MEETING ASSISTANCE: In compliance with the Americans with Disabilities Act, anyone needing special assistance to participate in a meeting of the government bodies listed herein should contact the City Clerk’s Office at (714) 593-4445. Notification 72 hours prior to the meeting allows the City to make reasonable arrangements to ensure accessibility to the meeting.

AGENDA COMMUNICATIONS: All revised or additional documents and writings related to an item on this agenda provided to all or a majority of the government body members after distribution of the agenda packet, are available for public inspection (1) in the City Clerk’s Office at 10200 Slater Avenue, Fountain Valley, CA 92708 during normal business hours; and (2) in the Council Chambers at the time of the meeting. Unless directed otherwise by a government body listed herein all actions shall be based on/memorialized by the latest document submitted as a late communication.

PUBLIC COMMENTS/PUBLIC HEARINGS: Persons wishing to address the City Council or other government body listed complete a speaker card and give it to the City Clerk prior to the public comment period. Requests to speak will not be accepted after the public comment session begins without permission of the Mayor/Chair. Speakers must limit remarks to a total of (3) three minutes and address the City Council through the Mayor. Comments to individuals or staff are not permitted. Scheduled Matters, including Public Hearings: Indicate on the card what item you want to address. Unscheduled Matters: Indicate on the card what subject matter you want to address. Comments must be related to issues that are within the jurisdiction of the governing body listed on the agenda. Pursuant to the Brown Act, the governing body may not enter into discussion regarding items not on the agenda.

CONSENT CALENDAR: All matters listed under the Consent Calendar are considered by the governing bodies listed herein to be routine and will be enacted on simultaneously with one motion without discussion unless separate action and/or discussion is requested by a governing body member, staff, or a member of the public.

PUBLIC HEARINGS: Persons wishing to speak in favor of or in opposition to a proposal are given an opportunity to do so during the public hearing. Those wishing to address a governing body during the hearing are requested to complete the speaker card and submit it to the City Clerk prior to the hearing. If a proposed action is challenged in court, there may be a limitation to
raising only those issues raised during the hearing or in written correspondence received by the
governing body at or before the hearing.

**Note:** The Fountain Valley City Council serves as the Successor Agency to the Fountain Valley Agency for Community Development (Successor Agency), the Fountain Valley Housing Authority, and the Fountain Valley Finance Authority. The Actions of the Successor Agency are separate and apart from the actions of the City Council.

**CLOSED SESSION**

**CALL TO ORDER**

5:45 p.m.

**PUBLIC COMMENTS**

(Closed Session matters only)

Persons wishing to speak on a Closed Session matter are requested to identify themselves by
completing a blue speaker card indicating the item they want to address and to give the card to the City Clerk prior to the public comment period.

1. CONFERENCE WITH LABOR NEGOTIATORS
Pursuant to Government Code §54957.6.

Agency Designated Representatives: City Manager, Rob Houston; Assistant to the City Manager, Maggie Le, Finance Director, Jennifer Lampman, Budget Analyst, David Faraone; Human Resources Director, Chelsea Phebus, Attorney for the City, Colin Burns.

Employee Organizations: Police Officers' Association (POA), Police Officers' Management Unit (POMU), Fire Association (FVFA), Fountain Valley Municipal Employees Association (FVMEA), Fountain Valley General Employees Association (FVGEA) and Fountain Valley Professional and Technical Employees (P&T), Individually Represented Professional and Technical Employees (IRP&T), Individually Represented Battalion Chiefs (BC's) and Administrative Officers

**OPEN SESSION**

**CALL TO ORDER**

6:00 p.m.

**INVOCATION**

**SALUTE TO THE FLAG**

Council Member Kim Constantine

**CITY COUNCIL/SUCCESSOR AGENCY/HOUSING AUTHORITY/ ROLL CALL**

Council Members: Constantine, Harper, Nagel, Mayor Pro Tem/Vice Chair Vo, Mayor/Chair Brothers

**ANNOUNCEMENT OF SUPPLEMENTAL COMMUNICATIONS**

**PUBLIC COMMENTS** (Scheduled Matters Only)
Persons wishing to speak on Agenda item(s) are requested to identify themselves by completing a blue speaker card indicating the item they want to address and to give the card to the City Clerk prior to the public comment period. Each person will be given up to 3 minutes to speak on the entire Consent Calendar, 3 minutes to speak on each item pulled from the consent calendar, and 3 minutes to speak on any agendized item(s) not appearing on the Consent Calendar.

**ADMINISTRATIVE ITEMS**

2. 1. Approval of a Resolution of the City Council of the City of Fountain Valley relating to the classification, compensation and terms of employment of employees represented by the Police Officers Management Unit (POMU).
   2. Exhibit 1 – Memorandum of Understanding with the Police Officers Management Unit (POMU).

3. 1. Approval of a Resolution of the City Council of the City of Fountain Valley relating to the classification, compensation and terms of employment of employees represented by the Individually Represented Battalion Chiefs.
   2. Exhibit 1 – Memorandum of Understanding with the Individually Represented Battalion Chiefs

4. 1. Approval of a Resolution of the City Council of the City of Fountain Valley relating to the classification, compensation and terms of employment of employees represented by the Individually Represented Administrative Officers.

5. 1. Approval of a Resolution of the City Council of the City of Fountain Valley relating to the classification, compensation and terms of employment of employees represented by the Police Officers Association (POA).
   2. Exhibit 1 – Memorandum of Understanding with the Police Officers Association (POA).

6. 1. Approval of a Resolution of the City Council of the City of Fountain Valley relating to the classification, compensation and terms of employment of employees represented by the Municipal Employees Association/Field Services (MEA).
   2. Exhibit 1 – Memorandum of Understanding with the Municipal Employees Association/Field Services (MEA).

   Attachment’s to be provided prior to the City Council Meeting.

7. 1. Approval of a Resolution of the City Council of the City of Fountain Valley relating to the classification, compensation and terms of employment of employees represented by the Professional & Technical Employees (P&T).
   2. Exhibit 1 – Memorandum of Understanding with the Professional & Technical Employees (P&T).

   Attachment’s to be provided prior to the City Council Meeting.
8. Approval of a Resolution of the City Council of the City of Fountain Valley relating to the classification, compensation and terms of employment of employees represented by the Fountain Valley Fire Fighters Association (FVFA).
   2. Exhibit 1 – Memorandum of Understanding with the Fountain Valley Fire Fights Association (FVFA).

   Attachment's to be provided prior to the City Council Meeting.

9. Approval of a Resolution of the City Council of the City of Fountain Valley relating to the classification, compensation and terms of employment of employees represented by the General Employees Association (GEA).
   2. Exhibit 1 – Memorandum of Understanding with the General Employees Association (GEA).

   Attachment's to be provided prior to the City Council Meeting.

COUNCIL MEMBER ITEMS FOR FUTURE CONSIDERATION

CITY COUNCIL/ SUCCESSOR AGENCY/ HOUSING AUTHORITY/ PUBLIC COMMENTS
(Unscheduled Matters Only)

Persons wishing to speak on an unscheduled matter are requested to identify themselves by completing a blue speaker and to give the card to the City Clerk. Each person will have up to 3 minutes to speak. The City Clerk will call upon those that wish to speak.

CITY COUNCIL/SUCCESSOR AGENCY/ HOUSING AUTHORITY AB 1234/GENERAL COMMENTS

ADJOURN THE MEETING OF THE CITY COUNCIL/SUCCESSOR AGENCY/ HOUSING AUTHORITY

Tonight's City Council Meeting is being adjourned in the memory of former City Council Member Barbara Brown.

The next Regular Meeting of the Fountain Valley City Council September 15, 2020 is at 6:00 p.m., in the Fountain Valley Council Chambers, 10200 Slater Avenue, Fountain Valley.
RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOUNTAIN VALLEY RELATING TO THE CLASSIFICATION, COMPENSATION AND TERMS OF EMPLOYMENT FOR THE FOUNTAIN VALLEY PEACE OFFICERS' MANAGEMENT UNIT.

WHEREAS, representatives of the City of Fountain Valley and the Peace Officers' Management Unit have negotiated in good faith to reach an agreement to provide certain classifications of City employees with adjustments to salary and other benefits pursuant to Government Code Section 3500 et seg; and

WHEREAS, said negotiations occurred in 2020 and resulted in a new Memorandum of Understanding between representatives of the City and the Peace Officers' Management Unit from July 1, 2020 – June 30, 2021, a copy of which is attached hereto as "Exhibit 1" and be reference made a part hereof, is hereby approved and implemented in accordance with the terms and conditions thereof; and the City Manager is authorized to execute the new Memorandum of Understanding.

NOW, THEREFORE, the City Council of the City of Fountain Valley does hereby resolve as follows:

SECTION 1. The provisions of the new Memorandum of Understanding are memorialized in the Agreement between the City of Fountain Valley and the Peace Officers' Management Unit, a copy of which is attached hereto as Exhibit "1" and is hereby ratified and implemented.

SECTION 2. COVID THANK YOU LEAVE. The City desires to provide a 48 hour COVID "Thank you' leave to be used by December 31, 2021 to each member of the Peace Officers' Management Unit.
SECTION 3. VACATION ACCRUAL. The new vacation accrual rates will be:

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<tr>
<td>2-5 years</td>
<td>4.62 hours (120 hours total)</td>
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<td>6-9 years</td>
<td>5.38 hours (140 hours total)</td>
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<td>10-11 years</td>
<td>6.15 hours (160 hours total)</td>
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<td>12-14 years</td>
<td>6.92 hours (180 hours total)</td>
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<tr>
<td>15 years or more</td>
<td>7.69 hours (200 hours total)</td>
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SECTION 4. The City Manager is authorized to execute the Memorandum of Understanding between the City of Fountain Valley and the Peace Officers' Management Unit effective July 1, 2020 through June 30, 2021 which will replace the previous Memorandum of Understanding effective February 1, 2017 through June 30, 2020.

PASSED AND ADOPTED by the City Council of the City of Fountain Valley at a regular meeting on this 1st day of September, 2020.

__________________________________________
Cheryl Brothers, Mayor

ATTEST:

__________________________________________
City Clerk

APPROVED AS TO FORM:

__________________________________________
Colin Burns, Attorney for the City
MEMORANDUM OF UNDERSTANDING

CITY OF FOUNTAIN VALLEY
AND
THE FOUNTAIN VALLEY PEACE OFFICERS' MANAGEMENT UNIT
INCORPORATED
JUNE 13, 1957

2017—2020

This Memorandum of Understanding sets forth the terms of agreement reached between the City of Fountain Valley and the Fountain Valley Peace Officers' Management Unit as the exclusively recognized employee organization for the Police Officers' Management Unit for the period beginning February 1, 2017 through June 30, 2020. Unless otherwise indicated herein, all provisions shall become effective following City Council approval of the MOU.

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MEMORANDUM OF UNDERSTANDING

BETWEEN REPRESENTATIVES OF THE CITY MANAGER
OF THE CITY OF FOUNTAIN VALLEY
AND
THE FOUNTAIN VALLEY PEACE OFFICERS' MANAGEMENT UNIT

(2020-2021)

PREAMBLE

Representatives of the City Manager of the City of Fountain Valley and representatives of the Fountain Valley Peace Officers' Management Unit (hereinafter referred to as POMU) have met on a number of occasions and have conferred in good faith, exchanging a number of proposals concerning wages, hours, fringe benefits, and other terms and conditions of employment for management sworn employees of the City in the ranks of Lieutenant and Captain.

The representatives of the City Manager and the POMU have reached an understanding as to certain recommendations to be made to the City Council of the City of Fountain Valley and have agreed that the parties hereto will jointly urge the City 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 herein.

Having met and conferred in good faith, representatives of the City Manager of the City of Fountain Valley and representatives of the POMU agree as follows:

ARTICLE 1 - RECOGNITION

Pursuant to Government Code Section 3500 et seq. and Resolution No. 9379 of the City Council of the City of Fountain Valley (Employer-Employee Relations Resolution), the City has recognized the POMU as the exclusive representative of all sworn, management police employees in the ranks of Lieutenant and Captain of the City of Fountain Valley for purposes of representation on wages, hours, fringe benefits, and other terms and conditions of employment. As the representative of these employees, POMU is empowered to act on behalf of said employees whether or not they are individually members of POMU.

This Memorandum of Understanding shall act as a bar to the raising of any question concerning such representation during the term of this MOU, except that a question of representation may be raised during the period between 60 days and 90 days prior to the
ARTICLE 2 - WORK SCHEDULE/WORK PERIOD

Police Lieutenants work a 4/10 schedule consisting of four (4), ten (10) hour shifts per week. Police Captains work the 9/80 work schedule.

The work period shall be twenty-eight twenty-eight days pursuant to Section 207(k) of the Fair Labor Standards Act.

ARTICLE 3 - PROBATIONARY PERIOD

Section 3.01 - New Hires. New sworn, management police personnel hired from outside current City employment shall be subject to an 18-month probationary period. If the sworn, management police employee is off work for reason other than approved vacation or sick leave, the sworn, management police employee’s probationary period will be extended by the period the employee is off work. Upon completion of 18 months of continuous City service and successful completion of probation, the sworn, management police employee shall be eligible for a merit increase as specified in Article 4.

Section 3.02 - Promotions. Sworn, management police personnel who are promoted to a classification covered by the POMU shall be subject to a 12-month probationary period. If the sworn, management police employee is off work for reason other than approved vacation or sick leave, the sworn, management police employee’s probationary period will be extended by the period the sworn, management police employee is off work. Upon completion of 12 months of continuous City service and successful completion of probation, the sworn, management police employee shall be eligible for a merit increase as specified in Article 4.

ARTICLE 4 - COMPENSATION

Section 4.01 - Compensation.

The schedule of base salary rate is contained in Exhibit 1.

POMU agrees to forgo any compensation increases for the duration of this contract.

1. Base salary adjustments will be given according to the following schedule:

   A. 4% effective the pay period beginning on May 20, 2017.
   B. 3% increase effective the pay period that includes May 20, 2018.
   C. 3% increase effective the pay period that includes July 1, 2019.

2. The City will provide each unit member with a signing bonus of $1,000 to be paid with the pay period that includes May 20, 2017.
The established salary ranges for each position shall be divided into five steps established at 5% between each step.

The top step in the salary range for the appropriate classification shall be the maximum salary paid. The schedule of base salary rates is contained in Exhibit 1.

Section 4.02 - Compensation for New Appointment. Upon promotion, the new appointee shall be placed at a step within the salary range for the appropriate classification which is equivalent to at least a 5% increase in salary.

The top step in the salary range for the appropriate classification shall be the maximum salary paid.

Section 4.03 - Promotional Differential. The City agrees to continue its policy to pay at least a 5% increase in salary whenever a Sergeant is promoted to Lieutenant, or when a Lieutenant is promoted to Captain.

Section 4.04 - FLSA Exempt. Pursuant to Section 13(a)(1) of the Fair Labor Standards Act, City hereby determines that employees in sworn, management police personnel positions are exempt from both the minimum wage and overtime provisions of the Fair Labor Standards Act.

Section 4.05 - Management Performance Program:
A. Sworn, management police personnel shall submit a memo to their supervisor detailing his/her accomplishments during the rating period within 21 days prior to the employee's anniversary date.

B. Supervisors and/or the Police Chief complete the Management Performance Evaluation form prior to the employee's anniversary date.

C. The City Manager reviews each Management Performance Evaluation.

Section 4.06 - Eligibility for Merit Increase. Sworn, management police personnel must receive an overall performance evaluation rating of "Meets Expectations" or "Exceeds Expectations" to be eligible for a merit increase to the next step within the salary range. An overall performance evaluation rating of "Needs Improvement" will not result in a merit increase. If a sworn, management police employee receives a "Needs Improvement" rating and, therefore, is not approved for a merit increase, the sworn, management police employee may be reconsidered for such merit increase at any subsequent time.

Section 4.07 - Promotion Merit Increase. Sworn, management police personnel who are promoted to a classification covered by the FVPOMU, shall be eligible for a merit increase upon completion of twelve (12) months of continuous City service and successful completion of probation. Thereafter, sworn, management police personnel shall be eligible for a merit increase effective with completion of twenty-four (24) months after appointment then thirty (30) months after appointment.
Section 4.08 – New Hire Merit Increase. Sworn, management police personnel hired from outside current City employment shall be eligible for a merit increase upon completion of eighteen (18) months of continuous City service and successful completion of probation. Thereafter, sworn, management police personnel shall be eligible for a merit increase effective with completion of thirty (30) months then thirty-six (36) months of employment.

Section 4.09 – Peace Officer Standards and Training (P.O.S.T.) Certificate Pay. Defined as compensation to local police officers who obtain Peace Officer Standards Training (P.O.S.T.) Certification. Designated by CCR 571 (a) as educational pay. Sworn, management police personnel who possess an Intermediate, Advanced or Management P.O.S.T. Certificate shall receive either of the following:


(Revised 8/7/10, 8/8/09, 8/5/08, 8/11/07, 1/1/98, 1/1/97)


(Revised 8/7/10, 8/8/09, 8/5/08, 8/11/07, 1/1/98, 1/1/97)


(Revised 8/7/10, 8/8/09, 8/5/08, 8/11/07, 1/1/98, 1/1/97, 8/1/15)

Section 4.10 – Physical Fitness Program (Wellness). Defined as compensation to local safety members who meet an established physical fitness criterion. Designated by CCR 571 (a) as incentive pay. Sworn, management police personnel who meet the criteria and testing for the physical fitness/wellness program specified in Article 11 shall receive:

A. Tier 1 Physical Fitness Program Certified: Sworn, management police personnel certified as Tier 1 will receive Physical Fitness Program pay in the amount of $50 per month.

B. Tier 2 Physical Fitness Program Certified: Sworn, management police personnel certified as Tier 2 will receive Physical Fitness Program pay in the amount of $195 per month

Section 4.11 – City Vehicle or Allowance. Police Captains who reside within a ten (10) mile radius of City Hall shall be provided a vehicle for the term of this agreement. Captains
PEACE OFFICERS' MANAGEMENT UNIT

July 1, 2020 – June 30, 2021

who reside outside of a ten (10) mile radius shall be paid the sum of $125 per month in lieu of being provided a vehicle.

Section 4.12 - Longevity Pay. Police Captains and Police Lieutenants who have completed twenty years of continuous service to the City of Fountain Valley will receive $250 per month as longevity pay. Defined as additional compensation to employees who have been with an employer, or in a specified job classification, for a certain minimum period of time exceeding five years. Designated by CCR 571 (a) 1 – Incentive pay.

ARTICLE 5 - UNIFORM AND UNIFORM ALLOWANCE

Section 5.01 – Equipment Provided. Sworn, management police personnel shall be required to purchase, maintain, and wear uniforms as specified by the Chief of Police. The following equipment will be provided by the City at no cost to the employee: handgun, ammunition, magazines, baton and grommet, baton ring, mace, mace holder, handcuffs, handcuff case, magazine holder, key holder, whistle, Sam Brown belt, keepers (for Sam Brown belt), helmet, face shield, holster, badge, hat piece badge, name tag, body armor (vest), raincoat/pants/boots, uniform patches.

Section 5.02 – Uniform Allowance. Defined as compensation paid for the purchase and maintenance of required clothing, including clothing made from specially designed protective fabrics, which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain. This excludes items that are solely for personal health and safety such as protective vests, pistols, bullets and safety shoes. Designated by CCR 571 (a) as statutory items. Sworn, management police personnel will receive uniform allowance in the amount of $1,200 annually. Uniform allowance is paid in increments of $600 effective the beginning of the second payroll period in January and $600 effective the beginning of the second payroll in July of the each year.

Newly hired sworn, management police personnel shall receive a pro-rated allowance if they are hired after July 1, for that calendar year.

For “classic” employees, one twenty-sixth of the annual uniform allowance will be reported to CalPERS each payroll period.

Section 5.03 - Uniforms Damaged in the Line of Duty. Upon submission of proper documentation by the Department that a sworn, management police personnel’s uniform has been damaged in the line of duty, the City shall, at its option, pay for the cost of repair or replacement of the uniform unless it is determined that such damage was the result of negligence on the part of the sworn, management police personnel. “Damaged in the line of duty” shall not include normal wear and tear.

ARTICLE 6 - RETIREMENT

Section 6.01 - Retirement Benefits. All sworn, management police personnel are members of the California Public Employees' Retirement System and are subject to all applicable provisions of the City's contract with CalPERS. In addition, the parties desire to recognize and comply with AB 340 (California Public Employees' Pension Reform Act of 2013 ("PEPRA").
Section 6.02 – Employees Hired July 31, 2010 or Earlier. Sworn, management police personnel employed by the City of Fountain Valley on July 31, 2010 or earlier, will be eligible for the following retirement benefits:

<table>
<thead>
<tr>
<th>BENEFIT</th>
<th>GOVERNMENT CODE SECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>3% at 50</td>
<td>21362.2</td>
</tr>
<tr>
<td>Single Highest Year</td>
<td>20042</td>
</tr>
<tr>
<td>Service Credit for Unused Sick Leave</td>
<td>20965</td>
</tr>
<tr>
<td>2% Cost-of-Living</td>
<td>21329</td>
</tr>
<tr>
<td>Prior Service Credit</td>
<td>20055</td>
</tr>
<tr>
<td>Post-Retirement Survivor Allowance</td>
<td>21624, 21626 and 21635</td>
</tr>
<tr>
<td>Retired Death Benefits</td>
<td>21620</td>
</tr>
<tr>
<td>Pre-Retirement Option 2W Death Benefits</td>
<td>21548</td>
</tr>
<tr>
<td>Military Service Credit</td>
<td>21024</td>
</tr>
<tr>
<td>Military Service Credit for Retirees</td>
<td>21027</td>
</tr>
<tr>
<td>Peace Corps Service Credit</td>
<td>21023.5</td>
</tr>
<tr>
<td>Public Service Layoff Service Credit</td>
<td>21022</td>
</tr>
<tr>
<td>Member Cost Sharing</td>
<td>20516</td>
</tr>
<tr>
<td>Public Service Credit for Service Rendered to a Nonprofit Corporation</td>
<td>21026</td>
</tr>
<tr>
<td>Local System Service Credit: Included in Basic Death Benefit</td>
<td>21536</td>
</tr>
<tr>
<td>Cancellation of Payments for Service Credit Purchase Upon Industrial Disability Retirement</td>
<td>21037</td>
</tr>
</tbody>
</table>

9% Employee Contribution. Employees agree to share the cost of retirement contributions on a pre-tax basis. The 9% employee's share includes 6% on the employee's side and 3% on the employer side in accordance with Government Code Section 20516(a) (i.e., cost sharing) for a total of 9% on a pre-tax basis in accordance with City Council Resolution No. 8998 implementing the provisions of 414(h)(2) of the Internal Revenue Code. Refer to Section 6.07 regarding the pre-tax employee contributions.

