

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

CITY OF REDDING

AND THE

UNITED PUBLIC EMPLOYEES OF CALIFORNIA
LOCAL 792

TECHNICAL EMPLOYEES UNIT

January 1, 2018

Through

June 30, 2024

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MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, made and entered into this first day of April, 2014, by and between the designated representatives of the CITY OF REDDING (a public agency as defined in Section 3501(c) of Chapter 10 of Division 4 of Title 1 of the Government Code of the State of California), hereinafter referred to as the City, and the designated representatives of LOCAL UNION 792 of UNITED PUBLIC EMPLOYEES OF CALIFORNIA, (the exclusively recognized employee organization as defined in Section 3501(b) of Chapter 10 of Division 4 of Title 1 of the Government Code of the State of California), for employees occupying permanent positions in the Technical Employees Unit, hereinafter referred to as Union.

SECTION 1 UNION RECOGNITION AND UNION SECURITY

1.1 Recognition and Union Rights

The City recognizes the Union as the “Exclusive Representative” of all of the employees in the Electric Department of the City who hold a classification listed on Exhibit “A” of this Memorandum of Understanding. The provisions of this Memorandum of Understanding shall apply to those employees of the City of Redding for whom Local Union 792 is the established exclusive representative.

- 1.2 Official representatives of Union will be permitted access to City property to confer with City employees on matters of employer-employee relations but such representatives shall not interfere with work in progress without advance notice and agreement of Management.
- 1.3 The City will provide the Union adequate bulletin board space for the purpose of posting thereon matters relating to official Union business including at Viking Way (Building 2).
- 1.4 The City will not interfere with, intimidate, restrain, coerce or discriminate against any employee on the basis of the employee’s membership in Union or the employee’s activity on behalf of Union.
- 1.5 Any employee, at the employee’s request, shall be permitted representation by a Union representative. The foregoing shall apply to reprimands, disciplinary actions, investigations, and hearings, providing there is no unreasonable delay in obtaining representation.
- 1.6 Joint Shop Steward-Management meetings shall be held at least two (2) times a year in February and August, or more often as agreed upon by Union and Management. The purpose of these meetings shall be to promote harmony and efficiency and to improve communications between employees and all levels of management. The meeting agenda shall be determined by those in attendance and there shall be no restrictions on the subject matter; provided, the meetings shall not substitute for normal grievance procedures or for formal negotiations between the parties. Those in attendance shall consist of Union’s Business Representative and Shop Stewards and the City’s Labor Relations Representative and such other management personnel as determined by the City’s Labor Relations Representative. The meetings shall be summarized in written minutes. Except that the provisions of this Section shall be observed, the meetings shall be self-organizing.

- 1.7 Whenever any employee is absent from work as a result of a formal request by the Union's Business Manager and is engaged in official Union business not related to the City of Redding Union recognition, the City shall pay for all regular time lost and shall be reimbursed therefor by the Union at the rate of one hundred and fifty percent (150%) of the employee's regular wage rate.

1.8 Dues Deduction and Union Security

- 1.8 The City shall deduct from their wages the regular membership dues of employees who are members of the Union who individually and voluntarily authorize such deductions in writing in accordance with the provisions of Section 1157.3 of the Government Code of the State of California.
- 1.9 Deductions shall be made from each payroll period and a check for the total deductions shall be submitted monthly to the Business Manager of Local Union 792, UPEC, 1800 Park Marina Drive, California 96001 within five (5) working days of the date the dues or agency fees are withheld from the employee's check or by Electronic Fund Transfer to a bank designated by the UPEC 792 Business Manager. The City shall notify Union each month at the time of the dues or agency fees transmittal to Union of any changes since the previous dues transmittal and the reasons therefor.
- 1.10 The dues deduction authorization form shall be approved by both the City and the Union.
- 1.11 The City shall provide all new employees with Union membership application forms, payroll deduction authorization forms, and a copy of this Memorandum of Understanding before the end of the first pay period. Such materials will be furnished to the City by the Union.
- 1.12 Indemnity and Refund – Within thirty (30) days of the execution of this Memorandum of Understanding, the Union shall file with the City an Indemnity Statement wherein the Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of check off Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.
- 1.13 The City will provide UPEC mandatory access to all new employee orientations of classifications it represents. The City will provide UPEC ten (10) calendar days advance notice of orientations to enable an exclusive representative of UPEC access of up to thirty (30) minutes, at the end of the orientation process, to present Union membership information. This notice will include the time, date and location of the orientation.
- 1.14 UPEC agrees to provide Personnel a list of representatives or shop stewards that UPEC will utilize for the new hire orientations throughout the year. Once the City notifies UPEC of the new employee orientation, UPEC will identify the representative or steward will attend and notify the City five (5) calendar days advance notice of orientations. The City will prepare a work release request for the steward at the Union's expense, if applicable.
- 1.15 The City will provide UPEC a digital file via email to the email address designated by UPEC containing the following information within thirty (30) days of hiring an UPEC

represented employee: the name, job title, department, work location, work, home, and personal cellular telephone numbers, personal email addresses on file with the employer, and the home address of the new hire. The City will provide UPEC with a list of all information for all employees in the bargaining unit every 120 days. Employees transferring from another bargaining unit are not considered new hires per AB 119 and will not be part of the thirty (30) day report, however, their information will be captured in the 120 day report. The City will forward dues forms to UPEC as soon as they are completed by the employee.

- 1.16 Any employee appointed to any classification out of the bargaining unit covered by this Memorandum of Understanding may withdraw from membership in Union and the employee's obligation to pay membership dues shall be suspended for the duration of such period if the individual is working for City in a job classification not covered by this Memorandum of Understanding.

SECTION 2 EXCLUSIVE CITY RIGHTS

- 2.1 The City, through its department heads, retains solely and exclusively, all the rights, powers and authority exercised or held prior to the execution of this Memorandum of Understanding and the right to take action on all issues which are outside of the scope of bargaining, including its exclusive rights and authority under Federal law, State law, or the Redding Municipal Code. Without limiting the generality of the foregoing, the rights, powers and authority retained solely and exclusively by the City and not abridged herein, include, but are not limited to, the following:

To manage and direct its business and personnel; to manage, control and determine the mission of its departments, building facilities and operations; to create, change, combine or abolish job classifications, departments and facilities in whole or in part; to privately contract or discontinue work for economic or operational reasons; to direct the work force; to increase or decrease the work force (through layoff), and determine the number of employees needed; to create and maintain work standards, schedules of operation and reasonable work load; to hire, promote, demote, transfer, suspend and discipline or discharge employees for just cause; to implement a mandatory furlough program during a fiscal emergency; to specify or assign work requirements consistent with classification specifications and require overtime; to schedule working hours and shifts; to adopt rules of conduct and penalties for violation thereof; to determine the type and scope of work to be performed and the services to be provided; to establish new classifications; to determine the methods, processes, means, and places of providing services and to take whatever action necessary to prepare for and operate in an emergency. Exercise of City rights shall be subject to the terms of this Agreement.

SECTION 3 NO DISCRIMINATION

- 3.1 The City and the Union agree that there shall be no discrimination of any kind because of race, color, sex, sexual orientation, citizenship status, marital status, ethnicity, age (for people 40 and older), religion, gender identity, gender expression, genetic information, national origin and ancestry, political affiliation, creed, military or veteran status, physical

disability, mental disability, medical condition, political affiliation, or legitimate Union activity against any employee or applicant for employment, or any other characteristic protected by state or federal law.

SECTION 4 PEACEFUL PERFORMANCE - NO STRIKE CLAUSE

- 4.1 During the term of this Memorandum of Understanding employees shall not partially or totally abstain from the performance of their duties for City during regular work hours or on an overtime basis. The Union shall not call upon or authorize employees individually or collectively to engage in such activities and shall make a reasonable effort under the circumstances to dissuade employees from engaging in such activities and City shall not cause any lockout. Those employees who do individually or collectively partially or totally abstain from the performance of their duties for the City during regular work hours or on an overtime basis shall be subject to disciplinary action up to and including discharge from employment.

