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# MEMORANDUM OF UNDERSTANDING

BETWEEN

# THE CITY OF COMMERCE AND

THE CITY OF COMMERCE EMPLOYEES ASSOCIATION<u>/ AFSCME Local</u> <u>773, AFSCME Council 36</u>

MID-MANAGEMENT AND NON-MANAGEMENT FULL TIME EMPLOYEES

<u>2015-2018</u> <u>2018-2021</u>

MEMORANDUM OF UNDERSTANDING MID-MANAGEMENT AND NON-MANAGEMENT FULL-TIME EMPLOYEES FISCAL YEAR<u>S</u> JULY 1, 2015 JUNE 30, 2018 July 1, 2018 – July 1, 2021

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#### MEMORANDUM OF UNDERSTANDING

# MID-MANAGEMENT AND NON-MANAGEMENT FULL-TIME EMPLOYEES

# FISCAL YEAR JULY 1, 2015 JUNE 30, 2018 July 1, 2018 – July 2, 2021

# PREAMBLE

This Memorandum of Understanding is entered into with reference to the following facts:

A. Representatives of Management for the City of Commerce (hereafter "City") and representatives of the City of Commerce Employees Association, <u>AFSCME</u> <u>Local 773</u> (hereafter "Association") have met on a number of occasions and have conferred in good faith, exchanging proposals concerning wages, hours, fringe benefits and other terms and conditions of employment of employee-members represented by the Association.

B. The management representatives and the representatives of the Association have reached an understanding as to certain recommendations to be made to the City Council for the City of Commerce and have agreed that the parties hereto will jointly urge said Council to adopt one or more resolutions which will provide for the changes in wages, hours, fringe benefits and other terms and conditions of employment contained in these joint recommendations.

NOW THEREFORE, the City and Association representatives agree as follows:

The parties hereto shall jointly recommend to the City Council of the City of Commerce that one or more salary resolutions be adopted effectuating the following changes in salaries, fringe benefits and other terms of employment for the classifications represented by the Association.

# ARTICLE 1 UNION SECURITY

#### Section 1. Recognition.

(a) In accordance with the Meyers-Milias-Brown Act [Government Code Section 3500, et seq.] and the Employer-Employee Resolution, the City of Commerce recognizes the City of Commerce Employees Association <u>AFSCME Local 773</u>, <u>AFSCME Council 36</u>, as the exclusive representatives of all employees in the full-time non-management employees unit and the mid-management employees unit.

The parties agree that the following positions shall be removed from the bargaining units represented by CCEA:

#### Human Resources Manager

Human Resources Analyst <u>I & II</u> Senior Human Resources Analyst Administrative Assistant in Human Resources Senior Office Specialist in Human Resources Accounting Technician II (Payroll)

(b) "Confidential employees," as defined in City Council Resolution Number 97-40 and identified below, shall be excluded from holding union office or acting in any official capacity related to the representation of the full-time non-management and mid-management employees.

Executive Assistant to the City Administrator Office Specialist in Administration Senior Management Analyst in Administration Public Information Officer Administrative Assistant

(c) The Association recognizes the City Administrator as the exclusive representative for the City for purposes of entering into this Memorandum of Understanding, subject to the City Council's prior adoption of the Memorandum of Understanding.

# ARTICLE II CITY RIGHTS

#### Section 1. Exclusive Rights and Authority.

In order to ensure that the City is able to carry out its functions and responsibilities imposed by law, the City has and will retain the exclusive right to manage and direct the performance of City services and the work force performing such services, subject to certain limitations contained elsewhere in this Memorandum of Understanding. Therefore, the following matters shall not be subject to the meet and confer process, but shall be within the exclusive authority of the City. The consideration of the merits, necessity, or organization of any service activity conducted by the City shall include, but not be limited to the City's right to:

(a) Determine issues of public policy;

(b) Determine the mission of its constituents, departments, commissions and boards;

(c) Determine and change the facilities, methods, technology, means, and organized structure pursuant to which the City operations are to be conducted;

(d) Set standards and levels of service, and to expand or diminish services;

(e) Determine and change the number of locations, relocations, and types of operations, and the processes and materials to be employed in carrying out all City functions, including but not limited to the right to contract for or subcontract for any reason any work or operations of the City, subject to "Article XII, Section 2" of this Memorandum of Understanding and so long as such contracting or subcontracting does not result in the layoff of any employee covered by this Agreement;

(f) Determine size and composition of the work force, and allocate and assign work to employees in accordance with requirements as determined by the City;

(g) In conjunction with the Joint Labor Management Committee,  $\mathbf{P}$  determine the content and intent of job classifications, to develop new job classifications, and determine appropriate levels of compensation;

(h) **Appoint, transfer, promote, demote and l L**ay-off employees for lack of work or other appropriate reasons;

(i) <u>Appoint, transfer and promote employees;</u>

(**i j**) Discharge, suspend, demote, reprimand, withhold salary increases and benefits, or otherwise discipline employees in accordance with applicable policies and laws;

(j k) Determine policies, procedures and standards for selection, training and promotion of employees;

(k l) Assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work schedules and assignment upon reasonable notice;

(1 m) Direct its employees;

 $(\mathbf{m} \mathbf{n})$  Establish and enforce employee dress and grooming standards, and to determine the style and/or types of City-issued wearing apparel, equipment or technology to be used;

 $(n \circ)$  Determine the methods, means, numbers and kinds of personnel by which government operations are to be conducted;

 $(\Theta \mathbf{p})$  Establish employee performance standards, including but not limited to quality and quantity criteria, and to require compliance therewith;

 $(\mathbf{p} \mathbf{q})$  Maintain the efficiency of governmental operations;

(**q r**) Exercise **complete** control and discretion over the organization and the technology of performing City work and services;

 $(\mathbf{r} \mathbf{s})$  Determine any and all necessary actions to carry out its missions in emergencies.

The Association recognizes that the City has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer and manage its municipal services and work force performing those services in all respects, subject to this Memorandum of Understanding. <u>The City shall not exercise the foregoing rights in an arbitrary or capricious manner or manner that is contrary to law.</u>

Section 2. Grievance on Impacts.

The exclusive decision-making authority of the City Council on matters involving City rights and authority shall not be in any way, directly or indirectly, subject to the grievance

procedure set forth in this Memorandum of Understanding. The employee may only grieve the impact of the exercise of exclusive City rights and authority that directly relate to matters within the scope of representation.

# ARTICLE III COMPENSATION

#### Section 1. Class A/B License

For employees whose position requires possession of a valid Class "A" or "B" driver's license:

- 1. The City shall provide access to the City's medical facility and pay for the required physical examinations necessary to secure appropriate licenses.
- 2. <u>As to Class B medical exams, the City shall pay for the basic</u> required exam and any follow up exam(s) required by the City's <u>medical provider. Medical exams and/or procedures that are</u> required from the employee's own personal physician(s) to pass the City's exam will be at the employee's own cost
  - a. <u>Employees shall be compensated for their actual time spent at the</u> <u>City's medical facility for examinations required for renewal</u> <u>when scheduled by their department. The Department will</u> <u>schedule the medical exam sixty (60) days prior to the expiration</u> <u>of the employee's license.</u>

- b. <u>City Departments will continue to schedule exams, but it will be</u> <u>the employee's responsibility to notify the Department if they</u> <u>have not been scheduled 60 days prior to expiration and maintain</u> <u>their commercial drivers license ('CDL") including attending the</u> <u>required medical examination prior to the expiration of their</u> <u>CDL.</u>
- c. An employee will not be disciplined for failure to notify the Department that they did not receive the 60-day notice, so long as the required medical examination and required paperwork is submitted to the California Department of Motor Vehicles before the expiration of their CDL

2. Employees shall be compensated for their actual time spent at the City's medical facility for examinations required for renewal when scheduled by their department. The Department will schedule the medical exam sixty (60) days prior to expiration of the employee's license.

3. The City shall reimburse all employees up to \$39.00 for the cost to obtain and/or renew their Class A or B License.

4. The City will provide a \$50 monthly stipend for up to two (2) employees, in the month they are required to move the Showmobile. If there are not two employees who are willing to perform this duty, the City shall contract for this service.

#### Section 2. Median Pay

A 5% premium pay shall be given to Park Maintenance employees when assigned to perform median maintenance work based on actual hours worked. A 5.0% premium pay shall be given to **a** Park Maintenance employees when assigned to median maintenance assignments.

Employees regularly assigned to the Graffiti crew shall receive 1.5 percent increase to their base rate of pay. Employees assigned to this work on an episodic basis shall be paid 5.0% premium pay for all actual hours worked on medians, overpasses and bridges.

#### Section 3. Merit Increase

Upon initial appointment to any position in a job class, full-time employees shall be placed at the minimum or first step of a salary range for that job class. A department director may, as authorized by the City Administrator, appoint at a higher step in the salary range when in accordance with the Personnel Policies and Procedures, Salary Plan.

#### Merit Increase:

Full-time employees shall be advanced within their respective compensation ranges in accordance with the following schedule and pursuant to the City of Commerce Personnel Policies and Procedures and any exceptions therein:

Step 2 - At the completion of six (6) months of satisfactory service in Step I. Step 3 – At the completion of one (1) year of satisfactory service in Step 2. Step 4 – At the completion of one (1) year of satisfactory service in Step 3. Step 5 – At the completion of one (1) year of satisfactory service in Step 4.

#### Special Merit Increases:

When an employee demonstrates exceptional ability and proficiency beyond the call of duty, such employee may, upon recommendation of the Department Director, concurrence of the Director of Human Resources, and approval of the City Administrator, be awarded one step higher within the salary range for his/her job class upon completion of one (1) year length of service in the position.

Please refer to the City of Commerce Personnel Policies and Procedures, Salary Plan Administration for further guidelines and policy.

