CITY COUNCIL AGENDA PACKET  
NOVEMBER 15, 2011

Cover Sheet for Items #6 & #7  
Staff Reports and Attachments for  
Consent Items #6 & #7

Mayor Eric Busch *  
Mayor Pro Tem Bill Fisher  
Council Member Dr. Don Brann  
Council Member Suzanne Fuentes  
Council Member Carl Jacobson

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<thead>
<tr>
<th>Name</th>
<th>Position</th>
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<tr>
<td>Cindy Mortesen</td>
<td>City Clerk</td>
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<tr>
<td>Ralph Lanphere *</td>
<td>City Treasurer</td>
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<td>Cathy Domann</td>
<td>Deputy City Clerk</td>
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<tr>
<td>Doug Willmore</td>
<td>City Manager</td>
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<tr>
<td>Mickie Tagle</td>
<td>Sr. Executive Assistant to City Manager</td>
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<td>Mishia Jennings</td>
<td>Executive Assistant to Council</td>
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<td>Mark D. Hensley</td>
<td>City Attorney</td>
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<tr>
<td>Karl Berger *</td>
<td>Assistant City Attorney</td>
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<tr>
<td>Martha Dijkstra *</td>
<td>Human Resources Manager</td>
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<td>Deborah Cullen *</td>
<td>Finance Director</td>
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<td>Stephanie Katsouleas*</td>
<td>Public Works Director</td>
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<td>Greg Carpenter*</td>
<td>Planning &amp; Building Safety Director</td>
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<td>Kimberly Christensen*</td>
<td>Planning Manager</td>
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<td>James O'Neill *</td>
<td>RSI Program Manager</td>
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<td>Sam Lee *</td>
<td>Building Division Manager</td>
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<td>Debra Brighton *</td>
<td>Library Services Director</td>
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<td>Bob Cummings *</td>
<td>Recreation &amp; Parks Director</td>
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<td>Mitchell Tavera *</td>
<td>Police Chief</td>
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<tr>
<td>Kevin Smith *</td>
<td>Fire Chief</td>
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<td>Fire Station #2</td>
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- Public Copy - City Clerk  
- Public Copy - Library  
- Master Copy - Vault

MAILING

Jerry A. Saunders  
Geoff Yantz *  
Kristin Agostoni  
Liz Garnholz  
Janet M. Oliphant  
Continental Development Corp.  
ESUSD Superintendent  
Daily Breeze  
(Agenda Only)  
(Agenda Only)

* Email notification of Agenda Packet posted to the City of El Segundo Website.
November 15, 2011

TO: Cindy Mortesen, City Clerk
FROM: Deborah Cullen, Finance/Human Resources Director
SUBJECT: CBA MOU

The attached City Employees’ Association Memorandum of Understanding is being submitted under separate cover due to the fact that the Association’s voting period concluded at 2:00 p.m. this afternoon.

PLEASE NOTE: THIS COVER SHEET IS RELATED TO CONSENT ITEMS #6 AND #7 LISTED ON THE NOVEMBER 15, 2011 CITY COUNCIL AGENDA.
AGENDA DESCRIPTION:
Consideration and possible action regarding approval of a Memorandum of Understanding (Labor Agreement) between the City of El Segundo and the El Segundo City Employees’ Association. (Fiscal Impact: Estimated Savings FY 2011/2012 of $363,713)

RECOMMENDED COUNCIL ACTION:
1. Adopt the Resolution approving the Memorandum of Understanding.
2. Alternatively discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Resolution
2. Memorandum of Understanding – Exhibit “A”

FISCAL IMPACT:
Total Fiscal Impact: Estimated Savings FY 2011/2012 of $363,713

   Amount Budgeted:   
   Additional Appropriation: None
   Account Number(s):

ORIGINATED BY: Deborah Cullen, Finance/Human Resources Director
REVIEWED BY: Deborah Cullen, Finance/Human Resources Director
APPROVED BY: Doug Willmore, City Manager

BACKGROUND AND DISCUSSION
Staff and representatives of the El Segundo City Employees’ Association met and conferred pursuant to Sections 3500 et. seq. of the California Government Code, for the purposes of obtaining a labor agreement. Agreement was reached on November 15, 2011.

The Agreement contains the following major provisions:

1. Term – October 1, 2011 to September 30, 2013, with the Association’s option to extend to September 30, 2014. Association shall notify the City of its decision to extend by March 30, 2013.

2. Employer Paid Member Contribution (EPMC) – Employees will pay three percent (3%) of the EPMC. If in the future the City’s PERS miscellaneous employer contribution rate returns to the FY 2010/2011 percentage, members will receive a three percent (3%) increase to base salary.

3. Vacation Buy-Back – Reduced from a maximum of one hundred percent (100%) of annual vacation accrual to twenty-five percent (25%) of annual accrual.
4. Special Pays - Conversion of Education Incentive Pay (5%), Longevity Pay (1% - 3%), and Certification Pay (5%) from percentages to flat dollar amounts.

5. Holiday – Removed Friday after Thanksgiving from list of observed holidays, except for employees regularly scheduled to work on Fridays. Holiday language revised to specify how Holidays will be observed and when Floating Holidays will be credited.

6. Retirement Formula – As soon as practicable, the City shall amend its contract with PERS to establish a two-tier miscellaneous retirement formula of 2%@60 for new hires. The contract amendment is contingent upon all “local miscellaneous” employee groups agreeing to the Tier II retirement formula.

7. El Segundo City Employees Association Insurance – Association-sponsored optional insurance plans will be made available to employees via automatic payroll deduction.

8. Limited Layoff language guaranteeing no layoffs will occur unless general fund core gross revenues for any six-month period fall seven and one-half percent (7.5%).

9. Cost of Living Adjustment (COLA) Language – Employees entitled to a Cost of Living Increase if general fund core gross revenues increase by $1.5 million during designated time periods. COLA to be determined by CPI-U for the Los Angeles-Riverside-Orange County region.

10. Work Schedules – Added language providing option for employees to request to work a reduced workweek schedule, subject to Department Head and City Manager approval. Additional language pertaining to Library Work Schedules was added to document current practice.


Clean-up language includes the following:
- Catastrophic Leave Program – Language updated to reflect current City Policy.
- Health Insurance Contribution – Language revised to clarify methodology associated with calculation of 50-50 cost-sharing.
RESOLUTION NO._________

A RESOLUTION APPROVING THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF EL SEGUNDO, CALIFORNIA AND THE EL SEGUNDO CITY EMPLOYEES' ASSOCIATION BARGAINING UNIT.

The City Council of the City of El Segundo does resolve as follows:

Section 1: Discussions which have taken place in the Meet and Confer Process have resulted in a mutually agreeable Memorandum of Understanding between the City of El Segundo and this Bargaining Unit.

Section 2: Staff is authorized to implement all terms and conditions of the Memorandum of Understanding between the City of El Segundo and this Bargaining Unit. A copy of the Memorandum of Understanding is attached as Exhibit “A”.

Section 3: The City Clerk is directed to certify the adoption of this Resolution; record this Resolution in the book of the City’s original resolutions, and make a minute of this adoption of the Resolution in the City Council’s records and the minutes of this meeting.

Section 4: This Resolution will become effective immediately upon adoption and will remain effective unless repealed or superseded.

PASSED AND ADOPTED this 15th day of November, 2011.

_________________________________________

Eric K. Busch,
Mayor
CERTIFICATION

STATE OF CALIFORNIA  )
COUNTY OF LOS ANGELES )   SS
CITY OF EL SEGUNDO   )

I, Cindy Mortesen, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. _____ was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the 15th day of November, 2011, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

NOT PARTICIPATING:

WITNESS MY HAND THE OFFICIAL SEAL OF SAID CITY this 15th day of November, 2011.

Cindy Mortesen, City Clerk
of the City of El Segundo,
California
(SEAL)

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By:
Karl H. Berger
Assistant City Attorney
"Exhibit A"

MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF EL SEGUNDO
AND
EL SEGUNDO CITY EMPLOYEES ASSOCIATION

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MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF EL SEGUNDO
AND
EL SEGUNDO CITY EMPLOYEES ASSOCIATION

ARTICLE 1 - GENERAL PROVISIONS

Article 1.01 Preamble

This Memorandum of Understanding (hereinafter "MOU" or "Agreement") is made and entered into between the EL SEGUNDO CITY EMPLOYEES ASSOCIATION, hereinafter referred to as "Association", and the management representatives of the El Segundo City Council, hereinafter referred to as the "City", pursuant to the California Government Code Section 3500 et. seq.

Article 1.02 Conclusions and Term of Agreement

The parties have met and conferred in good faith regarding wages, hours and other terms and conditions of employment and the benefits contained herein are given in consideration for the various provisions contained herein which may be a change in the prior employment practices of the City. Further, it is mutually agreed that this MOU shall commence on October 1, 2011 and be effective through and including September 30, 2013 with an option of extending to September 30, 2014 solely by the Association. The Association shall inform the City of its decision whether or not to extend the agreement no later than March 30, 2013.

This MOU contains all of the covenants, stipulations and provisions agreed upon by the parties relating to employee wages, hours and other terms and conditions of employment. Therefore, for the life of this agreement, neither party shall be compelled to meet and confer with the other concerning any mandatory meet and confer issue which is covered by this Agreement. Except as set forth above, nothing herein shall be construed as a waiver of the parties’ rights to negotiate matters within the scope of bargaining.

Notwithstanding any provisions of this MOU, the City can meet and consult with the Association on the City’s Personnel Rules and Regulations which are within the scope of representation

Article 1.03 Implementation of Agreement

This MOU shall be jointly presented to the El Segundo City Council for implementation along with all the ordinances, resolutions and such other additional actions as may be necessary to implement the provisions of this MOU. If the City Council fails to adopt the necessary ordinances and resolutions to implement the provisions of this MOU, the parties agree to meet and confer.
Article 1.04 Recognition

The City hereby confirms its recognition of the Association as the exclusive representative of employees in the general employees representation unit, and agrees to meet and confer with the Association on all matters relating to the scope of representation pertaining to the said employees as authorized by the law. The appropriate unit represented by the Association is generally described as all full time permanent and part-time permanent non-safety employees in the City's "classified service," except Police Assistant I/II, Police Service Officer I/II, and those classes defined as management/confidential or supervisory/professional. This recognition of the Association shall not be subject to challenge except as provided under the provisions of the City's Employer-Employee Organization Relations Resolution #3208. [This list of classes within the bargaining unit is attached to this MOU as Appendix A.]