SECTION 5 EMPLOYEE STATUS

- 5.1 A **Regular** employee (status code 3) is defined as an employee hired for a full-time position that has been regularly established as an authorized position and is of indeterminate duration. A Regular employee shall receive not less than the minimum rate for the job and shall be eligible for sick leave pay, vacation pay, holiday pay, retirement plan participation, group health and welfare insurance coverage and other benefits as outlined herein as the employee becomes eligible.
- 5.2 A **Temporary** employee (status code 9) is defined as an employee hired for temporary, occasional or seasonal work for a period not to exceed 1,000 hours in a fiscal year. A status 9 employee works on-call, seasonal, intermittent or on an irregular schedule limited to less than one thousand (1,000) hours per fiscal year. A Temporary employee shall receive not less than the minimum rate for the job, and will be eligible for sick leave pay, per California law, but shall not be eligible for holiday pay, vacation pay, or other items as outlined in this document, nor shall the employee be eligible for retirement plan participation, nor shall the employee accrue seniority, or promotion and transfer rights, or leave of absence rights. If a Temporary employee moves to another status, the employee shall not be credited with the employee's service as a Temporary employee in determining eligibility for benefits.
- 5.3 A **Part-Time** employee is defined as an employee hired to work less than a full-time employee. A Part-Time employee will be limited to less than 1,000 hours per fiscal year unless approved by the Personnel Director. A Part-Time employee shall receive not less than the minimum rate for the job, and will be eligible for sick leave pay per California law, but shall not be eligible for holiday pay, and other benefits. The employee may be eligible for participation in the retirement plan pursuant to the City's contract with PERS. After completion of twenty-four (24) months of continuous service, the employee will be entitled to vacation pay on the same basis as Regular employees. If a Part-Time employee is reclassified to Regular status, the employee shall be credited with the employee's service as a Part-Time employee in determining eligibility for benefits, if any, as may accrue to the employee in the employee's new status.

- 5.4 **Probationary Periods:** Regular and Part-Time employees shall serve a probationary period of one (1) year upon initial appointment to each status. Such probationary period is considered to be a continuation of the selection process and employees may be terminated from employment or demoted at any time without recourse, pursuant to the grievance procedure. The probationary period will start over for any employee who transfers to another position during the probationary period. The probationary period may be extended at the City's sole discretion in circumstances where further evaluation of the employee is necessary. Employees serving their initial probationary period shall not be eligible for leave of absence or supplemental benefits for industrial injury. Temporary employees do not serve a probationary period, as the appointment is temporary by definition and can be terminated at any time.
- 5.5 **Re-employment:** With the recommendation of a Department Director and approval of the Personnel Director, a past employee who both passed the probationary period and resigned in good standing may be re-employed within two years of the effective date of resignation, to a vacant position in the same classification. Such re-employment shall, for all purposes, be considered as though it were an original appointment. The reinstated employee shall serve a new probationary period.

SECTION 6 COMPENSATION AND CLASSIFICATIONS

- 6.1 Employees shall be paid the salary or wage rate established for their classification. Exhibit "A" of this Agreement lists the pay ranges and salary rates associated with each classification which includes equity increases for specific classifications effective July, 14, 2019. Additionally, all classifications will receive a two percent (2.0%) increase effective June 28, 2020; a two and percent (2.0%) increase effective June 27, 2021, a two percent (2.0%) increase effective June 26, 2022 and a two percent (2.0%) increase effective June 25, 2023. Upon initial appointment to a classification, an employee shall normally be paid the lowest compensation rate for that classification. An employee may, however, be paid a rate above the lowest rate if circumstances justify it. When an employee is appointed to a higher paid classification which has a compensation range overlapping the range of the employee's previous classification, the employee shall be paid at the rate of the classification to which the employee is being appointed, which is at least five percent (5%) more than the employee's present rate, but not more than the top rate of the classification to which the employee is appointed. Step increases require an overall performance evaluation rating of "meets job standards" or higher, at each and every successive pay step, Department Director and Personnel Director approval and may be granted after twenty-six (26) full pay periods of employment in each step of the established pay range. A full pay period as used herein is defined as one in which the employee works or is paid for time off for at least half of the regularly scheduled work hours. A promotion to a higher paid classification does not change the anniversary date for compensation increases. The anniversary date is the employee's date of hire.
- 6.2 Compensation shall be paid at bi-weekly intervals on Thursdays for a pay period ending no earlier than the preceding Saturday. If a payday falls on a fixed holiday, payments shall be made on the preceding workday. All employees hired after January 1, 2005, must make arrangements to have their pay deposited to a bank account via electronic transfer.

- 6.3 When an employee is temporarily assigned to work in a lower-paid classification than the employee's normal classification, the employee's compensation will not be reduced.
- 6.4 Whenever a Regular employee is assigned by the City to replace an absent employee in a higher-paid classification and the employee performs a substantial majority (greater than fifty percent [50%]) of the absent employee's duties for a full work day, such employee shall have their compensation increased by at least five percent (5%), but not to exceed the range of the higher classification. Department Director approval is required.
- 6.5 When an employee is assigned to fill a vacant position or replace an absent employee in a higher-paid classification and performs a substantial majority (greater than fifty percent [50%]) of the duties of the higher classification for a period that extends beyond one full pay period, such employee shall be temporarily reclassified to the higher position. The employee's compensation shall be increased by at least five percent (5%), but not to exceed the top of the range established for that classification. Department Director and Personnel Director approvals are required.
- 6.6 In addition to regular compensation, shift differential pay shall be added to the regular base rate of pay for all regular scheduled hours worked when a regular work shift represents one-half (1/2) or more of the following time period:

TIME PERIOD	PAY PERCENTAGE
Between 11:00 p.m. and 7:00 a.m.	4.25%

- 6.7 The City reserves the right to propose compensation increases during the term of this agreement for recruitment, retention and operational issues. During the term of this agreement, the City and the Union agree to meet and confer over modifications to compensation schedule(s) in the manner outlined below as a result of a compensation equity study.

The City and the Union will each pick two classifications to be studied during the months of January through June each year. The appropriate compensation shall be determined by comparing agreed upon like duties, responsibilities, and minimum qualifications required to comparable classifications in agreed upon benchmark agencies. The City's analysis will take into consideration internal alignment in making a compensation recommendation. The primary intent of an equity study is to determine an equitable wage or salary range. However, modifications to classification specifications may also result. If agreement is not reached by the City and Union on appropriate compensation for the selected four classifications/classification series by July of the same year as the study, no equity adjustment will be recommended to City Council, unless otherwise agreed to by the parties. This article does not prohibit the City from submitting to the Union additions, deletions, or modification of classification titles or specifications when the need exists.

- 6.8 The City and the Union agree to meet and discuss the career progression of Electric Utility Analyst and Safety & Environmental Coordinator within 60 days of the MOU implementation.
- 6.9 The City and the Union agree to meet and confer in the event the City is required by NERC to register as a TO/TOP (Transmission Owner/Transmission Operator).

SECTION 7 HOURS AND OVERTIME

- 7.1 All Regular employees will receive full-time employment for each workweek employed, provided they report for duty and are capable of performing their work. This is not to be interpreted that the City does not retain the right to lay off or release employees on account of lack of work or other valid reason at the end of the workweek.
- 7.2 A workweek is defined to consist of seven (7) consecutive calendar days, Sunday through Saturday, and except as otherwise provided, a basic workweek is normally defined to consist of five (5) consecutive workdays of eight (8) hours each. The basic workweek may begin on any day of the week and at any hour of the day during the workweek. System Operators may be assigned any hour and/or days of work. The basic workweek or work shift may be modified by mutual agreement of the City and the affected employee(s) in those situations where such a modification serves the interests of both the City and its employees.
- 7.3 Notwithstanding the provisions of 7.1 and 7.2, employees may be assigned to any hours and/or days of work, providing the schedule is regularly established to be of not less than one (1) week duration.
- 7.4 Notwithstanding the provisions of 7.1 and 7.2, System Operators may be assigned to work a rotating shift schedule. This regular schedule may from time to time be modified with no less than seven (7) calendar days notice. The above minimum notice requirements may be waived with mutual agreement between the employee and management.
- 7.5 Notwithstanding the provisions of 7.3, a System Operator's regular schedule may contain a 42 hour relief training (RT) week. The typical RT weekday schedule will be daytime shifts on Monday, Tuesday, Wednesday and Thursday. The work hours start and/or stop times may be adjusted with no minimum notice required. With as much notice as possible, but no less than 42 hours, the RT schedule may be adjusted to work a Friday shift during the relief week. The above minimum notice requirements may be waived with mutual agreement between the employee and management.
- 7.6 Except as otherwise provided in this section, overtime for non-exempt employees is defined as:

FOR FULL-TIME REGULAR EMPLOYEES IS DEFINED AS:	
A	Time worked in excess of forty (40) hours in a workweek.
B	Time worked in excess of eight (8), nine (9), ten (10), eleven (11) or twelve (12) hours as applicable on a scheduled workday.
C	Time worked on a non-workday or on a holiday.
D	Time worked outside of regular hours on a workday.
FOR PART-TIME AND TEMPORARY EMPLOYEES IS DEFINED AS:	
A	Time worked in excess of forty (40) hours in a workweek.