#### Section 4. Overtime

Employees will be paid overtime at time and a half for all productive time worked over forty (40) hours in a single workweek. Holidays (including flex holidays and birthdays) not actually worked will count as time worked for the purpose of computing overtime. All other paid leave does not count as time worked for the purpose of computing overtime. Except for Camp Commerce employees, double time is paid for hours worked over twelve productive hours (including paid breaks) in a single day or for hours worked on the seventh consecutive day of work in the seven-day workweek.

The City shall assign overtime work as equitably as possible among all qualified employees in the same classification in the same department. 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.

Notwithstanding the above, assignment of overtime in the Facility Maintenance, Park Maintenance and Transportation shall be offered in the following order:

The Departments will create a seniority list of employees within classifications and a seniority list that delineates particular locations or assignments. Overtime will first be offered to the individual who bid on and was awarded the assignment.

If there is more than one employee who has been awarded the assignment, the employee with the most seniority in the classification shall be offered overtime in the order of seniority.

If an employee rejects or accepts an offer of overtime, he/she shall be moved to the bottom of the list for the next opportunity for overtime.

If no employee accepts the assignment of overtime, the City shall have the authority to mandate the overtime assignment to the least senior employee.

The implementation of overtime assignments by seniority in the <u>Transportation Department shall be resolved in the JLM prior to</u> <u>implementation to account for all applicable mandates and guidelines.</u>

#### Section 5. Wage Increases

Effective July 1, 2015, all employees represented by the Association shall receive a wage increase of 4.9%. (2.4% of this increase is offset by a negotiated employee contribution to retirement - See Article V, Section 11).

Effective July 1, 2016, all employees represented by the Association shall receive a wage increase of 2.5%.

Effective July 1, 2017, all employees represented by the Association shall receive a wage increase of 2%.

It is agreed that the City will provide a one-time ad hoc lump sum off-salaryschedule non-PERSablepayment of 4% of scheduled annual salary (calculated before implementation of the salary increases below) to be paid during the first pay period following the City Council's adoption of this Memorandum of Understanding, which is anticipated to take later than October 10, 2019.

For the purposes of payment of the one-time ad-hoc lump sum payment, base pay excludes any additional compensation over and above an affected employee's normal base pay, such as, but not limited to, overtime, night differential pay, higher classification pay, skill pay, premium pay, call back pay. The one-time payment shall be an offsalary schedule payment as a separate check from regular payroll; payment shall not be reflected on the City's pay or salary schedules; and payment shall not be the basis upon which future salary increases will be calculated.

<u>In addition to the off-salary-schedule payment, there will also be increases to</u> <u>the salary schedule for the same individuals as follows:</u>

Effective July 1, 2019, all employees represented by the Association shall receive a wage increase of four percent (4%).

Effective July 1, 2020, all employees represented by the Association shall receive a wage increase of three percent (3%).

Section 6. Premium Pay

City Policy II-3, Salary Plan Administration, shall be amended to limit Premium Pay to 24 <u>12</u> months (Policy Attached). <u>In addition, the City shall notify the</u> <u>Association within 5 business days from the effective date of the premium pay.</u> <u>This notice shall include (1) duties that the employee will perform in this</u> <u>higher classification (2) whether the premium pay is 5% or 10%.</u>

#### Section 7. Urban Search and Rescue (USAR) Stipend

Effective upon implementation of this MOU, the monthly USAR stipend will be increased to \$75 per member.

Section 8. Notary Services Pay

Effective upon the first full pay period after Council adoption of the MOU, the City will provide a \$50 monthly bonus to employees assigned to provide notary services to members of the public (residents or employees) or other work-related purpose.

# ARTICLE IV UNIFORM ALLOWANCE

#### Section 1. Uniforms

Should the City require employees to wear a specific uniform, it shall be financially responsible to cover the cost of such uniforms. Uniform replacement shall be governed by specific departmental policies and practices.

#### Section 2. Safety Footwear

Effective the first pay period after Union ratification and Council adoption of this MOU, the City shall provide reimbursement not to exceed \$165 <u>\$175</u> per fiscal year for employees required by City safety regulations to wear safety footwear to work in each year the employee, in fact, purchases and utilizes such footwear at work.

Effective July 1, <u>2017-2019</u>, the reimbursement amount will increase to <u>\$175</u>. <u>\$185</u> per fiscal year for employees required by City safety regulations to wear safety footwear to work in each year the employee, in fact, purchases and utilizes such footwear at work. Please refer to City of Commerce Personnel Policies and Procedures, Work Uniforms for Employees, for specific terms and policy.

Section 3 Mechanic Tool Allowance

Effective the first full pay period after January 1, 2019, the City shall provide bargaining unit employees in the following classifications, three-hundred and fifty dollars (\$350) per calendar year for tools purchased within the same calendar year:

Fleet Maintenance Manager
Lead Fleet Mechanic
Fleet Mechanic

# **ARTICLE V BENEFITS**

The City's current Personnel Policies and Procedures shall govern the extent to which insurance benefits are given and maintained. The City agrees to meet and confer with the Association prior to any final decision by the City to reduce any current benefits during the term of this Memorandum of Understanding. <u>The City agrees that the benefits provided under the MOU supersede any contrary Personnel Policies and Procedures and that there shall be no change in the benefits specified in Article V during the term of this Agreement. July 1, 2018 to June 30, 2021).</u>

As a product of the **year 2015-2018** meet-and-confer process, the City and the Association have agreed to the following City benefit programs:

Section 1. Employee Medical Health Plan Benefits.

During the term of this MOU, the City's contribution to the Cafeteria Plan (Premium Only Plan) shall be the premium rates for "Other Southern California" as published by CALPERS for the designated health insurance plans. In no event shall the City's contribution under the City's Cafeteria plan exceed the rates for the applicable eligible benefit categories (i.e. single, two party, family) established in the "Other Southern California" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution.

This section does not change the provisions of City Policy III-I, Health and Hospitalization Insurance Plan. To the extent that any changes are to be made to the Employee Medical Health Plan Benefits, the parties shall be required to

comply with the requirements of the Meyers-Milias Brown Act (Government Code Section 3500 et.seq.) and any other applicable state or federal law.

#### Section 2. Dental Plan.

The City shall maintain current dental insurance coverage and pay any increase that may occur during the term of this agreement. (See Appendix A for summary of benefits)

#### Section 3. Vision Plan.

The City's vision plan shall remain at the current benefit levels. (See Appendix B)

#### Section 4. Deferred Compensation.

1. The City shall contribute \$25.00 per pay period to employee deferred compensation plan whether or not employee contributes to the plan.

2. The City shall match employee deferred compensation contributions, in an amount not to exceed 3% of the employee gross salary contribution per pay period. For example, if an employee contributes 1% of gross salary to the plan, the City shall contribute an amount equal to 1% of gross salary. If the employee contributes more than 3% of the employee's gross salary per pay period, the City shall pay an additional contribution equal to 5% of that part of the employee's contribution that exceeds 3% of the employee's gross salary per pay period.

3. Effective Date – These deferred compensation provisions shall be effective commencing with the first payroll period of July 2008.

4. Compliance with State and Federal Regulations – The parties agree and acknowledge that a variety of State and Federal statutes and regulations govern

participation in deferred compensation plans. If any of these Memorandum of Understanding provisions conflict with any State or Federal statues or regulations, the State and Federal statutes and regulations shall take precedence and shall be complied with. The Association and the full-time employees waive any claims they may have against the City in the event of such a conflict.

5. Exclusions – The 3% City contribution described above shall apply only to employee gross salary deferred compensation contributions made during each payroll period. The 3% City contribution shall not be provided for any employee deferred compensation contributions that are made as a result of a "buy back" as that term is defined by Internal Revenue Service Code or regulations. Additionally, the 3% City contribution shall not be applied to any employee deferred compensation contributions that are made as a result of converting any type of leave balance to deferred compensation.

#### Section 5. City Retirement Gift.

An employee must have five years of full-time service in order to qualify for a City retirement gift. The City retirement gifts are as follows:

5 years, but less than 10 years \$500.00 10 years, but less than 14 years \$750.00 14 years, but less than 16 years \$800.00 16 years, but less than 17 years \$850.00 17 years, but less than 18 years \$900.00 18 years, but less than 20 years \$950.00 20 years or more \$1,000.00

Section 6. Computer Purchase Program.

The City's interest-free computer loan program has an amount of \$30,000, available in the loan pool. See the Employee Computer Purchase Assistance Program in the City's Personnel Policies & procedures Manual.

Section 7. Longevity Stipend for Employees hired before July 1, 2011 retiring on or before December 31, 2011

The City shall make a longevity stipend available to an employee who was hired before July 1, 2011 and who retires from the City of Commerce on or before December 31, 2011. The longevity stipend shall be deposited on a monthly basis into the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

The City's monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or eligible dependents (when applicable) minus the PEMHCA minimum contribution. The longevity stipend shall be based on the cost of coverage for retiree and/or eligible dependents under the medical plans sponsored by **PEMCHA** <u>CalPERS including</u> <u>dental and vision plans offered by the City</u>. The stipend shall be based on the tier of coverage (i.e. single, plus one/ <u>two party</u> or family) and actual plan cost.

#### The parties agree that the longevity stipend for employees hired before July 1, 2011 and who retired on or before December 31, 2011 has matured and that the City shall not change the stipend in the future

#### Section 8. Longevity Stipend for Employees hired before July 1, 2011

The City shall make a longevity stipend available to an employee who was hired before July 1, 2011 and who retires from the City of Commerce as described in this Section. The City shall make a longevity stipend payment on a monthly basis to the retiree's Retiree Healthcare Reimbursement Plan (Retiree HRA Plan).