Article 1.05 Management Rights

Except as limited by the specific and express terms of this MOU, the City hereby retains and reserves unto itself all rights, powers, authority, duties and responsibilities confirmed on and vested in it by the laws and the Constitution of the State of California and/or United States of America.

The management and direction of the work force of the City is vested exclusively in the City and nothing in this MOU is intended to circumscribe or modify the existing rights of the City to direct the work of its employees; hire, promote, demote, transfer, assign and retain employees in positions within the City, subject to the rules and regulations of the City, discipline employees for proper cause; maintain the efficiency of governmental operations; relieve employees from duties because of lack of work; take action as may be necessary to carry out the City's mission and services in emergencies; and to determine the methods, means and personnel by which the operations are to be carried out, including the right to contract or subcontract any services performed by the City and require overtime work by City employees.

Article 1.06 Association Membership

The City agrees to:

1. Provide official dues deductions for all employees who subscribe to Association membership;
2. Provide official payroll deductions for approved Association insurance and welfare plans, not to exceed five programs;
3. Provide the Association with a list of newly hired employees in the representation unit monthly.

Article 1.07 Organizational Security

Upon approval of this Agreement by the El Segundo City Council, all unit employees who voluntarily became members of the Association and those unit employees who voluntarily become members of the Association during the term of this agreement shall
remain members until the expiration of the agreement. Notwithstanding the above, employees may terminate their Association membership within forty-five (45) calendar days prior to the agreement expiration date. Effective June 12, 2001, a Letter of Agreement between the El Segundo City Employees Association and the City of El Segundo regarding implementation of Agency Shop provisions was signed by representatives of the City and the Association. That Letter of Agreement is hereby incorporated by reference into this Agreement. The Association shall indemnify, defend and hold the City harmless against any liability arising from any claims, demands, or other action relating to the City’s compliance with the agency fee obligation, including claims relating to the Association’s use of monies collected under these provisions. The City reserves the right to select and direct legal counsel in the case of any challenge to the City’s compliance with the agency fee obligation, and the Association agrees to pay any attorney, arbitrator or court fees related thereto.

Article 1.08 Savings

If any provision or the application of any provision of this MOU as implemented should be rendered or declared invalid by a final court action or decree or preemptive legislation, the remaining sections of this MOU shall remain in full force and effect for the duration of said MOU.

Article 1.09 No-Strike

The Association agrees that during the term of this MOU their members employed by the City of El Segundo will not strike, or engage in any work stoppage or slow down, engage in a concerted failure to report for duty, or fail to perform their duties in whole or in part for the purposes of inducing, influencing or coercing a change in conditions, or compensation, or the rights privileges or obligations of employment.

The Association also agrees that their members employed by the City of El Segundo will not refuse to cross a picket line in the performance of their normal and customary duties nor attempt to influence, either directly, or indirectly, the employees to honor an existing picket line in the performance of their normal and customary duties as employees.

Article 1.10 Non-Discrimination

The Association and the City recognize and agree to protect the rights of all employees to join and/or participate in protected Association activities or to refrain from joining or participating in protected activities in accordance with Government Code Sections 3550 and 3511.

The City and the Association agree that they shall not illegally discriminate against any employee because of race, color, sex, age, national origin, political or religious opinions or affiliations and shall act affirmatively to accomplish equal employment opportunities for all employees. The City and the Association shall reopen any provision of this Agreement for the purpose of complying with any final order of the Federal or State agency or court of competent jurisdiction requiring a modification or change in any provision or provisions of this Agreement in compliance with State or Federal anti-
Article 1.11  **Steward's Time**

Upon timely request and for suitable reasons, the City Manager may authorize release of the Association President or his/her authorized representative from normal duties to assist in personnel matters involving Association members.

Article 1.12  **Association Administrative Time**

Association officers and board members will be allowed up to a total of 72 hours as a group per year of administrative leave to attend Association and labor relations seminars. All or part of these hours may be used for other conferences or seminars with the approval of the City Manager.

Article 1.13  **Grievance Procedure**

The Association may grieve on behalf of an individual, group of employees or the Association as a whole.

1.  **DEFINITION OF TERMS**

   A.  **Grievance** - A grievance is an allegation of a violation, misinterpretation or misapplication of a specific written departmental or agency rule or regulation or a specific provision of this MOU. A grievance is distinct from an appeal of discipline which is covered by the Personnel Rules and Regulations (Rule 15 and 16).

   B.  **Grievant** - A grievant is an employee or group of employees adversely affected by an act of omission of the agency.

       b.  Steps within the Grievance Procedures will be completed within (10) ten working days.

   C.  **Day** - A day is a working day.

   D.  **Immediate Supervisor** - The first level supervisor of the grievant.

2.  **TIME LIMITS**

   A.  **Compliance and Flexibility** - With the written consent of both parties, the time limitation for any step may be extended or shortened.

   B.  **Calculation of Time Limits** - Time limits for the appeal provided at each level shall begin the day following receipt of a written decision or appeal by the parties.
C. **Failure to Meet Timeliness** - Failure at any level of this procedure to communicate the decision on a grievance by the City within the specified time limits shall permit lodging an appeal at the next level of the procedure within the time allotted had the decision been given. If the grievance is not processed by the grievant or grievant in accordance with the time limits, the decision last made by the City shall be deemed final.

3. **PROCEDURE**

Grievances will be processed following the procedures set forth below.

A. **Level I** - Within ten (10) days of the date the employee reasonably knew or should have known of the incident giving rise to the grievance, the employee should make an effort to resolve the grievance with the employee's immediate supervisor. If the supervisor shall hold discussions and attempt to resolve the grievance within ten (10) days.

B. **Level II** - In the event such efforts do not produce a mutually satisfactory resolution, the employee or employees aggrieved must reduce their grievance to writing and file it with the immediate supervisor. Under no circumstances shall the formal written grievance be filed more than ten (10) days from the date the employee knew or should have known of the incident giving rise to the grievance.

**Procedure for Filing a Grievance**

In filing a grievance, the employee should set forth the following information:

a. The specific section of the Memorandum of Understanding, departmental or agency rules or regulations allegedly violated, misinterpreted or misapplied.

b. The specific act or omission which gave rise to the alleged violation, misinterpretation or misapplication.

c. The date or dates on which the violation, misinterpretation or misapplication occurred.

d. What documents, witnesses or other evidence supports the grievant's position.

e. The remedy requested.

C. **Level III** - If the grievance is not resolved by the immediate supervisor, the grievant may present the grievance in writing to the
department head within ten (10) days. The department head will respond in writing within ten (10) days.

D. Level IV - If the grievance is not resolved by the department head, the grievant may present the grievance in writing to the City Manager within ten (10) days. The City Manager or designee will conduct an informal hearing and render a decision. Each party shall have the right to present witnesses and evidence at the hearing. The conclusions and findings of this hearing shall be final.

4. MATTERS EXCLUDED FROM THE GRIEVANCE PROCEDURE

A. The grievance procedure is not intended to be used for the purpose of resolving complaints, requests or changes in wages, hours or working conditions.

B. The procedure is not intended to be used to challenge the content of employee evaluations or performance reviews. An employee may however, challenge the content of an evaluation by filing an appeal to his/her department head. In the event that an employee is directly supervised by a department head, the employee may challenge the content of the evaluation by filing an appeal to another department heard, who has been agreed upon by the employee and his/her supervisor (department head). In either event, the department head's determination shall be final, and thus no further appeals will be permitted.

C. The procedure is not intended to be used to challenge the merits of a reclassification, lay-off, transfer, denial of reinstatement, or denial of a step or merit increase.

D. The procedure is not intended to be used in cases of reduction in pay, demotion, suspensions or a termination which are subject to the formal appeal process outlined in Ordinance 586 and the Personnel Rules and Regulations.

5. CONFERENCES

Grievant(s) and City representatives, upon request, shall have the right to a conference at any level of the grievance procedure.

6. WRITTEN MATERIAL

Copies of written material which may be used for disciplinary purposes shall be provided to the employee prior to placement in their official personnel file. The employee shall have the right to rebut any such document and have the rebuttal attached to the document prior to it becoming a permanent part of the employee's personnel file.
Article 1.14  **Layoff Procedure**

1. **Grounds for Layoff** - Whenever, in the judgment of the City Council, it becomes necessary to reduce the workforce because of a lack of funds, lack of work or reorganization, an employee may be laid off, reduced in classification or displaced by another employee. Such layoff, reduction or displacement shall result from action of the City Manager or his designee. Such action shall not entitle the laid off, reduced or displaced employee to a right of appeal. The City Manager shall recommend to the City Council each classification to be affected by any such change.

2. **Notice to Employees** - The City shall notify the Association thirty (30) days prior to the implementation of layoffs, to provide for adequate time to meet and confer regarding the impact. An employee filling a full time position shall be given fourteen (14) calendar days prior notice of lay off. Employees transferred, reduced or displaced shall be given five (5) calendar days notice. The City Council may approve a reduction in the notice requirements, if so recommended by the City Manager.

3. **At-Will Employees** - The City Manager retains the right to layoff or alter the work assignment of the following employees at any time without notice or right of appeal: emergency employees, temporary or seasonal employees, part-time employees, original probationary employees, promotional probationary employees and employees designated as at-will. The promotional probationary employee shall revert to his/her previously held classification and position without loss of seniority.

4. **Procedures for Layoff** - A permanent employee in a classification affected by a reduction in force shall be laid off based on seniority in City service, that is the employee with the least City service shall be laid off first, followed by the employee with the second least City service, etc. Seniority shall be determined by hire date. Seniority shall mean full-time employment in any classification in the City of El Segundo.