- 7.7 Overtime shall be computed to the nearest one-quarter (1/4) hours.

- 7.8 In cases where the basic workweek or work shift has been modified by mutual agreement, these overtime requirements may be waived pursuant to applicable law.
- 7.9 For those employees working rotating shift work whose work schedule includes up to forty-nine (49) regularly scheduled hours in a week, paid time off will count toward the calculation of overtime.
- 7.10 Overtime wages shall be paid to non-exempt employees at a rate equivalent to one and one-half (1½) times the regular base rate of pay, or at the employee's option, and with City approval, the employee may elect to receive time off with pay at the rate of one and one-half hours off for each overtime hour worked. Except for non-exempt classifications assigned to Redding Power Plant, compensatory time off with pay shall be scheduled in the same manner as vacations are normally scheduled. Compensatory time off with pay for the Electric Utility Assistant System Operator, System Operator, and Senior System Operator [distribution and power] classifications shall be approved and scheduled in the same manner as secondary vacations. To the extent scheduling of compensatory time becomes a problem for the City or Union, the parties agree to meet and confer on the effects of such scheduling problems. Compensatory time off accrual shall be limited to eighty (80) hours per fiscal year and subject to a maximum accumulation of one hundred sixty (160) hours. The working of overtime requires City management approval.
- 7.11 Exempt employees shall not receive any compensation for overtime work.
- 7.12 Exempt employees, who as a result of their exempt status are not eligible for overtime pay or compensatory time off, will not have their leave balances (vacation, sick leave, etc.) reduced for absences of less than four (4) hours. Department Director or designee approval is required.
- 7.13 If an employee performs overtime work immediately following the end of the employee's regular shift, the employee shall be paid overtime compensation only for the actual time worked. Employees who are entitled to overtime pay and who are required to report for work on their non-workdays, or on holidays they are entitled to have off, or outside of their regular hours on workdays, shall be paid overtime compensation for the actual time worked, but in no event for less than two (2) hours compensation each time an employee is required to report back to work, except however, that employees shall not be paid more than time and one-half the regular rate of pay for any given time period. If an employee reports back to work for such work outside of the employee's regular hours on a workday and continues to work into the employee's regular hours, the employee shall be paid overtime compensation only for the actual time worked outside of the regular hours.

(a) For the System Operator Series:

If an employee has worked more than 4 hours at the overtime rate during the twelve (12) hour period immediately preceding the beginning of the employee's regular work hours on a workday, the employee shall be entitled to a rest period of eight (8) consecutive hours on the completion of such overtime work.

If the eight (8) hour rest period in whole or part overlaps the employee's regular work hours, the employee will receive pay at the straight rate for the extent of the overlap.

An employee entitled to a rest period may be required to work during regular work hours on a workday without having had a rest period of eight (8) consecutive hours, in which event the employee shall be paid at the overtime rate for all work performed until the employee has been relieved of duty for at least eight (8) consecutive hours.

- 7.14 For those System Operators who work on a rotating shift schedule, overtime compensation during regularly scheduled hours, including briefing time up to one-quarter (1/4) hour, shall be compensated at one and one-half (1-1/2) times the employee’s regular rate of pay.
- 7.15 Overtime shall be distributed as equally as is practicable among those employees who are qualified and available, and the City shall not require employees who have worked overtime to take equivalent time off during a workday without pay.

**SECTION 8
SICK LEAVE**

- 8.1 Sick leave with pay shall be accumulated for each Regular and Part-Time Regular employee at the rate of forty six thousandths (.046) of an hour for each regular hour worked, or on paid leave. (Accrual rate approximately one [1] day per month.)

Temporary employees (Status 9) will accrue paid sick leave at a rate of one hour for every 30 hours worked which is equivalent to a rate of .033 per hour worked. Temporary employees (Status 9) will be eligible to use the sick leave accrual on the 90th day of employment, and will be limited to 24 hours or three days of paid sick leave in each year of employment per California state law.

- 8.2 Paid sick leave shall be allowed for a non-work related absence due to:

A	The inability of an employee to be present or perform duties because of personal illness, off-duty injury, or confinement for medical treatment.
B	The ability to attend personal medical or dental appointments, which are impractical to schedule outside of regular working hours.
C	The need to be present during childbirth, surgery, critical illness or injury involving members of the immediate family for up to forty (40) hours per incident.
D	For family sick leave up to forty-eight (48) hours per calendar year for members of the immediate family.

“Immediate family” as used herein includes only the employee’s spouse, domestic partner, children, grandchildren, brothers, sisters, parents or grandparents of spouse or employee, or other dependent persons who are living in the employee’s immediate household. The relationships included herein shall apply whether by blood or marriage. Sick leave to include mental or physical illness.

- 8.3 The City may require an employee requesting to return to work after sick leave or leave of absence for medical reasons to submit to a medical examination at City expense by a physician or physicians approved by City for the purpose of determining that such employee is fit and able to perform the duties of the employee’s former position without hazard to the employee, fellow employees, or the employee’s own permanent health.

- 8.4 If an employee is off on sick leave on a fixed holiday, the holiday credit will be used. However, if an employee is off on sick leave on a floating holiday, sick leave balances will be used and the holiday credit will be deferred.
- 8.5 In the event an employee exhausts all paid leave as a result of an illness or injury, and subject to the approval of the employee's Department Director and the Personnel Director, such employee may be advanced sick leave from his or her future accruals up to eighty (80) hours. Once the employee returns to duty, sick leave accrual hours will be applied to the negative sick leave account until it is zero. Should the employee terminate City employment with a negative sick leave balance, appropriate adjustments will be made to final paid leave cash pay-outs or other City monies owed the employee. If insufficient funds are due to the employee by the City, the employee shall directly reimburse the City for advanced sick leave in excess of the funds, if any, previously withheld. Such direct reimbursement will be waived for employees who are terminally ill or totally disabled (100%).
- 8.6 Any employee who after ten (10) years but less than fifteen (15) years of continuous service to the City terminates employment shall be paid at the employee's regular pay rate for thirty-three and one-third percent (33 1/3%) of the employee's accumulated sick leave hours. For employees with fifteen (15) years but less than twenty (20) years of continuous service, the percentage set forth above shall be increased to forty-five percent (45%). For employees with twenty (20) years or more continuous service, the percentage set forth above shall be increased to sixty percent (60%).

Upon retirement, any sick leave pay out the employee is eligible to receive will be transferred into the VantageCare Retirement Health Savings Plan on a pre-tax basis. The sick leave pay out amount will be calculated using the percentage levels described in the paragraph above. However, if the sick leave payout is less than \$5,000, then the employee is not entitled to participate in the VantageCare Retirement Health Savings Plan and shall receive a cash pay out as described in the paragraph above. Any sick leave amount remaining will be used as service credit toward the employee's retirement benefit through CalPERS, pursuant to the contract between the City of Redding and CalPERS.

SECTION 9 VACATIONS

- 9.1 Regular employees shall accrue vacations, based on the length of their continuous service measured from their date of employment, with pay up to a maximum of 500 hours, for each regular hour worked, or on paid leave as detailed in the table below. Employees, including those employees working rotating shift schedules, shall accrue vacation leave on a total of eighty (80) hours per pay period providing that the employee works or is on paid leave a minimum of eighty (80) hours during such pay period. The rate of vacation accrual will be as follows:

	ACCRUAL RATE PER HOUR	FROM	THROUGH PAY PERIOD	APPROXIMATE ACCRUAL RATE	YEARS OF SERVICE
A	.039	Date of Employment	104 th	2 weeks	1-4
B	.058	105 th	234 th	3 weeks	After 4
C	.068	235 th	364 th	3 ½ weeks	After 9

D	.077	365 th	494 th	4 weeks	After 14
E	.087	495 th	624 th	4 ½ weeks	After 19
F	.096	625 th	--	5 weeks	After 24