**During the term of this Agreement**, **T** the City's total longevity stipend payment shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMHCA minimum contribution for each eligible category (i.e. single , two-party, Family) of the Blue Shield Access+ Plan and dental and vision offered by the City.

monthly longevity stipend to the Retiree HRA Plan shall be the difference between the premium cost of coverage for the retiree and/or eligible dependents (when applicable) minus the PEMHCA minimum contribution. From the effective date of this Agreement until December 31, 2014, the City's total longevity stipend payment shall not exceed \$1,674.22 for employees who retire after December 31, 2011. Effective January 1, 2015, the City's total longevity stipend payment shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMHCA minimum contribution for each eligible category (single, Plus One, Family) of the Blue Shield Access+ Plan that is in effect on January 1, 2015. This Section does not change <u>other the</u> provisions of City Policy **HI-I** <u>V-9</u>, Health and Hospitalization Insurance Plan <u>during the term of this Agreement</u>. To the extent that any changes are to be made to the Longevity Stipend, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (Government. Code Section 3500 et.seq.) and any other applicable state or federal law.

The City agrees that during the term of this agreement, it shall not eliminate or reduce the longevity stipend for employees covered under this Section 8. The parties agree that this stipend is subject to bargaining in successor MOU negotiations.

# The intent of the City is to evaluate at each MOU term changes to the longevity stipend in the future successor MOUs, subject to the City's finances, obligations and operational needs.

#### Section 9. Longevity Stipend for Employees hired on/after July 1, 2011.

Employees hired by the City on or after July 1, 2011 and who meet the eligibility requirements for retiree health insurance are eligible to continue in the City's group health insurance program. The City's maximum contribution towards retiree coverage under this subsection, shall be the PEMHCA minimum contribution as determined by CalPERS on an annual basis. Employees who meet the criteria described below shall be eligible to receive a longevity stipend upon retirement from the City's employment. The longevity stipend payment shall be deposited on a monthly basis into the retiree's Healthcare Reimbursement Plan (Retiree HRA Plan). During the term of this agreement, From the effective date of this Agreement to June 30, 2021 December 31, 2014, the longevity stipend shall not exceed the amounts described below, which shall include the PEMHCA minimum contribution and shall be based on the cost of coverage for retiree plus spouse coverage under the medical plans sponsored by PEMHCA. The stipend shall be based on the tier of coverage (i.e. single or two- party) and actual plan cost.

**During the term of this agreement, Effective January 1, 2019**, the maximum City total longevity stipend payment (for the 15 years and above of full-time City Service) shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution for each eligible category (i.e. single, <u>two- party, family</u>

**Plus One**) of the Blue Shield Access + Plan **that is in effect on January 1, 2019** and dental and vision offered by the City. **2015** 

 $\geq$  5 years of full-time City Service

50% + additional 5.0% for each additional year of City service above 5 years (e.g., 10 yrs = 75% or \$965.89)

15 years and above of full-time City Service 100%

Effective January 1, 2015, the maximum City total longevity stipend payment (for the 15 years and above of full-time City Service) shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution for each eligible category (single, Plus One) of the Blue Shield Access + Plan that is in effect on January 1, 2015.

≥ 5 years of full-time City Service 50% + additional 5.0% for each additional year of City service above 5 years (e.g., 10 yrs = 75% or \$965.89)

15 years and above of full-time City Service \$1,287.86(100%) Effective January 1, 2015, the maximum City total longevity stipend payment (for the 15 years and above of full-time City Service) shall not exceed the premium rate for the "Other Southern California Region" Blue Shield Access+ health rates which shall include the PEMCHA minimum contribution for each eligible category (single, Plus One) of the Blue Shield Access + Plan that is in effect on January 1, 2015.

Full-time employees who were previously part-time employees and who have worked 1000 hours or more in a fiscal year (during their part-time service) shall receive one-half year of employment credit for each fiscal year in which they work 1000 hours or more.

This Section does not change <u>other</u> the provisions of City Policy <del>III-I</del> <u>V-9</u>, Health and Hospitalization Insurance Plan <u>during the term of this agreement.</u> To the

extent that any changes are to be made to the Longevity Stipend for Future Employees, the parties shall be required to comply with the requirements of the Meyers-Milias Brown Act (Government. Code Section 3500 et.seq.) and any other applicable state or federal law.

The City agrees that during the term of this agreement, it shall not eliminate or reduce the longevity stipend for employees covered under this Section 9. The parties agree that this stipend is subject to bargaining in successor MOU negotiations.

The intent of the City is to evaluate at each MOU term changes to the longevity stipend in the future successor MOUs, subject to the City's finances, obligations and operational needs.

The parties agree that during the term of this Agreement, the City shall retain the services of an actuarial to study the cost of "vesting" the longevity stipends under Sections 8 and 9. The parties further agree that the cost of the actuarial shall be shared equally between the parties, up to a maximum of \$5,000 for CCEA. The parties agree to re-open bargaining on this topic at the request of CCEA.

The parties agree that the terms of Article V, Sections 7, 8, and 9 are entered into without a waiver of the parties' respective legal positions as to whether these are vested benefits or not.

The City will retain the services of an actuarial to study the cost of CCEA's proposal regarding changing the eligibility schedule for the longevity stipend for retiree health benefits for part-timers who become full-time employees. The parties will agree to the scope of the actuarial study no later than September 1, 2015. The City and CCEA shall reopen bargaining regarding this topic only in January 2016.

Section 10 Medicare Reimbursement

The City will reimburse retirees the Standard Medicare Premium Part B (medical insurance) for retiree and his/her spouse or domestic partner. The City shall continue reimbursement of these premiums to the spouse or domestic partner of the retiree after the death of the retiree.

#### Section 11 Retirement

#### a) EMPLOYEES HIRED BEFORE JANUARY 1, 2013 OR EMPLOYEESHIRED AFTER JANUARY 1, 2013 AND CONSIDERED TO BE A "CLASSIC" EMPLOYEE

The City contracts with the State of California Public Employees Retirement System (CalPERS) for the classifications covered by this Agreement. The plan shall include the following options:

- 1. Miscellaneous Employees 2% @ 55 retirement formula (Government Code §21354);
- 2. Single highest year final compensation (Government Code §20042);

3. Post Retirement Survivor Allowance (Government Code §21624/21626);

4. Credit for Unused Sick Leave (Government Code §20965);

5. Pre-Retirement Option 2W Death Benefit (Government Code §21548);

6. Post-Retirement SurvivorAllowance to Continue After Remarriage (Government Code §21635);

7. Pre-Retirement Death Benefits to Continue After Remarriage of Survivor (Government Code §21354);

8. 2% Annual Cost-of-Living Allowance increase (Government Code §21329);

- 9. \$500 Retired Death benefit (Government Code §21620);
- 10. Prior Service (Government Code §20055);
- 11. Supplemental SSA Coordination;

12. Effective July 1, 2015, classic employees shall contribute an additional 2.4% of their compensation earnable (as defined in Government Code Section 20636) toward the classic employee's normal member contribution (as defined in Government Code Section 20677). The total classic employee contribution shall be 7%.

# b) NEW CALPERS MEMBERS HIRED ON OR AFTER JANUARY 1, 2013 ("NEW MEMBERS")

The City contracts with the State of California Public Employees Retirement System (CalPERS) for the classifications contained in this Agreement. The plan shall include the following options:

1. Miscellaneous Employees - 2.0% @ 62 retirement formula (Government Code §7522.20);

2. Three (3) year average final compensation period (Government Code §20037);

3. Effective July 1, 2015, New Members shall contribute at least 50% of the total normal cost rate as defined by CalPERS or the current rate of similarly situated employees, whichever is greater.

4. All of the benefits listed above in Section a) from number 3 to number 11.

#### c) SOCIAL SECURITY

The City deducts from each employee's paycheck an amount as determined by law for the Federal Insurance Contributions Act (Social Security). In addition, the City contributes an additional amount at least equal to the employee's contribution.

#### Section 12 Educational Assistance

A. The City will maintain and administer a Tuition Reimbursement Program for fulltime employees as set forth in City Human Resources Policy IV-2. Effective Fiscal Year 19-20, the City will budget the program at an amount not less than \$34,000 annually. This budgeted amount shall not roll-over to the following fiscal year should the approved requests for tuition reimbursement be less than \$34,000. In addition to education assistance being used to obtain a(n) AA, Bachelor's or Master's degree. Education Assistance may also be used for vocational or trade schools.

**B.** Full-time employees who have approved reimbursements under the City's Tuition Reimbursement Program on or before June 30, 2019 shall be eligible for tuition reimbursement to complete their original program goal, without regard to the \$34,000 cap set forth above.

C. The City and Association agree that the approval process for how full-time employees will be granted the tuition reimbursement set forth in the City's Human Resources Policy IV-2, shall be discussed and agreed upon in the JLM. Until such process is finalized, the current City's approval process that the HR Director will approve based on budget, applies.

# ARTICLE VI LEAVE

Section 1. Bereavement Leave.

Pursuant to the City's Bereavement Leave Policy, when a regular full-time employee's "immediate family member" dies or is critically ill and death appears imminent, the employee shall be entitled to up to forty (40) hours of paid leave per occurrence. "Immediate family member" shall be defined as: mother, father, spouse, registered domestic partner, child, step child, brother, sister, grandchild, grandparents, mother-in-law, father-in-law, stepmother, stepfather, sister-in-law, brother-in-law, daughter-in-law, son-in-law, spouse's grandparents and great grandparents, as well as the equivalent relatives of a registered domestic partner.

Bereavement leave is paid over a maximum of seven (7) work days and is paid in thirty minute increments. The bereavement leave begins on the first regularly scheduled workday as requested by the employee. If the employee learns of the

death while at work, he or she is entitled to leave work immediately; this partial day leave will not be counted towards the bereavement leave. Bereavement leave must be authorized by the Department Director and must be utilized within 15 days of employee learning of the death, or of the date of foreseen imminent death of the immediate family member, unless special circumstances require that the leave begin at a later date. Such requests to the Department Director shall be

made within 15 days of the employee learning of the death or of the date of foreseen imminent death and shall not be unreasonably denied.