5. **Breaking Ties** - In cases where two or more employees have the same date of hire (i.e. equal seniority), retention points for job performance shall be credited on the basis of the average of the overall evaluation ratings for the last three (3) years in a classification, provided the last rating had been filed at least thirty (30) days prior to the date of the layoff notice. Retention points are as follows:

   "Unsatisfactory" Rating       -       0 points
   "Improvement needed" Rating   -       6 points
   "Satisfactory" Rating         -       12 points
   "Exceeds expectations" Rating -       18 points
   "Outstanding" Rating          -       24 points
In the event of a tie in seniority, the employee with the lowest average of retention points shall be laid off first. In the event that one or more of the affected employees do not have a sufficient number of performance evaluations on file, ties shall be broken by a coin toss.

6. **Reduction to a Vacant Position** - An employee designated for layoff as a result of abolition of a position or classification may be offered appointment to a vacant position in a lower classification, if the employee is qualified by education and/or experience for such position. If there is more than one qualified employee to be offered such appointment(s), the offer(s) shall be based on seniority, with the employee with the highest seniority offered the position first, then the next highest, etc. If the employees have the same seniority, then the procedure for breaking ties set forth above shall apply. An employee accepting such appointment shall be placed on the step for the lower classification most closely corresponding, but in no case higher, than the salary step of his/her previously held position, and the employee will be assigned a new salary anniversary date on the effective date of the appointment.

7. **Displacement Rights** - An employee designated for layoff as a result of abolition of a position or classification may displace ("bump") an employee in a lower classification in which the employee has prior service, provided the laid off has greater seniority than the employee in the lower classification. Full-time members of the unit who are laid off will be permitted to bump non-benefited temporary and part-time employees if a) the classification is in the unit and b) the City determines that the laid off employee is qualified for the temporary or part-time position. In such cases, the full-time employee who has been laid off will assume temporary or part-time status.

An employee who is bumped shall be laid off in the same manner as employee whose position or classification is abolished.

8. **Salary Placement** - An employee who is assigned to a lower classification as a result of a displacement (bump) shall be placed on the step of the salary range of the new classification which is closest to the compensation of the employee in the previous classification, but in no case higher, and the employee will be assigned a new salary anniversary date on the effective date of the appointment. The employee shall, however, retain seniority while his/her name remains on reemployment list or lists.

9. **Re-Employment List** - The names of permanent employees who have been laid off under this section (including employees who have bumped down) shall be placed, in order of seniority from highest to lowest, on a reemployment list for their classification or any lower classification for which the employee is qualified by education and/or experience. Persons on such lists shall retain eligibility for appointment therefrom for a period of
three years from the date their names were placed on the list. As a
vacancy within a classification or lower related classification becomes
available, the name appearing at the top of the list shall be offered the
opportunity to fill the vacancy. The name of an individual selected from
the list to fill the vacancy who refuses the re-employment offer shall be
permanently removed from the re-employment list without right of appeal.
Laid-off employees do not earn seniority credit or benefits while on the re-
employment list.

10. Rights on Re-Employment - If a person is reemployed by the City within
three years, the employee's seniority, sick leave and vacation accrual
rates shall be reinstated. Any accumulated sick leave and/or vacation
earnings shall also be reinstated to the extent that the employee did not
receive compensation for such earnings at the time of lay off. Upon
reemployment, employees will be placed on the same salary step held at
the time of lay off.

Article 1.15 Personnel Policies

1. Overtime Distribution - The City shall assign overtime work as equitably as
possible among all qualified employees in the same classification in the
same organizational unit. Such overtime work shall to the extent possible
be assigned on the basis of volunteers. In the assignment of overtime
under this provision, however, management may consider special skills
required to perform particular work.

2. Good Friday - Employees shall be entitled to use vacation time for leaves
with pay on Good Friday provided such absences are scheduled and
approved by the City.

ARTICLE 2 - SALARIES AND BENEFITS

Article 2.01 Cost of Living Adjustment

If general fund actual core gross revenues increase by $1.5 million or more in fiscal year
2011-12 compared to fiscal year 2010-2011 and/or by $1.5 million in fiscal 2012-13 as
compared to 2011-12, then the employees covered under this MOU will be entitled to a
COLA increase effective the pay period including October 1 of the fiscal year
immediately following the qualifying fiscal year(s). In other words, if the general fund
actual core gross revenues in fiscal year 2011-12 and/or 2012-13 are $1.5 million or
more greater than those in the previous fiscal year, the COLA increase will take effect
October 1, 2012 and/or 2013. The amount of the COLA increase will be based upon
the percentage increase in the Consumer Price Index (CPI-U) in the Los Angeles-
Riverside-Orange County geographic area for the twelve month period ending the most
recent August 31. General fund core gross revenues for this section shall mean all
revenues except Net of All Transfers, other Licenses and Permits (account numbers:
3400-3499) and Charges for Services (account numbers: 3800-3899).
Article 2.02 **Overtime/Compensatory Time**

1. **Overtime Calculation** - An employee who is required to work more than forty (40) hours during any given work week shall be compensated at the rate of one and one-half times his/her regular rate of pay. The City, for purposes of calculating overtime pay, will include holiday, compensatory time and pre-approved vacation leave as time worked. Sick leave will not be considered as time worked for purposes of determining eligibility for overtime pay.

2. **Compensatory Time** - Employees may substitute compensatory time for overtime pay if approved by their Department Head as follows:
   
   A. The employee can maintain up to eighty (80) hours of accrued compensatory overtime at any one time, and carry over unused time from year to year.
   
   B. The employee may use compensatory time in conjunction with normal vacation time with prior approval of their Department Head.
   
   C. The employee can use up to forty (40) hours of compensatory time at any one time.

3. **Cash in of Compensatory Time** – Employees may cash in accrued compensatory time, once per calendar year, at the employee’s current base rate of pay, by notifying the payroll division of their intent to do so no later than November 20th. Payment to the employees will be made on or about the 10th of December.

4. **Recall Minimum Hours** - Employees who are required to return to work at a time other than their scheduled work day shall be compensated for a minimum of four (4) hours work.

Article 2.03 **Family Emergency Care Sick Leave Utilization**

The City shall comply with the Federal and State regulations of the Family and Medical Leave Act. Affected employees shall be entitled to utilize six (6) days of accumulated sick leave per calendar year for providing immediate family medical necessity-related care. "Immediate family" shall be defined as including children, parents, siblings, grandparents of the employee, the employee’s spouse, domestic partner or significant other. Utilization of said sick leave shall be contingent upon the employee making application for sick leave use and providing his/her department head with documentation evidencing that the sick leave is to be distributed because of an immediate family member receiving medical attention by any type of health care provider.
**Article 2.04 Uniform Allowance and Replacement**

The City shall pay uniform, clothing, and personnel equipment allowance as follows:

A. Police Cadet, Crime Scene Investigator I/II and Fire Prevention Specialist - $240 per year or equivalent per month of active duty.

B. Newly appointed Police Cadets shall be provided with a uniform advance of $110 and $75, respectively, at the time of appointment.

C. The City reserves the right to provide uniforms in lieu of the allowances provided for herein. Affected employees occupying the classifications of Police Cadet, Crime Scene Investigator I/II and all Fire Prevention Specialist classifications shall have unserviceable uniforms replaced by the City by means of the replacement policies and procedures applicable to sworn uniformed City police personnel. Said replacement policy shall be in addition to any uniform maintenance allowance paid to affected employees.

The City shall provide rain gear for Building Inspectors I/II and shall additionally provide safety shoes in an amount not to exceed $100.00 (pre-tax) per 12-month period for those individuals required by the City to wear safety shoes. The City shall contract with a vendor for provision of said safety shoes and the affected employees shall be required to obtain the shoes from said vendor unless it can be demonstrated to the satisfaction of the employee's department head that the vendor does not have footwear which is usable by the employee. Upon receipt of written authorization from the department head to do so, the employee may in such case purchase safety shoes at a location of his/her choice, subject to the maximum $100.00 pre-tax City contribution. Requests for an additional shoe allowance when such individuals have worn or damaged safety shoes shall not be unreasonably denied. If denied, the reason for such denial shall be provided in writing to the employee.

Employees occupying the following classifications shall have uniforms and shoes provided:

- All Maintenance Worker I/II and Leadworker Classifications
- Custodian
- Meter Reader/Repairer
- Facilities Systems Mechanic
- Tree Maintenance Worker
- Building Inspector I/II
- Equipment Mechanic I/II
- Maintenance Craftworker
- Senior Park Maintenance Worker

**Article 2.05 Wellness Program**

The parties shall create during the term of this Agreement a joint labor-management "wellness committee", the purpose of which shall be to inform and educate unit members as to manners in which individual lifestyles can be adjusted to promote health and fitness. Any and all recommendations of the committee shall be advisory only and the composition of the committee shall be as agreed upon by the parties in accord with future organizational meetings to be coordinated by representatives of management.
and labor.

**Article 2.06 Employee Group Insurance Programs**

1. **Medical**

A. Effective January 1991, the City will contract with the California PERS for the Public Employees' Medical and Hospital Care Program for medical insurance.

B. Effective January 1, 2005, the City's contribution for medical and mental health insurance will be equal to the premium cost of full family coverage for the average of the HMO's available to all PERS covered employees in Los Angeles County or $807/month, whichever is higher. (This amount will be known as the "2005 formula"). Effective January 1, 2006, the City shall pay for 80% of the increased premium which exceeds the formula set forth above. Employees shall be responsible for the remaining 20%. (For example, if the premium increase for the average cost of the HMO plans increases by 10% over the anticipated 2005 average premium of $757.29/month (ie., an increase of $75.73/month to $833.02/month), the City would pay up to $827.82/month ($807 plus 80% of the increase above $807) and the employee would pay the remaining $5.20/month).