Section 6.03 – Employees Hired Between August 1, 2010 through December 31, 2012. Sworn, management police personnel beginning initial employment with the City of Fountain Valley effective August 1, 2010 through December 31, 2012 -or a "Classic" employee hired by the City after January 1, 2013. "Classic" employees are defined as those individuals who are:

A. Working for an employer providing CalPERS retirement benefits who begins employment with the City of Fountain Valley without a break in service or a break in service of less than six (6) months; or

B. Current members of a public retirement system or plan with reciprocity with CalPERS. Classic members will be covered under the 3% at 55 formula with the benefits specified below.

will be eligible for the following retirement benefits:
<table>
<thead>
<tr>
<th>BENEFIT</th>
<th>GOVERNMENT CODE SECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>3% at 55</td>
<td>21363.1</td>
</tr>
<tr>
<td>Three Highest Years Average</td>
<td>20037</td>
</tr>
<tr>
<td>Service Credit for Unused Sick Leave</td>
<td>20385</td>
</tr>
<tr>
<td>2% Cost-of-Living</td>
<td>21329</td>
</tr>
<tr>
<td>Pre-Retirement Option 2W Death Benefits</td>
<td>21548</td>
</tr>
<tr>
<td>Military Service Credit</td>
<td>21024</td>
</tr>
<tr>
<td>Military Service Credit for Retirees</td>
<td>21027</td>
</tr>
<tr>
<td>Peace Corps Service Credit</td>
<td>21023.5</td>
</tr>
<tr>
<td>Public Service Layoff Service Credit</td>
<td>21022</td>
</tr>
<tr>
<td>Different Level of Benefits</td>
<td>20475</td>
</tr>
<tr>
<td>Public Service Credit for Service Rendered to a Nonprofit Corporation</td>
<td>21026</td>
</tr>
<tr>
<td>Local System Service Credit Included in Basic Death Benefit</td>
<td>21536</td>
</tr>
<tr>
<td>Cancellation of Payments for Service Credit</td>
<td>21037</td>
</tr>
<tr>
<td>Purchase Upon Industrial Disability Retirement</td>
<td></td>
</tr>
</tbody>
</table>

Sworn management police personnel will pay a 9% employee contribution towards CalPERS retirement.

Section 6.04 – New Members or New Employees Under PEPPRA. Assembly Bill No. 340 established the California Public Employees’ Pension Reform Act of 2013 (hereinafter referred to as PEPPRA). PEPPRA mandates the retirement benefits and employee contributions for “new members” or “new employees” (as those terms are defined by the law) hired on or after January 1, 2013.

New Members Defined by PEPPRA
New Members are defined by PEPPRA as an employee who becomes a member of a public retirement system for the first time on or after January 1, 2013 and:

A. Was not a member of a public retirement system before January 1, 2013; or

B. Was a member of a public retirement system before January 1, 2013 that is not subject to reciprocity with the new public employer’s plan; or

C. Alternatively, anyone who was an active member of a retirement system, has a break in service of six (6) months or more, and returns to active membership in the same system with a new employer.

New Employees Defined by PEPPRA
An individual hired on or after January 1, 2013 and:

A. Never worked in the public sector before January 1, 2013; or

B. Worked in the public sector before January 1, 2013, but worked for an employer with a retirement plan that did not have reciprocity with the new employer’s plan.
New members and new employees will be eligible for the following retirement benefits:

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.7% at 57</td>
<td>7522.20(d)</td>
</tr>
<tr>
<td>Three year final compensation</td>
<td>7522.22</td>
</tr>
<tr>
<td>Different levels of benefits</td>
<td>20475</td>
</tr>
<tr>
<td>$500 Retired Death Benefit</td>
<td>Section 21620</td>
</tr>
<tr>
<td>2% Annual Cost-of-Living Allowance Increase</td>
<td>Section 21329</td>
</tr>
<tr>
<td>2.7% @ 57 Formula for Safety Members</td>
<td>Section 7522.25(d)</td>
</tr>
<tr>
<td>Additional Service Credit 2 Years - Local Member</td>
<td>Section 20503</td>
</tr>
<tr>
<td>Final Compensation 3 Years</td>
<td>Section 20037</td>
</tr>
<tr>
<td>Military Service Credit as Public Service</td>
<td>Section 21024</td>
</tr>
<tr>
<td>Military Service Credit for Retired Persons</td>
<td>Section 21027</td>
</tr>
<tr>
<td>Pre-Retirement Death Benefits to Continue After Remarriage of Survivor</td>
<td>Section 21551</td>
</tr>
<tr>
<td>Pre-Retirement Option 2W Death Benefit</td>
<td>Section 21548</td>
</tr>
<tr>
<td>Prior Service</td>
<td>Section 20055</td>
</tr>
<tr>
<td>Public Service Credit for Peace Corps AmeriCorps VISTA, or AmeriCorps Service</td>
<td>Section 21023.5</td>
</tr>
<tr>
<td>Public Service Credit for Periods of Layoff</td>
<td>Section 21022</td>
</tr>
<tr>
<td>Unused Sick Leave Credit - Local Member</td>
<td>Section 20955</td>
</tr>
</tbody>
</table>

**Employee Contribution.** PEPRA (Government Code Section 7522.30) states "Equal sharing of normal costs between public employers and public employees shall be the standard." The standard shall be that employees pay at least 50% of normal costs and that employers not pay any of the required employee contribution.

The "normal cost rate" shall mean the annual actuarially determined normal cost for the defined benefit plan of an employer expressed as a percentage of payroll.

New Members and New Employees shall pay 50% of the normal cost adjusted annually in accordance with the CalPERS actuarial valuation for the City of Fountain Valley 2.7% at 57 plan. Any change to the New Member and New Employee contribution rate will become effective the first payroll period closest to July 1 of the appropriate year.

Upon receipt of the annual actuarial valuation from CalPERS for the 2.7% at 57 plan, the Personnel Department will forward a copy to the Association specifying the New Member and New Employee contribution rate for the upcoming period. This process shall serve as the meet and confer process for any increase in the employee contribution rate.

**Section 6.05 – Compensation Reportable to CalPERS.** For purposes of calculating retirement benefits, City will report to the California Public Employees Retirement System all regular compensation and special compensation (uniform allowance, P.O.S.T. Certificate, physical fitness program pay (wellness) and special assignment pay) for employees hired on or before December 31, 2012. In accordance with PEPRA, for employees hired beginning January 1, 2013 and later, uniform allowance is not pensionable compensation and therefore may not be reported to CalPERS as pensionable compensation. In addition, for employees hired beginning January 1, 2013 and later, PEPRA, amendments to PEPRA and CalPERS law will define those special pays which may be reportable as pensionable compensation.
Section 6.06 – Pre-Tax Employee Contributions. Said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. Any income tax obligation or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the employee, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and employees shall seek such advice from their Association or personal tax advisors regarding such matters.

ARTICLE 7 – HEALTH AND OTHER INSURANCE FOR ACTIVE EMPLOYEES

Section 7.01 - Overview. The City contracts with CalPERS for medical insurance. This MOU recognizes two tiers of employees for purposes of medical coverage. Tier 1 employees are those employees hired on July 31, 2010 and earlier. Tier 2 employees are those hired on or after August 1, 2010. Tier 1 employees shall be entitled to a basic flex dollar medical allowance administered through a cafeteria plan qualified under the tax code. In addition, Tier 1 employees shall be entitled to an additional sum described herein as a longevity health stipend. Tier 2 employees shall only be entitled to the basic flex dollar allowance administered through a cafeteria plan, as described herein. In addition, Tier 1 employees are entitled to different health coverage upon retirement than Tier 2 employees.

Section 7.02 – CalPERS Medical. The City contracts with the California Public Employees’ Retirement System’s Public Employees’ Medical and Hospital Care Act (PEMHCA) for medical insurance for City employees. The payment of premiums towards group medical/dental/life insurance will be through the administration of a flexible benefit package.

The City shall pay the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees’ Medical and Hospital Care Act (PEMHCA).

Section 7.03 – Employees Defined.

Tier 1 employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning July 31, 2010 and earlier.

Tier 2 employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 1, 2010 and later.

If an employee separates employment then later returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the hire date for the employee and will be considered a Tier 2 employee and only eligible for Tier 2 benefits.

Section 7.04 – Tier 1 Employees City Contribution. The City contribution for Tier 1 employees is as follows:

<table>
<thead>
<tr>
<th>Flex Dollars</th>
<th>Longevity</th>
<th>Total Flex</th>
</tr>
</thead>
</table>

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### PEACE OFFICERS’ MANAGEMENT UNIT

**Flex Dollar Allowance**

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Health Stipend</th>
<th>Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$655.92</td>
<td>$1,856.26</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1,167.67</td>
<td>$1,856.26</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,500.68</td>
<td>$1,856.26</td>
</tr>
</tbody>
</table>

The amount identified as flex dollars is inclusive of the CalPERS statutory minimum. Thus, for example, for 2017, employees electing Employee Only coverage shall receive $655.92 + $128.00 for the CalPERS statutory minimum and an additional $827.92 in flex dollars.

Sworn, management Police employees who elect not to be covered under the medical plan provided through the cafeteria plan shall receive $128 the PEMHCA minimum per month as cash wages. However, the employee will be required to pay for dental and life insurance premiums, both of which are mandatory out of the $428 waiver of premium contribution. In order to opt out of the City's medical coverage, employees will be required to maintain and provide proof of group health coverage through an alternative source and the alternative group health plan coverage must meet the Affordable Care Act's requirements regarding affordability and minimum value.

**Section 7.05 — Tier 2 Employees City Contribution.** The City will make the contributions to each employee’s flexible spending account based upon coverage subject to the provisions below:

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$655.92</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1,167.67</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,500.68</td>
</tr>
</tbody>
</table>

Effective the pay period that includes January 1, 2018, the monthly City contribution for Tier 2 will be:

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$710</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1242</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,575</td>
</tr>
</tbody>
</table>

Effective the pay period that includes January 1, 2019, the monthly City contribution for Tier 2 will be:

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$725</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1,317</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,650</td>
</tr>
</tbody>
</table>

The flex dollar allowance includes the PEMHCA minimum employer contribution. Tier 2
Section 7.06 – Cafeteria Plan. The provisions of the Cafeteria Plan are described below.

A. Benefits Provided Through the Cafeteria Plan. Effective January 1, 2011, the insurance benefits provided for in this Article will be provided through the provision of a cafeteria plan adopted in accordance with the provisions of Internal Revenue Code § 125: medical and dental.

Each month the City will contribute to the cafeteria plan flex dollars for current employees and new hires as specified in Section 7.03 and 7.04 accordingly. In addition, the City will contribute a longevity stipend for Tier 1 employees as specified in Section 7.03. The City's flex dollar contribution includes the CalPERS statutory minimum paid by the City.

Prior to January 1, 2011 dependent dental premiums were fully employee paid. However, due to the provisions of the cafeteria plan, dependent dental premiums are to be deducted from the flex dollars. Upon retirement, retirees are not covered by a cafeteria plan; therefore, dependent dental premiums will be fully retiree paid if coverage is elected. Nothing in these provisions require City contributions towards dependent dental premiums.

B. The Purchase of Optional Benefits Through the Cafeteria Plan. The cafeteria plan offers sworn, management Police employees the opportunity to purchase optional medical insurance, vision, and AFLAC insurance. Eligible employees may select from any of the medical insurance plans offered by CalPERS. If CalPERS changes any of the medical insurance plans by either adding or deleting the plan options, employees will be limited to those plan options offered by CalPERS.

Sworn, management Police employees may elect any of the optional AFLAC insurance options the City offers to employees.

Sworn, management Police employees may designate flex dollars available after deductions for premiums for elected benefit options, towards the employees deferred compensation plan.

Dental and life insurance are not optional benefits and such premiums will be deducted from each employee's cafeteria plan flex dollars or waiver of premium contribution.

C. Employee Contributions for Benefit Options. If a sworn, management Police employee chooses optional benefits whose aggregate cost exceeds the total flex dollar City contribution to the cafeteria plan, the City will automatically deduct the excess amount on a pre-tax basis if applicable, from the employee's bi-weekly paycheck.

D. The Receipt of Cash Through the Cafeteria Plan. Sworn, management Police employees will be eligible to receive cash (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving medical insurance or if they choose.
optional benefits that do not cost as much as the flex dollars provided by the City towards the cafeteria plan. Any such employee shall be eligible to receive up to $350/month in cash.

Section 7.07 - Term Life Insurance. The amount of term life insurance for each sworn, management Police employee shall be equivalent to the employee's annual salary, rounded upward to the nearest thousand dollar increment, with a maximum policy amount of $350,000 per employee.

Section 7.08 - Long-Term Disability Insurance. The City shall maintain and pay full premium for a long-term disability insurance policy for all sworn, management police personnel employees. The purpose of long-term disability insurance is to ensure that sworn, management police personnel will have a source of income if they are disabled from performing their regular duties for a period longer than sixty (60) calendar days. The Plan Document is incorporated into this Agreement by reference.

A. Eligibility. A sworn, management police employee's eligibility for long-term disability benefits depends on whether or not the sworn, management police employee's disability is industrial or non-industrial in nature.

1. If the sworn, management police employee's disability is industrially related, the sworn, management police employee's absence from work will be charged to industrial injury leave for a period of up to one (1) year from the date the disability was incurred, pursuant to Labor Code Section 4850, after which the person is eligible for insured long-term disability benefits pursuant to the service provider's agreement.

2. If the sworn, management police employee's disability is not industrially related, the sworn, management police employee's eligibility begins either on the 61st calendar day of the sworn, management police employee's absence from work, or upon expiration of the sworn, management police employee's sick leave, whichever period is longer.

B. Benefits. An employee who is eligible to receive insured long-term disability benefits will receive 66-2/3% of the first $2,250 of the employee's monthly salary as of the date the employee's disability began less any deductible benefits, as provided for in the long-term disability policy.

C. Off-Payroll Status. A sworn, management police employee who is receiving insured long-term disability benefits is considered to be in an off-payroll status and will not accrue benefits during the time that he/she is in such status. In addition, sworn, management police employees who are in an off-payroll status while receiving insured long-term disability benefits are responsible for maintaining group health and life insurance coverage and for paying the premiums therefore unless eligible for benefits pursuant to law.

D. Self-Insurance. The City reserves the right to self-insure any or all Long-Term Disability benefits, provided that there shall be no change to existing eligibility requirements or coverage unless mutually agreed to in writing by both the City and
Section 7.09 – Flexible Spending Program

The City shall provide a voluntary Flexible Spending Plan (Section 125 Plan under the Internal Revenue Code) to Individually Represented Battalion Chiefs. Enrollment in the plan allows employees to pay for out-of-pocket Health Care and Dependent Care costs with pre-tax dollars. Flexible Spending Account limits will be followed by the City as set each year by the Internal Revenue Service (IRS).

At enrollment and annually thereafter, participants must designate the Flexible Spending Account election amount for the remainder of the year for new hires and for the next year for current employees. The annual amount is deducted from the employee’s paycheck in equal installments, on a pre-tax basis, and credited to the employee’s Flexible Spending Account. Reimbursement will be paid directly by a third party administrator.

Federal law prohibits any change in a Flexible Spending Account during the calendar year unless the employee or his/her dependent(s) have a qualifying “life event.” A qualifying “life event” is marriage, divorce or legal separation, birth or adoption of a dependent, death of a dependent, or a change in the employee or employee’s spouse’s employment status. The change in the Flexible Spending Account must be due to and consistent with the “life event” which permits the change.

An annual open enrollment period will be provided for the upcoming year’s program. Administrative Officers must affirmatively enroll in the Flexible Spending Account for each year. There is no automatic renewal.

When estimating annual expenses, Individually Represented Battalion Chiefs are cautioned to only consider those expenses he/she is reasonably certain he/she will incur. Any amount left in a Flexible Spending Account at the end of the year is forfeited.

Deductions for Flexible Spending Accounts shall not reduce earnable compensation for purposes of calculating benefits or contributions for the California Public Employees’ Retirement System.

The City maintains the right to select and change, if needed, the vendor to administer the Flexible Spending Account program.

ARTICLE 8 – MEDICAL/DENTAL INSURANCE FOR RETIREES

The City shall provide group medical/dental insurance to sworn, management Police personnel who retire from the City meeting the criteria and subject to the conditions and limitations noted below. The City contracts with the California Public Employees’ Retirement System’s Public Employees’ Medical and Hospital Care Act (PEMHCA) for medical insurance for City employees and retirees. Benefits are grouped in tiers based upon hire date and years of continuous City service.
<table>
<thead>
<tr>
<th>Tier</th>
<th>Service Period</th>
<th>Minimum Service</th>
<th>Eligibility Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A</td>
<td>10/25/04 and earlier</td>
<td>15 or more years</td>
<td>1,3,4,5,6,8,11,13,16</td>
</tr>
<tr>
<td>1B</td>
<td>10/25/04-7/31/2007</td>
<td>15 but less than 20 years</td>
<td>1,3,4,5,6,8,11,13,16</td>
</tr>
<tr>
<td>1C</td>
<td>10/25/04-7/31/2007</td>
<td>20 or more years</td>
<td>1,3,4,5,6,8,11,13,16</td>
</tr>
<tr>
<td>1D</td>
<td>8/1/07-7/31/10</td>
<td>15 but less than 20 years</td>
<td>1,3,4,5,6,9,12,14,16</td>
</tr>
<tr>
<td>1E</td>
<td>8/1/07-7/31/10</td>
<td>20 or more years</td>
<td>1,3,4,5,6,8,11,14,16</td>
</tr>
<tr>
<td>1F</td>
<td>7/31/07 and earlier (Disability Retirement)</td>
<td>N/A</td>
<td>2,3,4,5,6,8,11,13,16</td>
</tr>
<tr>
<td>1G</td>
<td>8/1/07-7/31/10 (Disability Retirement)</td>
<td>N/A</td>
<td>2,3,4,5,6,8,11,14,16</td>
</tr>
<tr>
<td>1H</td>
<td>7/31/10 and earlier if City service does not fit into Tiers 1A-1G</td>
<td>N/A</td>
<td>1,6,7,15</td>
</tr>
<tr>
<td>2A</td>
<td>8/1/10 and later</td>
<td>N/A</td>
<td>1,6,7,10,15</td>
</tr>
<tr>
<td>2B</td>
<td>8/1/10 and later (Disability Retirement)</td>
<td>N/A</td>
<td>2,6,7,10,15</td>
</tr>
</tbody>
</table>

The provision numbers listed below correspond to the code above designating which benefits each retiree is eligible for. If a code is not included in the "Provisions the Employee in the Specified Tier is Eligible for" section, the employee in the specified tier is not eligible for that specific provision.

**Provision No. 1 - Retired Employee Definition.** A sworn, management Police employee is a retired employee when he/she:

A. Has reached 50 years in age or greater;

B. Has been employed for at least five (5) years;

C. Is a vested member of CalPERS;

D. Retires with a service retirement after October 1, 1980;

E. Retires directly from active duty and maintains continuous coverage both prior to and subsequent to his/her retirement.

F. Any lapse in coverage will make the employee permanently ineligible for City contributions towards such retiree's premiums in excess of the CalPERS statutory minimum employer contribution.

**Provision No. 2 - Disability (Totally) Retired Employee Definition.** A sworn, management Police employee is disability (totally) retired when:
Any of the following permanent disabilities shall be conclusively presumed to be total in character (total disability):

A. Loss of both eyes or the sight thereof.

B. Loss of both hands or the use thereof.

C. An injury resulting in a practically total paralysis.

D. An injury to the brain resulting in incurable imbecility or insanity.

In all other cases, permanent total disability shall be determined in accordance with the fact.

**Provision No. 3 - Eligible Qualified Dependent Coverage Limitation.**

For Retirements Effective July 31, 2012 or Earlier.

**Definition of Qualified Dependent:** Qualified dependent coverage is limited to the eligible retiree and those specific eligible dependents as defined in the service provider’s group benefit agreement that were covered at the time of the employee’s retirement.

For Retirements Effective August 1, 2012 and Later.

**Definition of Qualified Dependent:** A spouse and/or dependent child covered on the employee’s medical and dental plan for a minimum of two (2) full years (24 months) prior to retirement. Such dependent will be classified as a qualified dependent.

**New Spouse Exception.** An exception will be made for employees who get married and add his/her spouse to his/her medical plan within thirty (30) calendar days of the marriage. In such cases, the spouse must be on the plan for a minimum of one (1) full year (12 months) prior to his/her retirement in order to receive City contributions towards retiree medical and will be classified as a qualified dependent. No other exceptions will be made.

**Dependent Children.** City contributions for dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child’s medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.

B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases...
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Contributions for the dependent child and pays two-party coverage for the retiree and spouse.

C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

Definition of Non-Qualified Dependent for Retirements Effective August 1, 2012 and Later. A dependent added to the employee's medical and dental plan less than two (2) full years (24 months) prior to retirement or at a later date is ineligible for any City contribution towards medical insurance. The non-qualified dependent may enroll in the medical plan; however, premiums for such enrollment are entirely dependent paid. The City will not pay any contributions towards the medical premium for non-qualified dependent(s). Non-qualified dependents may not enroll in the dental plan.

