24	24.40	25.62	26.90	28.24	29.65
Property Section Coordinator	40.48	42.50	44.62	46.85	49.19	51.65	54.23
Social Case Worker	33.29	34.95	36.70	38.53	40.46	42.48	44.60
Senior Accounting Assistant	25.49	26.76	28.10	29.51	30.99	32.54	34.17
Supervising Combination Inspector	37.83	39.72	41.71	43.80	45.99	48.29	50.70
Traffic Signal Operations Engineer*	44.57	46.80	49.14	51.60	54.18	56.89	59.73

**EFFECTIVE: March 8, 2026 (4.5% General Salary Increase)**

<b>POSITION TITLE</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Sworn Park Ranger	40.00	42.00	44.10	46.30	48.61	51.04	53.59
Sworn Senior Park Ranger	43.99	46.19	48.50	50.92	53.47	56.14	58.95

**EFFECTIVE: January 10, 2027 (4.5% General Salary Increase)**

<b>POSITION TITLE</b>	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>
Sworn Park Ranger	41.79	43.88	46.07	48.37	50.79	53.33	56.00
Sworn Senior Park Ranger	45.98	48.28	50.69	53.22	55.88	58.67	61.60

**MEMORANDUM OF UNDERSTANDING  
 BETWEEN  
 CITY OF CHICO  
 AND  
 UNITED PUBLIC EMPLOYEES OF CALIFORNIA, 792  
 REGARDING PAY, HOURS AND OTHER TERMS  
 AND CONDITIONS OF EMPLOYMENT FOR  
 JANUARY 1, 2026 - DECEMBER 31, 2027  
 (2026 MOU - UPEC)**

**EXHIBIT "B"**

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

<b>Length of Service</b>	<b>Bi-weekly Accrual Rate</b>	<b>Annual Accrual Rate</b>	<b>Max Accrual Balance</b>
7th month through 36th month	3.08	80.08	320
37th 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 203th month	7.39	192.14	380
204th month and forward	7.69	199.94	380

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
CITY OF CHICO  
AND  
UNITED PUBLIC EMPLOYEES OF CALIFORNIA, 792  
REGARDING PAY, HOURS AND OTHER TERMS AND CONDITIONS OF EMPLOYMENT FOR  
JANUARY 1, 2026 – DECEMBER 31, 2027  
(2026 MOU - UPEC)**

**EXHIBIT “C”**

**MEDICAL, DENTAL, AND VISION INSURANCE CARRIERS AND CONTRIBUTIONS**

**I. CARRIERS**

Employees shall be covered by the medical, dental, and vision 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

<b>MEDICAL</b>					
	<b>City Contribution</b>				
	<b>EPO</b>	<b>PPO 90/10</b>	<b>PPO 80/20</b>	<b>HDHP</b>	<b>HSA</b>
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
	<b>Employee Contribution</b>				
	<b>EPO</b>	<b>PPO 90/10</b>	<b>PPO 80/20</b>	<b>HDHP</b>	<b>HSA</b>
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	---
<b>DENTAL</b>		<b>PPO</b>	<b>PPO BUY-UP</b>	<b>VISION</b>	
	<b>City Contribution</b>				
Single		58.13	58.13		5.47
Double		58.13	58.13		5.47
Family		58.13	58.13		5.47
	<b>Employee Contribution</b>				
Single		19.37	51.27		0.00
Double		19.37	51.27		4.66
Family		19.37	51.27		10.24

Health benefit premiums shall be shared proportionately between the City and UPEC 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
<b>EE Only</b>	86.38%	86.38%	69.38%	100.00%	75.00%	<b>EE Only</b>	13.62%	13.62%	30.62%	0.00%	25.00%
<b>EE + 1</b>	87.52%	87.52%	69.30%	100.00%	75.00%	<b>EE + 1</b>	12.48%	12.48%	30.70%	0.00%	25.00%
<b>Family</b>	87.17%	87.17%	69.79%	100.00%	75.00%	<b>Family</b>	12.83%	12.83%	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 were not be 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 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 as cash to the Employee.

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