Effective January 1, 2007, the City's maximum contribution shall be the 2005 formula, the 80% contribution for 2006, plus 80% of the increased premium which exceeds the 2005 contribution. (For example, if the premium increase for the average cost of the HMO plans increases by another 10% over the hypothetical 2005 rate of $833.02/month (ie., an increase of $83.30/month to $916.32/month), the City would pay up to $894.46/month ($807 + $20.82 + $66.84) and the employee would pay the remaining $21.86/month.

Effective January 1, 2005, employees may opt out of insurance and receive $250/month in cash. The opt out benefit is only available so long as the city's insurance rate is not adversely affected by the "opt out". The employee must provide verification of alternative coverage in order to opt out and is responsible for the tax consequences of the cash payment. The cash benefit is not subject to PERS retirement credit.

C. Effective January 1, 2012, the City Contribution towards medical insurance and EAP premiums will be $1,096.36/month.

Effective January 1 of each year of the contract, the City Contribution towards medical insurance and EAP premiums will increase by 50% of the annual increase in the average HMO family
coverage rate.

The “average HMO family coverage rate” is calculated by taking the average of each Los Angeles Area (Los Angeles-San Bernardino-Ventura) family-coverage premium amount for all HMO plans offered through the PERS Health Program.

The following hypothetical calculation for the 2013 City Contribution is used for illustration purposes only:

Sample Calculation for 50% of annual increase in the average HMO family coverage rate:

<table>
<thead>
<tr>
<th></th>
<th>2012 HMO family coverage premium rate</th>
<th>2013 HMO family coverage premium rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blue Shield HMO</td>
<td>$1,327.87</td>
<td>$1,355.27</td>
</tr>
<tr>
<td>Net Value</td>
<td>$1,142.05</td>
<td>$1,170.46</td>
</tr>
<tr>
<td>Kaiser HMO</td>
<td>$1,210.64</td>
<td>$1,244.82</td>
</tr>
<tr>
<td>Average:</td>
<td>$1,226.85</td>
<td>$1,256.85</td>
</tr>
</tbody>
</table>

Sample Calculation for City Contribution:

<table>
<thead>
<tr>
<th>2012 City Contribution</th>
<th>Add 50% of annual increase</th>
<th>2013 City Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,096.36</td>
<td>+ $15.00</td>
<td>$1,111.36</td>
</tr>
</tbody>
</table>

D. Effective upon City participation in the Public Employees’ Medical and Hospital Care Program the City will initiate a future retiree health insurance contribution program for retirees who participate in the Public Employees’ Medical and Hospital Care Program. The program will provide for the following maximum contributions:

<table>
<thead>
<tr>
<th>Year of Retirement</th>
<th>Amount of Monthly Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>1991</td>
<td>* $16.00</td>
</tr>
<tr>
<td>1992</td>
<td>* 25% of City Contribution made for employee with coverage which is the same as that of the retiree.</td>
</tr>
<tr>
<td>1993</td>
<td>* 50% &quot;</td>
</tr>
<tr>
<td>1994</td>
<td>* 75% &quot;</td>
</tr>
</tbody>
</table>
*Should the contribution listed be less than $75.00 the retiree shall receive $75.00.

Employees must have a minimum of five (5) years of service with the City in order to be eligible for paid retiree medical insurance.

E. Effective October 1, 2007, the maximum future City contribution for medical insurance, for both active employees and retirees, shall be $1600 per month.

2. Dental

During the term of this agreement, the City will pay the premium for City contracted dental insurance for employees and eligible dependents. The City's aggregate contribution for current dental, optical and life insurance shall be capped at $135.00 per employee per month.

3. Optical

During the term of this agreement, the City will pay the premium for City contracted optical insurance for employees and eligible dependents. The City's aggregate contribution for current dental, optical and life insurance shall be capped at $135.00 per employee per month.

Article 2.07 Retirement

1. The City shall provide as deferred compensation a set dollar amount to be paid toward the employee's contribution to the Public Employees' Retirement System. The dollar amount to be paid as deferred compensation for the term of this agreement shall be an amount equal to four percent (4%) of the sum of the total earnings less than $133.33 per month. Total earnings less deferred pay and special compensation as defined by CalPERS equals base pay. The City agrees to pay on behalf of the employees covered under this agreement the member contribution on shift differential, uniform allowance and uniform replacement when such benefits are includable as additional compensation for PERS purposes.

Effective the pay period beginning November 5, 2011 through the end of the contract only (September 30, 2013 or 2014), employees agree to pay three percent (3%) (pre-tax) of the employee contribution. If in the future the City's Employer share for the City's 2%@55 Miscellaneous Retirement Tier, i.e. PERS rate, returns to the FY 2010/2011 percentage or lower, all represented classifications will receive a three percent (3%) COLA increase to base salary.
2. Effective January 1, 1992 the City's contract with the California Public Employees' Retirement System was amended to add Section 20024.2, One-Year Final Compensation.

3. The City has amended its contract with the Public Employees' Retirement System (PERS) to provide eligible employees with the benefits of the 2% at age 55 (Modified) retirement plan in accordance with Government Code Section 21354.

   (b) Tier II – As soon as practicable, the City shall amend its contract with the California Public Employees' Retirement System (PERS) to implement the 2%@60 retirement formula in accordance with Government Code Section 21353. This new formula shall apply to employees hired on or after the effective date of the PERS contract amendment. Implementation of the PERS contract amendment is contingent upon all “local miscellaneous” employees in the City agreeing to the Tier II retirement formula.

4. Effective April 12, 2008, the City’s contract with the California Public Employees’ Retirement System and the City Council, City of El Segundo was amended to provide Section 21548, “Pre-Retirement Optional Settlement 2 Death Benefit” for bargaining unit members (local miscellaneous members).

Article 2.08 **Differential Pay**

1. **Shift Differential** – Employees shall be entitled to shift differential pay of ninety cents ($0.90) per hour for the total number of hours worked during their scheduled shift when a minimum of four (4) hours of an employee’s scheduled shift occurs between the hours of 5:00 p.m. and 6:00 a.m. Employees who work overtime shall not be entitled to shift differential pay for hours in which they receive overtime pay.

Article 2.09 **Computer Purchase Program**

1. Contingent upon the City determining that sufficient funds exist for said purpose, provision to each affected employee of a maximum $4000.00 cumulative interest free loan for an initial purchase of personal computer hardware, software and ergonomic-related furniture and equipment. An employee with an outstanding balance on a prior computer loan as of July 1, 1998 will have that amount currently due from the previous loan subtracted from the amount the employee can borrow interest free under this program.

2. Subsequent loans or amounts in excess of the above maximum interest free loan, would be at an interest rate of 3%. All loans would include a 35-month repayment term.

3. Anti-virus software shall be required as a prerequisite in granting
requested loans.

4. The City's determination in this regard is not subject to administrative or judicial appeal. Loans shall be repaid through payroll deductions over a three year period. Outstanding loan balances must be paid off at the time an employee separates from City service and the City shall be authorized to recover any loan balance by making deductions from the employee's final check.

5. The City would retain title, as security, to any equipment purchased with funds from the above described loans, until such time as the loan is fully paid off. The City is to be notified of any exchange or updating of equipment.

Article 2.10 Sick Leave

1. Sick Leave Accumulation - Employees shall receive one (1) eight (8) hour day accumulation for each month's service not to exceed a maximum of 600 hours. Current employees with more than 600 hours of accumulated sick leave will be allowed to utilize that amount as their personal sick leave cap throughout the remainder of their service with the City.

2. Sick Leave Payment Upon Separation - Affected employees having a minimum of 5 years of service will be paid for 50% of their unused sick leave upon death or termination. Employees shall receive 100% of their unused sick leave upon a service or disability retirement.

3. Sick Leave - Payment of One-Half of Accrual - On the first day of December of each year, employees who maintain a balance of 600 hours of sick leave accrual shall be paid for (100%) of sick leave accumulated and not used during the preceding twelve-month period. Payment shall be made on or before December 10th.

4. Sick Leave Accrued - Payment on Termination Prior to December 1st - Employees who terminate prior to the first day of December while maintaining a balance of more than 600 hours of sick leave shall also be paid seventy percent (70%) of their unused accrued sick leave accumulated since the preceding December 1st.

5. Sick Leave Certification - Any employee taking sick leave shall, upon his or her return to work, sign a statement certifying the reasons for such sick leave. Employees absent five or more consecutive working days, or four consecutive working days for employees assigned to a four-day ten-hour working schedule must submit a statement from a doctor that the employee was under his care and is able to return to work. Upon the recommendation of a Department Director or his/her designee the City Manager or the Director of Human Resources may, before allowing such leave or before permitting an employee to return to work, require submission of a doctor's certificate for any absence. Any employee who
makes a false claim to sick leave or who refuses to cooperate in an investigation by the City of his or her claim shall be subject to disciplinary action.

In addition to the above, effective January 1, 2001, after an employee has used seventy-two (72) hours or more of sick leave during the employee’s 12-month annual performance evaluation period, the employee’s department head may require, for each sick leave absence thereafter during the year, that the employee provide a statement from a doctor verifying that the employee was under a doctor’s care during the absence and that the employee is now able to return to work. In accordance with Labor Code Section 234 use of family sick leave will not be included when determining whether an employee has exceeded the 72 hour threshold set forth above.

6. **Sick Leave Requests** - Requests for sick leave benefits will not unreasonably be denied. Employees agree not to abuse the use of sick leave.

**Article 2.11 Flexible Spending Account**

The City will implement a Flexible Spending Account pursuant to the terms and conditions of this plan no later than January 31, 1989.

**Article 2.12 Bereavement Leave/Emergency Leave**

1. **Bereavement Leave** - Employees shall be entitled to three (3) days of bereavement leave with pay per incident which shall be increased to one work week per incident in those circumstances where travel to a funeral or other memorial proceeding is 500 or more miles one way as measured from the El Segundo City Hall. Additionally, the definition of the "immediate family" whose funeral or memorial proceeding qualifies for the use of bereavement leave, shall include the children, parents, siblings, grandparents of the employee, the employee's spouse or significant other.