Premiums for additional covered dependent(s) or dependent(s) added on at a later date in accordance with plan provisions will be paid entirely by the retiree and will be classified as non-qualified dependent(s). Dependent dental premiums will be paid entirely by the retiree. Failure to pay premiums for non-qualified dependent(s) will result in loss of coverage.

Provision No. 4 - Separation then Return to City Service. If an employee separates employment and later returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the hire date for the employee and he/she will be considered a new hire and only eligible for new hire benefits.

Provision No. 5 - Limitation. There is no cash back provision if the premiums for the medical and dental plans for qualified dependents is less than the difference between the CalPERS statutory minimum and the medical premium for the plan selected for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for active sworn, management Police personnel for Tier 1 employees.

Provision No. 6 - Life Insurance. Retirees are not eligible for life insurance coverage through the City.

Provision No. 7 - CalPERS Statutory Minimum Employer Contribution. Only while participating in the CalPERS medical plan will the City pay the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees’ Medical and Hospital Care Act (PEMHCA) to CalPERS. Should the City discontinue contracting with PEMHCA at any time, the City will not be responsible for paying any contribution towards health insurance premiums for such retiree and those premiums shall be entirely retiree paid. The City will not make any contributions towards dental insurance.
Provision No. 8 - City Contributions

For Retirements Effective July 31, 2012 or Earlier.
The City will contribute towards the monthly medical premium for the retiree and those specific eligible dependents as defined in the service provider’s group benefit agreement that were covered at the time of the employee’s retirement and retiree only dental premium up to the maximum the City contributes for active sworn, management Police personnel. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider’s group health benefit agreement. No City contributions towards dental insurance for dependents.

For Retirements Effective August 1, 2012 and Later.
The City will contribute towards the monthly medical premium for the retiree and those eligible dependents who were covered on the employee’s plan for a minimum of two (2) full years (twenty-four (24) months) prior to retirement (designated as qualified dependent) and retiree only dental premium up to the maximum the City contributes for active sworn, management Police personnel. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent, if applicable. No City contributions towards dental insurance for dependents.

Provision No. 9 - City Contributions (75%)

For Retirements Effective July 31, 2012 or Earlier.
The City will contribute towards the monthly medical premium for the retiree and those specific eligible dependents as defined in the service provider’s group benefit agreement that were covered at the time of the employee’s retirement and retiree only dental premium up to 75% of the maximum the City contributes for active sworn, management Police personnel. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider’s group health benefit agreement. No City contributions towards dental insurance for dependents.

For Retirements Effective August 1, 2012 and Later.
The City will contribute towards the monthly medical premium for the retiree and those eligible dependent(s) who were covered on the employee’s plan for a minimum of two (2) full years (twenty-four (24) months) prior to retirement (designated as qualified dependent) and retiree only dental premium up to 75% of the maximum the City contributes for active sworn, management Police personnel. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent, if applicable. No City contributions towards dental insurance for dependents.

Provision No. 10 - Retiree Health Savings Account.
Sworn, management Police employees will be required to contribute $25 per payroll period to the employee’s retiree health savings account. Contributions to the retiree health savings are made solely by the employee and all administrative fees for the plan will be deducted from each employee’s individual account assets. The account assets that accumulate, plus investment earnings, will be used in retirement to pay health insurance premiums and other eligible out-of-pocket medical expenses such as deductibles, co-payments and
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dental care in accordance with Internal Revenue Code Section 213. The employee
contribution will be portable if an employee should leave employment with the City of
Fountain Valley prior to retirement.

Provision No. 11 – City Contributions at Age 65
Coverage will become supplemental to Medicare at age 65. The City will pay the
medical premium, as applicable, for the retiree and eligible qualified dependent(s) and
retiree only dental premium up to the maximum the City contributes for active sworn,
management Police personnel for Tier 1 employees. The retiree will continue paying
the dependent dental premium if coverage is elected and will solely be responsible for
paying Medicare premiums.

Provision No. 12 – City Contributions at Age 65
Coverage will become supplemental to Medicare at age 65. The City will pay the
medical premium, as applicable, for the retiree and eligible qualified dependent(s) and
retiree only dental premium up to 75% of the maximum the City contributes for active
sworn, management Police personnel for Tier 1 employees. The retiree will continue
paying the dependent dental premium if coverage is elected and will solely be
responsible for paying Medicare premiums.

Provision No. 13 – Surviving, Eligible Qualified Dependent(s) City Contribution
In the event of the death of a covered retiree, City contributions continue for the
surviving dependents shall continue until remarriage of the surviving spouse or until
the surviving spouse enrolls in Medicare. When either of the above occurs, coverage
for the surviving spouse and covered dependents will terminate. If the surviving
spouse obtains full-time employment, the City of Fountain Valley's group medical
insurance will be supplemental to the surviving spouse's group medical insurance.
The City pays the actual basic medical premium for the surviving spouse and eligible
qualified dependent(s) up to the maximum the City contributes for active sworn,
management Police personnel for Tier 1 employees minus the CalPERS statutory
minimum employer contribution during the time period the survivors are eligible for
City contributions. No City contributions towards dental premiums.

Provision No. 14 – Surviving, Eligible Qualified Dependent(s) City Contribution
For Retirements Effective July 31, 2012 and Earlier.
City contributions for the surviving dependent(s) of a deceased retiree will terminate
effective when any of the following occur:

- Surviving dependent obtains other medical/dental insurance coverage.

- Surviving dependent is no longer eligible for coverage in accordance with the
medical/dental plan requirements.

During the period the City pays the insurance premiums, the City pays the actual basic
medical premium for the surviving spouse and eligible qualified dependent(s) up to
the maximum the City contributes for active sworn, management Police personnel for
Tier 1 employees minus the CalPERS statutory minimum employer contribution during
the time period the survivors are eligible for City contributions. No City contributions
towards dental premiums.
For Retirements Effective August 1, 2012 and Later.
City contributions towards medical premiums for the surviving spouse will terminate upon the surviving spouse reaching age 65. City contributions towards medical premiums for a surviving dependent child(s) will end the month immediately following the dependent child’s 23rd birthday.

The surviving spouse’s dental coverage will terminate upon the surviving spouse reaching age 65. The surviving dependent child(s) dental coverage will terminate upon the surviving dependent child reaching age 23. Thereafter, the retiree will be eligible for COBRA continuation for dental for a maximum of 18 months. Extension of coverage may apply in accordance with COBRA regulations; however, unless the retiree meets these COBRA provisions, the maximum coverage period for dental upon retirement is 18 months. To maintain COBRA coverage, the full premium plus a 2% administrative fee is payable by the retiree. Failure to pay premiums will result in loss of coverage.

Provision No. 15 - Retiree Contributions. The retiree enrolls in the medical plan at his/her own expense for medical insurance.

The retiree will be eligible for COBRA continuation for dental for a maximum of 18 months. Extension of coverage may apply in accordance with COBRA regulations; however, unless the retiree meets these COBRA provisions, the maximum coverage period for dental upon retirement is 18 months. To maintain COBRA coverage, the full premium plus a 2% administrative fee is payable by the retiree. Failure to pay premiums will result in loss of coverage. The employee is not eligible for any flexible spending or other contribution from the City towards continued dental insurance upon retirement.

Provision No. 16 - Retiree Contributions. Premiums for Plan Selected Exceeds the Total City Contribution. If a retiree chooses benefits whose aggregate premium cost exceeds the total City contribution, the retiree will be responsible for paying the excess premiums.

Non-Qualified Dependent(s). If non-qualified dependent(s) are covered under the plan, the retiree will be responsible for paying for the full premium for such dependent(s).

Dependent Dental Premium. If dependent dental coverage is elected, the dependent dental premium is deducted from the City’s reimbursement to the retiree for health premiums or the retiree will be billed because such premiums continue to be employee/retiree paid.

Medicare Premium. Medicare premiums are fully retiree paid.

ARTICLE 9 - LEAVES

Section 9.01 – Holidays. Sworn, management police personnel shall be entitled to
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eleven (11) paid holidays per calendar year except as otherwise provided for in this Memorandum of Understanding. The eleven (11) paid holidays to which sworn, management police personnel are entitled shall be as follows:

- New Year's Day
- Washington's Birthday
- Lincoln's Birthday
- Memorial Day
- Independence Day
- Labor Day
- Veterans' Day
- Thanksgiving and the day after Thanksgiving
- Christmas
- “Floating Holiday”

The exact date upon which each of the above holidays will be observed and during which City Hall will be closed shall be set by Administrative Regulation each year, after meeting with POMU representatives.

Section 9.02 – Holiday Pay Off. Sworn, management police personnel will have, in addition to regular base pay, the option of taking holiday time off or using administrative leave with the approval of their supervisor, or of being paid for the unused holiday time in a separate warrant to be issued the first pay period in December. Accrued vacation may not be used in lieu of holiday time.

Section 9.03 – Floating Holiday. The floating holiday may be taken at any time prior to November 30 of each year subject to the approval of the Police Chief. If the floating holiday is not used prior to November 30 of each year, it will be paid in accordance with Section 9.02 above.

Section 9.04 – Vacation Accrual Rate. Sworn, management police personnel shall accrue vacation leave at the following rates:

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Hours Accrued Per Pay Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Hire – 1 year</td>
<td>3.08 hours (60 hours total)</td>
</tr>
<tr>
<td>2-5 years</td>
<td>4.62 hours (120 hours total)</td>
</tr>
<tr>
<td>6-9 years</td>
<td>5.38 hours (140 hours total)</td>
</tr>
<tr>
<td>10-11 years</td>
<td>6.15 hours (160 hours total)</td>
</tr>
<tr>
<td>12-14 years</td>
<td>6.92 hours (180 hours total)</td>
</tr>
<tr>
<td>15 years or more</td>
<td>7.69 hours (200 hours total)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Hours Accrued Annually</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>80 hours</td>
</tr>
<tr>
<td>Years 1-9</td>
<td>120 hours</td>
</tr>
<tr>
<td>10-14 Years</td>
<td>160 hours</td>
</tr>
<tr>
<td>15+Years or more</td>
<td>200 hours</td>
</tr>
</tbody>
</table>

Section 9.05 – Vacation Accrual Limitations. Vacation may accrue to a maximum of
Section 9.06 – Vacation Pay Off. At the end of each calendar year, sworn, management police personnel shall have the option of receiving a cash payment for accrued vacation up to a maximum of eighty (80) hours, if the following criteria are met:

A. A minimum of eighty (80) hours of vacation has been used during the calendar year. Vacation may be utilized in any increment as approved by his/her supervisor as long as a minimum of eighty (80) hours have been used.

B. A minimum accrual of twenty (20) hours of vacation remains after payoff.

If the aforementioned criteria have been met, sworn, management police personnel may request a cash payment of eighty (80) hours maximum to be included in the holiday warrant to be issued within the first ten (10) days in December.

To request a vacation payoff, the employee must submit an irrevocable election form specifying the number of hours the employee is requesting which must be received in the Human Resources Department before December 31 of the year prior to the payoff. For example, to receive a payout in 2017, a sworn, non-management Police personnel must submit a completed irrevocable election form to Human Resources before December 31, 2016. If during the 2017 calendar year, the employee meets the criteria specified herein to be eligible for vacation payoff, he/she will receive the requested payoff. If the employee does not submit the irrevocable election form within the required timeline or he/she does not meet the criteria for payoff, no payoff will be given.

Section 9.07 – Administrative Leave. All sworn, management police personnel employees shall be eligible for Administrative Leave. Police Lieutenants receive one 10-hour day per month (120 hours per year) and Police Captains receive one 9-hour day per month (108 hours per year). Administrative leave hours are provided annually in January.

Approval and Use or Lose. Administrative Leave may be approved by the Chief of Police and may not be accrued, accumulated, or carried over from month to month. Administrative Leave must either be taken in the month in which it is earned, or is forfeited for that month.

Banking. Notwithstanding Section 9.07, employees may be allowed to bank up to two (2) days of administrative leave if prior approval of the Chief of Police is given before the month expires. No administrative leave may be carried over from one (1) year to the next.

Administrative COVID Thank You Leave. Sworn, management police personnel will have 40 hours of COVID Thank You Leave added to an Administrative Leave bank. The COVID “Thank You” leave has no cash value and expires on December 31, 2021. Any unused leave after that date will be forfeited by the employee.
Section 9.08 – Sick Leave Accrual Rate. Sick leave shall accrue as 4.82 hours per bi-weekly pay period (120 hours per year). Upon separation from service with the City, all accrued sick leave shall be converted to the eight (8) hour accrual rate to determine service credit calculations for CalPERS.

Section 9.09 - Sick Leave Usage.
The first three days or work hours equivalent (e.g. 30 hours for employees on a 4/10 schedule) of paid sick leave taken each 12 month period will be considered sick leave used pursuant to the Healthy Workplaces, Healthy Families Act of 2014 (California Labor Code sections 245-249). The 12 month period is July 1 through June 30 for employees hired prior to July 1, 2015. For employees hired on or after July 1, 2015, the 12 month period is the 12 month period beginning on the employee’s hire date, until the following July 1, at which point the employee’s 12 month period will change to July 1 - June 30.

Employee’s Sick Leave. Employees can use sick leave for themselves for preventive care (such as physical exams) or care of an existing health condition;

Family Sick Leave. Employees can use up to a maximum of one-half of one year’s annual accrued sick leave (e.g. 60 hours for employees who accrue 120 hours per year) per year for family sick leave. Family sick leave may be used for the diagnosis, care, or treatment of an existing health condition of, or preventive care for family members. In this section the term “family members” means any of the following:

- A child (biological, adopted, foster child, step child, legal ward or a child to whom the employee stands in loco parentis) regardless of age or dependency status.
- A biological, adoptive, or foster parent, step parent or legal guardian of an employee or the employee’s spouse or registered domestic partner or a person who stood in loco parentis when the employee was a minor child.
- A spouse.
- A registered domestic partner.
- A grandparent.
- A grandchild.
- A sibling.
- Individuals who live in the same household or whose relationship to the employee is that of a dependent or rear-dependent.
Employees can use the first three (3) days of sick leave for specified purposes if they are victims of domestic violence, sexual assault or stalking as set forth in California Labor Code section 290.71 and 290.71a.

After an employee has used three sick leave days (or work hours equivalent) in a 12 month period, the use of sick leave shall be subject to the approval of the Police Chief who may request a physician's statement substantiating the illness and release to duty before allowing an employee to return to duty. Sick leave shall only be used for real medical illness or to seek medical evaluation or consultation and shall not be considered personal time to be used at the employee's discretion. Sick leave may be used for absences resulting from industrial injuries and illnesses.

Section 9.10 - Sick Leave Payoff. Upon completion of ten (10) years of continuous service with the City, sworn, management police personnel who separate from the City for any reason other than termination for cause shall be paid 25% of the employee's accrued, unused sick leave balance at the time of separation. In the event of death at any time during employment with the City, 25% of the employee's accrued, unused sick leave will be paid to the employee's estate.

Section 9.11 - Retirement Credit for Unused Sick Leave. Pursuant to Government Code Section 20965 and the City's contract with CalPERS, sworn, management police employees who retire from the City may receive service credit towards their retirement for all accrued, unused sick leave at the ten (10) hour rate for which they do not receive compensation. This provision shall apply only to sworn, management police personnel whose effective date of retirement is within four (4) months of separation from employment with the City.

Section 9.12 - Bereavement Leave. Sworn, management police personnel shall be entitled to a maximum of three (3) working days absence with pay, as Bereavement Leave, when they are compelled to be absent from duty by reason of death of an immediate family member, or in the event of critical illness where death appears to be imminent.

For purposes of bereavement leave, "immediate family member" refers to spouse, child, stepchild, grandchild, brother, sister, parent, stepparents, mother-in-law, father-in-law, grandparents, or legal guardian.

ARTICLE 10 - ILLEGAL/CONTROLLED SUBSTANCE SCREENING

Section 10.01 - Pre-Employment Substance Screening. Sworn, management police personnel acknowledge the City's right to, at its discretion, include illegal/controlled substance screening as part of the pre-employment physical examination for sworn, management police personnel.

Section 10.02 - Definition. "Illegal/Controlled Substance" is defined as a drug, substance, or immediate precursor which are included in Schedules I through V, inclusive.
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of the "California Uniform Controlled Substances Act" (Health and Safety Code Sections 11054-11057), as well as opiates, narcotic drugs, and marijuana, as defined in Health and Safety Code Sections 110-8-11020.

Section 10.03 – Random, Reasonable Suspicion and Post-Accident Drug and Alcohol Testing. Sworn, management police personnel and the City agree to implement a random, reasonable suspicion and post-accident drug and alcohol testing for all sworn, management police personnel employees. Refer to Administrative Regulation No. 1058 for the actual policy.

ARTICLE 11 - PHYSICAL FITNESS/WELLNESS PROGRAM

Section 11.01 – Physical Fitness/Wellness Program. The City and the POMU agree to institute a mandatory physical fitness program for all POMU personnel. The City agrees to pay the cost of the annual physical fitness screening (physical examination) conducted on each sworn, management police personnel by the City physician. In lieu of the complete physical examination conducted by the City physician, the sworn, management police personnel may be reimbursed the cost for an Electron Beam Tomography body scan or similar procedure up to the maximum paid for a complete physical examination by a City physician. The sworn, management police personnel employee will be required to submit an itemized bill to the Personnel Department prior to the City issuing a reimbursement check to the sworn, management police personnel.

Section 11.02 - Elements of the Physical Fitness/Wellness Program. All sworn, management police personnel may participate in a voluntary physical fitness/wellness program and receive physical fitness pay above their base salary each month as specified in Article 4, Section 4.10 for achievement of specific performance standards as specified in Exhibit 2. The physical fitness/wellness program shall involve the following elements:

A. Performance testing shall be carried out semi-annually, with the process being presided over by a representative from the Personnel Department and the POMU.

B. Performance testing standards shall be calibrated according to the age of the candidates.

C. Performance testing shall be conducted while the sworn, management police employee is on duty; however, workouts in preparation for the testing shall be carried out on off-duty hours.

D. Eligible sworn, management police personnel who have previously met all performance standards and are unable to re-qualify due to an injury or illness shall continue to receive the bonus subject to the determination of the Chief of Police that the person is unable to participate in the performance test. However, said personnel shall be required to submit to a performance test as soon as they are released to full duty.

E. Eligible personnel who fail any or all standards of the performance testing process shall be given the opportunity to retest within thirty (30) days of the failure.
The following grievance procedure is for the purpose of affording sworn, management police personnel a means of obtaining appropriate consideration by supervisory and management personnel of problems within their power to resolve.

**Section 12.01 - Subject Matter and Scope of Grievances.** A grievance may be initiated by any sworn, management police personnel who believes that the application of a policy, practice, rule, or procedure has been incorrect or inappropriate, and has adversely affected his/her employment.

The following subjects are excluded from the scope of the grievance procedure:

A. Matters which have other means of appeal within the City, including disciplinary actions.

B. Matters which are within the exclusive jurisdiction of another agency, and for which a means of appeal is provided.

C. Matters pertaining to clarification of any of the provisions of this Memorandum of Understanding are within the scope of the grievance procedure.

D. Classification content.

**Section 12.02 - Form.** All grievances must be submitted in writing, and must contain the following information:

A. Employee's name, title, department and division.

B. The name of the individual or organization, if any, representing the employee in the grievance procedure.

C. The date the grievance is being submitted.

D. The nature of the grievance, including a statement of the specific rules, regulations, policies, procedures, ordinances, or resolutions, if any, which are alleged to have been violated, the date the alleged violation occurred, and the specific decision or action which constituted the alleged violation.

E. The facts and/or circumstances which gave rise to the grievance.

F. Any available support documentation or other material which is to be considered in conjunction with the grievance.

G. A statement of the remedy which the employee is seeking.

**Section 12.03 - Informal Discussion.** If a sworn, management police employee has a problem relating to a work situation, the sworn, management police employee is encouraged to request a meeting with his/her immediate supervisor to discuss the
Section 12.04 - Formal Grievance Procedure.
A. A sworn, management police employee shall submit a grievance to the Chief of Police within fifteen (15) calendar days of the occurrence giving rise to the grievance, or within fifteen (15) calendar days of the date that the sworn, management police employee became aware of the occurrence giving rise to the grievance. Grievances submitted pursuant to this section shall include a statement of efforts that have been undertaken to resolve the grievance informally.

B. Within fifteen (15) calendar days after receipt of a formal grievance, the Chief of Police shall meet with the sworn, management police employee and/or his/her designated representative. Within fifteen (15) calendar days after meeting with the sworn, management police employee, the Chief of Police shall forward his/her decision in writing to the employee.

C. If, in the opinion of the employee and the Chief of Police, a meeting is not necessary said meeting may be waived by mutual agreement.

D. A grievance that is withdrawn, whether voluntarily or by virtue of failure to submit the grievance within the specified time frame, cannot be re-filed.

Section 12.05 - Appeal to City Manager.
A. Grievances which are not satisfactorily resolved by the Chief of Police, and which meet the conditions set forth below, may be submitted to the City Manager within fifteen (15) calendar days after receipt of the written decision from the Chief of Police.

B. Grievances which meet one or more of the following conditions may be submitted to the City Manager:

1. The grievant alleges an abuse of discretion on the part of the Chief of Police during the grievance process.

2. The remedy sought is not within the authority of the Chief of Police to approve or implement.

C. Grievances submitted to the City Manager shall be accompanied by the following information:

1. Copies of all written responses to the grievance from previous steps in the grievance process.

2. Information indicating how or in what manner the Chief of Police abused his/her discretion, if an abuse of discretion is alleged.

D. Within fifteen (15) calendar days after receipt of the grievance, the City Manager shall schedule a meeting with the sworn, management police employee and/or his/her designated representative. The date, time, and location of the meeting shall be acceptable to both parties, and shall be scheduled so as to accommodate those
E. The City Manager may conduct such activities as are necessary and appropriate to properly resolve the employee's grievance.

F. The City Manager shall submit a written response to the sworn, management police employee within fifteen calendar days after meeting with the sworn, management police employee, or within fifteen (15) calendar days after completing his/her investigation.