#### Section 2. City's Personnel Policies and Procedures.

All other matters related to holiday and flexible leave which are not addressed in this Memorandum of Understanding, shall be governed by the City's Personnel Policies and Procedures.

#### Section 3. Flexible Leave.

Employees may accrue up to a maximum of forty (40) hours of flexible leave time. A maximum of forty (40) hours may be carried over to the following year.

#### Section 4. Holidays.

The employees in the classified services shall be provided with the following holidays with pay subject to the provisions of the City's Personnel Policies and Procedures.

New Year's Day Martin Luther King Day Lincoln's Birthday (2nd Monday in Feb.) Washington's Birthday Memorial Day Independence Day Labor Day Veteran's Day Thanksgiving Day Day after Thanksgiving Christmas Day Employee's Birthday

During the term of this MOU, if the Christmas or New Year's Holiday falls on a Friday, employees will receive an additional half day holiday for Christmas Eve and New Year's Eve (affected facilities will close at 1:00 p.m.).

#### Section 5.Jury Duty.

Full-time employees shall be granted a paid leave of absence in order to perform jury duty, provided that the employee provides notification to the City for such jury duty and provides proper verification of hours spent on jury duty. Please refer to the City of Commerce Personnel Policies and Procedures, Jury Duty, for specific terms and policy.

#### Section 6. Sick Leave.

Full time employees shall earn eight (8) hours sick leave per month for each full month of continuous service with the City. Please refer to City of Commerce Personnel Policies and Procedures, Sick Leave, for specific terms and policy (revised version attached).

#### Section 7. Vacation Leave.

1. Vacation Accrual - Full-time employees shall accrue vacation according to the following schedule:

| Continuous Years of Services | Vacation Hours Earned                |
|------------------------------|--------------------------------------|
| Less than 5 years            | 8 hrs per month/96 hrs per year      |
| 5-8 years                    | 10 hrs per month/120 hrs per year    |
| 8 yrs 1 mo – 13 years        | 12 hrs per month/144 hrs per year    |
| 13 yrs 1 mo – 20 years       | 13.33 per hrs month/160 hrs per year |
| 20 yrs 1 mo +                | 16.67 hrs per month/200 hrs per year |

2. Vacation Accumulation - The City's four-hundred eighty hour (480) maximum accumulation policy will be enforced by scheduling vacations to eliminate excess accumulation. Please refer to City of Commerce Personnel Policies and Procedures, Vacation Policy, for specific terms and policy.

# ARTICLE VII DISCIPLINARY PROCEDURES

#### Section 1 Procedures

The disciplinary procedures set forth in the City's Personnel Policies and Procedures shall govern during the term of this Memorandum of Understanding.

<u>Section 2 Polygraph</u> <u>The City shall not require employees to submit to polygraph examinations.</u>

# ARTICLE VIII GRIEVANCE PROCEDURES

The grievance procedure is used to ensure that employees have the opportunity to address work-related concerns.

The following grievance procedure applies only to Civil Service employees who have successfully completed their probationary period as defined in the City's policies.

(a) Definition of "grievance": A "grievance" shall be defined as a timely complaint by an employee or group of employees concerning personnel practices, working conditions, employee policies or MOU.

(b) Time Limits for Filing Written Formal Grievances: the time limits for filing written formal grievances shall be strictly construed, but may be extended by mutual agreement evidenced in writing and signed by an authorized representative of the City and the grievant. Failure of the grievant to comply with any of the time limits set forth hereunder shall constitute waiver and bar further processing of the grievance.

(c) The grieving party is entitled to have representation of his or her choice at any level of the grievance procedure.

#### STEPS OF THE GRIEVANCE PROCEDURE

- 1. Informal Immediate Supervisor
- 2. Formal Department Head
- 3. Formal City Administrator or Designee
- 4. Formal Binding Arbitration

**1. Informal – Immediate Supervisor**: The employee must first attempt to resolve a grievance verbally with his/her immediate supervisor as soon as possible. Every effort shall be made to find an acceptable solution to the grievance informally at this level.

2. Formal – Department Head: If the grievance is not resolved using the informal process, a written grievance shall be filed within twenty (20) business days from the date of the alleged incident giving rise to the grievance, or when the grievant knew or should have reasonably become aware of the acts giving rise to the grievance. The grievant shall discuss the grievance with the department head. The department head shall render a decision and comments, in writing, regarding the merits of the grievance and return them to grievant within twenty (20) business days after receiving the grievance.

In cases involving appeals from disciplinary action, the grievant shall bypass the informal grievance step and file his/her appeal directly at the formal grievance step within twenty (20) business days of the effective date of the disciplinary action or his/her right to appeal shall be waived.

**3.** Formal – City <u>Manager</u> Administrator: If the grievance is not resolved at "Step 2" or if no answer has been received from the department head within twenty (20) business days, the written grievance shall progress to the City Administrator <u>Manager</u> for determination.

The grievant shall have twenty (20) business days from the date when the department head's written response is received, or when the response was due, to file a written appeal directly to the City <u>Manager</u> Administrator or forfeit his/her right of appeal, in which case, the grievance will be considered final based on the department head's response.

The City Manager Administrator shall schedule an oral hearing shall schedule a hearing with the grievant within twenty (20) business days of the date of receipt of the written appeal by the City Manager and shall render a written decision, based on the merits of the grievance and return it to the grievant within twenty (20) business days from the date of the hearing. The City <u>Manager's</u> Administrator's decision shall be final and binding on all non-disciplinary matters as well as for all disciplinary matters not exceeding the equivalent of twenty-four (24) hours pay. If the City <u>Manager</u> Administrator does not render a decision within twenty (20) business days, or does not request and receive a mutually agreed upon extension of time, the grievance shall be resolved in favor of the grieving party.

4. Formal – Binding Arbitration: In addition to the procedures described above, Civil Service employees the Union shall be entitled to appeal disciplinary suspensions in excess of twenty-four (24) hours at one time, demotions, terminations, or reductions in pay exceeding the equivalent of twenty-four (24) hours of pay to an independent hearing officer selected from a list of nine (9) supplied by the State Mediation and Conciliation Service American Arbitration Association in accordance with their rules and procedures and who are members of the National Academy of Arbitrators. The issues before the hearing officer shall be m whether there is just cause for the disciplinary action and cm if not. what is the appropriate remedy. Should the grievant and Director of Human Resources fail to reach an agreement in the selection of a hearing officer, each shall strike names from the list until a final name is selected as the hearing officer. The foregoing shall not diminish the legal rights of Civil Service employees, nor be in conflict with state law.

The grievance shall be barred and waived unless filed in writing with the Director of Human Resources within twenty (20) business days after the "Step 3" grievance decision is mailed to the grievant.

The costs of arbitration shall be split evenly between the City and the grievant.

The Director of Human Resources shall act as the clerk for this hearing. The determination of the hearing officer shall be final and binding upon all parties.

# ARTICLE IX LAYOFF/BUMPING PROCEDURES

This policy ensures the fair and equitable process in the reduction of the City workforce.

1. The Layoff/Bumping Procedures only apply to non-probationary full-time employees and full-time classifications.

2. In all cases, the position being 'bumped/laid off" shall be the position with the lowest seniority in the job classification.

3. In the event of layoff, layoff shall be made in reverse order of seniority in the class in which the layoff occurs. The employee who has the least time in paid status, excluding overtime, in the class, plus any higher classes, shall be considered to have the least seniority and, therefore, shall be laid off first. In the case where two or more employees have the same time in paid status excluding overtime, the employee with the latest date of employment shall be laid off first. In the event of a tie, the employee with the latest date of application, as evidenced by a date stamp, shall be laid off first. The City shall provide the Association with copies of all seniority lists used for layoffs as soon as possible, but at least ten (10) business days prior to any notice of layoff.

4. A laid off employee may displace or "bump" an employee in a lesser paid job classification within the same occupational family or a classification in which he/she has previously served. In calculating seniority, time spent in all full-time paid classifications shall be counted in determining total seniority for purpose of bumping. Further, employees who "bump" into lower paid classifications shall have their seniority from the higher paid classification transferred with them into the lower classification to count toward total seniority with that classification.

5. The names of permanent employees thus laid off shall be placed upon the reemployment list for the class from which they were laid off. Names on the reemployment list shall be in the order of seniority and shall be valid for twenty-four (24) months from the date of layoff. Employees who "bump" into a lower classification shall also be included on any re-employment list. The re-employment list for a given classification shall be used by the appointing authority before a position is filled by other means. Laid off employees will be eligible to apply for

promotional recruitments for 24 months from date of layoff, if they meet the minimum qualifications.

6. If a person is not available to accept an offer of re-employment for any extended period of time (2 weeks or more) and if a vacancy occurs during the period of non-availability, the person's name will remain in position on the re-employment list, however, the offer of re-employment will be made to the next person on the re-employment list.

7. A person's failure to appear at the prescribed time and place after acceptance of a position will constitute grounds to remove their name from the re-employment list.

8. If a person on a re-employment list is offered a position with the same salary, or more, as compared to the position from which he/she was laid off, and the person refuses the offer, he/she shall have his/her name removed from the re-employment list.

9. If a person accepts a position at a lesser salary than the position from that which he/she was laid off, his/her name shall remain in the re-employment list for the balance of the initial twenty-four (24) month period.

10. A full-time employee may "bump" a part-time employee with lesser seniority, in the same or a lesser paid job classification within the same occupational family as the full-time employee or in a classification in which the full-time employee has previously served. If a full-time employee exercises such bumping rights, he or she will thereafter be considered a part-time employee and will be subject to the at-will status of part-time personnel. A full-time employee who bumps to a part-time classification shall retain their place on the full-time reemployment list for the 24 month period from the date of layoff.