2. **Personal Emergencies** - Employees, upon request, shall be entitled to utilize vacation, Personal Leave Day/Floating Holiday or accumulated compensatory time off for bona fide and substantiated personal emergencies, i.e. serious illness of immediate family members, and cases of extreme and unusual hardships of an emergency nature. In certain circumstances, notification requirements may be waived.

**Article 2.13 Step Advancement**

1. **Step Advancement Basic Salary Schedule** - The advancement of a new employee from Step A shall be on the new employee’s anniversary date which is established as the day immediately following satisfactory
completion of his or her first six months’ service; Steps B, C, and D contemplate one year’s service in each of such classification subject to the limitation of Section 6 below and the advancements therefrom shall be on the anniversary date of the employee; Step E contemplates continued service in such classification until further advancement is indicated by reason of longevity.

Notwithstanding the above, a supervisor may recommend to the department head that an employee receive an accelerated advancement of part or all of the next salary step B, C, D, or E (excluding Longevity Pay), based on exemplary job performance. If the department head concurs, he/she shall submit a written report on the prescribed form to the Director of Human Resources citing specific examples of work performed by the employee that consistently exceeds expectations and warrants approval of part or all of the next salary step prior to the employee’s anniversary date. The Director of Human Resources shall submit the request along with a recommendation for action by the City Manager. Recommended accelerated salary increases shall be in whole percentages ranging from 1-5%. An employee may receive more than one salary step advancement, but in most cases the total granted shall not exceed 5% in a twelve (12) month period. The accelerated salary advancement(s) shall not change the affected employee’s anniversary date. In no case shall an employee receive compensation that exceeds the E-step of their respective salary range.

2. **Class Series Classifications** - Notwithstanding the provisions of Section 1, the following classes:

   Accounts Specialist I/II
   Building Inspector I/II
   Crime Scene Investigator I/II
   Equipment Mechanic I/II
   Library Clerk I/II
   License Permit Specialist I/II
   Office Specialist I/II
   Park Maintenance Worker I/II
   Public Works Inspector I/II
   Street Maintenance Worker I/II
   Wastewater Maintenance Worker I/II
   Water Maintenance Worker I/II

The classifications listed above shall be described as class series classifications and shall be paid at either of two different salary range levels assigned to each class.

In each of these classes, entry level may be made at two different work performance, skill, and assigned responsibility levels corresponding to the two different salary range levels. When entry is made at Level I, the employee shall progress through steps of the range assigned to that level in the manner described in Section 1, except as noted below. When entry
is made at Level II, the employee shall advance through the steps of the range assigned to that level in the same manner as described in Section 1.

Every person employed at Level I shall be eligible to advance to Level II without regard to the number of other employees at either of the levels or budget limitations. To assure the latter, class series positions shall be budgeted at Level II in all cases. Merit considerations, as clarified by the factors listed below, shall be the exclusive basis for advancement to Level II.

When a person is employed at Level I, such employee may be advanced to Level II upon a determination by the Department Head and approval of the Director of Human Resources that the employee’s work performance, skill development, and demonstrated ability to perform higher level duties causes his/her assignment to Level II to be appropriate. No employee shall be advanced to Level II without such an evaluation.

In making the determination to advance to Level II according to the above-noted factors, such determination shall not be made simply by subjective evaluation but shall be upon a finding that the employee’s work performance meets specific criteria developing from the following factors, among others deemed appropriate:

   Length of service at Level I;
   Acquisition of specialized skills required of the position;
   Achievement of specific job-related goals and objectives during a specified period of time;
   Increased ability to work without close supervision;
   Ability to exercise increased individual judgment;
   Ability to provide leadership and guidance to less experienced employees;
   Ability to understand and properly apply departmental rules;
   Ability to produce work which is acceptable both in terms of quality and quantity and which represents at least the average level of work produced by other Level II employees.

Specific criteria for advancement within a class series shall be prepared jointly by each Department Head and the Director of Human Resources. Such criteria shall be approved by the City Manager. No employee shall be advanced from Level I to Level II except upon recommendation of the Department Head and approval of the City Manager.

Whenever an employee is moved from Level I to Level II, such employee shall be compensated at the lowest rate of compensation provided for in the higher Level II salary range which exceeds by not less than five
percent the rate of compensation received by said employee at the time of assignment to Level II, unless otherwise ordered by the City Council. While occupying a position assigned to a class series classification, an employee shall serve only one probation period.

3. **Longevity Achievement on Merit** - Employees to whom this Chapter applies who are eligible to receive longevity pay shall receive longevity pay based upon an overall rating of "standard" or higher as determined by the employee's performance evaluation. If the employee fails to qualify for longevity pay because of failure to have attained a "standard" or higher rating, and the employee's overall performance subsequently improves to at least a "standard" level, the longevity pay increase shall be granted upon the issuance of a satisfactory performance report.

4. **Step Advancement - Anniversary Date** - An employee advanced from any range to another range of the Basic Salary Schedule shall receive a new anniversary date which is the date of the change. If the employee's anniversary date falls in the first week of the pay period, the effective date of the increase will be the first day of that pay period; if the effective date falls on the second week of the pay period, the effective date of the increase will be the first day of the following pay period. Other changes in salary, unless specifically directed by the Council or as provided in Section 6 shall not change the anniversary date, except for promotions made in accordance with the Personnel Merit System Ordinance or the Personnel Rules and Regulations. The City Council reserves the right, at any time, and in its sole discretion, to change the range number assigned to any officer or employee and to determine the particular step in any range number which is to be thereafter assigned to any such officer or employee, subject to meet and confer with the Association. Notwithstanding the above, an employee in a classification under Section 2 shall not be assigned a new anniversary date when he/she is advanced from Level I to Level II in that same classification.

5. **Increases on Merit - Basic Salary Schedule** - An employee shall be eligible for advancement to a higher step on the basis of service time as described in Section 1 and satisfactory performance of duties. An employee will be presumed to merit an increase unless his or her Department Head, with the concurrence of the Director of Human Resources, notifies the employee in writing no later than the end of the pay period which begins after said employee's anniversary date that the increase should be withheld, stating reasons. The reasons shall be provided to the employee in writing. If the employee's performance subsequently improves to a satisfactory level, the step increase will be granted and the date of increase will become the employee's anniversary date.

**Article 2.14** **Minimum Service with City of El Segundo to Receive Pay for a Designated Percentage of Accumulated Sick Leave**
Employees who retire must have been employed for a minimum of five (5) years with the City of El Segundo in a classification covered by this Agreement in order to receive pay for unused sick leave balance.

Article 2.15 **Workers' Compensation Provisions**

Permanent employees who are members of the Public Employees' Retirement System and who receive injuries that are compensable under the California Workers' Compensation Laws (other than those to whom the provisions of Section 4850 of the Labor Code apply) shall be entitled to receive:

1. Seventy-five percent of the employee's regular salary for any so-called waiting period provided for in the Workers' Compensation Laws.

2. Thereafter, for a period of up to one year, or until earlier retirement on disability pension or a finding of permanent and stationary disability by a medical doctor, the difference between seventy-five percent of the employee's regular monthly salary and the amount of any temporary disability payments under the California Workers' Compensation Laws. Such payment shall cease when the employee receives a permanent disability award or is physically able to return to work.

3. These payments shall be provided without deductions for State or Federal Income Taxes, to the extent allowable by the Internal Revenue Service.

Article 2.16 **Holidays**

1. **Holiday Schedule** - The following Days shall be considered as holidays for City employees:

   January 1st
   The third Monday in January (Martin Luther King Jr. Day)
   The third Monday in February (President's Day)
   The last Monday in May (Memorial Day)
   July 4th
   The first Monday in September (Labor Day)
   November 11th (Veteran's Day)
   Thanksgiving Day
   December 24th
   December 25th
   December 31st
2. Effective October 1, 2011, the Friday after Thanksgiving is removed from the list of observed holidays, except for employees who are regularly scheduled to work on Fridays.

3. Members of this unit assigned to work a 4/10 schedule shall have holidays paid in 10-hour increments, consistent with daily work hours. Employees with an approved work schedule pursuant to Article 3.19 or 3.20 of this MOU will have holidays paid consistent with their approved daily work hours.

4. **Floating Holidays**

   (a) In the event any of the above Holidays falls on a Sunday, the Holiday shall be observed on Monday. If the Holiday falls on a day an employee is regularly scheduled to be off duty, e.g. a Friday or Saturday for employees working a 4/10, Monday-Thursday schedule, the employee shall earn ten (10) hours of Floating Holiday —or- in another increment if the work schedule assigned is pursuant to Article 3.19 or 3.20 which results in daily work hours other than ten (10).

   (b) Members of this unit were previously given thirty two (32) hours of Floating Holiday based on the 2011 holiday schedule (issued January 2011). An additional eight (8) hours of Floating Holiday shall be added to each employee’s leave bank for the remainder of calendar year 2011. Hours shall be credited the pay period after Council approval of this MOU.

   (c) Beginning January 1, 2012, Floating Holiday hours shall be credited to the employee’s leave bank at the beginning of the pay period which includes the holiday.

   (d) Floating Holiday hours may not be carried over to the following calendar year. However, Floating Holiday hours earned during the months of November and December only, may be carried over to the next calendar year but must be used by October 31st of that year. This applies to the one-time additional eight (8) hours of Floating Holiday provided under 4(b) above.

2. **Holiday Pay** - If an employee is required to work upon a City Holiday, he or she shall be entitled to time and one-half for such work in addition to the straight time holiday pay described in 2.16(3) above.

3. **Personal Leave/Floating Holiday** - In addition to the holidays enumerated in Article 2.16, each employee who has completed six months of service shall be entitled to select one ten (10) hour day per calendar year —or- in another increment if the work schedule assigned is pursuant to Articles 3.19 or 3.20 which results in daily work hours other than ten (10), as a Personal Leave Day/Floating Holiday with the approval of the employee’s supervisor after a minimum of seven days prior notice. The Personal Leave/Floating Holiday
shall be credited to the employee's leave bank every January. Employees hired on or after July 1 will receive the Personal Leave/Floating Holiday and may use this time prior to completing six (6) months of service with supervisor approval —or— carry over the hours to the next calendar year to be used by March 31st of that year.