Section 12.06 - Extension or Waiver of Time Limits. Any of the time limits contained in this grievance procedure may be extended or waived upon mutual agreement of the City and the employee or his/her representative.

Section 12.07 - Conduct of Grievance Procedure.
A. An employee may be represented by a person of his/her choosing at any step of the grievance procedure.

B. Sworn, management police employees shall be assured freedom from reprisal for utilizing the grievance procedure.

C. Proceedings held pursuant to this grievance procedure shall not be evidentiary hearings. This limitation shall not preclude the grievant from presenting witnesses or other evidentiary matter as part of the proceedings.

Section 12.08 - Interpretation of MOU. Questions regarding the interpretation and/or application of any of the provisions of this Memorandum of Understanding shall be formally raised only by the parties to the MOU, subject to the following conditions:

A. The party raising the question of interpretation/application of the MOU shall notify the other party of the nature of the question within ten (10) working days after the matter is brought to their attention.

B. Both parties shall attempt to resolve the dispute at the supervisory or departmental level, if appropriate. If it is not possible to resolve the matter at the supervisory or departmental level, both parties shall submit a statement of the facts concerning the matter to the City Manager for his/her findings and determination.

Section 12.09 - Appeals of Testing and Selection Procedures.
A. A sworn, management police employee who wishes to appeal a testing or selection procedure, or the results thereof, shall present his/her appeal to the immediate supervisor, who shall forward the appeal through the chain-of-command to the City Manager/Personnel Officer or his/her designated representative. Appeals of testing or selection procedures may not be filed until the testing and selection process is completed, and shall be filed within fifteen (15) calendar days after the certification of the eligible list. All persons who participated in the testing and selection process shall be notified of the date on which the eligible list is certified.

B. Upon receiving an appeal of a testing or selection procedure, or the results thereof,
the City Manager shall investigate, or cause to be investigated, all relevant facts regarding the appeal, and shall make a determination which shall be final. Such an appeal shall not require a hearing.

C. A sworn, management police employee can only appeal a selection/testing procedure if the result would place him/her on the eligible list, or change his/her position on this list. An individual appealing a testing/selection procedure must have been an applicant, or would have been but for the procedure being appealed.

D. If the City Manager makes a determination sustaining the appeal, and such determination results in the invalidation of all or part of the testing and selection procedure, a new recruitment shall be initiated.

ARTICLE 13 - APPEALS OF DISCIPLINARY ACTIONS

Section 13.01 - General Provisions.
A. No regular sworn, management police personnel shall be disciplined unless the person imposing the disciplinary action believes, in good faith, that reasonable cause exists for imposing disciplinary action.

B. Any regular sworn, management police personnel shall have the right to appeal to the Chief of Police any disciplinary action imposed on him or her, subject to the conditions contained in this section.

C. For purposes of this section, "Disciplinary Actions" refer to the following: oral reprimand, written reprimand, suspension (with or without pay), demotion or reduction in pay, or termination.

D. Oral reprimands may be appealed only to the next level within the chain-of-command.

E. At all times prior to and during the imposition and appeal of a disciplinary action, the City shall take whatever steps necessary to ensure compliance with procedural due process requirements. Pre-disciplinary efforts will include at a minimum and where appropriate, notice to the employee of the intent to take disciplinary action, a description of the action proposed to be taken, a statement of reasons on which the action is based, copies of material on which the notice is based, the opportunity to be heard prior to the rendering of a decision and a statement of the right to appeal.

Section 13.02 - Appeal Procedures.
A. Disciplinary action imposed against an employee may be appealed for any of the following reasons:

1. A disagreement or dispute over the facts giving rise to the imposition of disciplinary action.

2. Abuse of discretion by the supervisor imposing discipline, or by a reviewing authority. Abuse of discretion includes, but is not limited to: exceeding or acting without authority, denying a sworn, management police employee procedural due process, or imposing discipline that is not warranted in either type or degree by the
PEACE OFFICERS’ MANAGEMENT UNIT

July 1, 2020 – June 30, 2021

alleged offense.

B. Appeal of a disciplinary action must be filed with the Chief of Police within fifteen (15) calendar days of the date the disciplinary action was imposed.

C. Appeal of a disciplinary action must be in writing, and must include, as a minimum, the following:

1. If the employee is alleging a disagreement over facts, a statement regarding what facts, if any, are in dispute. If there is no dispute over the facts, the appeal should so state.

2. If the sworn, management police employee is alleging abuse of discretion by the supervisor who imposed disciplinary action on him/her, a statement setting forth the manner in which the supervisor imposing the disciplinary action abused his/her discretion. Specifically, the statement must show that the supervisor has exceeded or acted without authority; that the sworn, management police employee was denied procedural due process; or that the disciplinary action imposed was not warranted by the facts of the situation.

3. The remedy being sought by the sworn, management police employee.

D. Upon receiving an appeal of a disciplinary action, the Chief of Police shall first determine whether or not the appeal is timely and whether it complies with Sections 2.C.1, 2, and 3. If not, the appeal shall be denied on the basis of one or more of the following:

1. The appeal was not filed in a timely manner, pursuant to Section 13.02B.

2. The appeal does not allege a dispute over the facts or abuse of discretion.

E. If the appeal is timely and complies with Sections 13.02.C.1, 2, and 3, the Police Chief shall take the necessary steps to determine the merits of the appeal. Included in such steps will be the opportunity for the sworn, management police employee and his/her designated representative to meet with the Chief of Police and to review any evidence which supports the disciplinary action.

F. Within five (5) working days after completing his/her analysis of the appeal, the Chief of Police shall notify the sworn, management police employee in writing of his/her decision and the reasons therefor.

Section 13.03 - Appeal to the City Manager

A. The decision of the Chief of Police may be appealed to the City Manager within fifteen (15) days after the Police Chief's decision is rendered. Upon receiving such an appeal, the City Manager shall proceed in the same manner as outlined in Section 13.02D.

B. If the disciplinary action imposed involves a significant property right, a sworn, management police employee shall be assured the right to a formal hearing, unless
such right is specifically waived by the employee. If the disciplinary action does not involve a significant property right, the City Manager may conduct a formal or informal hearing.

C. Within fifteen (15) calendar days after completing the investigation of the appeal, the City Manager shall notify the employee in writing of his/her decision and the reasons therefor. The decision of the City Manager shall be final, except as provided in Section 2.52.200 of the Fountain Valley Municipal Code.

**ARTICLE 14 - MANAGEMENT RIGHTS**

Except as otherwise specifically provided in this MOU, the City has and retains the sole and exclusive rights and functions of management, including, but not limited to, the following:

A. To determine the merits, necessity, nature or extent of services to be performed, as well as the right to determine and implement its public function and responsibility, and the mission of its constituent departments, commissions, and boards, and to determine budgets and appropriations of funds and to set municipal fees and charges.

B. To manage all facilities and operations of the City, including the methods, means and personnel by which the City's operations are to be conducted.

C. To schedule working hours, allot and assign work.

D. To establish, modify, or change work schedules or standards.

E. To direct the working forces, including the right to hire, promote, demote, or transfer any employee.

F. To determine the location of all plants and facilities.

G. To determine the layout and the machinery, equipment, or materials to be used.

H. To determine processes, techniques, methods and means of all operations, including changes or adjustments of any machinery or equipment.

I. To determine the size and composition of the working force.

J. To determine the policy and procedure affecting the selection or training of new employees.

K. To establish, assess and implement employee performance standards, including, but not limited to, quality and quantity standards; the assessment of employee performances; and the procedures for said assessment.

L. To control and determine the use and location of City's property, material, machinery, and equipment.
M. To schedule the operation of and to determine the number and duration of shifts.

N. To determine measures to promote safety and to protect health and property.

O. To transfer work from one job to another or from one plant or unit to another.

P. To introduce new, improved, or different methods of operations, or to change existing methods.

Q. To relieve employees from duty for lack of work or for other reasons deemed legitimate by management.

R. To reprimand, suspend, discharge, or otherwise discipline employees for cause. The judgment of management shall govern except for an abuse of discretion.

S. To establish and determine job classifications.

T. To contract or subcontract construction, services, maintenance, distribution or any other work with outside public or private entities.

U. To take such other and further action as may be necessary to organize and operate the City in the most efficient and economical manner for the best interest of the public it serves.

ARTICLE 15 - GENERAL PROVISIONS

Section 15.01 - Maintenance of Benefits. It is understood that existing ordinances, resolutions and policies with the City govern matters pertaining to employer-employee relations, including but not limited to, salaries, benefits, hours, and other terms and conditions of employment and the same are not affected by this agreement except as specified herein.

Section 15.02 - Severability. In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable, or is rendered void by virtue of statutory or legislative enactment, that provision of the Memorandum of Understanding shall be null and void, but such nullification shall not affect any other provision of this Memorandum of Understanding, which other provisions shall remain in full force and effect.

Section 15.03 - Integration, Modification and Ratification. Except as expressly provided herein, this memorandum sets forth the entire agreement of the parties with respect to improvements or changes in the wages, hours, benefits and other terms and conditions of employment for the POMU for the term of this agreement. This memorandum may be modified or amended only by written agreement between the parties hereof. This memorandum shall be of no force and effect unless or until duly adopted, ratified, and approved by the City Council of the City of Fountain Valley, or in the alternative, the substantive provisions hereof are adopted by resolution of the City Council.
PEACE OFFICERS' MANAGEMENT UNIT  

If, during the course of negotiations with the Police rank and file (FVPOA), fringe benefits, excluding salary or formula, are changed and the POMU has not specifically negotiated these items, conditions, etc., the City and POMU mutually agree to meet and confer within a reasonable period of time to discuss only those benefits which have been changed.

Section 15.04 - Term. The term of this Memorandum of Understanding shall be for a period beginning February 1, 2017, July 1, 2020, and ending June 30, 2021.
PEACE OFFICERS' MANAGEMENT UNIT
July 1, 2020 – June 30, 2021
IN WITNESS WHEREOF, the parties hereto executed this Memorandum of Understanding on May 16, 2017 - September 1, 2020.

ATTEST:
By ___________________________
Rick Miller, City Clerk

APPROVED AS TO FORM:
By ___________________________
Colin Burns, Attorney for the City

CITY OF FOUNTAIN VALLEY
By ___________________________
Rob Houston, City Manager

By ___________________________
Chelsea Phoebus, HR Director

FOUNTAIN VALLEY PEACE OFFICERS' MANAGEMENT UNIT:
By ___________________________
Anthony Luce

By ___________________________
Steven DeSantis

By ___________________________
Jarrod Frahm

By ___________________________
Khamphong Vang

By ___________________________
Michael Parsons
EXHIBIT 1

ESTABLISHED SALARY RANGES

EFFECTIVE PAYROLL PERIOD INCLUDING

EFFECTIVE THE BEGINNING OF THE PAY PERIOD THAT INCLUDES MAY 20, 2017

<table>
<thead>
<tr>
<th>CLASSIFICATION</th>
<th>STEP 1</th>
<th>STEP 2</th>
<th>STEP 3</th>
<th>STEP 4</th>
<th>STEP 5</th>
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<tbody>
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<td>$9,988</td>
<td>$10,487</td>
<td>$11,011</td>
<td>$11,562</td>
<td>$12,140</td>
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<td>Bi-weekly rate</td>
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<td>$4,840.15</td>
<td>$5,082.00</td>
<td>$5,336.31</td>
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<td>$60.502</td>
<td>$63.528</td>
<td>$66.704</td>
<td>$70.038</td>
</tr>
</tbody>
</table>

| Police Captain          | $11,395| $11,986| $12,563| $13,191| $13,861|
| Bi-weekly rate          | $5,269.23| $5,522.31| $5,798.31| $6,088.15| $6,392.77|
| Hourly Rate             | $66.749| $69.029| $72.479| $76.102| $79.910|

EFFECTIVE THE BEGINNING OF THE PAY PERIOD THAT INCLUDES MAY 20, 2018

<table>
<thead>
<tr>
<th>CLASSIFICATION</th>
<th>STEP 1</th>
<th>STEP 2</th>
<th>STEP 3</th>
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<tr>
<td>Police Lieutenant</td>
<td>$10,288</td>
<td>$10,802</td>
<td>$11,342</td>
<td>$11,909</td>
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</tr>
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<td>$4,985.54</td>
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<tr>
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<td>$62.319</td>
<td>$65.435</td>
<td>$68.706</td>
<td>$72.138</td>
</tr>
</tbody>
</table>

| Police Captain          | $11,738| $12,326| $12,941| $13,588| $14,267|
| Bi-weekly rate          | $5,417.54| $5,688.46| $5,972.77| $6,271.38| $6,584.77|
| Hourly Rate             | $67.719| $71.106| $74.669| $78.392| $82.310|
EFFECTIVE THE BEGINNING OF THE PAY PERIOD THAT INCLUDES JULY 1, 2019

<table>
<thead>
<tr>
<th>CLASSIFICATION</th>
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<th>STEP 5</th>
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<td>$11,126</td>
<td>$11,682</td>
<td>$12,266</td>
<td>$12,879</td>
</tr>
<tr>
<td>Bi-weekly rate</td>
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<td>$5,135.08</td>
<td>$5,391.69</td>
<td>$5,661.23</td>
<td>$5,944.15</td>
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<td>$74.302</td>
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<tr>
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<td>$12,694</td>
<td>$13,329</td>
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<tr>
<td>Bi-weekly rate</td>
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<td>$5,858.77</td>
<td>$6,151.85</td>
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<tr>
<td>Hourly Rate</td>
<td>$69.750</td>
<td>$73.235</td>
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<td>$80.740</td>
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</tr>
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</table>
Section 1 - Performance Testing. For the purposes of physical fitness testing, three (3) areas of physical ability will be evaluated:

A. Cardiovascular fitness
B. Upper Body Strength
C. Flexibility

The tests used in this program to evaluate fitness in these areas shall be:

A. Cardiovascular Fitness
   1. Life cycle test

B. Upper Body Strength
   1. Push-ups
   2. Crunches
   3. Pull-ups

C. Flexibility
   1. Forward Stretch

Section 2 - Cardiovascular Fitness. Cardiovascular endurance is the measurement of the rate at which a person can utilize metabolic reactions requiring oxygen to create energy. Problems such as high blood pressure, heart and pulmonary congestion, obesity, etc., are the major contributors to premature retirement of Police Officers.

Testing for cardiovascular fitness is completed by the use of a lifecycle. The sworn management police personnel employee shall be required to ride the lifecycle for twelve (12) minutes on the basic "Hill Profile Program" at the level specified below for his/her age group.

<table>
<thead>
<tr>
<th>TIER</th>
<th>UNDER 30</th>
<th>30:39</th>
<th>40:49</th>
<th>50+</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Level 0</td>
<td>Level 6</td>
<td>Level 4</td>
<td>Level 3</td>
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<tr>
<td>2</td>
<td>Level 8</td>
<td>Level 8</td>
<td>Level 6</td>
<td>Level 5</td>
</tr>
</tbody>
</table>
Section 3 - Upper Body Strength. Upper body strength contributes to the sworn, management police personnel's ability to control suspects and other physical demands made on him/her in their work environment, while avoiding the possibility of injury. This tool will be administered through the use of push-ups, sit-ups, and pull-ups.

A. Push-ups

The participant shall maintain his/her body in a prone position, supported by straight arms with hands resting on the ground, and with toes resting on the ground. The administrator shall place his/her fist on the ground below the participant's chest. The participant must keep their back straight at all times, and from the up position, lower himself/herself to the floor until his/her chest touches the administrator's hand. Once the participant touches the administrator's hand with his/her chest, the participant shall then push him/herself to the up position; attain, and repeat the process for the required number of times. The participant may rest in the up position.

Sworn, management police personnel shall be required to complete the number of push-ups specified below for his/her age group.

<table>
<thead>
<tr>
<th>TIER</th>
<th>UNDER 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>24</td>
<td>20</td>
<td>16</td>
<td>12</td>
</tr>
<tr>
<td>2</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
</tr>
</tbody>
</table>

B. Crunches

The participant shall begin by lying down on his/her back, knees bent, heels flat on the floor and arms folded across the chest. A partner shall hold the feet down. In the up position, the participant shall touch his/her elbows to his/her knees and then return to the lying position before starting the next crunch. This is a continuous exercise, with no resting. The total minimum number of correct crunches is specified below according to age:

<table>
<thead>
<tr>
<th>TIER</th>
<th>UNDER 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50</td>
<td>40</td>
<td>30</td>
<td>20</td>
</tr>
<tr>
<td>2</td>
<td>62</td>
<td>50</td>
<td>37</td>
<td>25</td>
</tr>
</tbody>
</table>

C. Pull-ups

The participant shall hold the bar with the palms away from the body. Arms shall be extended straight up in a locked position with the feet off the ground. The participant must pull his/her body up to a position where his/her chin is above the bar for one repetition. The total minimum number of correct pull-ups is specified below according to age:
Peace Officers' Management Unit February 1, 2017 - July 1, 2020 – June 30, 2021

<table>
<thead>
<tr>
<th>TIER</th>
<th>UNDER 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>7</td>
<td>6</td>
<td>5</td>
<td>3</td>
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<tr>
<td>2</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>4</td>
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</tbody>
</table>

A pull-down exercise on the Universal Weight Machine with a weight equaling one-half of the participant’s body weight may be substituted by those having difficulty with pull-ups. The participant in the pull-down exercise shall be required to assume a seated or kneeling position and shall pull the bar of the Universal Weight Machine down to either the back of the base of the neck or down to the top of the chest. The total minimum number of correct pull-downs that must be completed according to age shall be the same as the schedule for the minimum number of pull-ups as cited above.

Section 4 - Flexibility. There is a high incidence of lower back disabilities among middle-aged people. In many cases, this is related to reduced flexibility of the hip and back along with reduced elasticity of the hamstrings. It is possible that some cases can be improved by a well-designed program of stretching exercises to increase flexibility.

In addition to a short warm-up prior to the test, it is recommended that the participant refrain from fast or jerky movements which may increase the possibility of an injury.

The participant shall sit on the ground with his/her legs out straight in front of him/her. Shoes should be removed and the heels of the feet are placed flat against a 4" x 4" board. The participant shall slowly reach forward with both hands as far as possible towards his/her toes with his/her hands holding this position momentarily. The participant shall keep the hands parallel and not stretch or lead with one hand. The distance between the fingertips and the toes shall be recorded as plus or minus inches. Plus inches shall be below the toes and negative is above the toes. The Administrator shall ensure that the knees of the participant are kept straight and held in place throughout the test for the participant. The minimum standards for the flexibility test are as follows:

<table>
<thead>
<tr>
<th>AGE</th>
<th>UNDER 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum</td>
<td>-4”</td>
<td>-5”</td>
<td>-6”</td>
<td>-7”</td>
</tr>
</tbody>
</table>
RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOUNTAIN VALLEY RELATING TO THE CLASSIFICATION, COMPENSATION AND TERMS OF EMPLOYMENT OF INDIVIDUALLY REPRESENTED BATTALION CHIEFS.

WHEREAS, representatives of the City of Fountain Valley and Individually Represented Battalion Chiefs have negotiated in good faith to reach an agreement to provide certain classifications of City employees with adjustments to salary and other benefits pursuant to Government Code Section 3500 et seq; and

WHEREAS, said negotiations occurred in 2020 and resulted in a new Memorandum of Understanding between representatives of the City Manager and Battalion Chiefs from August 1, 2020 – July 31, 2021, a copy of which is attached hereto as “Exhibit 1” and be reference made a part hereof, is hereby approved and implemented in accordance with the terms and conditions thereof; and the City Manager is authorized to execute the new Memorandum of Understanding.

WHEREAS, the City desires to provide a 48 hour COVID “Thank you” leave to be used by December 31, 2021 to the Individually Represented Battalion Chiefs; and

NOW, THEREFORE, the City Council of the City of Fountain Valley does hereby resolve as follows:

SECTION 1. The provisions of the new Memorandum of Understanding are memorialized in the Agreement between the City of Fountain Valley and Individually Represented Battalion Chief, a copy of which is attached hereto as Exhibit “1” and is hereby ratified and implemented.
SECTION 2. The City Manager is authorized to execute the Memorandum of Understanding between the City of Fountain Valley and the Individually Represented Battalion Chiefs effective August 1, 2020 through July 31, 2021 which will replace the previous Memorandum of Understanding effective August 1, 2017 through July 31, 2020.

PASSED AND ADOPTED by the City Council of the City of Fountain Valley at a regular meeting on this 1st day of September, 2020.