11. Seniority between a full-time and part-time employee shall be based upon the total hours worked in the classification.

# ARTICLE X SENIORITY

The City will consider seniority as the primary factor, where the job performance is equal, when making assignments of work schedules, and vacation. Seniority

shall be defined as length of service in the position. The updated seniority list shall be distributed 90-days after the end of each fiscal year. The bid period will be established by each Department/Division. The schedules and bid periods will be transmitted to the Association at least three (3) business days prior to the bid periods. Schedules must allow reasonable amount of time to complete assigned workload.

#### **ARTICLE XI Prohibition of Discrimination, Harassment, and Retaliation.**

#### ARTICLE XI ANTI-DISCRIMINATION AND HARASSMENT POLICY

#### I. PURPOSE

- State and federal law expressly prohibit discrimination and/or harassment of employees or applicants based upon race, religion, creed, color, national origin, ancestry, physical or mental disability, medical condition, birth of a child, pregnancy, veteran status, sexual orientation, marital status, sex, or age over 40 years.
- The City is committed to providing a work environment that is free from discrimination and harassment. In keeping with this commitment, the City maintains a strict policy prohibiting discrimination and harassment, including sexual harassment.
- The purpose of this Policy is to define and forbid discriminatory and/or harassing conduct, to prohibit the condoning or perpetuating of such conduct and to provide an efficient means for reporting and resolving complaints of discrimination and/or harassment.

#### II. POLICY

- The City considers discrimination and/or harassment a serious offense and is firmly committed to the philosophy that every employee has the right to work in an environment free from discriminatory intimidation, ridicule and insult, and to be treated with courtesy, dignity and respect. Every employee is expected to adhere to a standard of conduct that is respectful to all persons within the work environment.
- -The City's policy strictly prohibits unlawful discrimination and harassment on the basis of race, religion, creed, color, sex, sexual orientation, national origin, ancestry, physical or mental disability, medical condition, pregnancy, the birth of a child, veteran status, marital status or age over 40 years ("a legally protected category").
- In keeping with this commitment, the City maintains and follows a strict policy prohibiting unlawful discrimination and harassment, in any form, including verbal, physical and visual harassment, coercion, and/or reprisal. This policy applies to all employees, patrons, vendors and visitors. The City does not tolerate discrimination, sexual or other harassment of employees in the work place or in any work-related situation by anyone. If, after a prompt and thorough investigation, it is determined that an employee has engaged in discrimination and/or sexual or other harassment, that employee will be disciplined, up to and including discharge.

#### **III. PROHIBITED CONDUCT**

The City's Anti-Discrimination and Harassment prohibits the following types of conduct:

- A. Discrimination. Discrimination is any action or conduct by which an employee is treated differently or less favorably than other employees similarly situated to him or her for the sole reason that he or she is a member of a legally protected category. For example, it would be discrimination for an individual to be denied employment or terminated from employment solely because that individual has a disability or is 40 years of age or older.
- **B.** Harassment. Unlawful harassment is any verbal or physical conduct based on an employee's membership in a legally protected category that is sufficiently severe or pervasive so as to affect an employee's work performance negatively and/or alter the conditions of employment, and/or creating an intimidating, hostile or otherwise offensive working environment.
- C. Sexual Harassment. Sexual harassment is defined as follows: Any action that constitutes an unwelcome sexual advance or request for sexual favors, or any verbal or physical conduct of a sexual nature that is (i) related to or conditional to the receipt of employee benefits, including, but not limited to, hiring and advancement, (ii) related to or forms the basis for employment decisions affecting the employee, or (iii) sufficiently severe or pervasive so as to affect an employee's work performance negatively and/or alter the conditions of employment and create an intimidating, hostile or otherwise offensive working environment.
- Examples of the type of conduct that can constitute unlawful harassment or sexual harassment include, but are not limited to, the following:
- **1.** Verbal harassment For example: epithets, derogatory comments or slurs, graphic commentaries about an individual's body or other suggestive comments made on the basis of a legally protected category.
- 2. Physical harassment For example: assault, impeding or blocking movement, interference with normal work movement, massages, sitting on laps, or unwanted touching of any type based upon a legally protected category.
- -3. Visual forms of harassment For example: leering, making derogatory gestures, derogatory posters, pictures, notices, bulletins, cartoons, drawings, e-mails, computer screen savers, faxes or other depictions of a sexual nature based upon a legally protected category.
- -4. Sexual conduct For example: unwelcome sexual advances, requests for sexual favors, propositions, and other verbal or physical conduct of a sexual nature which is made a condition of an employment benefit or unreasonably interferes with an individual's work performance and creates an offensive work environment.
- 5. Retaliation Taking adverse employment action against any employee for having

reported or threatened to report unlawful discrimination or harassment.

- Any questions regarding these definitions of discrimination, harassment, or sexual harassment, or uncertainty as to what constitutes discrimination, harassment, or sexual harassment or, uncertainty as to what constitutes prohibited conduct under the City's policy, will be referred to the Human Resources Department.
- IV. REPORTING DISCRIMINATION OR HARASSMENT City management shall be readily available and receptive to receiving complaints of discrimination, sexual or other harassment. If an employee feels that he or she is being discriminated against or harassed by another employee, a supervisor, a vendor, a visitor, or a patron, the employee shall immediately report the facts of the incident or incidents and the name(s) of the individual(s) involved to his or her immediate supervisor. If the matter cannot be discussed with the immediate supervisor or the immediate supervisor is the subject of the complaint, the employee shall contact the Director of Human Resources and arrange for a meeting to discuss the complaint. If the matter cannot be discussed with the Director of Human Resources, the employee shall contact the City Administrator and arrange for a meeting to discuss the complaint.
- -Complaints must be made as soon as possible after the incident. In addition, a written and signed statement of the complaint shall be submitted to the impacted supervisor, the Director of Human Resources or the City Administrator within 10 days of the initial report. Within 15 working day of receipt of the complaint, the City will conduct an appropriate investigation regarding the allegations and will verbally and in writing advise the party who is the subject of the complaint of the name of the complaining party, the nature of the allegations and how the City intends to address the complaint.

Written complaints should include the following information:

- A. The complaining party's name, department and position title.
- **B.** The name of the person or persons committing the discrimination or harassment, including their title(s), if known.
- C. The specific nature of the harassment or discrimination, the period of time of the harassment or discrimination, any employment action (demotion, failure to promote, dismissal, refusal to hire, transfer, etc.) taken against the victim as a result of the harassment or discrimination (if applicable), or any other threats made against the victim as a result of the harassment or discrimination.
- **D.** The name of any witnesses to the harassment or discrimination.
- E. Any documentation or other evidence to support the allegations of the complaint, if any.
- F. Whether the complaining party previously has reported such harassment or

discrimination, and, if so, when and to whom.

- Notification to the City is required. The complainant will be assured that he or she will not be penalized in any way for reporting discrimination, sexual harassment or other harassment. This would be considered retaliation and it is unlawful for an employer to retaliate against employees who oppose practices prohibited by state and federal law, file complaints, or otherwise participate in an investigation, proceeding or hearing conducted by the Department of Fair Employment and Housing or the Equal Employment Opportunity Commission. Similarly, the City will not tolerate any employees who interfere with its own internal investigations and its own internal complaint procedure.
- Employees are also protected from sexual or other harassment by non-employees (e.g. vendors, visitors). Any employee who is the victim of any discrimination or harassment by a non-employee or observes this conduct toward another City employee should report such discrimination or harassment to his or her immediate supervisor, the Director of Human Resources or the City Administrator and appropriate action will be taken. Likewise, employees who observe or are advised about the discrimination, sexual or other harassment of another employee are encouraged to follow these reporting procedures.
- The City cannot resolve discrimination or a sexual or other harassment problem unless it is known. Therefore, it is the responsibility of the employee to bring those kinds of problems to the attention of the City so that the necessary steps can be taken to correct the problem.
- V. THE CITY'S RESPONSE TO COMPLAINTS OF HARASSMENT OR DISCRIMINATION
- All complaints of harassment or discrimination that are reported to management will be investigated promptly, thoroughly, objectively, completely and as confidentially as possible. The City, as part of its investigation, will make every attempt to interview all individuals with information relative to the complaint.
- Any investigation related to a complaint under this policy will be conducted with as much confidentiality as possible and with respect for the rights of all individuals involved. Efforts will be made to protect the privacy of the parties involved in a complaint. Information related to the investigation will be provided to those individuals such as City Administrator and/or the City Attorney in order for the City's interests to be properly protected.
- The purpose of this provision is to protect the confidentiality of the employee who files a complaint, to encourage the reporting of any incidents of harassment or discrimination, and to protect the reputation of any employee wrongfully charged with harassment or discrimination.

- It is important for the complaining party and the person subject to the complaint to understand that it is a violation of this policy to discuss an investigation with their employees or to conduct their own investigation at anytime. If an employee has any information to assist the City, he or she should contact the Human Resources Department. Failure to follow this policy may subject the employee to discipline, as the confidential nature of the complaint and the investigation is vital in protecting the privacy rights of all parties involved.
- The City will make its determination and communicate that determination to the complaining employee and to the party subject to the complaint. The complainant is not entitled to copies of any notes or other written materials regarding the investigation, as such are considered confidential documents. If it is determined that the party subject to the complaint has violated City policies, appropriate corrective action will be taken in accordance with established City disciplinary procedures, up to and including discharge. Furthermore, as part of the City's attempt to remedy the complaining employee's concerns, the complaining employee will be informed of the remedial measures to be taken by the City.