- 9.2 A full pay period as used herein is defined as one in which the employee works or is paid for time off for at least half of the regularly scheduled work hours.
- 9.3 In the event of departmental cancellation of a previously approved scheduled vacation that utilizes accrued leave time or if an employee is off on a paid leave of absence due to industrial injury where such employee would exceed the maximum vacation accrual, the accumulation of vacation hours may exceed the established vacation maximum. In the event of an absence due to an illness or injury that is not job related, the Personnel Director may approve the accumulation of vacation hours in excess of the established vacation maximum. The City Manager may also approve the accumulation of vacation hours in excess of the stated maximum for other extenuating circumstances. Whenever such excess accruals occur, the employee shall have one year from the date the vacation was canceled or from the date the employee returns to work from illness or injury to utilize the excess accrual.
- 9.4 It is City policy that employees take their normal scheduled vacation each year at such time or times as may be approved by their Department. The City will only cancel approved scheduled vacations for unexpected business reasons when reasonable alternatives are not available. The cancellation provision only applies to approved scheduled vacation that utilizes accrued leave time.
- 9.5 Vacation cannot be accrued while an employee is in a non-pay status.
- 9.6 Vacations will be scheduled throughout the calendar year. Employees with greater seniority will be given preference over those with less seniority in the selection of a vacation period, provided, however, that if the senior employee splits his/her vacation by requesting less than a full year's allowance to be scheduled on consecutive workdays, the employee's preferential rights shall only apply on one period in that calendar year prior to all other employees being given consideration in the selection of their first choice vacation period. Notwithstanding the foregoing, due to the twenty-four hour/seven day (24/7) work shift for System Operators, System Operators may use their seniority preference for no more than twenty-one (21) consecutive calendar days off (inclusive of their normally scheduled time off).
- 9.7 The City shall not require an employee to take vacation in lieu of sick leave or leave of absence on account of illness.
- 9.8 If an employee is off duty on vacation on a fixed holiday, the paid holiday will be used. If an employee is off on vacation on a floating holiday, vacation balances will be used and the paid holiday will be deferred.
- 9.9 Employees whose employment with the City is terminated for any reason shall, at the time of separation, receive pay for any unused vacation hours previously earned.
- 9.10 The City will, at the employee's option, compensate employees for accumulated vacation during any fiscal year as follows:

MINIMUM ACCRUAL	MAXIMUM HOURS PAYABLE
120	40
240	80
360	120

- 9.11 Employees may contribute their earned vacation hours to an employee approved for the vacation donation program. Vacation is donated and granted on the basis of the dollar value of the donor's base pay rate.

SECTION 10 HOLIDAYS

- 10.1 Regular employees, except as otherwise provided herein, shall be entitled to have the following holiday time off with pay:

	DESCRIPTION OF HOLIDAY	Fixed	Floating
1	January 1 st	X	
2	The third Monday in January, known as Martin Luther King, Jr. Day	X	
3	Lincoln Day		X
4	The third Monday in February, known as President's Day	X	
5	The last Monday in May, known as Memorial Day	X	
6	July 4 th	X	
7	The first Monday in September, known as Labor Day	X	
8	Employee's Birthday		X
9	The second Monday in October, known as Columbus Day		X
10	November 11th, known as Veteran's Day		X
11	Thanksgiving	X	
12	Friday after Thanksgiving	X	
13	The last half of the normal work shift before Christmas	X	
14	December 25 th	X	

- 10.2 If any of the foregoing holidays falls on a Sunday, the Monday following shall be observed as the holiday, except by those employees who are regularly scheduled to work on Sunday other than on an overtime basis. Employees who are regularly scheduled to work on Sundays shall observe such holidays on Sunday. If any of the foregoing holidays falls on a Saturday, the preceding Friday shall be observed as the holiday, except by those employees who are regularly scheduled to work on Saturday other than on an overtime basis. Employees who are regularly scheduled to work on Saturdays shall observe such holidays on Saturday. If any of the foregoing holidays falls on any day from Monday through Friday, inclusive, and that day is a regularly scheduled non-workday for an employee, such employee shall be entitled to receive another workday off with pay, to be scheduled in the same manner as vacation days are normally scheduled.
- 10.3 An employee may observe the employee's birthday holiday on the employee's birthday or anytime during the pay period in which the birthday occurs, or the holiday may be deferred and scheduled as vacations are normally scheduled. Floating holidays shall be scheduled by employees and the employee's supervisor in the same manner as vacations are normally scheduled. When an employee is required to work on a floating holiday the employee shall receive pay at the straight time rate.

10.4 Notwithstanding the foregoing, employees regularly assigned to work twelve (12) hour shifts shall not be entitled to observe the following holidays; Lincoln Day, Columbus Day, Veterans Day nor the employee’s birthday.

10.5 Senior System Operators will observe the following holidays based on work schedule:

	<u>DESCRIPTION OF HOLIDAY</u>	<u>9</u> <u>hour</u>	<u>10</u> <u>hour</u>	<u>11</u> <u>hour</u>
<u>1</u>	<u>January 1st</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>2</u>	<u>The third Monday in January, known as Martin Luther King, Jr. Day</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>3</u>	<u>Lincoln Day</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>4</u>	<u>The third Monday in February, known as President’s Day</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>5</u>	<u>The last Monday in May, known as Memorial Day</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>6</u>	<u>July 4th</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>7</u>	<u>First Monday in September, known as Labor Day</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>8</u>	<u>Employee’s Birthday</u>			
<u>9</u>	<u>The second Monday in October, known as Columbus Day</u>	<u>X</u>	<u>X</u>	
<u>10</u>	<u>November 11th, known as Veteran’s Day</u>	<u>X</u>		
<u>11</u>	<u>Thanksgiving</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>12</u>	<u>Friday after Thanksgiving</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>13</u>	<u>The last half of the normal work shift before Christmas</u>	<u>X</u>	<u>X</u>	<u>X</u>
<u>14</u>	<u>December 25th</u>	<u>X</u>	<u>X</u>	<u>X</u>
	<u>Total Holidays</u>	<u>12.5</u>	<u>11.5</u>	<u>10.5</u>

The holidays denoted in bold for the Electric Utility Senior System Operator will be considered floating holidays in accordance with MOU Section 10.1, and the employee will receive straight time pay for time worked on the floating holiday as outlined in Section 10.3. The Senior System Operator will not be entitled to observe the employee’s birthday.

10.6 Employees assigned to rotating shift work and the Senior System Operator are excluded from requirements related to the alternate work schedule. The following applies to all other UPEC members:

Employees who work an alternative work schedule commonly known as 9/80’s will be entitled to paid holiday for eight (8) hours, as applicable. If a holiday falls on a usual nine-hour working day, one hour of vacation accrual, compensatory time or deferred holiday accrual will be charged to make up the shortfall of the eight-hour holiday versus the nine hours of missed work. If the employee has no vacation time, one extra hour at straight time must be worked during that pay period. Employees will be required to revert back to a normal eight-hour workday during double holiday payperiods (Thanksgiving and Christmas).

Employees assigned to work ten (10), or eleven (11) hour shifts shall revert back to a normal eight-hour workday during the weeks in which holidays occur.

10.7 Employees may be scheduled to work on fixed holidays, in which event an employee will, in addition to holiday pay, be compensated at the overtime rate of pay for all time worked on

such days. An employee may, however, elect to observe that holiday at another time, to be scheduled in the same manner as vacation days are normally scheduled. In which event, the employee will only be compensated for time worked on that day at the overtime rate of pay and shall not receive holiday pay.

An employee must be in a paid status on both workdays immediately adjacent to the holiday in order to receive overtime pay for the holiday.

**SECTION 11
ADMINISTRATIVE LEAVE**

11.1 Exempt employees may be eligible for paid time off per calendar year as indicated below:

ADMINISTRATIVE LEAVE MAY BE GRANTED TO:	WITH DEPARTMENT DIRECTOR APPROVAL	WITH CITY MANAGER APPROVAL
Exempt employees:	Up to 40 Hours	Up to 80 Hours

11.2 Administrative leave is granted on the payroll period closest to January 1 and must be used by the end of the calendar year or it is forfeited without compensation. No Administrative Leave shall be carried over to the next calendar year, nor shall unused Administrative Leave be converted to compensation.

11.3 Employees are to schedule administrative leave in the same manner as vacation with the approval of their Supervisor.

11.4 Employees appointed to an exempt position after the first of the year may be granted leave on a prorated basis. Administrative Leave balances may be adjusted when employees separate employment prior to the end of the calendar year.

11.5 Administrative leave may not be taken for the purpose of outside employment or self employment.

**SECTION 12
BEREAVEMENT LEAVE**

12.1 Regular employees who are absent from work due to the death of a member of the employee’s immediate family shall receive compensation at the regular rate of pay for the time necessary to be absent from work, but not to exceed forty (40) working hours per incident.

12.2 “Immediate family” as used herein includes only employee’s spouse; children, grandchildren, brothers, sisters, parents, or grandparents of either employee or spouse; or other persons who are living in the employee’s immediate household. The relationships included herein shall apply whether by blood or marriage.