Article 2.17 **Life Insurance**

The City will provide a $30,000 Life Insurance policy for each employee.

Article 2.18 **Vacation**

Employees shall receive either:

**ORIGINAL ACCRUAL SCHEDULE**

1. Twelve working days per year with full salary for the first seven years of continuous service with the City.

2. Seventeen working days per year with full salary after seven years and until the completion of fourteen years of continuous service.

3. Twenty-two working days per year with full salary after fourteen years of continuous service.

**OR**

**ALTERNATIVE ACCRUAL SCHEDULE**

1. Twelve days per year from commencement of the first year of service through and including completion of the fifth year of service.

2. Fifteen days per year upon commencement of the sixth year of service through and including completion of the tenth year of service.

3. Eighteen days per year upon commencement of the eleventh year of service through and including completion of the fifteenth year of service.

4. Twenty-two days per year upon commencement of the sixteenth year of service and for all years of service thereafter.

An employee desiring to participate in the "alternative" accrual schedule shall so advise Human Resources Department in writing of their election, no later than October 19, 1994. Failure to advise of an election to accrue vacation pursuant to the alternative schedule shall result in the employee continuing to accrue vacation on the "original" schedule. An election to accrue vacation on the alternative schedule or maintenance of accrual pursuant to the original schedule, shall be irrevocable.
For this article, the term "day" shall be the equivalent of eight hours. Vacation time shall accrue on a monthly basis. Vacation leaves may be taken only after an employee has completed six month's continuous service (although still on probation).

**Article 2.19  Vacation Time Accumulation and Sale**

Vacation time shall be accumulated from date of last continuous permanent employment. All vacation shall be taken at such times as are agreeable to the head of the department and approved by the City Manager. Earned vacations shall not be accumulated for a longer period than for two years' service.

For the duration of this agreement only, an employee may sell back up to twenty five percent (25%) of his/her annual vacation accrual, to which they are entitled by length of service. Each employee may sell back vacation once per calendar year and only during the first two-weeks of December.

**Article 2.20  Vacation Time Accrual - For Temporary Industrial Disability**

Notwithstanding the provisions of Article 2.19, employees on temporary industrial disability may accrue vacation time for longer than two years.

**Article 2.21  Long Term Disability Plan**

The City will add all unit members to its currently existing Long Term Disability Plan.

**Article 2.22  Direct Deposit**

It is agreed between the City and Association that it is in the mutual interest of the City and its employees that all covered employees utilize the currently available direct deposit system. Employees who do not desire to utilize direct deposit shall make their wishes known in writing to the City's Director of Human Resources, together with a statement of their reasons therefore. Requests for exceptions to this direct deposit policy shall not be unreasonably denied.

**Article 2.23  Promotional Examinations**

For the purpose of interpreting Section 1-6-9 (B) of the El Segundo Municipal Code, entitled "Examinations", the City agrees that a sufficient number" shall be three (3) eligible, quantified applicants who have indicated an interest in a particular promotion in writing to the Director of Human Resources. Examinations may be specified by the Personnel Officer, as promotional only, as open only, or as both open and promotional.
Article 2.24 Standby Duty

1. Standby duty is the time that employees, who have been released from duty, are specifically required by their supervisor to be available for return to duty when required by the City. During standby, employees are not required to remain at their City work station or any other specified location. Standby duty employees are free to engage in personal business and activities. However, standby duty requires that employees:

A. Be ready to respond immediately.

B. Be reachable by paging device or telephone. The City may, in its discretion, provide a paging device, e.g., a beeper, to an assigned standby duty employee.

C. Be able to report to work within one (1) hour of notification.

D. Refrain from activities which might impair their ability to perform assigned duties. This includes, but is not limited to, abstaining from the consumption of any alcoholic beverage and the use of any illegal drug or incapacitating medication.

E. Respond to any call back during the assigned standby duty.

2. As with any City equipment, any paging device assigned to an employee is the responsibility of the standby employee during standby assignment. The employee is liable for loss or damage to the paging device, which is caused by the employee’s negligence or intentional acts.

3. Failure of an employee to comply with the provisions of standby duty may subject the employee to discipline, up to and including termination of employment with the City.

4. For each assigned period of standby duty employees shall be provided two (2) hours of pay per day.

5. Employees recalled to duty shall receive a minimum of four (4) hours of recall pay.

6. An employee who uses sick leave or vacation leave during a standby period, occurring on or after, October 15, 2000, shall not be provided any form of compensation for the standby period, unless the employee’s department head approves, in writing, the provision of the normal standby period compensation.
Article 2.25  Educational Incentive Pay

Eligible employees shall be entitled to receive educational incentive pay. The educational incentive shall be as shown below and shall be paid at the same times and in the same manner as base salary. Educational incentive pay is reported as compensation to PERS. *(Revised October 2011)*.

A.  Education Pay

Eligibility for educational incentive pay is limited to those employees who (a) are working in a job classification that does not require a bachelor’s degree or higher degree to qualify for the classification, (b) were awarded a bachelor’s degree on or after October 15, 2000, and (c) were awarded such degree in one of the majors of public administration, business administration, engineering, or other job-related major, which had been approved by the department head, in writing, prior to admission of the specific employee into that major. Bachelor degrees awarded prior to October 15, 2000 cannot be used to fulfill the requirements above.

<table>
<thead>
<tr>
<th>Job Classifications Occupying Salary Grades</th>
<th>$219.64/month</th>
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</thead>
<tbody>
<tr>
<td>Job Classifications Occupying Salary Grades</td>
<td>$281.16/month</td>
</tr>
<tr>
<td>Job Classifications Occupying Salary Grades</td>
<td>$334.21/month</td>
</tr>
</tbody>
</table>

If during the term of this Agreement a job classification is assigned a salary grade higher than 39, the flat dollar monthly amount of education incentive pay for the employee shall be equivalent to five percent (5%) of the base salary E Step of the salary grade.

B.  Certification Pay

Employees in the following job classifications shall be entitled to certification pay for obtaining and maintaining a certification above the level required on the City Council approved class specification:

- Meter Reader/Repairer
- Street Maintenance Leadworker
- Tree Maintenance Worker
- Wastewater Maintenance Leadworker
- Wastewater Maintenance Worker II
- Water Maintenance Leadworker
- Water Maintenance Worker II

<table>
<thead>
<tr>
<th>Job Classifications Occupying Salary Grades</th>
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<tbody>
<tr>
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<tr>
<td>Job Classifications Occupying Salary Grades</td>
<td>$334.21/month</td>
</tr>
</tbody>
</table>

Eligible certification(s) will be determined by the employee’s Department Director.
If during the term of this Agreement a job classification is assigned a salary grade higher than 39, the flat dollar monthly amount of certification pay for the employee shall be equivalent to five percent (5%) of the base salary E Step of the salary grade

Article 2.26 **Longevity Pay**

Effective October 1, 2005, employees shall be entitled to the following longevity pay based on years of service with the City of El Segundo:

**Job Classifications Occupying Salary Grades 11-19:**
- Completion of 5 years of service $43.93 /month
- Completion of 10 years of service $87.86 /month
- Completion of 15 years of service $131.78 /month

**Job Classifications Occupying Salary Grades 20-29**
- Completion of 5 years of service $56.23 /month
- Completion of 10 years of service $112.46 /month
- Completion of 15 years of service $168.69 /month

**Job Classifications Occupying Salary Grades 30-39**
- Completion of 5 years of service $66.84 /month
- Completion of 10 years of service $133.68 /month
- Completion of 15 years of service $200.53 /month

If during the term of this Agreement a job classification is assigned a salary grade higher than 39, the flat dollar monthly amount of longevity pay for the employee shall be equivalent to one percent (1%) of the base salary E Step of the salary grade for five (5) years of service; two percent (2%) of the base salary E Step of the salary grade for ten (10) years of service; and three percent (3%) of the base salary E Step of the salary grade for fifteen (15) years of service.

Longevity Pay is reported as compensation to PERS.
*(Revised October 2011)*

Article 2.27 **Class A and Class B Drivers License Pay**

Employees in the following job classification shall be entitled to a $75 per month stipend for obtaining and maintaining the Class A California Drivers License required on the City Council approved class specification:

- Equipment Mechanic II
- Fire Equipment Mechanic

Employees in the following job classifications shall be entitled to a $50 per month stipend for obtaining and maintaining the Class B California Drivers License required on
the City Council approved class specification:

Street Maintenance Leadworker
Street Maintenance Worker II
Tree Maintenance Worker
Wastewater Maintenance Leadworker
Wastewater Maintenance Worker II
Water Maintenance Leadworker
Water Maintenance Worker II

Employees in the job classification of Park Maintenance Worker II who voluntarily obtain and maintain a Class B California Drivers License shall also be entitled to the $50 per month stipend, and shall be subject to all Department of Transportation requirements applicable to the possession of such license.

Article 2.28  **Paid Family Leave Benefits**

Employees eligible for Paid Family Leave benefits under the State Disability Insurance program shall be required to take up to two weeks of earned but unused vacation leave prior to the employee’s initial receipt of these benefits. Employees may use any available family illness leave in lieu of the vacation time.

Article 2.29  **El Segundo City Employees Association Insurance**

The El Segundo City Employees Association sponsored optional insurance plans shall be made available via automatic payroll deduction. All associated insurance costs to be borne by unit employees.

**ARTICLE 3 - OTHER PROVISIONS**

Article 3.01  **Drug-Free Workplace Statement and Substance Abuse Policy**

The parties have met and conferred in good faith regarding the adoption of a Drug-Free Workplace Statement and Substance Abuse Policy, dated July 1, 2008, and the same shall be implemented concurrent with the adoption of this MOU.