#### VI. DEPARTMENT OF FAIR EMPLOYMENT & HOUSING (DEFH)

- Employees who believe that they have been harassed or discriminated against within one year of harassment may file a complaint of discrimination with the California Department of Fair Employment and Housing ("DFEH"). The DFEH may also investigate and process the complaint. Violators are subject to penalties and remedial measures that may include sanctions, fines, injunctions, reinstatement, back pay and damages. The address and phone number of the local office of the Department of Fair Employment and Housing is as follows:
- Los Angeles District Office 611 West Sixth Street, Suite 1500 Los Angeles, CA 90017 (213) 439-6799 Toll-Free (800) 884-1684

#### **VII. FALSE ACCUSATIONS**

- As set forth above, the City vigorously defends its employees' right to work in an environment free of discrimination, sexual or other harassment. However, the City also recognizes that false accusations of discrimination, sexual or other harassment can have serious consequences to an individual's career and reputation. The City trusts that all employees will continue to act responsibly in reporting discrimination, sexual and other harassment. The City encourages employees to raise questions regarding discrimination, sexual or other harassment
- with his or her immediate supervisors, department heads, the Director of Human Resources or the City Administrator.

#### **VIII. IMPLEMENTATION**

- Each Department Head is responsible to ensure that the work environment in his or her department is free of unlawful harassment or discrimination. To that end, each City Department shall:
- A. Have supervisors discuss this Policy including the complaint resolution procedures with all employees he or she supervises; B. Require supervisors to communicate to the employees the City's and the supervisor's strong disapproval of unlawful harassment or discrimination; C. Monitor the work environment to ensure that all reasonable steps have been taken to present unlawful harassment or discrimination from occurring; D. Cooperate in the investigation and, when warranted, implement any remedial action; E. Ensure that no one who reports unlawful harassment or discrimination or who assists in making a harassment or discrimination complaint or who cooperates in a harassment or discrimination investigation is retaliated against; and F. Document the fact that Steps A and B have been taken.

#### **SECTION 1 POLICY and Reporting COMPLAINTS**

- The parties shall treat all employees equally in employment matters without regard to age (40 and above), ancestry, color, disability (including but not limited to physical and mental, including HIV and Aids), genetic information, gender identity, gender expression, marital status, medical condition (including but not limited to genetic characteristics, cancer or a record or history of cancer), military/veteran status, national origin, race, religion, (including religious dress and grooming practices), creed, sex/gender (including but not limited to pregnancy, childbirth, breastfeeding and/or related medical conditions), sexual orientation, or any other basis protected by applicable federal, state, or local law, including association with individuals with these protected characteristics or perception that an individual has one or more of these protected characteristics, and political or union activity.
  - The City maintains and follows a strict policy prohibiting unlawful discrimination, harassment, and retaliation in any form, including verbal, sexual, physical and visual harassment, coercion, and reprisal.

#### **REPORTING DISCRIMINATION OR HARASSMENT:**

The City encourages reporting of all actual or perceived incidents of discrimination, harassment, and/or retaliation. If you believe the conduct or actions of a co-worker, applicant, Councilmember, City Commissioner, official appointed to a City committee, executive, manager, supervisor, employee, volunteer, intern, independent contractor, vendor, visitor or patron to be discriminatory, harassment, retaliatory, or otherwise in violation of this policy, you are encouraged, but not required to inform the person of the conduct that you find offensive and request that the person cease this behavior. If you do not wish to speak with the person directly, or if your attempts to do so have failed, you should file a complaint with the Department of Human Resources. However, a decision not to speak with the person directly does not prevent the employee from filing a complaint, nor does it in any way exonerate the accused person. City management shall be readily available and receptive to receiving complaints of discrimination, sexual or other harassment. If an employee, volunteer, intern, or independent contractor, feels that he or she is being discriminated against or harassed by another employee, a Councilmember, executive, manager, supervisor, volunteer, intern, independent contractor, vendor, visitor or patron, the individual shall immediately report the facts of the incident or incidents and the name(s) of the individual(s) involved to his or her immediate supervisor. If the matter cannot be discussed with the immediate supervisor or the immediate supervisor is the subject of the complaint, the employee shall contact the Director of Human Resources, who will schedule a meeting to discuss the employee shall contact the City Manager, who will schedule a meeting to discuss the complaint.

To submit a complaint with the City related to the Harassment Free Workplace Policy, the best practice is to provide as much information in writing as possible, including for example what is listed below. If you do nothave some of the following information, you may still file a complaint.

- The complaining party's name, department, and position title.
- <u>The name of the person or persons committing the discrimination,</u> <u>harassment (including sexual harassment), and/or retaliation.</u>
- The specific nature of the harassment or discrimination, the period of time of the harassment or discrimination, any employment action, or any other threats made as a result of the harassment or discrimination.
- The name(s) of any witnesses.
- Any documentation or other evidence.
- Whether the complaining party previously reported such discrimination, harassment (including sexual harassment), and/or retaliation, and if so, to whom.

Detailed information outlining the City's prohibition of Discrimination, Harassment, and Retaliation is outlined in the Harassment Free Workplace Policy set forth in the City's Personnel Policies and Procedures and all employees are expected to adhere to the Harassment Free Workplace Policy. Employees are expected to maintain an awareness that violations of this policy can lead to disciplinary action, up to and including termination from City employment.

Employees who believe they have been discriminated, harassed, or retaliated against may, within one year of the conduct, also file a complaint of discrimination with the California Department of Fair Employment and Housing ("DFEH") or the federal Equal Employment Opportunity Commission ("EEOC"). DFEH and/or the EEOC may also investigate and process the complaint.

## ARTICLE XII OTHER MATTERS WITHIN THE SCOPE OF REPRESENTATION

#### Section 1. Meet and Confer in Good Faith.

The City shall not be required to meet and confer in good faith on any subject preempted by federal or state law. The City shall meet and confer in good faith with the Association on all matters related to the salaries, fringe benefits and other terms and conditions of employment, as in accordance with the Meyers- Milias-Brown Act. The City shall provide written notification regarding changes to wages, hours and other terms and conditions of employment.

#### Section 2. Job Security.

The City and the Association share a common interest in maintaining the stability and the security of the City's workforce. As such, the City shall initiate a meet-andconfer process with the Association no less than 90 days prior to any decision to contract for the work of any employee represented by the Association. The City will discuss with the Association all economic issues related to such contracting during the meet-and-confer process. In the event that the City subsequently decides to enter into a contract, the City will work with the Association in an attempt to mitigate the effects that contracting might have on any employee represented by the Association. The City will make its best efforts to find alternative City employment for those employees affected. Management will attempt to find alternative City employment as close as possible to the employee's current salary level provided that the employee meets the minimum qualifications for this alternative employment.

In the event that the City subsequently decides to enter into a contract, the City will find alternative City employment for those employees affected at their current salary level or higher so that the employee does not suffer a reduction in salary. The City shall first place an employee in a position where the employee meets the minimum qualifications. If the City determines that such a position cannot be found for the affected employee, the City will meet with the Union to discuss the impact of placing the affected employee in another position where the employee does not meet the minimum qualifications. The Employee will make every effort to meet the minimum qualifications within 12 months of said appointment, with the City's support. Section 3. Agency Shop Notice. Dues and Information

The intent of this section is to comply with California Senate Bill No. 866 and Assembly Bill 119 and other relevant case law and regulations regarding employee dues deductions and access to employee information.

A. The City shall base deductions from employees based on a certification from the AFSCME representative that it has proper authorization from employees for dues deduction. The City may request the written authorization as allowed by law.

**B.** If the City receives a direct request from an employee to cancel or change the deductions authorized by AFSCME, the City shall refer the employee directly to the CCEA President and shall not process any cancellations or changes until the AFSCME representative provides such instruction in writing.

<u>C. AFSCME shall indemnify the City for any claims, including any legal costs,</u> <u>made by the employee for deductions made in reliance on that certification.</u>

D. Dues withheld by the City under this section shall be transmitted by direct deposit to the AFSCME District Council 36 bank account. The effective date of the dues shall be no later than fourteen (14) calendar days after receipt of the union certification.

**E.** The City shall provide AFSCME District Council 36 and the CCEA President with an excel spreadsheet at the time of the transmittal of the dues that contains the following information:

Name of the employee and the amount of dues deductions;
 The information required by AB 119;
 A list of employees who are on a leave of absence without pay;
 A list of employees who have transferred into the unit (by hire or demotion or other means) or transferred out of the unit (indicating disciplinary termination, resignation or promotion).

1. The City shall provide all newly hired employees with an authorization notice advising them that agency shop for the Association has been implemented

pursuant to a vote of the bargaining unit's members in accordance with state law, that agency shop is covered by an agreement between the City and the Association, and that all employees subject to the agreement must either join the Association, pay a service fee to the Association, or execute a written declaration claiming a religious exemption from this requirement.

2. Such notice shall include a form for the employee's signature authorizing a payroll deduction of Association dues, a service fee or a charitable contribution equal to the service fee. Such service fee shall be established by the Association. Employees shall have ten (10) calendar days from the date they receive the form to fully execute it and return it to the City's Human Resources Department.

3. If the form is not completed properly or returned within ten (10) calendar days, the City shall commence and continue a payroll deduction of service fees from the regular bi-weekly paychecks of such employee.

4. Dues withheld by the City shall be transmitted by direct deposit to the AFSCME District Council 36 bank account, unless otherwise directed by the Association President

5. The effective date of Association dues, service fees, or charitable contributions shall begin no later than the beginning of the first pay period commencing fourteen (14) calendar days after receipt of the authorization form by the employee.

6. No unit member shall be required to join the Union or to make an agency fee payment if the unit member is an actual verified member of a bona fide religion, body, or sect which has historically held conscientious objections to joining or financially supporting employee organizations; this exemption shall not be granted unless and until such unit member has verified the specific circumstances. Such employee must, instead, satisfy his or her obligation by donating the equivalent amount to a non-labor, non-religious charitable fund, tax exempt under section 501, subdivision (c)(3) of the Internal Revenue Code, which is chosen by the Association. The Association has selected the following three qualified charitable funds that the exempt employee n may choose: American Cancer Society, American Red Cross, St. Jude Children's Research Fund Hospital. This list may change from time to time, but only upon written notice and agreement by both parties.