12.3 Regular employees who are absent from work to attend the funeral of a person other than an immediate family member shall receive compensation at the regular rate of pay for the time necessary to be absent from work, but not to exceed one (1) regularly scheduled work day per incident. A maximum of twenty-four (24) hours may be utilized for this type of leave in a calendar year.

- 12.4 An employee must be in a paid status on both scheduled workdays immediately adjacent to funeral leave in order to receive pay for such leave.

SECTION 13 JURY/WITNESS DUTY

- 13.1 A Regular employee who is summoned for jury duty and thus absent from the work place will be paid for the time lost at the employee's regular rate of pay.
- 13.2 Whenever any employee is subpoenaed to testify in court as a result of the employee's employment and the employee is not an opposing party to the City, the employee shall be paid for all regular time lost. Employees subpoenaed by the Court for matters unrelated to City business must utilize vacation or other appropriate leave balances.
- 13.3 An employee must be in a paid status on both scheduled workdays immediately adjacent to the jury duty in order to receive pay for such leave.

SECTION 14 LEAVES OF ABSENCE

- 14.1 A leave of absence may be granted to employees by the City Manager for urgent and substantial reasons, up to a maximum of one year, providing satisfactory arrangements can be made to perform the employee's duties without undue interference with the normal routine of work. Employees in an initial probationary period, Part-Time or Temporary status, are not eligible for leave of absence unless eligible pursuant to the Family Medical Leave Act or the California Family Medical Leave Act.
- (a) A leave will commence on and include the first workday on which the employee is absent and terminates with and includes the workday preceding the day the employee returns to work.
- (b) All applications for leave of absence shall be made in writing except when the employee is unable to do so. The conditions under which an employee will be restored to employment on the termination of leave of absence shall be clearly stated by the City in conjunction with the granting of a leave of absence. An employee is required to submit medical certifications as to the conditions necessitating the leave if the leave is a result of exhaustion of sick leave. If the leave should exceed the initial request, the employee is responsible for requesting additional time off and providing current medical certifications and return to work dates. Upon an employee's return to work after a leave of absence, the employee will be reinstated to the employee's former position and working conditions, providing that the employee is capable of performing the duties of the employee's former position, except that if there has been a reduction of forces or the employee's position has been eliminated during said leave, the employee will be returned to the position the employee would be in, had the employee not been on a leave of absence.
- (c) An employee's status as a Regular employee will not be impaired by a leave of absence.

- (d) If an employee fails to return immediately on the expiration of the employee's leave of absence or if the employee accepts other employment without prior City approval while on leave, the employee will thereby forfeit the leave of absence and employment with the City may be terminated.
- (e) An employee on a leave of absence as provided herein shall not accrue vacation or sick leave benefits nor maintain group health and welfare insurance coverage. An employee may, if eligible, maintain group insurance coverage at the employee's expense providing the full monthly premium is received by the City Treasurer on or before the first day of the month for which the premium is intended. Notwithstanding the above, however, if the leave of absence is as a result of exhaustion of sick leave benefits, an employee's group health insurance may be maintained for up to three (3) calendar months on the normal premium-sharing formula, providing the employee pays his/her employee's share of the premium on a timely basis.

14.4 **Vacation Donation Program**

- (a) This program has been established to allow employees to donate accrued vacation hours to eligible employees in need. The purpose of this program is to provide a means by which the eligible employee may obtain authorized paid time off. Employees eligible for the program must:
 - 1. Be a Regular or Part-Time Regular employee already having completed an initial probationary period;
 - 2. Have a verifiable long-term illness or injury (non-work related). For this program, *long term* is defined as no less than four (4) weeks in duration. It is the employee's responsibility to complete and return a Request for Donation form to the Personnel Department and attach to it a letter from a licensed physician certifying that the employee has a long-term illness or disabling injury of at least a four-week duration;
 - 3. Not be eligible for long-term disability insurance benefits;
 - 4. Have exhausted all accrued leaves, including advanced sick leave benefits, resulting in the employee being in an unpaid status if on approved leave;
 - 5. Have requested and exhausted a sick leave advance.
 - 6. Have the concurrence of the Department Director and Personnel Director.
- (b) Once an employee is determined eligible, a posting will be distributed and use of the donated hours will start as soon as possible.
- (c) When utilizing the donation program, recipients shall receive their normal regular rate of pay, as if being on paid leave status. The benefit shall be payable on regularly scheduled pay days. A minimum of twenty (20) hours per week must be utilized when there are available balances. As with paid leave status, recipients shall

continue to be eligible to participate in the group health and welfare related benefits provided by the City.

SECTION 15 INDUSTRIAL DISABILITY

- 15.1 A Regular employee, who has completed their initial probationary period, and who becomes disabled as a result of a work-related injury or illness and is deemed eligible for benefits under the Workers' Compensation and Insurance Chapters of the State Labor Code, shall receive compensation at the rate of eighty-five percent (85%) of the employee's regular pay. This payment shall be made in lieu of temporary disability payments, which would be paid under the State Labor Code, for the period of disability not to exceed six (6) months. At the conclusion of six (6) months of supplemental benefits at the eighty-five percent (85%) rate, benefits are reduced to seventy percent (70%) of the employee's regular pay for an additional six (6) month period. At any time the employee's injury/illness is determined to be permanent and stationary or the employee is retired on a disability pension through CalPERS, eligibility under this provision ceases.

In exchange for this benefit, the employee shall pay over to the City compensation received as a result of the disability, whether from Workers' Compensation, State Disability Insurance (SDI), employee group health and welfare insurance benefits or unemployment compensation benefits. Privately secured insurance is excluded. The employee shall affirmatively assist the City in obtaining any such benefits to which the employee may be entitled, but has not yet received arising out of the disability. In no event shall such payment from the employee to the City from such sources exceed the amount of the supplemental benefits paid to the employee by the City in accordance with the provisions of the above paragraph.

- 15.2 An employee who is absent by reason of industrial disability may be returned to work by the City and given temporary light duties within the employee's ability to perform, pursuant to the City's Modified Duty Policy.
- 15.3 If a third party is found to be responsible for the employee's industrial injury and the employee recovers a judgment in damages from said third party, then all supplemental benefits received as provided for in 15.1 not already repaid from the other sources mentioned in 15.1 shall be repaid to the City by the employee.
- 15.4 Vacation and sick leave shall accrue while an employee is absent from work and receiving the supplemental benefits as set forth in 15.1. Regular and Part-Time Regular employees who are not in a City-paid status and on leave receiving Workers' Compensation temporary disability benefits, may, at their option, maintain their group health insurance coverage for up to a maximum of a cumulative total of two (2) years, which includes the period in which the employee is receiving supplemental disability benefits as set forth under 15.1, provided the employee pays his or her normal share of the group health insurance program premium, if any. Holidays which occur during the period for which an employee is receiving temporary disability compensation shall not be recognized for compensation purposes.

SECTION 16 REIMBURSEMENT OF EXPENSES

- 16.1 To allow for a fair and equitable means of reimbursing expenses incurred while conducting City business, i.e., traveling to authorized meetings, seminars, training sessions, luncheons and other events approved by the Department Director, reimbursements will be at the rate established within the Employment and Benefit Policies for Unrepresented Employees.

SECTION 17 EMPLOYEE GROUP HEALTH & WELFARE INSURANCE BENEFITS

- 17.1 Regular and Part-Time Regular employees are eligible to participate in the City's group health and welfare insurance benefit program, which includes the medical, prescription, dental, vision, life and long term disability insurance plans, effective the first day of employment. The City shall pay the cost of the program for Regular employees and dependents as indicated below. If a Part-Time Regular employee elects insurance coverage, premiums shall be shared by the City and the employee on a pro-rated basis at the same ratio to full-time employee benefits as the employee's work hours bear to full-time employees' work hours. The City and RTU agree to reopen negotiations if any changes to the Affordable Care Act affect matters within the scope of representation. Benefit highlights include:

- (a) **Life Insurance:** Twice annual compensation. More specific benefit information is provided in the carrier's booklet.
- (b) **Health Benefits:** The City's contribution toward the monthly group health and welfare insurance composite premium rate shall be ninety percent (90%) and the employee will begin paying ten percent (10%) of the rate through a bi-weekly payroll deduction. The ten percent (10%) co-share of premium will be recalculated every January 1st to coincide with the renewal of the City's Group Health Insurance Plan. The City has established a Section 125 Plan to redirect the portion of the employee's salary to pay, on a pre-tax basis, the employee's contribution toward the medical, prescription, dental and vision insurance composite premium rate.