_____________________
Cheryl Brothers, Mayor

ATTEST:

_____________________
City Clerk

APPROVED AS TC FORM:

_____________________
Colin Burns, Attorney for the City
EXHIBIT 1
MEMORANDUM OF UNDERSTANDING

2017—20202020 - 2021

CITY OF FOUNTAIN VALLEY

AND

INDIVIDUALLY REPRESENTED
PROFESSIONAL/TECHNICAL EMPLOYEE
BATTALION CHIEFS

This Memorandum of Understanding sets forth the terms of agreement reached between the City of Fountain Valley and the Individually Represented Professional/Technical Employee Battalion Chiefs for the period beginning August 1, 2017 through July 31, 2021. Unless otherwise indicated herein, all provisions shall become effective August 1, 2017.
Individually Represented Battalion Chiefs
August 1, 2020 – July 31, 2021

<table>
<thead>
<tr>
<th>ARTICLE 1</th>
<th>PREAMBLE</th>
<th>PAGE NO</th>
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<tbody>
<tr>
<td>ARTICLE 2</td>
<td>RECOGNITION</td>
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<tr>
<td>ARTICLE 3</td>
<td>REPRESENTED CLASSIFICATION</td>
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<td>ARTICLE 3</td>
<td>PROBATIONARY PERIOD</td>
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<tr>
<td>Section 3.01</td>
<td>New Hires</td>
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<tr>
<td>Section 3.02</td>
<td>Promotion</td>
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<td>COMPENSATION</td>
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<tr>
<td>Section 4.01</td>
<td>Compensation</td>
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<td>Section 4.02</td>
<td>Fire Operations/Training Division Chief Compensation</td>
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<tr>
<td>Section 4.03</td>
<td>Educational Incentive Pay (Chief Officer Certification)</td>
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<td>Section 4.04</td>
<td>Educational Incentive Pay (Chief Officer Management)</td>
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<td>Section 4.05</td>
<td>Educational Incentive Pay (Strike Team Leader Certification)</td>
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<td>Management Performance Program</td>
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<td>Section 4.09</td>
<td>Fair Labor Standards Act Exemption</td>
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<td>Section 4.10</td>
<td>Suppression Overtime</td>
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<td>Section 4.11</td>
<td>Non-Suppression Overtime</td>
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<tr>
<td>Section 4.12</td>
<td>Non-FLSA Overtime</td>
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<td>Section 4.13</td>
<td>Compensation to the Fire Operations/Training Division Chief when assigned to Work as the Suppression Battalion Chief</td>
<td>9</td>
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<td>ARTICLE 5</td>
<td>UNIFORMS AND SAFETY BOOTS</td>
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<tr>
<td>Section 5.01</td>
<td>Uniforms</td>
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<td>ARTICLE 6</td>
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**S729250.1; FO030-012 S729250-1; FO030-012**
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Individually Represented Battalion Chiefs
August 1, 2020 – July 31, 2021

MEMORANDUM OF UNDERSTANDING
BETWEEN REPRESENTATIVES OF THE CITY MANAGER
OF THE CITY OF FOUNTAIN VALLEY
AND
THE INDIVIDUALLY REPRESENTED PROFESSIONAL/TECHNICAL-EMPLOYEE
BATTALION CHIEFS

(2020-2021)

PREAMBLE

Representatives of the City Manager of the City of Fountain Valley and the Individually Represented Professional/Technical employee - Battalion Chiefs (hereinafter referred to as Individually Represented Battalion Chiefs) having requested individual representation by letter pursuant to Resolution 9379 and having met on a number of occasions and having conferred in good faith, exchanging a number of proposals concerning wages, hours, fringe benefits, and other terms and conditions of employment.

The representatives of the City Manager and the Individually Represented Battalion Chief have reached an understanding as to certain recommendations to be made to the City Council of the City of Fountain Valley and have agreed that the parties hereto will jointly urge the City 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 herein.

Having met and conferred in good faith, representatives of the City Manager of the City of Fountain Valley and the Individually Represented Battalion Chiefs agree as follows:

ARTICLE 1 - RECOGNITION

Battalion Chief is individually represented on wages, hours, fringe benefits, and other terms and conditions of employment.

Recognition shall mean acknowledgment by the City that an employee organization is the exclusive representative of all employees in an appropriate unit except employees in such bargaining units who have elected to represent themselves. The City has received written correspondence indicating that the designated employee has requested individual representation.

ARTICLE 2 - REPRESENTED CLASSIFICATION

The classification of Battalion Chief is represented.

ARTICLE 3 – PROBATIONARY PERIOD
Section 3.01 – New Hires. New employees hired from outside current City employment after August 1, 2007, shall be subject to an eighteen (18) month probationary period. If the new Individually Represented Battalion Chief is off work for reason other than approved vacation or sick leave for more than thirty (30) calendar days, the Individually Represented Battalion Chief’s probationary period will be extended by the period the Individually Represented Battalion Chief is off work. The Individually Represented Battalion Chief shall be eligible for a merit increase as specified in Section 4.08.

Section 3.02 – Promotion. Employees who are promoted to the classification of Battalion Chief effective August 1, 2007 and thereafter shall be subject to a twelve (12) month probationary period. If the Individually Represented Battalion Chief is off work for reason other than approved vacation or sick leave for more than thirty (30) calendar days, the Individually Represented Battalion Chief’s probationary period will be extended by the period the Individually Represented Battalion Chief is off work. The Individually Represented Battalion Chief shall be eligible for a merit increase as specified in Section 4.08.

ARTICLE 4 - COMPENSATION

Section 4.01 – Compensation. The schedule of base salary rates is contained in Exhibit 2. The schedule of base salary rates reflects the following adjustment to base salary for sworn, non-management fire employees:

<table>
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<tr>
<th>Effective Date of Salary Adjustment</th>
<th>Percent Increase to Base Salary</th>
</tr>
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<tbody>
<tr>
<td>Beginning of the first payroll period in August 2017</td>
<td>4%</td>
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<tr>
<td>Beginning of the first payroll period in August 2018</td>
<td>3.5%</td>
</tr>
<tr>
<td>Beginning of the first payroll period in August 2019</td>
<td>3%</td>
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Individually Represented Battalion Chiefs forgo any increases for the duration of this contract.

Section 4.02 – Fire Operations/Training Division Chief Compensation. While the Individually Represented Battalion Chief is assigned to Fire Operations/Training Division Chief, he/she shall receive a salary differential of 12.5% above his/her base rate of pay.

Section 4.03 – Educational Incentive Pay (Chief Officer Certification). Defined as compensation to employees for completing educational courses, certificates and degrees which enhance their ability to do their job. Designated by CCR 571 (a) as educational pay. Individually Represented Battalion Chiefs possessing a Chief Officer Certification by the State of California shall receive educational incentive pay (Chief Officer Certification) in the amount of $545.00 per month.

(Revised 8/20/10, 8/9/08, 8/11/07, 8/8/98, 2/17/97, 2/1/96, 8/1/95, 2/1/95, 8/1/94, 8/1/93)
Section 4.04 - Educational Incentive Pay (Chief Officer Management). Defined as compensation to employees for completing educational courses, certificates and degrees which enhance their ability to do their job. Designated by CCR 571 (a) as educational pay. Individually Represented Battalion Chiefs possessing a Chief Officer Certificate from the State of California who have earned a minimum of 90 semester units at an accredited college or university and have served as a Battalion Chief for the City of Fountain Valley for two (2) years or more shall be eligible for $100.00 per month educational incentive pay (Chief Officer Management Certification). The Individually Represented Battalion Chief must submit a college or university transcript showing completion of a minimum of ninety (90) semester units. Chief Officer Management Pay is in addition to Chief Officer Certification Pay.
(Effective 8/1/07)

Section 4.05 - Educational Incentive Pay (Strike Team Leader Certification). Defined as compensation to employees for completing educational courses, certificates and degrees which enhance their ability to do their job. Designated by CCR 571 (a) as educational pay. Individually Represented Battalion Chiefs completing all required courses for Strike Team Leader (Engine) Certification from the State of California shall receive educational incentive pay (Strike Team Leader Certification) in the amount of $95.00 per month.

A Battalion Chief who has met all of the course requirements for Strike Team Leader (Engine) Certification from the State of California may receive educational incentive pay (Strike Team Leader Certification) in the amount of $95.00 per month.

A Battalion Chief who is deployed as part of a strike team, and who serve on that strike team for more than 24 hours, will be eligible for a rest period of up to 12 hours beginning upon release from deployment duty. Any regularly scheduled work hours falling within 12 hours of the employee’s return from deployment will be paid by the City. Once the 12 hours of rest have passed, the employee would resume their regular work schedule. If the employee is not scheduled to work within 12 hours of returning from deployment, there would be no amount paid to the employee.
(Revised 8/20/10, 8/9/08, 8/1/07, 8/1/2020)

Section 4.06 - Hazard Premium (Exposure). Defined as compensation to employees who are routinely and consistently exposed to toxic, radioactive, explosive or other hazardous substances or perform hazardous activities to implement health or safety procedures. Designated by CCR 571 (a) as premium pay. Individually Represented Battalion Chiefs shall receive hazard premium in the amount of $150.00 per month in addition to their base rate of pay.
(Revised 2/17/97, 2/16/93)
Individually Represented Battalion Chiefs
August 1, 2017 – July 31, 2020

Section 4.07 – Physical Fitness Program Pay (Wellness). Defined as compensation to local safety members who meet an established physical criterion. Designated by CCR 571 (a) as incentive pay. The Individually Represented Battalion Chief may participate in a voluntary physical fitness/wellness program. Individually Represented Battalion Chiefs successfully passing the semi-annual performance standards shall receive physical fitness program pay (wellness) in the amount of $50.00 per month for Tier 1. If qualified for Tier 2, the Individually Represented Battalion Chief shall receive physical fitness program pay (wellness) in the amount of $105.00 per month. The employee may elect to use whatever portion of this pay as may be necessary to satisfy his/her full obligation to pay health insurance premiums.

(Revised 8/20/10, 8/8/08, 8/11/07)

Section 4.08 – Management Performance Program.

A. Individually Represented Battalion Chiefs shall submit a memo to their supervisor detailing his/her accomplishments during the rating period within twenty-one (21) days prior to the employee's anniversary date.

B. Supervisors and/or the Fire Chief complete the Management Performance Evaluation form prior to the employee's anniversary date.

C. The City Manager reviews each Management Performance Evaluation.

Eligibility for Merit Increase. Individually Represented Battalion Chiefs must receive an overall performance evaluation rating of "Meets Expectations" or "Exceeds Expectations" to be eligible for a merit increase to the next step within the salary range. An overall performance evaluation rating of "Needs Improvement" will not result in a merit increase. If an Individually Represented Battalion Chief receives a "Needs Improvement" rating and, therefore, is not approved for a merit increase, the Individually Represented Battalion Chief may be reconsidered for such merit increase at any subsequent time.

Current Employee Merit Increase. Employees who are promoted to Battalion Chief shall be eligible for a merit increase upon completion of twelve (12) months of continuous City service and successful completion of probation subject to Section 3.02. Thereafter, Individually Represented Battalion Chiefs shall be eligible for a merit increase effective with completion of twenty-four (24) months, thirty (30) months then forty-two (42) months assuming the Individually Represented Battalion Chief starts at Step 1. In no case, will an Individually Represented Battalion Chief be paid more than Step 5 of the salary range for his/her classification.

New Hire Merit Increase. Individually Represented Battalion Chiefs hired from outside current City employment after August 1, 2007, shall be eligible for a merit increase upon completion of eighteen (18) months of continuous City service and successful completion of probation subject to Section 3.01 of this Memorandum of Understanding. Thereafter, Individually Represented Battalion Chiefs shall be eligible for a merit increase effective
Individually Represented Battalion Chiefs
August 1, 2017 – July 31, 2020

with completion of thirty (30) months, thirty-six (36) months then forty-eight (48) months of employment assuming the Individually Represented Battalion Chief starts at Step 1. In no case, will an Individually Represented Battalion Chief be paid more than Step 5 of the salary range for his/her classification.

Section 4.09 – Fair Labor Standards Act Exemption. Pursuant to Section 13(a)(1) of the Fair Labor Standards Act, the City hereby determines that the Individually Represented Battalion Chief is exempt from both the minimum wage and overtime provisions of the Fair Labor Standards Act.

Notwithstanding the provisions of Section 4.09, the Individually Represented Battalion Chief assigned to suppression shall be eligible for non-Fair Labor Standards Act/Memorandum of Understanding overtime under the conditions noted below.

Section 4.10 – Suppression Overtime. The Individually Represented Battalion Chief shall be paid at the rate of one and one-half times their regular hourly rate for all suppression hours worked in excess of one hundred twelve (112) hours in a fourteen-day (14) work period.

Section 4.11 – Non-Suppression Overtime. The Individually Represented Battalion Chief shall be paid at the regular hourly rate (straight time) for all non-suppression hours worked in excess of one hundred twelve (112) hours in a fourteen-day (14) work period. Non-suppression work shall include attendance at meetings, work as a Fire Investigator, work on pre-employment background investigations, etc.

Section 4.12 – Non-FLSA Overtime. For purposes of determining eligibility for non-Fair Labor Standards Act/Memorandum of Understanding overtime pay, absences (i.e., sick leave, etc.), whether compensated or uncompensated, shall not be counted as hours worked, for the purposes of determining eligibility for non-Fair Labor Standards Act/Memorandum of Understanding overtime pay. Only vacation hours will be counted as hours worked for determining eligibility for non-Fair Labor Standards Act/Memorandum of Understanding overtime pay.

Section 4.13 – Compensation to the Fire Operations/Training Division Chief when Assigned to Work as the Suppression Battalion Chief. On those occasions when the Fire Operations/Training Division Chief is assigned to work as the on-duty suppression Battalion Chief, on the Fire Operations/Training Division Chief’s regularly scheduled day off, for those suppression hours only the Fire Operations/Training Division Chief will be paid at one and one-half times the base hourly rate of a fifty-six (56) hour Battalion Chief at the Fire Operations/Training Division Chief’s current salary step.

ARTICLE 5 - UNIFORMS AND SAFETY BOOTS

Section 5.01 – Uniforms. The Individually Represented Battalion Chief shall be required to purchase, maintain, and wear uniforms as specified by the Fire Chief. The City will
provide, at no cost to the employee, all turnout and safety clothing and equipment not specified in Exhibit 3.

Section 5.02 – Uniform Allowance. Defined as compensation paid for the purchase and/or maintenance of required clothing, including clothing made from specially designed protective fabrics, which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain. Designated by CCR 571 (a) as statutory items. The City shall provide the Individually Represented Battalion Chief with a uniform allowance to be issued the beginning of the second payroll period in January of each year in the amount of $600.00 per year.

(Revised 1/10/09, 1/12/08)

Upon promotion to Battalion Chief, the City will provide the specified annual uniform allowance and will reimburse the Individually Represented Battalion Chief for City uniforms purchased up to a maximum of $1,500 (for annual uniform allowance and reimbursement) as long as the employee provides a receipt documenting the expenditure for these uniforms. This is a one-time reimbursement.

If, during the term of the agreement, the Fire Chief requires sworn management Fire personnel to purchase, maintain, and wear uniforms that are substantially more costly than the standard uniform, which was required at the time this agreement was signed, the City and Individually Represented Battalion Chief mutually agree to meet and confer within a reasonable period of time to discuss only the issue of uniform allowance.

Section 5.03 – Uniforms Damaged in the Line of Duty. Upon submission of proper documentation by the Department that an employee’s uniform has been damaged in the line of duty, the City shall, at its discretion, pay for the cost of repair or replacement of the uniform, unless it is determined that such damage was the result of negligence on the part of the employee. "Damaged in the line of duty" shall not include normal wear and tear.

Section 5.04 – Safety Boots. The City shall provide a voucher for one (1) pair of OSHA-approved safety boots for each Individually Represented Battalion Chief at the time of employment and when the Fire Chief certifies that their boots are no longer serviceable. The voucher shall be in the amount of the least expensive pair of OSHA-approved safety boots, plus applicable tax, available at a vendor designated by the City.

ARTICLE 6 – RETIREMENT

Section 6.01 – CalPERS Retirement System: Employees are members of the California Public Employees’ Retirement System (hereinafter referred to as CalPERS) and are subject to all applicable provisions of the City’s contract with CalPERS for the miscellaneous employees.
Individually Represented Battalion Chiefs -
August 1, 2012 – July 31, 2013

Section 6.02 – Employees Hired July 31, 2011 and Earlier: Employees whose hire date as a full-time employee is July 31, 2011 or earlier will be covered under the 3% at 50 formula with the benefits specified below.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
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<tbody>
<tr>
<td>3% at 50</td>
<td>21362.2</td>
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<tr>
<td>Single Highest Year</td>
<td>20042</td>
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<td>Service Credit for Unused Sick Leave</td>
<td>20065</td>
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<tr>
<td>2% Cost-of-Living</td>
<td>21329</td>
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<td>Prior Service Credit</td>
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<td>Post-Retirement Survivor Allowance</td>
<td>21624, 21626, and 21635</td>
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<td>Retired Death Benefits</td>
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<td>Pre-Retirement Option 2W Death Benefits</td>
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<tr>
<td>Military Service</td>
<td>20996</td>
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<tr>
<td>Military Service Credit</td>
<td>21024</td>
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<td>Military Service Credit for Retirees</td>
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<td>Peace Corps Service Credit</td>
<td>21023.5</td>
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<tr>
<td>Public Service Layoff Service Credit</td>
<td>21022</td>
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<tr>
<td>Member Cost Sharing (This provision was eliminated and deleted from the CalPERS contract effective March 31, 2012)</td>
<td>20516</td>
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<tr>
<td>Public Service Credit for Service Rendered to a Nonprofit Corporation</td>
<td>21026</td>
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<tr>
<td>Local System Service Credit Included in Basic Death Benefit</td>
<td>21536</td>
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<tr>
<td>Cancellation of Payments for Service Credit</td>
<td>21037</td>
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<tr>
<td>Purchase Upon Industrial Disability Retirement</td>
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</tbody>
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9% Employee Contribution. Employees agree to share the cost of retirement contribution on a pre-tax basis by paying the full 9% employee contribution. It is the intent of the parties to accommodate employees’ desire that said sums be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the employees, the City shall not be responsible therefore and the City has made no representation regarding such tax treatment and employees shall seek such advice from their personal tax advisors regarding such matters.

City Contribution: The City agrees to pay the employer contribution to CalPERS.

Section 6.03 – Employees Hired August 2, 2011 Through December 31, 2012: Employees whose hire date as a full-time employee is August 1, 2011 through December 31, 2012 will be covered under the 2% at 50 formula with the benefit specified below.

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<tr>
<td>2% at 50</td>
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<td>Three year final compensation</td>
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<td>Different levels of benefits</td>
<td>20475</td>
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<td>Pre-retirement Optional Settlement 2 Death Benefit</td>
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<td>Public Service for Peace Corps or America Corps: VISTA Service</td>
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<td>Military Service Credit as Public Service</td>
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<tr>
<td>Public Service Credit for Service Rendered to a Nonprofit Corporation</td>
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<td>Military Service Credit for Retired Persons</td>
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<td>Local System Service Credit: included in Basic Death Benefit</td>
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<td>Cancellation of Payments for Service Credit Purchase Upon</td>
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</tbody>
</table>

9% Employee Contribution. Employees agree to share the cost of retirement contribution on a pre-tax basis by paying the full 9% employee contribution. It is the intent of the parties to accommodate employees' desire that said sums be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the employee, the City shall not be responsible therefore and the City has made no representation regarding such tax treatment and employees shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

Section 6.04 California Employees' Pension Reform Act of 2013. Assembly Bill No. 340 (2012) established the California Public Employees' Pension Reform Act of 2013 (hereinafter referred to as PEPTA). The City is required to comply with the provisions of PEPTA.

Section 6.05 New Members and New Employees Under PEPTA:

New Members Defined by PEPTA. New Members are defined by PEPTA as an employee who:

A. Was brought into CalPERS membership for the first time on or after January 1, 2013 and who has no prior membership in any California public retirement system; or
Individually Represented Battalion Chiefs
August 1, 2014 – July 31, 2010

B. Was brought into CalPERS membership for the first time on or after January 1, 2013, and who is not eligible for reciprocity with another public retirement system; or

C. First established CalPERS membership prior to January 1, 2013 and who is rehired by a different CalPERS employer after a break in service of greater than six (6) months.

New Members will be covered under the 2.7% at 57 formula with the benefits specified below.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>$500 Retired Death Benefit 2.7% at 57</td>
<td>Section 215207522-20 (b)</td>
</tr>
<tr>
<td>2% Annual Cost-of-Living Allowance Increase Three-Highest Years Average Compensation</td>
<td>Section 213207522-32</td>
</tr>
<tr>
<td>2.7% @ 57 Formula for Safety Members</td>
<td>Section 7522.25(d)</td>
</tr>
<tr>
<td>Additional Service Credit 2 Years - Local Member</td>
<td>Section 20903</td>
</tr>
<tr>
<td>Final Compensation 3 Years</td>
<td>Section 20903</td>
</tr>
<tr>
<td>Military Service Credit as Public Service</td>
<td>Section 21024</td>
</tr>
<tr>
<td>Military Service Credit for Retired Persons</td>
<td>Section 21027</td>
</tr>
<tr>
<td>Pre-Retirement Death Benefits to Continue After Remarriage of Survivor</td>
<td>Section 21551</td>
</tr>
<tr>
<td>Pre-Retirement Option 2W Death Benefit</td>
<td>Section 21548</td>
</tr>
<tr>
<td>Prior Service</td>
<td>Section 20955</td>
</tr>
<tr>
<td>Public Service Credit for Peace Corps, AmeriCorps VISTA, or AmeriCorps Service</td>
<td>Section 21023.5</td>
</tr>
<tr>
<td>Public Service Credit for Periods of Layoff</td>
<td>Section 21022</td>
</tr>
<tr>
<td>Unused Sick Leave Credit - Local Member</td>
<td>Section 20965</td>
</tr>
</tbody>
</table>

Employee Contribution. PEPRA (Government Code Section 7522.30) states "Equal sharing of normal costs between public employers and public employees shall be the standard." The standard shall be that employees pay at least 50% of normal costs and that employers not pay any of the required employee contribution.

The "normal cost rate" shall mean the annual actuarially determined normal cost for the defined benefit plan of an employer expressed as a percentage of payroll.

New Members shall pay 50% of the normal cost adjusted annually in accordance with the CalPERS actuarial valuation for the City of Fountain Valley 2.7% at 57 plan. Any change to the New Member and New Employee contribution rate will become effective the first payroll period including July 1 of the appropriate year.