7. The City shall provide the Association with a quarterly list of all represented employees, including name, date of hire, job classification, work location, home address, and phone number.

8. The Association shall keep an adequate itemized record of its financial transactions and shall make available annually to the City, and upon request to the employees who are members of the Association, within sixty (60) days after the end of its fiscal year, a detailed written financial report thereof in the form of a balance sheet and an operating statement, certified as to accuracy by its President and Treasurer or corresponding principal officer, or by a Certified Public Accountant. A copy of financial reports required under the Labor-Management Disclosure Act of 1959 or Government Code Section 3546.5 shall satisfy this requirement

9. This agency shop arrangement shall be null and void if rescinded by a vote of employees pursuant to Government Code Section 3502.5, subdivision (d).

10. The Association shall defend, indemnify and hold harmless, the City of Commerce from any demand, claim, other action and for any liability or cost arising out of any such demand, claim or other action that arises out of this agreement.

#### Section 4. Union Access/Unit Membership List.

City equipment may be used to conduct Association business, provided it is authorized by the City Administrator or his or her designee. If the City Administrator does not respond to a request for the use of City equipment to conduct Association business within one business day, the Human Resources Director shall be authorized to respond to the request. City equipment shall include, but not be limited to telephones, photocopiers, all forms of electronic communication, and facilities. The following are examples of situations where the City Administrator may reasonably authorize such use: (1) to schedule Association meetings, (2) to transmit meet and confer proposals, (3) to conduct Association meetings noticed pursuant to Association by-laws for the consideration of Memorandum of Understanding approval/ratification votes. The City will provide the Association with a quarterly list of all represented

employees, including name, date of hire, job classification, work location, home address, and phone number.

#### Section 5. Association Representatives.

The Association may designate representatives to represent employees in processing grievances and at Skelly hearings. The following conditions shall apply.

The Association may designate Representatives who must be members of the Association and shall provide all departments with a written list of employees who have been so designated. City management will accept on a quarterly basis any changes to the list. A Representative may represent a grievant in the presentation of a grievance at all levels of the grievance procedure. A Representative may represent an employee in pre-disciplinary hearings (Skelly) or pre-disciplinary interviews where there is a reasonable expectation that disciplinary action will follow.

An employee and his/her Representative may have a reasonable amount of paid time off for the above-listed activities. However, a representative will receive paid time off only if he/she is the representative of record; or is another City

employee, not a representative of record, who is requested to accompany the employee seeking representation to an interview which the employee reasonably believes, may result in punitive action or to a meeting where documents shall be served.

If a Representative must leave his/her work location to represent an employee, he/she shall first obtain permission from his/her supervisor on a form provided by the City for such purpose. In those instances where an employee is working away from City Hall and is requested to provide representation, that employee shall first obtain verbal authorization from a supervisor to do so. As soon as is reasonably practicable, but not later than the end of the employee's following workday, the release shall be documented on a City provided form. Permission to leave will be granted unless such absence would cause an undue interruption of work. If such permission cannot be granted promptly, the grievant's Representative will be informed when time can be made available. To the extent reasonable and compatible with City operational needs, such time will not be more than forty-eight (48) hours, excluding scheduled days off and/or legal holidays, after the time of the Representative's request unless otherwise mutually agreed to. Denial of permission to leave at the time requested will automatically constitute an extension of time limits provided in the grievance procedure herein, equal to the amount of the delay.

Before leaving his/her work location, the Representative shall call the requesting employee's supervisor to determine when the employee can be made available. Upon arrival, the Representative will report to the employee's supervisor who will make arrangements for the meeting requested.

The City will make reasonable time available to Representatives to investigate grievances and disciplinary matters on behalf of the grievant. Time spent on grievances, or the pre-disciplinary representation activities described above, outside of regular working hours of the employee or his/her Representative, shall not be counted as work time for any purpose.

The City shall provide a total of forty (40) hours of paid leave per fiscal year for the CCEA Board President or her/his designee, for purposes of Association business, conferences and seminars. These 40 hours shall not rollover to other fiscal years and shall have no cash value and are the cumulative total hours to be provided for both the full-time and part-time bargaining units. This Association leave is in addition to any release time that the City provides that is required under the Meyers Milias Brown Act.

#### Section 6. Voluntary Political Contributions (PEOPLE Checkoff).

If an employee submits a form authorizing a deduction from his or her paycheck for the AFSCME PEOPLE Program, the City shall effectuate such payroll deduction beginning the next pay period. Deductions withheld by the City shall be transmitted by direct deposit to the AFSCME District Council 36 bank account, unless otherwise directed by the Association President.

#### Section 7. Non-Discrimination.

The parties shall treat all employees equally in employment matters without regard to race, color, religion, sex, sexual orientation, age, national origin, disability, and political or union activity.

#### Section 8. Joint Labor/Management Committee.

The City and the Association will maintain a Joint Labor Management Committee (the "Committee") comprised of seven (7) members. The City's members shall consist of representatives from the Human Resources Department and various other departments. The Association shall provide four (4) members to sit on its

committee, which shall consist of two (2) full-time employees and two (2) parttime employees. Additional department and employee representatives may participate on the Committee to deal with departmental matters which may be addressed. This Committee shall meet bi-monthly, unless otherwise mutually agreed. This Committee shall meet monthly for twelve (12) months starting on the month of MOU ratification, unless otherwise mutually agreed. After the twelve months have concluded, the frequency of the committee meetings will be assessed and mutually agreed between the City of Commerce and CCEA/AFSCME.

The JLM shall be utilized to allow the parties to discuss matters affecting the workplace environment.

The JLM shall not be a means for participating in the meet and confer process as provided for by Government Code Sections 3500 et. seq. The JLM's meetings shall not be "meet and confer" sessions as that term is used in Government Code Sections 3500 et.seq.

JLM consideration of proposed changes in terms and conditions of employment shall not occur and is not a condition precedent to the exercise by the City of its rights.

Section 9. City's Personnel Policies and Procedures and Standard Operating Procedures.

The City's Personnel Policies and Procedures and Standard Operating Procedures shall govern during the term of this Memorandum of Understanding, unless otherwise indicated herein.

Section 10. GPS Notification

The City agrees to clearly state the reasons and notify CCEA Membership of the City's use of GPS devices annually.

Section 11. Acting Appointments Policy (I-4)

City Policy I-4, Acting Appointments, shall be amended to establish a 12-month time limit for the position (unless the incumbent is on workers' compensation or

other approved leaves, in which case the time limit would not apply) (Policy Attached).

#### Section 12. Performance Evaluation Policy (IV-1)

City Policy IV-1, Performance Evaluation, shall be amended to align performance evaluations with step increases (if the employee has not yet attained the top stop in the salary range) and require them to be completed within sixty (60) days of the due date, or the step increase will be issued without the evaluation, retroactively to the due date (Policy Attached).

#### Section 13. Absenteeism Policy (III-8)

City Policy III-8, Absenteeism, shall be amended to add a written reprimand as the first occurrence penalty. Other penalties shall remain the same in the Policy. City

agrees to further discuss the discipline levels at the Joint Labor/Management Committee (Policy Attached).

#### Section 14 Schedule Changes

Employees shall be given a minimum of 48 hours notice of schedule changes, unless due to emergency related to public safety, health or welfare. This section shall not apply to those circumstances requiring employee coverage due to unplanned absences.

#### Section 15. Safety

The City shall provide proper safety and health equipment with no charge to the employee. This shall include: (1) eye protection, including safety glasses, goggles, and face shields for welding; (2) mouth and breathing protection, including particulate , allergen , and chemical protection; (3) hearing protection, including plugs and covers; (4) gloves, such as outdoor work gloves , welding gloves, electrical gloves and driving gloves - the City shall also provide alternatives to vinyl or plastic if the employee is allergic to latex; (5) uniforms, including welding protection options and grease splash protection; (6) shoes, depending upon the hazard of the work environment, (7) proper safety sunglasses; (8) and any other safety or health equipment required by law or approved by the City.

The City shall be responsible for providing safe working conditions for employees. Employees shall promptly report any potential safety hazards to their supervisor. The Association shall work with the City to orient and educate employees as to these responsibilities to notify the City of any unsafe working conditions.

### ARTICLE XIII MODIFICATION

#### Section 1. Maintenance of Existing Conditions.

Any employment policy, practices and/or benefits, including the alternative workweek schedule and overtime compensation are incorporated into this Memorandum of Understanding, unless otherwise stated herein. In the event of a conflict between the Memorandum of Understanding and an existing policy and/or practice, this Memorandum of Understanding shall govern.

#### Section 2. Modification and Waiver.

The City reserves the right to add to, delete from, amend or modify the Administrative rules, the City Municipal Code, and the City's Personnel Policies and Procedures Manual during the term of the Memorandum of Understanding, subject to the requirements of the Meyers-Milias-Brown Act.

#### Section 3. Severability.

In the event that a court finds any provision(s) of this Memorandum of Understanding to be invalid or unenforceable, the parties intend that the remaining provisions remain in effect. The parties further agree to meet and confer for purposes of negotiating an alternative to any provision declared invalid or unenforceable.

#### Section 4. Economic Emergency Re-Opener

Due to the uncertainty surrounding gaming revenues for the City, rising pension liabilities and health care costs, and in order to ensure the City is fiscally viable so that it can honor its current and future commitments to employees, the parties agree that during the term of the Agreement, bargaining shall be re-opened, at the City's option, if it declares an economic emergency. The parties agree that any changes are subject to mutual agreement.

#### ARTICLE XIV TERM

(a) Except as otherwise provided herein, this Memorandum of Understanding shall be in full force and effect from July 1, 2015 July 1, 2018, and shall remain in full force and effect up to and including midnight, the 30th day of June 30, 2018, June 30, 2021 or until the next Memorandum of Understanding becomes effective.