The City will offer two health plans, a "Base Plan" and an optional "Buy Up Plan". All eligible employees will be enrolled in the "Base Plan" and will have the option on a voluntary basis to enroll in the "Buy Up Plan" initially, and during the open enrollment period for each subsequent calendar year. Effective upon ratification of the contract by Council, eligible employees that fail to complete the annual open enrollment will automatically be placed in the group health insurance plan they were enrolled in the previous year. Changes will be effective at the beginning of the following calendar year. The City's contribution toward the monthly group health and welfare insurance composite premium rate for the "Base Plan" shall be ninety percent (90%) and the employee will pay ten percent (10%) of the premium rate through a bi-weekly payroll deduction. Employees electing to enroll in the "Buy Up Plan" will be responsible for premiums beyond the City's contribution of 90% of the "Base Plan" composite rate.

Effective December 29, 2019, all employees participating in the Group Health and Welfare Insurance Plan will pay twelve and one half percent (12.5%) co-share of

premium. The City’s contribution toward the monthly group health and welfare insurance composite premium rate for the “Base Plan” shall be 87.5%. Employees electing to enroll in the “Buy Up Plan” will be responsible for premiums beyond the City’s contribution of 87.5% of the “Base Plan” composite rate.

Effective December 26, 2021, all employees participating in the Group Health and Welfare Insurance Plan will pay fifteen percent (15%) co-share of premium. The City’s contribution toward the monthly group health and welfare insurance composite premium rate for the “Base Plan” shall be 85%. Employees electing to enroll in the “Buy Up Plan” will be responsible for premiums beyond the City’s contribution of 85% of the “Base Plan” composite rate.

Effective January 1, 2020 all active employees will be able to select an optional high deductible plan (medical and prescription only) as an additional lower cost option for group health. The City will contribute a flat rate monthly amount, limited to the amount of the City’s contribution toward the “Base Plan”, for the high deductible plan. Retirees are not eligible for the high deductible plan. In an effort to minimize the impact of annual composite premium increases and/or decreases for the employee, the rate change will be limited to a maximum of twelve and one-half percent (12½%) per year (or the actual percent increase in actual claim costs from the previous calendar year, whichever is lower). To ensure that the ninety percent/ten percent (90%/10%) ratio is maintained over time, the following leveling mechanism shall be used:

The Following Rates Are Used For Illustration Purposes Only:

COMPOSITE RATE 2007 = \$1157	YEAR 1 \$1,302	YEAR 2 \$1,497	YEAR 3 \$1,647	YEAR 4 \$1,869	YEAR 5 \$2,084
If the composite premium rate change is:	12½%	15%	10%	13½%	11½%
10% = \$116 The change to the employee’s 10% will be:	12½% \$131 (\$116 x 12½%)	12½% \$147 (\$131 x 12½%)	12½% \$165	12½% \$186	12½% \$209
The impact is:	No Impact	+2½% The City pays the additional 2½% cost until made up.	-2½% The employee begins paying the 2½% to make up from the year before.	+1% The City pays the additional 1% cost until made up by the employee the following year.	Zero Nothing would be due to the City.

In the event the composite premium rate change is less than 12½%, the employee’s percent of the rate shall be the actual percent change unless costs from the year before need to be made up. The rate change will be limited to a maximum of twelve and one-half (12½%) of the “Base Plan” per year (or the actual percent increase in actual costs from the previous calendar year, whichever is lower).

For specifics regarding the City’s Group Health and Welfare Benefit Plan, refer to the Benefit Summary Plan Description.

Employees with spousal coverage will be allowed to “opt out” of the City’s group health and welfare insurance coverage (cease paying their share of the premium). Employees “opting out” of the City’s group health benefits must provide proof of alternative health care coverage on an annual basis during the open enrollment period.

- (c) **Prescription Benefits:** Employee co-payments as shown in the following table:

Retail(34 days’ supply)	Current Co-Payment
Generic	\$10.00
Brand	\$50.00
No Generic Available	\$20.00
Mail (90 days’ supply)	
Generic	\$20.00
Brand	\$100.00
No Generic Available	\$40.00

Note: Maintenance medications (i.e. a medication taken longer than 60 days) that are filled at the retail co-pay amount more than twice will be filled at the mail order co-pay amount.

The premium cost of the Prescription benefit program is outlined under “Health Benefits” above.

- (d) **Dental Benefits:** The premium cost of the Dental benefit program is outlined under “Health Benefits” above. For specifics regarding the City’s Dental Plan, refer to the Benefit Summary Plan Document.
- (e) **Long Term Disability:** After three (3) months, sixty percent (60%) of employee’s compensation to a maximum of \$5,000 per month integrated with all other income benefits payable to age 65. More specific benefit information is provided in the carrier’s booklet.
- (f) **Vision Care:** The premium cost of the Vision benefit program is outlined under “Health Benefits” above. For specifics regarding the City’s Vision Plan, refer to the Benefit Summary Plan Document.
- (g) **Short – Term Disability:** The City will administer employee-paid State Disability Insurance for all employees should UPEC Technical Unit elect to participate in the program.

17.2 **Group Health Benefits at Retirement for Employees**

- (a) **Tier I – Hired Prior to August 7, 2011**

All active employees hired prior to August 7, 2011, who retire from the City with five (5) or more years of City service (and eligible for CalPERS benefits upon separation of service) shall be eligible for the City to pay a 50% proportionate share of costs of the insurance premium should the active employee transitioning to

retirement elect to participate in the group health plan or the group health, dental and vision plan also made available to active employees. To initially qualify for the benefit, the employee must go directly from active status to retiree status with CalPERS. To maintain a qualified status, and to continue to receive the benefit, the retiree must continue the group medical insurance during retirement without a break in coverage. Payments by the City will be discontinued upon termination of group medical insurance coverage by the City retiree or loss of qualified status by the retiree. Following the death of a retiree, the surviving spouse, if any, may continue the insurance and the City will continue the benefit on the same terms and conditions for the life of the surviving spouse. The City will not contribute payments on behalf of any retiree hired prior to August 7, 2011 except as set forth above.

(b) Tier 2 – Hired On or After August 7, 2011

All active employees hired on or after August 7, 2011, who retire during the term of this MOU and who have five (5) or more years of City service (and are eligible for CalPERS benefits upon separation of service) shall be eligible for the City to pay a proportionate share of the cost of the insurance premiums in accordance with the following formula: two percent (2%) for every year of active service with the City of Redding up to a maximum of fifty percent (50%) should the active employee transitioning to retirement elect to participate in the group health plan or the group health, dental and vision plan also made available to active employees. To initially qualify for the benefit, the employee must go directly from active status to retiree status with CalPERS. To maintain a qualified status, and to continue to receive the benefit, the retiree must continue the group medical insurance during retirement without a break in coverage and the retiree and their covered spouses who reach Medicare A/B eligibility age must enroll in Medicare. Payments by the City will be discontinued upon termination of group medical insurance coverage by the City retiree or loss of qualified status by the retiree. Following the death a retiree, the surviving spouse, if any, may continue the insurance and the City will continue the benefit on the same terms and conditions for the life of the surviving spouse. The City will not contribute payments on behalf of any retiree hired after August 7, 2011 except as set forth above.

(c) Retiring employees who were hired or who worked under a different Memorandum of Understanding (MOU) or City Resolution than the one in effect at the time of retirement shall be vested with the greatest retiree premium co-share formula in effect and for which that employee qualified for during his or her term of employment.

(d) All retired employees participating in the group health plan will be enrolled in the “Base Plan” and will have the option on a voluntary basis to enroll in the “Buy Up Plan” initially, and during the open enrollment period for each subsequent calendar year. Changes will be effective at the beginning of the following calendar year. The City shall pay a proportionate share of the cost of the “Base Plan” insurance premiums as outlined above in sections 14.2 (a) and 14.2 (b). Participating retired employees electing to enroll in the “Buy Up Plan” will be responsible for premiums beyond the City’s contribution of the “Base Plan” composite rate. The City’s proportionate share of payments referenced above in 14.2 (a) and 14.2 (b) shall apply only to the premium for the “Base Plan”.

- 17.3 Regular employees are eligible to participate in the City's Deferred Compensation Plan through voluntary payroll deductions from the employee's pay.
- 17.4 The City and the Union agree to reopen negotiations if any changes to the Affordable Care Act affect matters within the scope of representation.