Upon receipt of the annual actuarial valuation from CalPERS for the 2.7% at 57 plan, the Personnel Department will forward a copy to the Association specifying the New Member contribution rate for the upcoming period. This process shall serve as the meet and confer process for any increase in the employee contribution rate. The Association may request to meet with the City if the New Member and New Employee contribution rate increases...
but the parties understand and agree that the New Members will be required to pay 50% of the normal cost beginning on the date specified in this Section regardless of whether the parties have concluded the meet and confer process.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

Section 6.06 Classic/Legacy Employees Under the California Employees' Pension Reform Act of 2013: An individual hired on or after January 1, 2013 who was employed by any public employer before January 1, 2013 and who does not meet the definition of "New Member" under the PEPRA will be designated as a Classic/Legacy Employee. Classic/Legacy Employees are defined as those individuals who are:

A. Working for an employer providing CalPERS retirement benefits who begins employment with the City of Fountain Valley without a break in service or a break in service of less than six (6) months; or

B. Current member of a public retirement system or plan with reciprocity with CalPERS. Classic/Legacy members will be covered under the 2% at 50 formula with the benefits specified below.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>2% at 50</td>
<td>21352</td>
</tr>
<tr>
<td>Three-year final compensation</td>
<td>20037</td>
</tr>
<tr>
<td>Different levels of benefits</td>
<td>20475</td>
</tr>
<tr>
<td>Pre-retirement Optional Settlement 2 Death Benefit</td>
<td>21548</td>
</tr>
<tr>
<td>Credit for Unused Sick Leave</td>
<td>20965</td>
</tr>
<tr>
<td>Public Service Credit for Period of Layoff</td>
<td>21022</td>
</tr>
<tr>
<td>Public Service for Peace Corps or America Corps: VISTA Service</td>
<td>21023.5</td>
</tr>
<tr>
<td>Military Service Credit as Public Service</td>
<td>21024</td>
</tr>
<tr>
<td>Public Service Credit for Service Rendered to a Nonprofit Corporation</td>
<td>21026</td>
</tr>
<tr>
<td>Military Service Credit for Retired Persons</td>
<td>21027</td>
</tr>
<tr>
<td>Local System Service Credit Included in Basic Death Benefit</td>
<td>21536</td>
</tr>
<tr>
<td>Cancellation of Payments for Service Credit Purchase Upon Industrial Disability Retirement</td>
<td>21037</td>
</tr>
</tbody>
</table>

9% Employee Contribution. Employees agree to share the cost of retirement contribution on a pre-tax basis by paying the full 9% employee contribution. It is the intent of the parties to accommodate employees' desire that said sums be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any
adverse tax treatment for the employees, the City shall not be responsible therefore and
the City has made no representation regarding such tax treatment and employees shall
seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

Section 6.07 - Compensation Reportable to CalPERS.

Employees Hired on or Before December 31, 2012.
For purposes of calculating retirement benefits, the City will report to the California Public
Employees' Retirement System all regular compensation and special compensation
(uniform allowance).

Employees Hired January 1, 2013 and Later. For purposes of calculating retirement
benefits, the City will report to the California Public Employees' Retirement System all
regular compensation. In accordance with PEPRA, for employees hired beginning
January 1, 2013 and later, special compensation (uniform allowance) is not pensionable
compensation and therefore may not be reported to CalPERS as pensionable
compensation. PEPRA, amendments to PEPRA and CalPERS law will define those
special pays which may be reportable as pensionable compensation.

Section 6.08 - Social Security/Medicare. If during the term of this agreement the City
is required to enroll current employees in Social Security and/or Medicare, the City and
the Individually Represented Battalion Chief agree to meet solely on this issue.

ARTICLE 7 - HEALTH AND OTHER INSURANCE FOR EMPLOYEES

Section 7.01 - Group Medical and Dental Insurance for Employees Hired
July 31, 2011 and Earlier. The City contracts with the California Public Employees'
Retirement System's Public Employees' Medical and Hospital Care Act (PEMHCA) for
medical insurance for City employees. The payment of premiums towards group
medical/dental/life insurance will be through the administration of a flexible benefit
package.

The City shall pay the CalPERS statutory minimum employer contribution specified in
Section 22892 of the Public Employees' Medical and Hospital Care Act. In addition to the
CalPERS statutory minimum employer contribution, the City shall make contributions to
a flexible benefits plan as noted herein.

Employees Defined.

Tier 1 Employees are defined as those individuals employed in a full-time position with
the City of Fountain Valley beginning July 31, 2011 and earlier.

Tier 1 Employees' City Contribution. The City contribution for Tier 1 employees is as
follows:
Individually Represented Battalion Chiefs:
August 1, 2017 – July 31, 2018

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
<th>Longevity Health Stipend</th>
<th>Total Flex Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$623.64</td>
<td>$1,082.75</td>
<td>$1,706.39</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1,110.61</td>
<td>$595.78</td>
<td>$1,706.39</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,428.76</td>
<td>$277.63</td>
<td>$1,706.39</td>
</tr>
</tbody>
</table>

The amount identified as flex dollars is inclusive of the CalPERS statutory minimum. For example, for 2015, employees electing Employee Only coverage shall receive $623.64 - $122.00 for the CalPERS statutory minimum and an additional $501.64 in flex dollars.

Individually Represented Battalion Chiefs who elect not to be covered under the medical plan provided through the carrier's plan shall receive the equivalent of the CalPERS statutory minimum as cash wages. However, the employee will be required to pay for dental and life insurance premiums, both of which are mandatory out of the waiver of premium contribution (CalPERS statutory minimum).

Separation then Return to City Service. If an employee separates employment and later returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the hire date for the employee and he/she will be considered a Tier 2 employee and only eligible for Tier 2 benefits.

Section 7.02 – Group Medical and Dental Insurance for Employees Hired August 1, 2011 and Later.

Tier 2 Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 1, 2011 and later.

Tier 2 City Contribution. The City contribution for Tier 2 employees is as follows:

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$623.64</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1,110.61</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,428.76</td>
</tr>
</tbody>
</table>

Effective the beginning of the pay period following City Council approval of the MOU, the City contribution for Tier 2 employees is as follows:

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$674</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1,161</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,479</td>
</tr>
</tbody>
</table>
Individually Represented Battalion Chiefs
August 1, 2017 – July 31, 2018

Effective the first pay period in July 2018, the City contribution for Tier 2 employees is as follows:

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$724</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1,211</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,629</td>
</tr>
</tbody>
</table>

Effective the first pay period in July 2019, the City contribution for Tier 2 employees is as follows:

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$774</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1,261</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,579</td>
</tr>
</tbody>
</table>

Tier 2 employees do not qualify for the longevity health stipend.

An Individually Represented Battalion Chief who elects not to be covered under the medical plan provided through the cafeteria plan shall receive the equivalent of the CalPERS statutory minimum as cash wages. However, the employee will be required to pay for dental and life insurance premiums, both of which are mandatory, out of the waiver of premium contribution (CalPERS statutory minimum).

Section 7.03 – Cafeteria Plan. The provisions of the Cafeteria Plan are described below.

Benefits Provided Through the Cafeteria Plan. Effective January 1, 2011, the insurance benefits provided for in this article will be provided through the provision of a cafeteria plan adopted in accordance with the provisions of Internal Revenue Code § 125: medical and dental. These provisions will supersede the previous Memorandum of Understanding provisions.

Effective January 1, 2011, each month the City will contribute to the cafeteria plan flex dollars for current employees and new hires as specified in Sections 7.01 and 7.02. In addition, the City will contribute a longevity stipend for Tier 1 employees as specified in Section 7.01. The City's flex dollar contribution includes the CalPERS statutory minimum paid by the City.

Prior to January 1, 2011, dependent dental premiums were fully employee paid. However, due to the provisions of the cafeteria plan, dependent dental premiums are to be deducted from the flex dollars. Upon retirement, retirees are not covered by a cafeteria plan; therefore, dependent dental premiums will be fully retiree paid, if coverage is elected. Nothing in these provisions require City contributions towards dependent dental premiums.
The Purchase of Optional Benefits Through the Cafeteria Plan. The cafeteria plan offers Individually Represented Battalion Chiefs the opportunity to purchase optional medical insurance, vision insurance (as of 1/1/18), and AFlAC insurance. Eligible employees may select from any of the medical insurance plans offered by CalPERS. If CalPERS changes any of the medical insurance plans by either adding or deleting the plan options, employees will be limited to those plan options offered by CalPERS.

Individually Represented Battalion Chiefs may also elect any of the optional AFlAC insurance options the City offers to employees at the employee’s sole cost.

Dental and life insurance are not optional benefits and such premiums will be deducted from each employee’s cafeteria plan flex dollars or waiver of premium contribution.

Employee Contributions for Benefit Options. If an Individually Represented Battalion Chief chooses optional benefits whose aggregate cost exceeds the total flex dollar City contribution to the cafeteria plan, the City will automatically deduct the excess amount on a pre-tax basis, if applicable, from the employee’s bi-weekly payroll.

The Receipt of Cash Through the Cafeteria Plan. Individually Represented Battalion Chiefs will be eligible to receive cash (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving medical insurance or if they choose optional benefits that do not cost as much as the flex dollars provided by the City towards the cafeteria plan. Any such employee shall be eligible to receive in cash up to a maximum of $350 per month for employees who are on a fixed medical coverage or if medical coverage is declined, up to the CalPERS statutory minimum minus dental, life and vision insurance premiums.

Individually represented Battalion Chiefs who are receiving cash through the cafeteria plan in excess of $350 as of September 1, 2017 are grandfathered (per a side letter of agreement) to continue to receive cash in excess of $350 per month until they are no longer a Fire Battalion Chief / Division Chief or the receipt of cash falls below $350.

In order to opt out of the City’s medical coverage, employees will be required to maintain and provide proof of group health plan coverage through an alternative source and the alternative group health plan coverage must meet the Affordable Care Act’s requirements regarding affordability and minimum value.

Section 7.04 – Term Life Insurance. The amount of term life insurance for each Individually Represented Battalion Chief shall be equivalent to the employee’s annual salary, rounded upward to the nearest thousand dollar increment, with a maximum policy amount of $350,000 per employee.

Section 7.05 – Long-Term Disability Insurance. The City shall maintain and pay full premium for a long-term disability insurance policy for all Individually Represented Battalion Chiefs. The purpose of long-term disability insurance is to ensure that the Individually Represented Battalion Chiefs will have a source of income if they are disabled from performing their regular duties for a period longer than sixty (60) calendar days.
Eligibility. An employee's eligibility for long-term disability benefits depends on whether or not the employee's disability is industrial or non-industrial in nature. If the disability is industrially related, the employee's eligibility for long-term disability benefits begins on the sixty-first (61st) calendar day of continuous absence from work. If the employee's disability is not industrially related, the employee's eligibility begins either on the sixty-first (61st) calendar day of the employee's absence from work or upon expiration of the employee's sick leave, whichever period is longer.

In addition, the eligible employee must meet the insurance carrier's definition of disability prior to eligibility to receive benefits.

Benefits. An employee who is eligible to receive long-term disability benefits will receive 66-2/3% of the first $2,250 of the employee's monthly salary as of the date the employee's disability began, less any deductible benefits, as provided for in the long-term disability policy.

An employee who is receiving long-term disability benefits is considered to be in an off-payroll status and will not accrue benefits during the time that he/she is in such status. In addition, employees who are in an off-payroll status while receiving long-term disability benefits are responsible for maintaining group medical insurance coverage and for paying the premiums therefore.

The City reserves the right to self-insure any or all Long-Term Disability benefits, provided that there shall be no change to existing eligibility requirements or coverage unless mutually agreed to in writing by both the City and the Individually Represented Battalion Chief.

Section 7.06 – Flexible Spending Program

The City shall provide a voluntary Flexible Spending Plan (Section 125 Plan under the Internal Revenue Code) to Individually Represented Battalion Chiefs. Enrollment in the plan allows employees to pay for out-of-pocket Health Care and Dependent Care costs with pre-tax dollars. Flexible Spending Account limits will be followed by the City as set each year by the Internal Revenue Service (IRS).

At enrollment and annually thereafter, participants must designate the Flexible Spending Account election amount for the remainder of the year for new hires and for the next year for current employees. The annual amount is deducted from the employee's paycheck in equal installments, on a pre-tax basis, and credited to the employee's Flexible Spending Account. Reimbursement will be paid directly by a third party administrator.

Federal law prohibits any change in a Flexible Spending Account during the calendar year unless the employee or his/her dependent(s) have a qualifying "life event." A qualifying "life event" is marriage, divorce or legal separation, birth or adoption of a dependent, death of a dependent, or a change in the employee or employee's spouse's employment status.
Individually Represented Battalion Chiefs:  
August 1, 2017 to July 31, 2020

The change in the Flexible Spending Account must be due to and consistent with the "life event" which permits the change.

An annual open enrollment period will be provided for the upcoming year's program. Administrative Officers must affirmatively enroll in the Flexible Spending Account for each year. There is no automatic renewal.

When estimating annual expenses, Individually Represented Battalion Chiefs are cautioned to only consider those expenses he/she is reasonably certain he/she will incur. Any amount left in a Flexible Spending Account at the end of the year is forfeited.

Deductions for Flexible Spending Accounts shall not reduce earnable compensation for purposes of calculating benefits or contributions for the California Public Employees' Retirement System.

The City maintains the right to select and change, if needed, the vendor to administer the Flexible Spending Account program.

ARTICLE 8 – MEDICAL/DENTAL INSURANCE FOR RETIREES

The City shall provide group medical/dental insurance to Individually Represented Battalion Chiefs who retire from the City meeting the criteria and subject to the conditions and limitations noted below. The City contracts with the California Public Employees' Retirement System's Public Employees' Medical and Hospital Care Act (PEMHCRA) for medical insurance for City employees and retirees. Benefits are grouped in tiers based upon hire date and years of continuous City service.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Hire Date</th>
<th>Years of Continuous Service</th>
<th>City of Service</th>
<th>Provisions the Employee in the Specified Tier is Eligible for</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A</td>
<td>2/15/86 and earlier</td>
<td>15 or more years</td>
<td></td>
<td>1,3,4,5,6,8,11,13,15,16</td>
</tr>
<tr>
<td>1B</td>
<td>2/16/86-10/25/04</td>
<td>15 or more years</td>
<td></td>
<td>1,3,4,5,6,8,12,13,15,16</td>
</tr>
<tr>
<td>1C</td>
<td>10/26/04-7/31/11</td>
<td>15 but less than 20 years</td>
<td></td>
<td>1,3,4,5,6,9,12,13,15,16</td>
</tr>
<tr>
<td>1D</td>
<td>10/28/04-7/31/11</td>
<td>20 or more years</td>
<td></td>
<td>1,3,4,5,6,8,12,13,15,16</td>
</tr>
<tr>
<td>1E</td>
<td>2/15/86 and earlier (Disability Retirement)</td>
<td>N/A</td>
<td></td>
<td>1,3,4,5,6,8,11,13,15,16</td>
</tr>
<tr>
<td>1F</td>
<td>2/16/86-7/31/11 (Disability Retirement)</td>
<td>N/A</td>
<td></td>
<td>1,3,4,5,6,8,12,13,15,16</td>
</tr>
<tr>
<td>1G</td>
<td>7/31/11 and earlier if City service does not fit into Tiers 1A-1F</td>
<td>N/A</td>
<td></td>
<td>1,3,4,5,6,8,12,13,15,16</td>
</tr>
<tr>
<td>2A</td>
<td>8/1/11 and later</td>
<td>N/A</td>
<td></td>
<td>1,3,4,5,6,8,12,13,15,16</td>
</tr>
</tbody>
</table>

- 20 -
The provision numbers listed below correspond to the code above designating which benefits each retiree is eligible for. If a code is not included in the "Provisions the Employee in the Specified Tier is Eligible for" section, the employee in the specified tier is not eligible for that specific provision.

Provision No. 1 - Retired Employee Definition. An Individually Represented Battalion Chief is a retired employee when he/she:

A. Has reached 50 years in age or greater;
B. Has been employed for at least five (5) years;
C. Is a vested member of CalPERS;
D. Retires with a service retirement after October 1, 1980;
E. Retires directly from active duty and maintains continuous coverage both prior to and subsequent to his/her retirement.
F. Any lapse in coverage will make the employee permanently ineligible for City contributions towards such retiree's premiums in excess of the CalPERS statutory minimum employer contribution.

Provision No. 2 - Disability (Totally) Retired Employee Definition. An Individually Represented Battalion Chief is disability (totally) retired when:

Any of the following permanent disabilities shall be conclusively presumed to be total in character (total disability):

A. Loss of both eyes or the sight thereof.
B. Loss of both hands or the use thereof.
C. An injury resulting in a practically total paralysis.
D. An injury to the brain resulting in incurable imbecility or insanity.

In all other cases, permanent total disability shall be determined in accordance with the fact.

Totally disabled employees may apply to the life insurance carrier for continued life insurance coverage under the waiver of premium provision. Coverage is subject to the
annual provision, review and approval of the insurance carrier.

**Provision No. 3 - Eligible Qualified Dependent Coverage | imitation**

**For Retirements Effective July 31, 2011 and Earlier:**
Qualified dependent coverage is limited to the eligible retiree and those specific dependents as defined in the service provider’s group benefit agreement that were covered at the time of the employee’s retirement, except for new spouses and newborn children who are eligible for coverage if enrolled pursuant to the group health benefit agreement.

**For Retirements Effective August 1, 2011 and Later:**

**Definition of Qualified Dependent.** A spouse and/or dependent child covered on the employee’s medical and dental plan for a minimum of two (2) full years (24 months) prior to retirement. Such dependents will be classified as a qualified dependent.

**New Spouse Exception.** An exception will be made for employees who get married and add their spouse to his/her medical plan within thirty (30) calendar days of the marriage. In such cases, the spouse must be on the plan for a minimum of one (1) full year (12 months) prior to his/her retirement in order to receive City contributions towards retiree medical and will be classified as a qualified dependent. No other exceptions will be made.

**Dependent Children.** City contributions for dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child’s medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.

B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.

C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

**Definition of Non-Qualified Dependent.** A dependent added to the employee’s medical and dental plan less than two full years (24 months) prior to retirement or at a later date is ineligible for any City contribution towards medical insurance. A newly-married spouse not added to the employee’s medical and dental plan within thirty (30) calendar days of
marriage and on the plan for a minimum of one full year prior to the employee's retirement is ineligible for any City contributions towards medical insurance. The non-qualified dependent may enroll in the medical plan; however, premiums for such enrollment are entirely dependent paid. The City will not pay any contributions towards the medical premium for non-qualified dependent(s).

Premiums for additional covered dependent(s) or dependent(s) added on at a later date in accordance with plan provisions will be paid entirely by the retiree and will be classified as non-qualified dependent(s). Dependent dental premiums will be paid entirely by the retiree. Failure to pay premiums for non-qualified dependent(s) will result in loss of coverage.

**Provision No. 4 - Separation then Return to City Service.** If an employee separates employment and later returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the hire date for the employee and he/she will be considered a new hire and only eligible for new hire benefits.

**Provision No. 5 - Limitation.** There is no cash back provision if the premiums for the medical and dental plans for qualified dependents is less than the difference between the CalPERS statutory minimum and the medical premium for the plan selected for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for active Individually Represented Battalion Chiefs for Tier 1 employees.

**Provision No. 6 - Life Insurance.** Retirees are not eligible for life insurance coverage through the City.

**Provision No. 7 - CalPERS Statutory Minimum Employer Contribution.** Only while participating in the CalPERS medical plan will the City pay the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Should the City discontinue contracting with PEMHCA at any time, the City will not be responsible for paying any contribution towards health insurance premiums for such retiree and those premiums shall be entirely retiree paid. No City contributions towards dental insurance.

**Provision No. 8 - City Contributions.**

For Retirements Effective July 31, 2011 and Earlier.
The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) as specified in Provision No. 3 for retirees effective July 31, 2011 and earlier and retiree only dental premium up to the maximum the City contributes for active Individually Represented Battalion Chiefs. At no time, will the maximum City contribution be less than the maximum City contribution at the time the employee retired from the City.

For Retirements Effective August 1, 2011 and Later.
Individually Represented Battalion Chiefs:
August 1, 2010 – July 31, 2010

The City will contribute towards the monthly medical premium for the retiree and those eligible qualified dependent(s) as specified in Provision No. 3 for retirements effective August 1, 2011 and later and retiree only dental premium up to the maximum the City contributes for active Individually Represented Battalion Chiefs. At no time, will the maximum City contribution be less than the maximum City contribution at the time the employee retired from the City.

Provision No. 9 - City Contributions (75%).

For Retirements Effective July 31, 2011 and Earlier.
The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) as specified in Provision No. 3 for retirements effective July 31, 2011 and earlier and retiree only dental premium up to 75% of the maximum the City contributes for active Individually Represented Battalion Chiefs. At no time, will the maximum City contribution be less than the maximum City contribution at the time the employee retired from the City.

For Retirements Effective August 1, 2011 and Later.
The City will contribute towards the monthly medical premium for the retiree and those eligible qualified dependent(s) as specified in Provision No. 3 for retirements effective August 1, 2011 and later and retiree only dental premium up to 75% of the maximum the City contributes for active Individually Represented Battalion Chiefs. At no time, will the maximum City contribution be less than the maximum City contribution at the time the employee retired from the City.

Provision No. 10 - Retiree Health Savings Account. Individually Represented Battalion Chiefs will be required to contribute two percent (2%) of the top step salary for Firefighter/Paramedic per payroll period to the employee’s retiree health savings account. Contributions to the retiree health savings are made solely by the employee and all administrative fees for the plan will be deducted from each employee’s individual account assets. The account assets that accumulate, plus investment earnings, will be used in retirement to pay health insurance premiums and other eligible out-of-pocket medical expenses such as deductibles, co-payments and dental care in accordance with Internal Revenue Code Section 213. The employee contribution will be portable if an employee should leave employment with the City of Fountain Valley prior to retirement.

Provision No. 11 - Supplemental to Medicare City Contribution. Coverage will become supplemental to Medicare at age 65. The City will pay the medical premium, as applicable for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for active Individually Represented Battalion Chiefs for Tier 1 employees. At no time, will the maximum City contribution be less than the maximum City contribution at the time the employee retired from the City.

Provision No. 12 - Termination of City Contribution.

For Retirements Effective July 31, 2011 and Earlier.
Individually Represented Battalion Chiefs
August 1, 2017 – July 31, 2020

Medical coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee and covered dependent(s) continues coverage at his/her own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Retiree only dental premiums will continue to be paid by the City until the retiree’s death.

For Retirements Effective August 1, 2011 and Later,
Medical coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee and covered dependent continues coverage at his/her own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees’ Medical and Hospital Care Act (PEMHCA) to CalPERS. City contributions for retiree dental premiums will continue until the retiree’s death but effective the month immediately following the retiree reaching age 65, the City contribution for dental will be limited to the single premium for the HMO dental plan. Should the employee elect the PPO dental plan, the employee will be billed for the difference between the HMO and PPO single premium. Failure to pay the difference in premiums will result in a change to HMO single dental coverage.