(b) This Memorandum of Understanding shall be binding on the City and the Association when approved and adopted by the City Council.

The City and the Association agree to submit proposals for any changes related to wages, benefits and/or other terms of and conditions of employment affecting this Memorandum of Understanding by January 2018 January 2021. The City and Association shall review the terms of this understanding, and meet and confer on any proposed changes to this Memorandum Of Understanding beginning February 2018 2021.

#### **AFSCME Local 773/ CCEA**

Laura Logan President AFSCME Local 773/ CCEA

Kevin Larsen AFSCME Local 773/ CCEA

Terry Ann Westmore AFSCME Local 773/ CCEA

Veronica Diaz AFSCME Local 773/ CCEA

Carlos Grajeda AFSCME Local 773/ CCEA

Jeff Bigelow Chief Negotiator/ AFSCME

#### **City of Commerce**

Edgar Cisneros City Manager

Ela Pappo Director of Human Resources

Irma Rodriquez Moisa Chief Negotiator/ City

#### APPENDIX A DENTAL PPO Plan (PLACE HOLDER)

The City of Commerce offers all eligible employees a dental PPO plan that gives you the freedom to use the provider of your choice. The table below provides a high-level overview of the most commonly used dental benefits. More detailed plan information (including limitations and exclusions) can be found in the Plan Document.

#### **SUMMARY OF BENEFITS**



## Dental Plan

# UMR

The City of Commerce offers all eligible employees a dental plan that gives you the freedom to use the provider of your choice. The table below provides a high-level overview of the most commonly used dental benefits. More detailed plan information (including limitations and exclusions) can be found in the Plan Document.

| SUMMARY OF BENEFITS   |   |        |
|---|---|--------|
| Deductibles per Calendar year   | Individual  | Family |
| <ul> <li>Combined Basic Services, Major Services and<br/>Orthodontic Services</li> </ul>  | \$25  | \$75   |
| Maximums  | Individual  |        |
| <ul> <li>Calendar year Benefit Maximum includes<br/>Preventive and Diagnostic Services, Basic Services, and<br/>Major Services</li> <li>Lifetime Orthodontic Maximum</li> </ul> | \$2,000   |        |
| Benefits and Services Covered   | The Pla   |        |
| <ul> <li>Preventive and Diagnostic Services (Deductible waived)</li> <li>Basic Services</li> </ul>  | 100% up to the annual<br>maximum<br>85% up to the annual<br>maximum |        |
| Implant Services  | 85% up to the annual<br>maximum                                     |        |
| Major Services  | 80% up to the annual<br>maximum                                     |        |
| Orthodontic Services  | 50% up to the lifetim<br>maximum                                    |        |

Note: When you use a network provider, you receive the highest level of benefits and pay the lowest out-of-pocket costs. When you use a non-network provider, your out-of-pocket costs will be higher.



### Dental Plan

## UMR

The City of Commerce offers all eligible employees a dental plan that gives you the freedom to use the provider of your choice. The table below provides a high-level overview of the most commonly used dental benefits. More detailed plan information (including limitations and exclusions) can be found in the Plan Document.

| Deductibles per Calendar year   | Individual  | Family |
|---|---|--------|
| <ul> <li>Combined Basic Services, Major Services and<br/>Orthodontic Services</li> </ul>  | \$25  | \$75   |
| Maximums  | Individual  |        |
| <ul> <li>Calendar year Benefit Maximum includes<br/>Preventive and Diagnostic Services, Basic Services, and<br/>Major Services</li> <li>Lifetime Orthodontic Maximum</li> </ul> | \$2,0   |        |
| Benefits and Services Covered   | The Pla   | n Pays |
| <ul> <li>Preventive and Diagnostic Services (Deductible waived)</li> <li>Basic Services</li> </ul>  | 100% up to the annual<br>maximum<br>85% up to the annual<br>maximum |        |
| Implant Services (NEW Benefit effective July 1 <sup>st</sup> , 2016)  | 85% up to the annual<br>maximum                                     |        |
| Major Services  | 80% up to t<br>maxir  |        |
| Orthodontic Services  | 50% up to t<br>maxir  |        |

Q. What does increasing the lifetime orthodontia maximum mean for me?

A. The lifetime orthodontic benefit under this plan is made available to you and your spouse and eligible dependent(s) up to a lifetime benefit of \$3000. If you are currently in treatment or have not yet used this orthopedic benefit

in the past, you will now have \$3000 benefit available to you, your spouse and your dependent(s).

Q. If my treatment ended and I only used \$1000, is there a way to get the additional \$2,000?

A. No, you must be in active treatment (seeing the orthodontist on a monthly basis) to be eligible for the additional money.

Q. Do I have to resubmit a claim to get the extra money?

A. If you are still in active treatment but your lifetime maximum was previously met (meaning you received at EOB indicating the lifetime maximum was met for orthodontia) you can either call UMR or have the orthodontist claim resubmitted with a note to please consider using the updated lifetime maximum.

#### APPENDIX B VSP

### **Your Vision Benefits Summary**

Get access to the best in eye care and eyewear with CITY OF COMMERCE and VSP® Vision Care.

#### Using your VSP benefit is easy.

- · Create an account at vsp.com. Once your plan is effective, review your benefit information.
- · Find an eye doctor who's right for you. The decision is yours to make-choose a VSP network doctor or any out-of-network provider. Visit vsp.com or call 800.877.7195.
- · At your appointment, tell them you have VSP. There's no ID card necessary. If you'd like a card as a reference, you can print one on vsp.com.

That's it! We'll handle the rest-there are no claim forms to complete when you see a VSP provider.

#### Best Eye Care

You'll get the highest level of care, including a WellVision Exam<sup>e</sup>- the most comprehensive exam designed to detect eye and health conditions. Plus, when you see a VSP provider, you'll get the most out of your benefit, have lower out-of-pocket costs, and your satisfaction is guaranteed.

#### Choice in Eyewear

From classic styles to the latest designer frames, you'll find hundreds of options. Choose from featured frame brands like bebe®, Calvin Klein, Cole Haan, Flexon®, Lacoste, Nike, Nine West, and more.' Visit vsp.com to find a Premier Program location that carries these brands. Plus, save up to 40% on popular lens enhancements.<sup>2</sup> Prefer to shop online? Check out all of the brands at eyeconic.com®, VSP's online eyewear store.

#### Plan Information

VSP Coverage Effective Date: 07/01/2017 VSP Provider Network: VSP Signature

Visit vsp.com or call 800.877.7195 for more details on your vision coverage and exclusive savings and promotions for VSP members.

I. BrandsPromotion subject to change.
2. Savings based on network doctor's retail price and vary by plan and purchase selection; severage savings determined after benefits are applied. Available only through VSP network doctor to VSP members with applicable plan benefits. Ask your VSP network doctor for details.

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| Benefit  | Description  | Copay   |  |  |
|--|--|---|--|--|
|  | Your Coverage with a VSP Provider  |   |  |  |
| WellVision<br>Exam   | <ul> <li>Focuses on your eyes and overall<br/>wellness</li> <li>Every 12 months</li> </ul>   | \$10 for exam and<br>glasses                          |  |  |
| Prescription Glasses   |  |   |  |  |
| Frame  | \$130 allowance for a wide selection<br>of frames     \$150 allowance for featured frame<br>brands     20% savings on the amount over your<br>allowance     Every 12 months  | Combined with<br>exam                                 |  |  |
| Lenses   | Single vision, lined bifocal, and lined<br>trifocal lenses     Polycarbonate lenses for dependent<br>children     Every 12 months  | Combined with exam                                    |  |  |
| Lens<br>Enhancements   | Progressive lenses     Anti-reflective coating     Tints/Photochromic adaptive lenses     Scratch-resistant coating     Average savings of 35-40% on other     lens enhancements     Every 12 months   | \$0<br>\$0<br>\$0<br>\$0                              |  |  |
| Covered<br>Contact Lenses<br>(in addition to<br>glasses)   | <ul> <li>Annual supply of contacts</li> <li>Contact lens exam (fitting and evaluation)</li> <li>Every 12 months</li> </ul>   | \$50  |  |  |
|  | Glasses and Sunglasses Extra \$20 to spend on featured frame brands. Go to vsp.com/specialoffers for details. 30% savings on additional glasses and sunglasses, including lens enhancements, from the same VSP provider on the same day as your WellVision Exam. Or get 20% from any VSP provider within 12 months of your last WellVision Exam. |   |  |  |
| Extra Savings  | Retinal Screening<br>• No more than a \$39 copay on routine retinal screening<br>as an enhancement to a WellVision Exam  |   |  |  |
|  | Laser Vision Correction <ul> <li>Average 15% off the regular price or 5% off the promotional price; discounts only available from contracted facilities</li> <li>After surgery, use your frame allowance (if eligible) for guarantee prices and prices from any VSD destar.</li> </ul>   |   |  |  |
|  | sunglasses from any VSP doctor   |   |  |  |
| Your Coverage with Out-of-Network Providers<br>Get the most out of your benefits and greater savings with a VSP network doctor. Your<br>coverage with out-of-network providers will be less or you'll receive a lower level of<br>benefits. Visit vap.com for plan dealls.                             |  |   |  |  |
| Frame<br>Single Vision Ler<br>Lined Bifocal Ler  |  | up to \$75<br>up to \$105<br>up to \$105<br>up to \$5 |  |  |
| VEP guarantees coverage from VEP network provides only Coverage information is adject to change.<br>In the event of a conflict between this information and your organization's contract with VSP, the terms<br>of the contract will prevail. Based on applicable laws, benefits may vary by location. |  |   |  |  |



Table 1, 2 & 3 - Schematic of Occupational Job Classes - F-T Employees Effective July 1, 2015 July 1, 2019 [Insert July 1, 2018 - 2020 Salary Schedules]