SECTION 18 RETIREMENT PROGRAM

- 18.1 All Regular, Part-Time Regular, and qualified Part-Time employees, are covered by the California Public Employees' Retirement System (CalPERS) program.
- 18.2 Miscellaneous Employees

- (a) **Tier 1:** Regular employees hired prior to January 1, 2013, and those considered to be "Classic CalPERS Members" will be covered under the 2.0% at age 55 retirement benefit formula with the 12 highest paid consecutive month's final compensation provision. Employees will be covered by the Indexed level of 1959 Survivors' Benefit Program (Government Code Section 21382.4), Survivor Continuance allowance; credit for unused sick leave; and military service credit buy back option. The employee contribution of seven percent (7%) of pensionable earnings will be paid by the employee through a bi-weekly payroll deduction on a pre-tax basis. Regular employees vested in Tier 1 who leave City employment and subsequently are rehired will be re-employed with Tier 1 status for CalPERS benefits.

All CalPERS eligible Tier 1 employees agree to cost sharing of the CalPERS employer contribution rate in accordance with Government Code Section 20516, effective January 1, 2020. The additional contribution of pensionable earnings will be paid by the employee through a bi-weekly payroll deduction on a pre-tax basis.

Effective January 1, 2020:

Increase contribution rate Classic members in accordance with Section 20516 by 1.275%, from 7% to 8.275% (equal to 50% of normal cost for Cal PERS rates effective for FY 18-19).

Except as provided below, the City will also provide employees hired prior to August 7, 2011, with the Public Agency Retirement System (PARS) 0.7% at age 55 retirement benefit formula for each year of regular City Service, any prior CalPERS service and CalPERS service credit purchased and credited to the employee's City of Redding CalPERS account while an employee of the City as a supplement to the CalPERS benefit, so long as the employee is vested with five (5) years of City service.

Effective July 2020 (First Pay period), all regular employees receiving the Public Agency Retirement System (PARS) benefit will begin making an employee contribution of 1.31% of pensionable earnings that will be paid by the employee through a bi-weekly payroll deduction on a pre-tax basis.

Effective July 2022 (First Pay Period), all regular employees receiving the Public Agency Retirement System (PARS) benefit will make an additional employee contribution of 1.31% for a total of 2.62% of pensionable earnings (equal to 50% of normal cost at the time of agreement) that will be paid by the employee through a bi-weekly payroll deduction on a pre-tax basis.

- (b) **Tier 2:** Pursuant to the California Public Employees' Pension Reform Act of 2013 (PEPRA), employees hired on or after January 1, 2013, will be covered by the 2.0% at age 62 retirement formula with the 36 highest consecutive months final compensation provision as a "New CalPERS Member" if the employee 1) has not been a member of a California Public Retirement System, or 2) had prior CalPERS/reciprocity service with a break in service of six months or longer. Employees will be covered by the Indexed level of 1959 Survivors' Benefit Program (Government Code Section 21382.4) Survivor Continuance allowance; credit for unused sick leave; and military service credit buy back option. Also pursuant to PEPRA, New CalPERS Members will be responsible for paying one-half of the total normal cost rate for the retirement benefit on a bi-weekly pre-tax basis.

Employees hired on or after August 7, 2011, will not be eligible for the Public Agency Retirement System (PARS) 0.7% at age 55 supplemental retirement benefit formula.

- (c) Part-Time and Temporary employees not included within Section 18.1 and 18.2 above shall be covered by the PARS-457 Plan. Participating employees will pay half of the contribution or 3.75 percent (3.75%) for the benefit through a bi-weekly payroll deduction on a pre-tax basis. The City will pay the remainder of the contribution or 3.75 percent (3.75%).

SECTION 19 CONTINUING EDUCATION

- 19.1 Regular, non-probationary, employees who complete City approved courses taken for credit with a passing grade may, upon application, be reimbursed for the tuition, cost of required textbooks and required materials, including but not limited to computer software, calculators, videos, but not to include incidentals such as paper, pens and pencils.
- 19.2 Employees must obtain prior approval from their Department Director. Effective upon contract ratification by City Council, reimbursement under this program shall be limited to four hundred dollars (\$400.00) per course (semester/quarter).

SECTION 20 GRIEVANCE PROCEDURE

- 20.1 A grievance shall be defined as an allegation by the Union of a misinterpretation, misapplication or violation of a particular provision of this MOU. Any grievance, which may arise between the Union and the City, with respect to the interpretation or application of any of the terms of this Memorandum of Understanding shall be determined by the provisions of this Article, except that such matters as are included in the definition of

impasse as set forth in Resolution No. 2012-091 are not a grievance. Work day as used in this Article shall mean any day when City Hall is open to serve the public.

- 20.2 Step One: The initial step in the adjustment of a grievance shall be a discussion between the employee and/or Union business representative or Shop Steward and the immediate supervisor directly involved who will answer within ten (10) work days. This step shall be started within thirty (30) work days of the date of the action complained of, or the date the grievant became aware of the incident which is the basis for the grievance. If the grievance is not resolved in the first step, the second step shall be a written presentation of the grievance to the Division Head and a discussion between the Shop Steward and the Division Head, who shall answer in writing within ten (10) work days. The grievance may be appealed to Step Two within ten (10) work days.
- 20.3 Step Two: If a grievance is not resolved in the first step, the second step shall be a written presentation of the grievance to the Department Director and a discussion between the Shop Steward or union business representative and the Department Director, who shall answer in writing within ten (10) work days of the discussion. This step shall be taken within ten (10) work days of the date of the Power Plant Manager or Electric Program Supervisor's answer as applicable in Step One. If the grievance is not resolved in step two, the grievance may be appealed to Step Three within ten (10) work days.
- 20.4 Step Three: If a grievance is not resolved in the second step, the third step shall be a written presentation of the grievance to the City's Personnel Director, and a discussion between the Union's Business Representative and the Personnel Director. The Personnel Director shall conduct an investigation and attempt to resolve the grievance. If no resolution of the grievance is achieved, the Personnel Director shall provide the Union's Business Representative with the City's answer, in writing, to the grievance. This step shall be taken within ten (10) work days of the date of the Department Director's answer in Step Two.
- 20.5 Step Four: If a grievance is not resolved in the third step, the fourth step shall be the presentation of the grievance, in writing, by the Union's Business Representative to the City Manager, or designee, who shall answer, in writing, within ten (10) work days. The sixth step shall be taken within ten (10) work days of the date of the Department Director's answer in Step Three.
- 20.6 Step Five: If a grievance is not resolved in the fourth step, the fifth step shall be referral by either the City, or the Union, to mediation within twenty (20) calendar days of the answer in step four. Whenever a grievance is referred to mediation, either the Union or the City may request, in writing, that the California State Mediation and Conciliation Service refer a state mediator. The mediator shall assist the parties in the resolution of the grievance in the same manner as that which is normally used in the mediation of interest disputes. Referral to step six shall not occur until a mediator has released the parties from the mediation process. By mutual agreement of the parties Step Five may be waived.
- 20.7 Step Six: If a grievance is not resolved in the fifth step or in the event Step Five is waived, the sixth step shall be referral by either the City, or the Union, to arbitration. The seventh step shall be taken within twenty (20) work days of the date of the answer in Step Five or Step Four in the event Step Five is waived.

- 20.8 An arbitrator shall be appointed on each occasion that a grievance is submitted to arbitration. The arbitrator shall be chosen by mutual agreement of the City and Union. In the event that the City and Union are unable to agree on the selection of an arbitrator, they shall request the State of California Mediation and Conciliation Service to nominate five (5) persons for arbitrator. The City and the Union each will alternately challenge two (2) of such nominees, the party having the first challenge to be determined by lot. The remaining nominee shall be accepted as the arbitrator and the arbitrator's compensation and expenses shall be borne equally by the City and Union. The City and Union shall pay the compensation and expenses of their respective appointees and witnesses. At Union's request the City shall release employees from duty to participate in arbitration proceedings.
- 20.9 The arbitrator shall hold such hearings and shall consider such evidence as appears necessary and proper, or as may be stipulated by the parties. The arbitrator shall be fully vested with the power to render a decision regarding interpretation of the contract, whose decision shall be binding on both parties. However, the arbitrator may only order remedies that are either stipulated for consideration by the parties or available to the Union pursuant to the terms of the MOU. The arbitrator may order the City to cease and desist from any conduct determined to be in violation of the MOU, but in no event shall the arbitrator have authority to exercise management rights reserved to the City as a remedy. The first hearing should be held within ninety (90) days of the date of referral to arbitration. Following the hearings and prior to the arbitrator's final decision, the arbitrator shall submit a proposed decision to the parties for their review and the opportunity to simultaneously submit additional written argument prior to the arbitrator's decision becoming final and binding on the parties. Any additional argument submitted by either party shall be submitted to the arbitrator and the other party. Thereafter, the decision of the arbitrator shall be final and binding on City and Union provided that such decision does not in any way add to, disregard or modify any of the provisions of this Memorandum of Understanding.
- 20.10 Failure by the Union to meet any of the aforementioned time limits as set forth in Section 20.2, 20.3, 20.4, 20.5, 20.6, or 20.7, will result in forfeiture. Failure by the City to meet any of the aforementioned time limits as set forth in Sections 20.2, 20.3, 20.4, 20.5, 20.6, or 20.7, will allow the Union to go forward with the grievance to the next step of the established procedures, except, however, that the aforementioned time limits may be extended by mutual agreement. Grievances settled by forfeiture shall not bind either party to an interpretation of this Memorandum of Understanding, nor shall such settlements be cited by either party as evidence in the settlement of subsequent grievances.