Article 3.02  **Smoking Policy**

The parties have met and conferred in good faith regarding the adoption of a non-smoking policy dated 10/5/1994, and the same shall be implemented concurrent with the adoption of this MOU.

Article 3.03  **Drug Free Workplace Statement and Substance Abuse Policy**
All safety sensitive employees (holders of Class B licenses) must submit to a drug test and an alcohol test upon returning to duty after an absence of thirty (30) days or more, or after being removed from duty because a drug and/or alcohol test detected a prohibited presence of a controlled substance or alcohol in the employee’s system.

Article 3.04  **Department of Transportation Drug Testing Guidelines**

The parties have agreed upon Department of Transportation Drug Testing Guidelines.

Article 3.05  **Catastrophic Leave Bank Policy**

The parties have agreed upon a Catastrophic Leave Bank Policy.

Article 3.06  **Occupational Illness and Injury Policy**

The parties have agreed upon an occupational injury and illness policy dated June 23, 2004.

Article 3.07  **Break Policy**

All affected employees performing in classifications traditionally described as "field classifications" (generally including employees with the Divisions of Parks, Streets, Water and Wastewater) shall be provided one (1) thirty (30) minute rest-break to be taken near the mid-point of the first four hours of the employees regularly scheduled work shift. Included with this break is all time required to secure the work site, to travel to and from any rest-break location, and to reconvene work at the conclusion of the rest-break.

All remaining employees shall be provided a fifteen (15) minute rest-break near the mid-point of every fourths of scheduled work. In order to ensure that such affected employees are prepared to reconvene performance of their duties precisely at the conclusion of the rest-break, such employees are encouraged to take their break within the building where they are regularly assigned or on the grounds immediately adjacent to the work assignment.

As regards lunch breaks, all affected employees are scheduled for either a thirty (30) or sixty (60) minute lunch break depending upon the work assignment. Such scheduling shall be in accord with pre-existing City practices and procedures.

Failure by any employee to utilize a rest or lunch break shall not result in any accumulation or other "banking" of said unused time, nor shall such failure result in conclusion of the employees’ regularly scheduled shift at a time earlier than scheduled nor shall any unused break time be utilized to extend a lunch break. However, in any instance where management mandates that a rest or lunch break not be taken because of the need to provide services to the City, then said additional work time shall be
compensated in accord with this MOU, City Rules and Regulations and applicable statutory requirements. Additionally, in said circumstances, management does have the discretion to allow for early termination of an employee's regularly scheduled work hours in amounts of time equivalent to the missed breaks.

The consumption of food or other refreshments at times other than during rest and lunch breaks is discouraged. This break policy shall be implemented by all supervisory and management personnel and shall prevail over any inconsistent City or Department policy, written or otherwise.

Article 3.08 Alternative Work Schedules

Bargaining Unit employees shall be assigned to a work schedule as determined by the Department Head. If the employee requests change to the schedule, the Department Head and employee may mutually agree to the change. If the change proves not to be operationally sound, the Department Head may reverse the change.

Article 3.09 Education Reimbursement

1. Reimbursement Procedures - Permanent employees may participate in the City's Educational Reimbursement Program.

2. Repayment Upon Termination - Employees who participate in the Educational Reimbursement Program will be required to sign the following agreement:

"I certify that I have successfully completed the course(s), receiving a grade of "C" or better. A copy verifying this grade is attached. I agree to refund the City or have deducted from my final paycheck any educational reimbursement funds received under this program if I should leave the City's employ, voluntarily or through termination with cause, within one year after completion of the course work for which I am to receive reimbursement. The amount of refund shall be determined in accordance with following schedule:

<table>
<thead>
<tr>
<th>When Depart</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>1 month after course completion</td>
<td>100%</td>
</tr>
<tr>
<td>2 months</td>
<td>100%</td>
</tr>
<tr>
<td>3 months</td>
<td>90%</td>
</tr>
<tr>
<td>4 months</td>
<td>80%</td>
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<td>5 months</td>
<td>70%</td>
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<td>6 months</td>
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<td>8 months</td>
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</tr>
<tr>
<td>9 months</td>
<td>30%</td>
</tr>
<tr>
<td>10 months</td>
<td>20%</td>
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</tbody>
</table>
3. Eligible employees may receive no more than one thousand seven hundred fifty dollars ($1,750.00) per calendar year under this program.

Article 3.10 **Catastrophic Leave Bank**

The City shall institute a catastrophic leave bank as follows:

1. **Purpose** - To establish a program whereby City employees may donate accumulated time to a catastrophic sick leave bank to be used by permanent, part-time and full-time employees who are incapacitated due to a catastrophic illness or injury.

2. **Definition** - A catastrophic illness or injury is a chronic or long term health condition that is incurable or so serious that, if not treated, it would likely result in a long period of incapacity.

3. **Procedures**

   A. There is established a joint-employer/employee committee composed of an individual from each recognized employee organization and a representative of City Administration charged with administering the Catastrophic Leave Bank.

   B. Employees may transfer sick leave, vacation or compensatory leave to the Catastrophic Leave Bank to be donated to an employee who is experiencing catastrophic illness and has exhausted all personal sick leave. Such a transfer can be made on July 1 of each year on forms provided by the City of El Segundo. The employee to receive the donation will sign the "Request to Receive Donation" form allowing publication and distribution of information regarding his/her situation.

   C. Sick leave, vacation and compensatory time leave donations will be made in increments of no less than one day. These will be hour for hour donations.

   D. Employees must hold a minimum of one hundred (100) hours of accumulated illness/injury leave after a donation has been made.

   E. The donation of time is irrevocable. Should the recipient employee not use all of the donated time for the catastrophic illness or injury, any balance will remain in the Catastrophic Leave Bank to be administered by the committee and utilized for the next catastrophic leave situation.
Article 3.11  **Temporary Service in a Higher Classification**

When an employee is qualified for and is required for an appreciable period of time to serve temporarily in and have the responsibility for work in a higher class or position, when approved by the City Manager, such employee, while so assigned, shall receive the entrance salary rate of that class or whatever step thereof that is not less than five percent above his or her present rate, whichever is higher. For the purpose of this section, “applicable period of time” is defined as nine consecutive working days (eight working days if on four-ten plan) or longer.

Article 3.12  **Promotions**

In all cases where an employee regulated by Chapters 1A3 and 1A4 is promoted to a classification in Chapters 1A3 or 1A4 for which a higher rate of compensation is provided, then such employee so promoted shall enter into such higher classification at the lowest rate of compensation provided for such higher classification which exceeds by not less than five percent the base rate of compensation, excluding special assignment pay, received by said employee is such given classification at the time of such promotion, unless otherwise ordered by the City Council. All supervisors shall be paid a base rate not less than the next higher base rate than any of their subordinates. In the event that a supervisor is paid a base rate of pay equal to or lower than one of his regularly assigned subordinate’s base rate, the supervisor’s base rate shall be advanced to a step in his/her salary range which is next higher than any subordinate’s base pay exclusive of longevity pay, educational incentive pay, and special assignment pay.

Article 3.13  **Termination Pay**

Upon termination of employment during a pay period, pay shall be prorated and paid for each day worked in said pay period and the terminal salary warrant shall include accrued vacation pay to the time of termination.

Article 3.14  **Jury Duty**

Employees shall be entitled to a leave of absence for jury duty subject to compliance with all of the following conditions.

A.  The employee must provide written notice of the expected jury duty to his or her supervisor as soon as possible, but in no case later than 14 days before the beginning of jury duty.

B.  During the first two weeks of jury duty, an employee shall be entitled to receive his or her regular compensation.

C.  For any portion of jury duty that extends beyond the first two weeks, such extended jury duty period shall be without regular pay.
D. Any compensation for the first two weeks of jury duty, except travel reimbursement pay, must be deposited with the Director of Human Resources.

E. While on jury duty, the employee must report to work during any portion of a day that the employee is relieved of jury duty for three or more consecutive hours.

F. The employee must provide documentation of his or her daily attendance on jury duty.

G. However, notwithstanding Section C above, employees may access accrued vacation leave, sick leave and compensatory time if jury duty extends beyond two weeks.

Article 3.15 Physical Examinations

The City will allow up to two (2) days of accumulated sick leave per year to be used for purposes of physical examinations, subject to submission of a doctor’s verification. The City further agrees that requests for sick leave benefits will not unreasonably be denied.

Article 3.16 Joint Labor Management Team

Pursuant to the meet-and-confer process for 1997-98, it was agreed upon that representatives of the City and the Association shall create joint labor management teams to foster improved communication and productivity.

Article 3.17 Disciplinary Action - Authority to Take

Modify Personnel Rule 14.4 to include the following:

1. Prior to making a final decision to take disciplinary action involving suspension, demotion, dismissal or reduction in pay, the City Manager shall give written notice of the proposed action to the concerned employee. The notice shall include a statement of reasons that a disciplinary action is being proposed and shall include a copy of the charges being considered by the City Manager. Except when of a confidential nature, the supporting documentation will be provided with the written notice to the employee. A written notice delivered to the employee’s last known address shall constitute adequate notice.

Article 3.18 Street Maintenance Worker Duties

Effective October 1, 2000, the City may utilize employees working in the Street Maintenance Worker I/II job classification for the purpose of providing concrete maintenance and installation services. The following limitations shall apply: Employees
shall not be required to perform such duties for a period exceeding ten (10) hours during each two-week pay period or be expected to pour more than one (1) yard of concrete each week.

Article 3.19  **Work Schedules**

1. 4/10 Work Schedule - Beginning the pay period of October 8, 2011, full-time employees, other than Library staff, will be assigned a 40 hour/week schedule by working “4/10’s” (four days a week; ten (10) hours a day) except as follows:

   A. Reduced Workweek Schedule -- Department Heads and the City Manager, in their discretion, may allow employees to work a reduced workweek schedule. The reduced workweek shall be no less than thirty-six (36) hours per week and not less than nine (9) hours per day. The following conditions apply:

      a. Employees must submit their request in writing to the Department Head.
      b. Requests will be evaluated to determine if the reduced work schedule poses any service or operational impacts on the Department.
      c. If approved, requests may be evaluated at any time but not less than annually during the budget cycle to determine if the arrangement can continue.
      d. Upon written notice, the reduced workweek schedule may be terminated by either party. Advance notice in the form of one pay period will be required. The employee shall then convert to a 4/10 work schedule, consistent with the work hours of employees in that particular work unit.
      e. Employees working a reduced workweek shall suffer no loss in benefits, to the extent allowed, and will have their pay reduced to reflect the reduction in work hours.
      f. Reduced work hours “start” and “end” times shall be set by the Department Head or City Manager according to the needs of the department.