Provision No. 13 – Surviving, Eligible Qualified Dependent(s) City Contribution.
While eligible for City contributions, the City pays the actual supplemental to Medicare/basic medical premium for the surviving spouse and eligible qualified dependent(s) up to the maximum the City contributes for active Individually Represented Battalion Chiefs for Tier 1 employees minus the CalPERS statutory minimum employer contribution during the time period the survivors are eligible for City contributions. No City contributions towards dental premiums.

Provision No. 14 – Retiree Contributions. The retiree enrolls in the medical plan at his/her own expense for medical insurance.

The retiree may elect dental coverage through COBRA continuation for 18 months. If elected, the retiree will pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

Provision No. 15 - Retiree Contributions.

Premiums for Plan Selected Exceeds the Total City Contribution.
If a retiree chooses benefits whose aggregate premium cost exceeds the total City contribution, the retiree will be responsible for paying the excess premiums.

Non-Qualified Dependent(s)
If non-qualified dependent(s) are covered under the plan, the retiree will be responsible for paying for the full premium for such dependent(s).

Dependent Dental Premium.

- 25 -
If dependent dental coverage is elected, the dependent dental premium is deducted from the City's reimbursement to the retiree for health premiums or the retiree will be billed because such premiums continue to be employee/retiree paid.

Medicare Premium.
Medicare premiums are fully retiree paid.

Provision No. 16 - Surviving Eligible Qualified Dependent(s) Coverage - Continuation on the Medical and Dental Plans. The surviving spouse and dependent(s) of a deceased retiree or dependent survivors of employees killed in the line of duty may continue on the City's medical and dental plan which will become supplemental upon eligibility of the surviving spouse or dependent children for other group health insurance or Medicare at age 65. If the surviving spouse remarries, all coverage, including supplemental coverage paid by the City will terminate. If none of the events listed above which would terminate coverage occurs, coverage for surviving dependent(s) of deceased retirees or employees killed in the line of duty under the City's group medical insurance plan will continue in accordance with the provisions of the City of Fountain Valley's group coverage and Medicare and qualified dependent(s) will be paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

ARTICLE 9 - LEAVES

Section 9.01 - Holidays. The Individually Represented Battalion Chief shall be entitled to eleven (11) paid holidays per calendar year except as otherwise provided for in this Memorandum of Understanding. The eleven (11) paid holidays to which Individually Represented Battalion Chiefs are entitled shall be as follows:

- New Year's Day
- Washington's Birthday
- Lincoln's Birthday
- Memorial Day
- Independence Day
- Labor Day
- Veterans' Day
- Thanksgiving and the day after Thanksgiving
- Christmas
- "Floating Holiday"

Section 9.02 - Holiday Payoff. Defined as additional compensation for employees who are normally required to work on an approved holiday because they work in positions that require scheduled staffing without regard to holidays. Designated by CCR 571 (a) as
Individually Represented Battalion Chiefs
August 1, 2010 – July 31, 2011

statutory items. Payment for holidays shall be based on a forty (40) hour per week hourly rate and shall be made in the beginning of the second payroll period in January and June of each year. The January holiday payoff shall be for the five (5) holidays in the preceding six (6) month period and the July holiday payoff shall be for the five (5) holidays in the preceding six (6) month period, plus the floating holiday.

New hires will only be entitled to holiday payoff for the holidays observed in accordance with the Administrative Regulation for holidays for the specific calendar year, starting with their employment date moving forward. Holidays that were observed in the calendar year previous to the employee’s hire date are not compensable to the new hire.

Section 9.03 – Administrative Leave and Holidays. The Individually Represented Battalion Chief/Fire Operations/Training Division Chief will have, in addition to regular base pay, the option of taking holiday time off or using Administrative Leave with the approval of their supervisor, or of being paid for the unused holiday time. Accrued vacation may not be used in lieu of holiday time. Payment for holidays shall be based on a forty (40) hour per week hourly rate and paid in accordance with Section 9.02.

Section 9.04 – Vacation Accrual Rate. The Individually Represented Battalion Chief assigned to a 56-hour schedule shall accrue vacation time at the following rates:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Hours Per Year</th>
<th>Hours Per Payroll Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>112</td>
<td>4.31</td>
</tr>
<tr>
<td>2-5 years</td>
<td>168</td>
<td>6.46</td>
</tr>
<tr>
<td>6-7 years</td>
<td>180</td>
<td>6.92</td>
</tr>
<tr>
<td>8-9 years</td>
<td>192</td>
<td>7.38</td>
</tr>
<tr>
<td>10-11 years</td>
<td>204</td>
<td>7.85</td>
</tr>
<tr>
<td>12-14 years</td>
<td>216</td>
<td>8.31</td>
</tr>
<tr>
<td>15 or more years</td>
<td>280</td>
<td>10.77</td>
</tr>
</tbody>
</table>

The Individually Represented Battalion Chief assigned to a forty (40) hour schedule shall accrue vacation time at the following rates:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Hours Per Year</th>
<th>Hours Per Payroll Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 1 year</td>
<td>80</td>
<td>3.08</td>
</tr>
<tr>
<td>2-5 years</td>
<td>120</td>
<td>4.62</td>
</tr>
<tr>
<td>6-7 years</td>
<td>128</td>
<td>4.92</td>
</tr>
<tr>
<td>8-9 years</td>
<td>136</td>
<td>5.23</td>
</tr>
<tr>
<td>10-11 years</td>
<td>144</td>
<td>5.54</td>
</tr>
<tr>
<td>12-14 years</td>
<td>152</td>
<td>5.85</td>
</tr>
<tr>
<td>15 or more years</td>
<td>200</td>
<td>7.69</td>
</tr>
</tbody>
</table>

Section 9.05 – Maximum Vacation Accruals. The Individually Represented Battalion Chief shall be entitled to accrue a maximum of 336 hours of vacation time when assigned to a fifty-six (56) hour per week shift and a maximum of 240 hours of vacation time when assigned to a forty (40) hour per week shift. An exception will be made for an employee
who is absent from duty as a result of an industrial injury/illness, and who is concurrently precluded from utilizing vacation time, shall be allowed to accrue more than 336 hours as long as he/she remains absent from duty as the result of an industrial injury.

Section 9.06 – Eligibility to Use Vacation. The Individually Represented Battalion Chief shall not be eligible to take vacation time until they have successfully completed six (6) months of continuous service with the City.

Section 9.07 – Vesting of Vacation Time. Accrued vacation time shall not vest until the Individually Represented Battalion Chief has successfully completed his/her probationary period.

Section 9.08 – Vacation Buy Back. The Individually Represented Battalion Chief will have the option to request cash payment for accrued vacation in accordance with the following:

When assigned to a fifty-six (56) hour per week shift.

At the end of each calendar year, the Individually Represented Battalion Chief assigned to a fifty-six (56) hour shift shall have the option of receiving a cash payment for accrued vacation up to a maximum of fifty-six (56) hours if the following criteria are met:

A. A minimum of 112 hours of vacation have been used during the calendar year. Vacation may be utilized in any increment as approved by his/her supervisor as long as a minimum of 112 hours have been used.

B. A minimum accrual of thirty-four (34) hours of vacation remains after payoff.

If the aforementioned criteria have been met, the Individually Represented Battalion Chief may request a cash payment of fifty-six (55) hours maximum to be included in the holiday warrant to be issued within the first ten (10) days in December.

When assigned to a forty (40) hour per week shift.

At the end of each calendar year, the Individually Represented Battalion Chief assigned to a forty (40) hour per week shift shall have the option of receiving a cash payment for accrued vacation up to a maximum of forty (40) hours if the following criteria are met:

A. A minimum of eighty (80) hours of vacation have been used during the calendar year. Vacation may be utilized ir any increment as approved by his/her supervisor as long as a minimum of eighty (80) hours have been used.

B. A minimum accrual of twenty (20) hours of vacation remains after payoff.

If the aforementioned criteria have been met, the Individually Represented Battalion Chief may request a cash payment of forty (40) hours maximum to be included in the holiday warrant to be issued within the first ten days in December.
To request a vacation payoff, the employee must submit an irrevocable election form specifying the number of hours the employee is requesting which must be received in the Human Resources Department before December 31 of the year prior to the payoff. For example, to receive a payout in 2017, a Fire Battalion Chief must submit a completed irrevocable election form to Human Resources before December 31, 2016. If during the 2017 calendar year, the employee meets the criteria specified herein to be eligible for vacation payoff, he/she will receive the requested payoff. If the employee does not submit the irrevocable election form within the required timeline or he/she does not meet the criteria for payoff, no payoff will be given.

Section 9.09 Sick Leave Accrual Rate. The Individually Represented Battalion Chief shall accrue sick leave at the rate of twelve (12) hours per month when assigned to a fifty-six (56) hour per week schedule and eight (8) hours per month when assigned to a forty (40) hour per week schedule.

Section 9.10 — Sick Leave Usage. Sick leave for the employee's own illness may be used for the following purposes in accordance with Labor Code sections 245-249:

A. The diagnosis, care or treatment of an existing health condition or preventative care.

B. For an employee who is a victim of domestic violence, sexual assault or stalking to obtain or attempt to obtain any relief, including but not limited to, a temporary restraining order, restraining order or other injunctive relief, to help ensure the health, safety or welfare of the employee or his/her child(ren) and also:

1. Seek medical attention for injuries caused by domestic violence, sexual assault or stalking.

2. Obtain services from a domestic violence shelter, program or rape crisis center as a result of domestic violence, sexual assault or stalking.

3. Obtain psychological counseling related to an experience of domestic violence, sexual assault or stalking.

4. Participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault or stalking including temporary or permanent relocation.

The use of sick leave shall be subject to the approval of the Fire Chief, who may request a physician's statement or other documentation substantiating the illness at any time, and may require a release to duty before allowing an employee to return to duty.

Sick leave may be used for absences resulting from industrial injuries or illnesses.
Section 9.11 - Sick Leave Usage for Family Illness. The Individually Represented Battalion Chief may use accrued sick leave up to a maximum of one half of one year's annual accrued sick leave (72 hours for employees on a 56-hour work schedule or 48 hours for employees on a 40-hour work schedule) for family illness. In accordance with Labor Code sections 245-249, family sick leave may be used for the diagnosis, care or treatment of an existing health condition or, or preventative care for an employee's family member as defined below:

<table>
<thead>
<tr>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>A child (biological, adopted, foster child, step child, legal ward or a child to whom the employee stands in loco parentis) regardless of age or dependency status.</td>
</tr>
<tr>
<td>A biological, adoptive, or foster parent, step parent or legal guardian of an employee or the employee's spouse or registered domestic partner or a person who stood in loco parentis when the employee was a minor child.</td>
</tr>
<tr>
<td>A spouse.</td>
</tr>
<tr>
<td>A registered domestic partner.</td>
</tr>
<tr>
<td>A grandparent.</td>
</tr>
<tr>
<td>A grandchild.</td>
</tr>
<tr>
<td>A sibling.</td>
</tr>
<tr>
<td>Individuals who live in the same household or whose relationship to the employee is that of a dependent or near-dependent.</td>
</tr>
</tbody>
</table>

Section 9.12 - Sick Leave Payoff. Upon completion of ten (10) years of continuous service with the City, the Individually Represented Battalion Chief who separates from the City for any reason other than termination for cause shall be paid 25% of the employee's accrued, unused sick leave balance at the time of separation. In the event of death, if the employee has completed ten (10) years of continuous service with the City, the value of 25% of the employee's accrued, unused sick leave will be paid to the employee's estate.

Section 9.13 - Retirement Credit for Unused Sick Leave. Pursuant to Government Code Section 20862.8 and the City's contract with CalPERS, the Individually Represented Battalion Chief who retires from the City may receive service credit towards their retirement for all accrued, unused sick leave for which they do not receive compensation. This provision shall apply to the Individually Represented Battalion Chief whose effective date of retirement is within four (4) months of separation from employment with the City.

Section 9.14 - Sick Leave Upon Reinstatement. In accordance with Assembly Bill 1522, beginning July 1, 2015, should a sworn, non-management fire employee separate from employment with the City of Fountain Valley then be rehired by the City within one year from the date of separation, his/her accrued, unused sick leave hours at the time of separation after any sick leave payoff if any, shall be reinstated once the employee is rehired by the City.

Section 9.15 - Bereavement Leave. The Individually Represented Battalion Chief shall be entitled to a maximum of three (3) working days absence with pay as Bereavement
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Leave, when they are compelled to be absent from duty by reason of death of an immediate family member, or in the event of critical illness where death appears to be imminent.

For purposes of bereavement leave, "immediate family member" refers to spouse, child, step-child, grandchild, brother, sister, parent, step-parents, mother-in-law, father-in-law, grandparents, or legal guardian.

**Section 9.16 - Administrative Leave.** The Individually Represented Battalion Chief assigned to suppression and working a fifty-six (56) hour per week schedule shall not be eligible to receive Administrative Leave. When assigned to Fire Operations/Training Division Chief working a forty (40) hour per week schedule, he/she shall be eligible to receive Administrative Leave equivalent to one (1) day per month (maximum ninety-six (96) hours annually).

*Individually Represented Battalion Chiefs will have 48 hours of COVID Thank You Leave added to an Administrative Leave bank. The COVID "Thank You" leave has no cash value and expires on December 31, 2021. Any unused leave after that date will be forfeited by the employee.*

**Section 9.17 - Industrial Injury Leave.** The Individually Represented Battalion Chief may be entitled to a maximum of one (1) year industrial injury leave with full salary and benefits, pursuant to Labor Code Section 4850.

**Reassignment to a Forty (40) Hour Schedule.** Employees reassigned from a fifty-six (56) hour to a forty (40) hour schedule to work light duty shall continue to accrue vacation and sick leave at the fifty-six (56) hour rate. In addition, an employee reassigned to a forty (40) hour schedule and using accrued vacation or sick leave shall be charged one (1) hour for each hour of vacation or sick leave used.

**ARTICLE 10 - ILLEGAL/CONTROLLED SUBSTANCE SCREENING**

The Individually Represented Battalion Chief acknowledges the City's right to, at its discretion, include illegal/controlled substance screening as part of the pre-employment physical examination for employees hired.

"Illegal/Controlled Substance" is defined as a drug, substance, or immediate precursor which are included in Schedules I through V, inclusive of the "California Uniform Controlled Substances Act" (Health and Safety Code Sections 11054-11057), as well as opiates, narcotic drugs, and marijuana, as defined in Health and Safety Code Sections 11018-11020.

The random, reasonable suspicion and post-accident drug and alcohol testing is detailed in Administrative Regulation No. 91.
ARTICLE 11 – PHYSICAL FITNESS PROGRAM AND HEALTH EVALUATIONS

Section 11.01 – Physical Fitness/Wellness Program. The voluntary physical fitness/wellness program shall involve the following elements:

A. Performance testing shall be completed in May and September of each year. A representative from the Personnel Department may preside over the testing process.

B. Performance testing standards shall be calibrated according to the age of the candidates as specified in Exhibit 1.

C. Performance testing shall be conducted while the Individually Represented Battalion Chief is on duty; however, workouts in preparation for the testing shall be carried out on off-duty hours.

D. Eligible personnel who have previously met all performance standards and are unable to re-qualify due to an injury or illness shall continue to receive Wellness Pay subject to the determination of the Fire Chief that the person is unable to participate in the performance test. However, said personnel shall be required to submit to a performance test as soon as they are released to full duty.

E. Eligible personnel who fail any or all standards of the performance testing process shall be given the opportunity to retest within thirty (30) days of the failure.

Section 11.02 – Health Evaluations. The City of Fountain Valley agrees to contract with a qualified health-care provider to conduct periodic health/fitness evaluations of Individually Represented Battalion Chiefs and to pay the cost of such evaluations subject to the provisions listed below.

A. Confidentiality of Information. The results of the health/fitness evaluations shall be protected as confidential, medical information and shall not be disclosed to anyone other than the employee, unless a condition or situation exists where it appears as though an employee has sustained a job-related illness, injury, or disease, or where the evaluation reveals a condition, illness, injury or disease which might jeopardize the health and safety of others. In either of these situations, the employee and the City shall be notified of the condition, illness, injury, or disease, unless otherwise provided for in the Health and Safety Code.

B. The City of Fountain Valley and the Individually Represented Battalion Chief have met and conferred on several occasions to discuss integration of the current health evaluation program with the Santa Ana College Wellness Program for Public Safety Personnel and have reached agreement on a new program effective March 2010 to include the following provisions:
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1. Santa Ana College Wellness Program for Public Safety Personnel. The City will provide the Santa Ana College Wellness Program for Public Safety Personnel with the tuition paid by the City. This program will provide:
   a. Comprehensive fitness assessment and individualized fitness profile.
   b. Blood chemistry panel for general health and coronary risk screening.
   c. Lecture series on health, nutrition, injury prevention, and exercise science topics.

2. Health Evaluation Components for Employees Age 35 and Under. Employees 35 years and under shall receive:
   a. Health Evaluations to be Conducted by the City's Qualified Health-Care Provider:
      1. Lung x-ray every other year.
      2. Doctor's examination annually.
      3. HIV screening annually.
      4. Tuberculosis screening annually.
      5. Hepatitis B screening as needed.
      6. Respirator examination annually.
      7. Review stress EKG results annually.
      8. Review lab results annually.
   b. Health Evaluations to be Conducted through the Santa Ana College Program:
      1. Blood screening (comprehensive metabolic panel and lipid/cardio risk profile) annually
      2. Stress EKG annually.
      3. Pulmonary function annually.

*Individually Represented Battalion Chiefs may elect to have the City's qualified health-care provider conduct the stress EKG test, in lieu of Santa Ana College, upon notifying the Fire Department Wellness Program Administrator of his/her request. Individually Represented Battalion Chiefs shall provide the results of the stress EKG to the Santa Ana College Program Administrator as part of this program.

However, in accordance with Section 11.02 health evaluation components for Employees Age 35 and under, employees in this category are only permitted one stress EKG through the City's qualified health-care provider every other year. The employee may receive a stress EKG through Santa Ana College in the alternate year.

3. Health Evaluation Components for Employees Over Age 35: Employees age 35 and over shall receive:
   a. Health Evaluations to be Conducted by the City's Qualified Health-Care Provider:
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1. Lung x-ray annually.
2. Doctor's examination annually.
3. HIV screening annually.
4. Tuberculosis screening annually.
5. Hepatitis B screening as needed.
6. Respirator examination annually.
7. Review stress EKG results annually.
8. Review lab results annually.

b. Health Evaluations to be Conducted through the Santa Ana College Program:
   1. Blood screening (comprehensive metabolic panel and lipid/cardio risk profile) annually.
   2. Stress EKG annually.*
   3. Pulmonary function annually.

*Individually Represented Battalion Chiefs may elect to have the City's qualified health-care provider conduct the stress EKG test, in lieu of Santa Ana College, upon notifying the Fire Department Wellness Program Administrator of his/her request. Sworn, non-management Fire employees shall provide the results of the stress EKG to the Santa Ana College Program Administrator as part of this program.

C. Individually Represented Battalion Chiefs shall attend the health evaluations and Santa Ana College Program on duty. Individually Represented Battalion Chiefs may not attend the health evaluation and Santa Ana College Program while not on duty without the express pre-approved authorization of the Fire Chief.

D. Should Santa Ana College discontinue this Wellness Program, or the City and Individually Represented Battalion Chief determine the program is no longer meeting the needs of the City and employees and therefore cease the program, the City and Individually Represented Battalion Chief agree to return to the following health evaluation program:

   Health Evaluation Components for Employees Age 35 and Under:
   1. Blood screening (comprehensive metabolic panel and lipid/cardio risk profile) annually.
   2. Tuberculosis screening annually.
   3. Hepatitis B screening as needed.
   4. Lung x-ray every other year.
   5. Stress EKG every other year.
   6. Doctor's examination annually.
   7. HIV screening annually.
   8. Pulmonary function annually.
   9. Respirator examination annually.

   Health Evaluation Components for Employees Over Age 35:
1. Blood screening (comprehensive metabolic panel and lipid/cardio risk profile) annually.
2. Tuberculosis screening annually.
3. Hepatitis B screening as needed.
4. Lung x-ray annually.
5. Stress EKG annually.
6. Doctor’s examination annually.
7. HIV screening annually.
8. Pulmonary Function annually.
9. Respirator examination annually.

The testing for the aforementioned program will be conducted by the City’s qualified health-care provider.

ARTICLE 12 - GRIEVANCE PROCEDURE

Section 12.01 - General. The following grievance procedure is for the purpose of affording employees a means of obtaining appropriate consideration by supervisory and management personnel of problems within their power to resolve.

Section 12.02 - Scope of Grievance Procedure. A grievance may be initiated by any employee who believes that the application of a policy, practice, rule, or procedure has been incorrect or inappropriate, and has adversely affected his/her employment.
A. The following subjects are excluded from the scope of the grievance procedure:

1. Matters which have other means of appeal within the City, including disciplinary actions.
2. Matters which are within the exclusive jurisdiction of another agency and for which a means of appeal is provided.
3. Matters pertaining to clarification of any of the provisions of this Memorandum of Understanding are within the scope of the grievance procedure.
4. Classification content.

Section 12.03 - Form. All grievances must be submitted in writing and must contain the following information:
A. Employee's name, title, department, and division.
B. The name of the individual or organization, if any, representing the employee in the grievance procedure.
C. The date the grievance is being submitted.
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D. The nature of the grievance, including a statement of the specific rules, regulations, policies, procedures, ordinances, or resolutions, if any, which are alleged to have been violated, the date the alleged violation occurred and the specific decision or action which constituted the alleged violation.