SECTION 21 DISCIPLINARY APPEAL

- 21.1 Any grievance which may arise between a Regular or Part-Time employee and the City with respect to discharge, demotion, suspension, or loss of pay of an individual employee, shall be determined by the provisions of the following disciplinary appeal procedure. Probationary employees shall not be entitled to invoke the appeal procedure with regard to matters of discharge or demotion. Appeal of disciplinary actions will begin at the Department Director level.
- 21.2 Step 1: The initial step in the resolution of a grievance shall be the presentation of the grievance, in writing, to the Department Director, within ten (10) calendar days of receiving

a Notice of Discipline. The Department Director shall answer in writing within ten (10) calendar days.

- 21.3 Step 2: If a grievance is not resolved in the initial step, the second step shall be the presentation of the grievance, in writing, to the Personnel Director, who shall conduct an investigation and attempt to resolve the grievance. If no resolution of the grievance is achieved, the Personnel Director shall provide the employee with the City's answer to the grievance in writing. This step shall be taken within ten (10) calendar days of the date of the Department Director's answer to Step One.
- 21.4 Step 3: If a grievance is not resolved in the initial step, the second step shall be the presentation of the grievance, in writing, to the City Manager or designee, who will answer, in writing, within ten (10) calendar days. This step shall be taken within ten (10) calendar days of the date of the answer to Step Two.
- 21.5 Step 4: If a grievance is not resolved in the third step, the fourth step shall be the referral of the matter to mediation by either party within twenty (20) calendar days of the answer to Step Three. Whenever a grievance is referred to mediation, either the employee or the City may request that the California State Mediation and Conciliation Service refer a state mediator. The mediator shall assist the parties in the resolution of the grievance in the same manner as that which is normally used in the mediation of interest disputes. Referral to Step Five shall not occur until the mediator has released the parties from the mediation process. By mutual agreement of the parties Step Five may be waived.
- 21.6 Step 5: If a grievance is not resolved in the fourth step of this procedure Step Three in the event Step Four was waived, the fifth step shall be referral by either the City or the employee to arbitration. The fifth step shall be taken within twenty (20) calendar days of the date of the answer to Step Four.
- (a) An Arbitrator shall be appointed on each occasion that a grievance is submitted to arbitration. The Arbitrator shall be chosen by mutual agreement of the City and employee. In the event that City and the employee or their representative are unable to agree on the selection of an Arbitrator, they shall request the State of California Mediation and Conciliation Service to nominate five (5) persons to be the Arbitrator. The City and the employee or their representative each will alternately challenge two (2) of such nominees, the party having the first challenge to be determined by lot. The remaining nominee shall be accepted as the Arbitrator and their compensation and expenses shall be borne equally by the City and the employee. Notwithstanding the foregoing, the City and the employee may, by mutual consent, agree on a single arbitrator to hear grievances, on the same cost sharing basis. The City and the employee shall pay the compensation and expenses of their respective witnesses. At the employee's or their representative's request, the City shall release employees from duty to participate in arbitration proceedings.
- (b) The Arbitrator shall hold such hearings and shall consider such evidence as to the Arbitrator appears necessary and proper, or as may be stipulated by the parties. The Arbitrator shall be fully vested with the power to render a decision regarding whether; 1) a workplace rule, regulation or policy was violated by the employee; and; 2) whether the discipline imposed by the City is appropriate. The Arbitrator shall have the authority to modify the discipline imposed by the City provided that

such decision does not in any way add to, disregard or modify any of the provisions of City policies, resolutions or ordinances. The decision of the Arbitrator shall be final and binding on City and the employee.

- 21.7 Failure by the employee to meet any of the aforementioned time limits as set forth in Steps 1, 2, 3, 4 and 5 will result in forfeiture. If the City fails to answer a grievance on a timely basis, the grievance may be advanced to the next step, except, however, that the aforementioned time limits may be extended by mutual agreement. Grievances settled by forfeiture shall not bind either party to an interpretation of City policies, practices, resolutions or ordinances, nor shall such settlements be cited by either party as evidence in the settlement of subsequent grievances.

SECTION 22 PROMOTION AND TRANSFER

- 22.1 All promotions and transfers shall be in accordance with standards and procedures as determined by the City.
- 22.2 All promotions and transfers of employees covered by the Memorandum of Understanding shall be on a probationary basis for one (1) full year. At any time during the probationary period, the City may terminate the appointment. If an appointment is terminated, the employee shall be returned to either the employee's previous classification and pay rate, or some other classification that is mutually acceptable to the employee and the City, except whenever the City discharges the employee from employment with the City while serving a probationary period. Any unpaid absences during a probationary period shall cause the probationary period to be extended by the length of the absence.

SECTION 23 DEMOTION AND LAYOFF

- 23.1 When it becomes necessary for the City to lay off Regular employees, the City will give employees involved as much notice as possible, but in no event will such employees receive less than two (2) weeks notice of layoff. Where probationary or temporary employees are to be laid off, no notice of layoff need be given.
- 23.2 Layoff in all cases due to lack of work will be determined by an employee's seniority. An employee whose job is being eliminated may elect to displace an employee in a lower paid classification if qualified to perform the duties of the lower paid classification and if the employee's seniority is greater than that of the employee in the lower paid classification.
- 23.3 Regular employees who are laid off will be given preference in filling future vacancies for a period up to six (6) months, providing they keep the City advised of their current address. Re-employment shall be based upon the laid-off employee's ability to meet current employment standards. If an employee does not accept re-employment, the employee's name shall be removed from the re-employment list and the employee shall no longer have re-employment rights.
- 23.4 Notwithstanding the provisions of this Article, the City and the Union may agree to other procedures during the term of this Memorandum of Understanding.

**SECTION 24
SEVERABILITY OF PROVISIONS**

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable, that provision of the Memorandum of Understanding shall be null and void but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and effect.

**SECTION 25
FULL UNDERSTANDING, MODIFICATION, WAIVER**

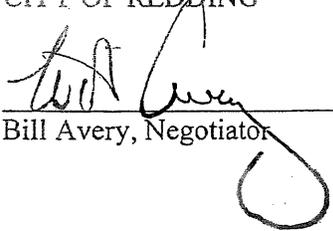
- 25.1 This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.
- 25.2 It is agreed and understood that each party voluntarily and unqualifiedly waives its right to negotiate, and agrees that the other party shall not be required to negotiate, with respect to any matter covered herein, except as provided in this Agreement. Both parties acknowledge that such waiver and relinquishment as set forth above carries with it the commensurate prohibition for either party to effect a unilateral change in an employment condition falling within the scope of negotiations under Government Code Section 3500 et seq., including a prohibition on unilateral change to any adopted personnel rule or policy in effect at the time this MOU is ratified, such as the City's Pay for Performance Policy or the Conduct and Honesty Policy.
- 25.3 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained in the agreement shall in any manner be binding upon the parties unless made and executed in writing by all parties, and if required, approved by the CITY and ratified by the membership of the UNION.

**SECTION 26
DURATION**

This Memorandum of Understanding shall be effective January 1, 2018, except for those provisions of the Memorandum of Understanding which have been assigned other effective dates as here in above set forth and shall remain in full force and effect to and including June 30, 2024. The City will meet and begin bargaining with the Union bargaining team for a successor MOU on or around March 1, 2024.

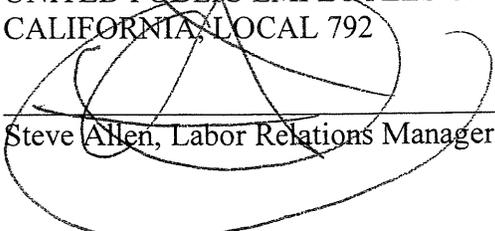
IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding, this xx day of July, 2019.

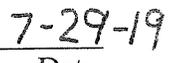
CITY OF REDDING


Bill Avery, Negotiator


Date

UNITED PUBLIC EMPLOYEES OF
CALIFORNIA LOCAL 792


Steve Allen, Labor Relations Manager


Date