Article 3.20  **Library Work Schedule**

1. In accordance with the FLSA 7(b) exemption for CEA Library employees assigned to work evening and weekend hours based upon the unique staffing needs of the Library, Library employees will not work a traditional 4/10 schedule comprised of four days in a week for 10 hours in a day. Instead, the work schedule for these employees will occur on a rotating basis according to department needs, but the work hours for each employee will amount to two hundred and forty (240) hours worked every three (3) pay periods and will not exceed twelve (12) hours per day or fifty-six (56) hours per work week.

2. FLSA 7(b) exemption for Library Employees - Partial Exemption to overtime provisions under Section 7(b) of the Fair Labor and Standards Act (29 U.S.C. § 207(b)) applies to CEA employees working in the City Library who must work
evening and weekend hours (including the classifications of Senior Library Assistant, Library Assistant, Library Clerk II, and Library Clerk I). In accordance with the 7(b) exemption, employees working in the Library will receive overtime for all hours worked in excess of 12 hours in a day, 56 hours in a work week. Employees working under this exemption may not work in excess of 2,240 hours in a 52-week period.

3. In the event the Library hours of operation are changed during the term of this Agreement, the parties agree to meet and confer for purposes of reviewing the work schedule and making the necessary modifications to ensure the operational needs of the Department are met.

Library Administration will not modify the current work schedule until at least 30 days has elapsed from the beginning of meetings with Library employees. Once the 30 day time period has elapsed or sooner if the parties reach an agreement regarding scheduling, the Library Administration may modify the work schedule by providing reasonable advance notice of any changes to employees' work schedules.

Article 3.21 – **No Layoffs**

1. The City agrees to guarantee that no layoffs of unit members will occur during the term of this MOU unless at any time during the term of the contract the general fund actual core gross revenues as defined in Article 2 for any six (6) month period fall seven and one half percent (7.5%) below the prior fiscal year actual core gross revenues for the same six (6) month period.

2. Before instituting any layoffs the City will agree to meet and confer in good faith with the Association to explore alternative cost saving approaches.
APPENDIX A

BARGAINING UNIT CLASSIFICATIONS

CITY MANAGER

Community Cable Program Specialist
Computer Graphics Designer
Network Assistant
Senior Network Assistant

CLERICAL AND SECRETARIAL

Senior Administrative Specialist
Administrative Specialist
Administrative Technical Specialist (Public Works)
Office Specialist II
Office Specialist I
Records Technician

BUILDING SAFETY

Senior Building Inspector
Building Inspector II
Building Inspector I
License/Permit Specialist II
License/Permit Specialist I

ENGINEERING

Civil Engineering Assistant
Engineering Technician
Public Works Inspector

EQUIPMENT AND BUILDING MAINTENANCE CLASSIFICATIONS

Custodian
Equipment Mechanic II
Equipment Mechanic I
Equipment Service Worker
Facilities Systems Mechanic
Fire Equipment Mechanic

PLANNING CLASSIFICATIONS

Assistant Planner
Planning Technician
STREET MAINTENANCE CLASSIFICATIONS
Street Maintenance Leadworker
Street Maintenance Worker II
Street Maintenance Worker I

WATER/WASTEWATER CLASSIFICATIONS
Water Maintenance Leadworker
Meter Reader/Repairer
Water Maintenance Worker II
Water Maintenance Worker I
Wastewater Maintenance Leadworker
Wastewater Maintenance Worker II
Wastewater Maintenance Worker I

FINANCE CLASSIFICATIONS
Accounting Technician
Accounts Specialist II
Accounts Specialist I
Revenue Inspector

FIRE CLASSIFICATIONS
Fire Prevention Specialist

LIBRARY SERVICES CLASSIFICATIONS
Senior Library Assistant
Library Assistant
Library Clerk II
Library Clerk I

RECREATION AND PARKS CLASSIFICATIONS
Recreation Coordinator
Maintenance Craftsworker
Tree Maintenance Worker
Park Maintenance Worker II
Park Maintenance Worker I
Pool Maintenance Technician
Senior Park Maintenance Worker

POLICE CLASSIFICATIONS
Crime Scene Investigator II
Crime Scene Investigator I
Police Cadet (Permanent Part-time)
For the City Employees' Association:

Nick Petrevski,
President

Mike McKinley,
Vice President

Fernando Diaz,
Secretary

Kimberlee Carter,
Treasurer

William Rapoza,
Sergeant-of-Arms

Wendell Phillips,
ESCEA Union Representative

11/15/11
Date

For the City:

Doug Willmore,
City Manager

Deborah Cullen,
Director of Finance/Human Resources

Martha A. Dijkstra,
Human Resources Manager
AGENDA DESCRIPTION:
Consideration and possible action regarding 1) Adoption of Resolution for CalPERS Employer Paid Member Contributions (EPMC) for City Employees’ Association. (Fiscal Impact: Estimated Savings for Fiscal Year 2011-12 of $140,152.)

RECOMMENDED COUNCIL ACTION:
1. Adopt the attached resolution.
2. Alternatively, discuss and take other action related to this item.

ATTACHED SUPPORTING DOCUMENTS:
1. Resolution for Paying and Reporting the Value of Employer Paid Member Contributions for the City Employees’ Association.

FISCAL IMPACT: 1) Estimated savings for Fiscal Year 2011-2012 of $140,152.

Amount Budgeted: N/A
Additional Appropriation: N/A
Account Number(s): N/A

ORIGINATED BY: Lisa Jenkins, Senior Human Resources Analyst
REVIEWED BY: Deborah Cullen, Director of Finance/Human Resources
APPROVED BY: Doug Willmore, City Manager

BACKGROUND AND DISCUSSION:
The City contracts with CalPERS in order to provide retirement benefits to City employees. The contributions for retirement are broken up into the “Employer Contribution” and the “Employee Contribution.” The Employer Contribution is different for Miscellaneous Employees and Safety Employees and fluctuates from year to year based upon an annual actuarial evaluation. The Employee Contribution remains constant at 7% for Miscellaneous Members and 9% for Local Safety Members. When a City chooses to pay all or a portion of the “Employee Contribution”, this is referred to as an Employer-Paid Member Contribution, or “EPMC”, because the Employer is paying the Member’s Contribution on behalf of the employee. PERS requires that the City pass resolutions for the EPMC payment for each group or class of employment. While the phrase “EPMC” is commonly used to describe the full 7% or 9% Employee Contribution, for PERS purposes, this actually refers to the amount that the Employer is paying on the employee’s behalf.

To date, the Council has adopted five (5) similar resolutions modifying the EPMC payment for various City groups. As the City has now reached an agreement with the City Employees’ Association (CEA) in which each CEA employee agrees to pay 3% of the Employee Contribution, a resolution is necessary to establish the correct payment of EPMC.
RESOLUTION NO. ______

A RESOLUTION FOR PAYING AND REPORTING THE VALUE OF EMPLOYER PAID MEMBER CONTRIBUTIONS (EPMC) FOR THE CITY EMPLOYEES’ ASSOCIATION

Be it resolved by the Council of the City of El Segundo as follows:

WHEREAS, the City Council of the City of El Segundo has the authority to implement Government Code Section 20636(c)(4) pursuant to Section 20691;

WHEREAS, the City Council of the City of El Segundo has a written labor policy or agreement which specifically provides for the normal member contributions to be paid by the employer, and reported as additional compensation;

WHEREAS, one of the steps in the procedures to implement Section 20691 is the adoption by the City Council of the City of El Segundo of a Resolution to commence paying and reporting the value of said Employer Paid Member Contributions (EPMC); pursuant to CCR title 2 section 571(a)(1).

WHEREAS, the City Council of the City of El Segundo has identified the following conditions for the purpose of its election to pay EPMC:

- This benefit shall apply to all employees of the City Employees’ Association.
- This benefit shall consist of Employer paying 4% of the normal member contributions as EPMC, and reporting the same percent (value) of the compensation earnable (excluding Government Code Section 20636(c)(4)) as additional compensation.
- The Employee will pay 3% of the normal member contributions.
- The effective date of this Resolution shall be November 5, 2011.

NOW, THEREFORE, BE IT RESOLVED that the governing body of the City of El Segundo elects to pay EPMC, as set forth above.

Section 2: The City Clerk is directed to certify the adoption of this Resolution; record this Resolution in the book of the City’s original resolutions; and make a minute of the adoption of the Resolution in the City Council’s records and the minutes of this meeting.

PASSED AND ADOPTED this ______ day of ______ November _______, 2011.

______________________________
Eric K. Busch,
Mayor
CERTIFICATION

STATE OF CALIFORNIA )
COUNTY OF LOS ANGELES ) SS
CITY OF EL SEGUNDO )

I, Cindy Mortesen, City Clerk of the City of El Segundo, California, do hereby certify that the whole number of members of the City Council of said City is five; that the foregoing Resolution No. _____ was duly passed and adopted by said City Council, approved and signed by the Mayor, and attested to by the City Clerk, all at a regular meeting of said Council held on the 15th day of November, 2011, and the same was so passed and adopted by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

NOT PARTICIPATING:

WITNESS MY HAND THE OFFICIAL SEAL OF SAID CITY this 15th day of November, 2011.

Cindy Mortesen, City Clerk
of the City of El Segundo,
California
(SEAL)

APPROVED AS TO FORM:
Mark D. Hensley, City Attorney

By:
Karl H. Berger
Assistant City Attorney