E. The facts and/or circumstances which gave rise to the grievance.

F. Any available support documentation or other material which is to be considered in conjunction with the grievance.

G. A statement of the remedy which the employee is seeking.

Section 12.04 - Informal Discussion. If an employee has a problem relating to a work situation, the employee is encouraged to request a meeting with his/her immediate supervisor to discuss the problem in an effort to clarify the issue and to work cooperatively towards settlement.

Section 12.05 - Formal Grievance Procedure.

A. Step 1

1. An employee shall submit a grievance to his/her immediate supervisor within fifteen (15) calendar days of the occurrence giving rise to the grievance, or within fifteen (15) calendar days of the date that the employee became aware of the occurrence giving rise to the grievance. Grievances submitted pursuant to this section shall include a statement of efforts that have been undertaken to resolve the grievance informally.

2. Upon receipt of a formal grievance, the employee's supervisor shall make an initial determination as to whether or not he/she has the authority to resolve the grievance. If so, the supervisor shall proceed as outlined in subsection (3) below. If the supervisor determines that it is not within his/her authority to resolve the grievance, the grievance shall be forwarded to the appropriate individual within the chain-of-command for consideration and the employee shall be so notified.

3. Within fifteen (15) calendar days after receipt of a formal grievance, the supervisor to whom the grievance is directed shall meet with the employee and/or his/her designated representative. Within fifteen (15) calendar days after meeting with the employee, the supervisor shall forward his/her decision in writing to the employee.

B. Step 2

1. A formal grievance that has not been satisfactorily resolved at the supervisory level may be submitted to the employee's Department Director within fifteen (15) calendar days after receipt of the decision rendered by the appropriate supervisor.
2. Within fifteen (15) calendar days after receiving the grievance, the Department Director shall schedule a meeting with the employee and/or his/her designated representative. Within fifteen (15) calendar days after meeting with the employee, the Department Director shall notify the employee in writing of his/her decision.

Section 12.06 - Appeal to City Manager.

A. Grievances which are not satisfactorily resolved under Step 2, and which meet the conditions set forth below, may be submitted to the City Manager within fifteen (15) calendar days after receipt of the written decision from Step 2.

B. Grievances which meet one or more of the following conditions may be submitted to the City Manager:

1. The grievant alleges an abuse of discretion on the part of the Department Director during the grievance process.

2. The remedy sought is not within the authority of the Department Director to approve or implement.

C. Grievances submitted to the City Manager shall be accompanied by the following information:

1. Copies of the written decisions at Steps 1 and 2.

2. Information indicating how or in what manner the Department Director abused his/her discretion, if an abuse of discretion is alleged.

D. Within fifteen (15) calendar days after receipt of the grievance, the City Manager shall schedule a meeting with the employee and/or his/her designated representative. The date, time, and location of the meeting shall be acceptable to both parties, and shall be scheduled so as to accommodate those individuals whose presence may be required at the meeting.

E. The City Manager may conduct such activities as are necessary and appropriate to properly resolve the employee's grievance.

F. The City Manager shall submit a written response to the employee within fifteen (15) calendar days after meeting with the employee or within fifteen (15) calendar days after completing his/her investigation.

Section 12.07 - Extension or Waiver of Time Limits. Any of the time limits contained in this grievance procedure may be extended or waived upon mutual agreement of the City and the employee or his/her representative.
Section 12.08 - Conduct of Grievance Procedure.

A. An employee may be represented by a person of his/her choosing at any step of the grievance procedure.

B. Employees shall be assured freedom from reprisal for utilizing the grievance procedure.

C. Proceedings held pursuant to this grievance procedure shall not be evidentiary hearings. This limitation shall not preclude the grievant from presenting witnesses or other evidentiary matter as part of the proceedings.

Section 12.09 - Interpretation of MOU. Questions regarding the interpretation and/or application of any of the provisions of this Memorandum of Understanding shall be formally raised only by the parties to the MOU, subject to the following conditions:

A. The party raising the question of interpretation/application of the MOU shall notify the other party of the nature of the question within ten (10) working days after the matter is brought to their attention.

B. Both parties shall attempt to resolve the dispute at the supervisory or departmental level, if appropriate. If it is not possible to resolve the matter at the supervisory or departmental level, both parties shall submit a statement of the facts concerning the matter to the City Manager for his/her findings and determination.

Section 12.10 - Appeals of Testing and Selection Procedures.

A. An employee who wishes to appeal a testing or selection procedure or the results thereof, shall present his or her appeal to the immediate supervisor, who shall forward the appeal through the chain-of-command to the City Manager/Personnel Officer or his/her designated representative. Appeals of testing or selection procedures may not be filed until the testing and selection process is completed, and shall be filed within fifteen (15) calendar days after the certification of the eligibility list. All persons who participated in the testing and selection process shall be notified of the date on which the eligibility list is certified.

B. Upon receiving an appeal of a testing or selection procedure or the results thereof, the City Manager shall investigate, or cause to be investigated, all relevant facts regarding the appeal, and shall make a determination which shall be final. Such an appeal shall not require a hearing.

C. An employee can only appeal a selection/testing procedure if the result would place him/her on the eligibility list, or change his/her position on this list. An individual appealing a testing/selection procedure must have been an applicant, or would have been, but for the procedure being appealed.
C. If the City Manager makes a determination sustaining the appeal and such
determination results in the invalidation of all or part of the testing and selection
procedure, a new recruitment shall be initiated.

ARTICLE 13 - APPEALS OF DISCIPLINARY ACTIONS

Section 13.01 - General Provisions.

A. City agrees to afford Individually Represented Battalion Chiefs the protections of the
Firefighters Procedural Bill of Rights Act (hereinafter "FBOR") as enacted in AB 220,
Chapter 591 State 2007, as set forth in Government Code Section 3250 et seq.

B. No Individually Represented Battalion Chief shall be disciplined unless the person
imposing the disciplinary action believes, in good faith, that reasonable cause exists
for imposing disciplinary action.

C. Any permanent employee (this article does not apply to a probationary employee)
shall have the right to appeal any punitive action imposed on him/her, subject to the
conditions contained in this section.

D. For purposes of this section, "Punitive Actions" refer to the following: written
reprimand, suspension without pay, demotion, reduction in pay, termination, or
transfer for purposes of punishment (Government Code Section 3251(c)). Discipline
involving punitive actions may be appealed to an Administrative Law Judge.

E. Oral reprimands may be appealed only to the next level within the chain-of-command.
All other discipline not involving discharge, demotion, suspension or reduction in
salary may be appealed up to the City Manager.

F. At all times prior to and during the imposition and appeal of a disciplinary action, the
City shall take whatever steps necessary to ensure compliance with procedural due
process requirements including but not limited to the FBOR. Pre-disciplinary efforts
will include at a minimum and where appropriate and required by case law, notice to
the employee of the intent to take disciplinary action, a description of the action, a
statement of reasons on which the action is based, copies of material on which the
notice is based, the opportunity to be heard prior to the rendering of a decision, and a
statement of the right to appeal.

G. An appeal places the type and degree of discipline at issue, and discipline may be
increased.

Section 13.02 - Appeal Procedures for Discipline Not Involving Discharge,
Demotion, Suspension or Reduction in Salary.
A. Disciplinary action imposed against an employee may be appealed for any of the following reasons:

1. A disagreement or dispute over the facts giving rise to the imposition of disciplinary action.

2. Abuse of discretion by the supervisor imposing discipline, or by a reviewing authority. Abuse of discretion includes, but is not limited to: exceeding or acting without authority, denying an employee procedural due process, or imposing discipline that is not warranted in either type or degree by the offense.

B. Appeal of a disciplinary action must be filed with the Fire Chief within fifteen (15) calendar days of the date the disciplinary action was imposed.

C. Appeal of a disciplinary action must be in writing, and must include, as a minimum, the following:

1. If the employee is alleging a disagreement over facts, a statement regarding what facts, if any, are in dispute. If there is no dispute over the facts, the appeal should so state.

2. If the employee is alleging abuse of discretion by the supervisor who imposed disciplinary action, on him/her, a statement setting forth the manner in which the supervisor imposing the disciplinary action abused his/her discretion. Specifically, the statement must show that the supervisor has exceeded or acted without authority; that the employee was denied procedural due process; or that the disciplinary action imposed was not warranted by the facts of the situation.

3. The remedy being sought by the employee.

D. Upon receiving an appeal of a disciplinary action, the Fire Chief shall first determine whether or not the appeal complies with Sections 13.02 B and 13.02 C 1, 2, and 3. If not, the appeal shall be denied on the basis of one or more of the following:

1. The appeal was not filed in a timely manner, pursuant to Section 13.02B.

2. The appeal does not allege a dispute over the facts, or abuse of discretion, or is otherwise incomplete.

E. If the appeal complies with Sections 13.02 B and 13.02 C 1, 2 and 3, the Fire Chief shall take the necessary steps to determine the merits of the appeal. Included in such steps will be the opportunity for the employee and his/her designated representative to meet with the Fire Chief, and to review any additional evidence which supports the disciplinary action.
Individually Represented Battalion Chiefs
August 1, 2017 – July 31, 2018

F. Within five (5) working days after completing his/her investigation of appeal, the Fire Chief shall notify the employee in writing of his/her decision, and the reasons therefor.

Section 13.03 - Appeal to the City Manager for Discipline Not Involving Discharge, Demotion, Suspension or Reduction in Salary.

A. The decision of the Fire Chief may be appealed to the City Manager within fifteen (15) days after the Fire Chief's decision is rendered. Upon receiving such an appeal, the City Manager shall proceed in the same manner as outlined in Section 13.02D except that the rights provided by the FBOR shall be afforded.

B. If the disciplinary action imposed involves a significant property right, an employee shall be assured the right to a formal hearing in compliance with the FBOR, unless such right is specifically waived by the employee. If the disciplinary action does not involve a significant property right, the City Manager may conduct a formal or informal hearing, or no hearing.

C. Within fifteen (15) calendar days after completing the investigation of the appeal, the City Manager shall notify the employee in writing of his/her decision and the reasons. The decision of the City Manager shall be final, except as provided in Section 2.52.200 of the Fountain Valley Municipal Code.

Section 13.04 – Appeal Procedures For Suspension, Reduction in Pay, Demotion and Termination. The administrative appeal process provided for discipline involving punitive action is established pursuant to Government Code §3254.5 of the Firefighters Procedural Bill of Rights. This administrative appeal process shall apply to individually Represented Battalion Chiefs.

A. Definitions:

1. The term "fire personnel" means an employee who is considered a firefighter under Government Code § 3251(a) as well as any fire personnel who are peace officers pursuant to Penal Code § 830.37.

2. The term "punitive action" means any action defined by Government Code § 3251 (c), i.e., "any action that may lead to dismissal, demotion, suspension, reduction in salary, written reprimand or transfer for purposes of punishment." A layoff is not punitive action subject to a disciplinary appeal.

B. Notice of Appeal: In accordance with California Government Code Section 11506(a), within fifteen (15) calendar days following receipt of notification of punitive action, the employee shall notify the Personnel Manager in writing of the employee's intent to appeal the punitive action.

C. Appeal hearing before the State Administrative Law Judge which shall be conducted in accordance with Chapter 5 (commencing with § 11500) Part 1 of Division 3 of Title 2 of the California Government Code.
1. **Notice of Discipline as Accusation**: The final notice of discipline which may be issued at the conclusion of any pre-disciplinary procedures shall serve as the Accusation as described in Government Code § 11500, et seq.

2. **Timing**: Pursuant to Government Code § 3254(f), the discipline shall not be effective sooner than forty-eight (48) hours following issuance of the final notice of discipline and the notice shall be given in writing within thirty (30) calendar days of the decision to impose discipline.

3. **Notice**: The notice shall be prepared and served in conformity with the requirements of Government Code § 11500, et seq. A copy of Chapter 5 (commencing with § 11500) of Part 1 of Division 3 of Title 2 of the California Code shall be provided to the employee concurrently with the notice of discipline.

4. **Time and Place of Hearing**: Pursuant to Government Code § 11508, unless otherwise decided by the administrative law judge, the hearing shall be conducted at City Hall at a date and time to be determined by the administrative law judge.

5. **Notice of the Hearing**: Notice of the hearing shall be provided to the parties pursuant to Government Code §11509.


7. **Burden/Proof**: The burden of proof and production of evidence shall be borne by the City. The standard of proof shall be by a preponderance of the evidence.

8. **Written Decision**: The proposed decision of the administrative law judge shall be in writing. Copies of the proposed decision shall be delivered to the parties personally or sent to them by registered mail and accompanied by a proof of service.

9. **Post Decision Action**: Following receipt of the proposed decision, the City Council, or any designee (e.g., the City Manager) to the extent authorized by law, may take any of the actions set forth in Government Code Section 11571(c)(2) A through B.

**ARTICLE 14 - MANAGEMENT RIGHTS**

Except as otherwise specifically provided in this MOU, the City has and retains the sole and exclusive rights and functions of management, including, but not limited to, the following:

A. To determine the merits, necessity, nature or extent of services to be performed, as well as the right to determine and implement its public function and responsibility and
Individually Represented Battalion Chiefs
August 1, 20I720 – July 31, 20I30

the mission of its constituent departments, commissions and boards; and to determine
budgets and appropriations of funds and to set municipal fees and charges.

B. To manage all facilities and operations of the City, including the methods, means, and
personnel by which the City's operations are to be conducted.

C. To schedule working hours, allot, and assign work.

D. To establish, modify, or change work schedules or standards.

E. To direct the working forces, including the right to hire, promote, demote, or transfer
any employee.

F. To determine the location of all plants and facilities.

G. To determine the layout and the machinery, equipment, or materials to be used.

H. To determine processes, techniques, methods and means of all operations, including
changes or adjustments of any machinery or equipment.

I. To determine the size and composition of the working force.

J. To determine the policy and procedure affecting the selection or training of new
employees.

K. To establish, assess and implement employee performance standards, including, but
not limited to, quality and quantity standards; the assessment of employee
performances; and the procedures for said assessment.

L. To control and determine the use and location of City's property, material, machinery
and equipment.

M. To schedule the operation of and to determine the number and duration of shifts.

N. To determine measures to promote safety and to protect health and property.

O. To transfer work from one job to another or from one plant or unit to another.

P. To introduce new, improved or different methods of operations or to change existing
methods.

Q. To relieve employees from duty for lack of work or for other reasons deemed legitimate
by management.

R. To reprimand, suspend, discharge or otherwise discipline employees for cause. The
judgment of management shall govern except for an abuse of discretion.

- 43 -
Individually Represented Battalion Chiefs
August 1, 2010 - July 31, 2011

S. To establish and determine job classifications.

T. To contract or subcontract construction, services, maintenance, distribution or any other work with outside public or private entities.

U. To take such other and further action as may be necessary to organize and operate the City in the most efficient and economical manner for the best interest of the public it serves.

ARTICLE 15 — CONTRACTING OUT RE-OPENER

The City has notified the Individually Represented Battalion Chiefs that it may consider options to contract Fire Services with an outside agency during the term of the Memorandum of Understanding. Therefore, should the City determine it is appropriate to pursue this course of action, the City and the Individually Represented Battalion Chiefs agree to meet and discuss options to contract Fire Services with an outside agency during the term of the Memorandum of Understanding.

ARTICLE 165 - NON-DISCRIMINATION

Neither the City nor the Individually Represented Battalion Chief shall discriminate against any employee because of ancestry, national origin, sex (including pregnancy, childbirth, medical conditions related to pregnancy or childbirth, gender, gender identity, transgender, gender expression and breastfeeding or a medical condition related to breastfeeding) age, political or religious affiliations, sexual orientation, marital status, physical or mental handicap, medical condition (including cancer, a record of cancer, genetic characteristics, diseases, or disorders) or military or veteran status or for any other reason provided for by applicable law.

The City and the Individually Represented Battalion Chief shall reopen any provision of this agreement for the purpose of complying with any final order of any federal or state agency or court of competent jurisdiction requiring a modification or change in any provision of this agreement in compliance with state or federal anti-discrimination laws.

ARTICLE 176 - GENERAL PROVISIONS

Maintenance of Benefits. It is understood that existing ordinances, resolutions and policies with the City govern matters pertaining to employer-employee relations, including but not limited to salaries, benefits, hours and other terms and conditions of employment, and the same are not affected by this agreement except as specified herein.

Severability. In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable, or is rendered void by virtue of statutory or legislative enactment, that provision of the Memorandum of Understanding shall be null and void, but such nullification shall not affect any other
Individually Represented Battalion Chiefs
August 1, 2017 - July 31, 2020

provision of this Memorandum of Understanding, which other provisions shall remain in
full force and effect.

Integration, Modification, and Ratification. This memorandum sets forth the entire
agreement of the parties with respect to improvements or changes in the wages, hours,
benefits and other terms and conditions of employment for the Individually Represented
Battalion Chief for the term of this agreement. This memorandum may be modified or
amended only by written agreement between the parties hereto. This memorandum shall
be of no force and effect unless or until duly adopted, ratified and approved by the City
Council of the City of Fountain Valley, or in the alternative, the substantive provisions
hereof are adopted by resolution of the City Council.

Term. The term of this Memorandum of Understanding shall be beginning August 1, 2020
and ending July 31, 2021.

IN WITNESS WHEREOF, the parties hereto executed this Memorandum of

ATTEST:

By
Rick Miller
City Clerk Administrator

CITY OF FOUNTAIN VALLEY
By
Rob Houston
City Manager

By
Chelsea Phabus
Human Resources Director

APPROVED TO FORM:

By
Colin Burns, Harper & Burns LLP

INDIVIDUALLY REPRESENTED
BATTALION CHIEFS

By
William McQuaid

By
Bryan McKay

By
David Dukellis
EXHIBIT 1

PHYSICAL FITNESS/WELLNESS PROGRAM

Performance Testing. For the purposes of physical fitness testing, three (3) areas of physical ability will be evaluated:

A. Cardiovascular fitness
B. Upper body strength
C. Flexibility

The tests used in this program to evaluate fitness in these areas shall be:

A. Cardiovascular Fitness
   1. Life cycle test

B. Upper Body Strength
   1. Push-ups
   2. Crunches
   3. Pull-ups

C. Flexibility
   1. Forward Stretch

Cardiovascular Fitness. Cardiovascular endurance is the measurement of the rate at which a person can utilize metabolic reactions requiring oxygen to create energy.

Problems such as high blood pressure, heart and pulmonary congestion, obesity, etc., are the major contributors to premature retirement of Battalion Chiefs.

Testing for cardiovascular fitness is completed by the use of a lifecycle. The Battalion Chief shall be required to ride the lifecycle for twelve (12) minutes on the basic "Hill Profile Program" at the level specified below for his/her age group.

<table>
<thead>
<tr>
<th>TIER</th>
<th>UNDER 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Level 6</td>
<td>Level 6</td>
<td>Level 4</td>
<td>Level 3</td>
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<td>2</td>
<td>Level 8</td>
<td>Level 8</td>
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<td>Level 5</td>
</tr>
</tbody>
</table>

Upper Body Strength. Upper body strength contributes to the Battalion Chief's ability to meet physical demands made on him/her in their work environment, while avoiding the possibility of injury. This test will be administered through the use of push-ups, crunches, and pull-ups.
A. Push-ups.

The participant shall maintain his/her body in a prone position, supported by straight arms with hands resting on the ground and with toes resting on the ground. The administrator shall place his/her fist on the ground below the participant’s chest. The participant must keep their back straight at all times, and from the up position, lower him/herself to the floor until his/her chest touches the administrator’s hand. Once the participant touches the administrator’s hand with his/her chest, the participant shall then push him/herself to the up position, attain, and repeat the process for the required number of times. The participant may rest in the up position.

Battalion Chiefs shall be required to complete the number of push-ups specified below for his/her age group.

<table>
<thead>
<tr>
<th>TIER</th>
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<th>30-39</th>
<th>40-49</th>
<th>50+</th>
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<td>20</td>
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<td>12</td>
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<tr>
<td>2</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
</tr>
</tbody>
</table>

B. Crunches.

The participant shall begin by lying down on his/her back, knees bent and heels flat on the floor. Curl the shoulders toward the pelvis with hands placed behind, beside the neck or crossed over the chest and move forward. This is a continuous exercise with no resting. The total minimum number of correct crunches is specified below according to age:

<table>
<thead>
<tr>
<th>TIER</th>
<th>UNDER 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50</td>
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<tr>
<td>2</td>
<td>62</td>
<td>50</td>
<td>37</td>
<td>25</td>
</tr>
</tbody>
</table>

C. Pull-ups.

The participant shall hold the bar with the palms away from the body. Arms shall be extended straight up in a locked position with the feet off the ground. The participant must pull his/her body up to a position where his/her chin is above the bar for one repetition. The total minimum number of correct pull-ups is specified below according to age:

<table>
<thead>
<tr>
<th>TIER</th>
<th>UNDER 30</th>
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<th>40-49</th>
<th>50+</th>
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<tbody>
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<tr>
<td>2</td>
<td>9</td>
<td>8</td>
<td>7</td>
<td>4</td>
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</table>
pull-ups. The participant in the pull-down exercise shall be required to assume a seated or kneeling position and shall pull the bar of the Universal Weight Machine down to either the back of the base of the neck or down to the top of the chest. The total minimum number of correct pull-downs that must be completed according to age shall be the same as the schedule for the minimum number of pull-ups as cited above.

Flexibility. There is a high incidence of lower back disabilities among middle-aged people. In many cases, this is related to reduced flexibility of the hip and back along with reduced elasticity of the hamstrings. It is possible that some cases can be improved by a well-designed program of stretching exercises to increase flexibility.

In addition to a short warm-up prior to the test, it is recommended that the participant refrain from fast or jerky movements which may increase the possibility of an injury.

The participant shall sit on the ground with his/her legs out straight in front of him/her. Shoes should be removed and the heels of the feet are placed flat against a 4" x 4" board. The participant shall slowly reach forward with both hands as far as possible towards his/her toes with his/her hands, holding this position momentarily. The participant shall keep the hands parallel and not stretch or lead with one hand. The distance between the fingertips and the toes shall be recorded as plus or minus inches. Plus inches shall be below the toes and negative is above the toes. The Administrator shall ensure that the knees of the participant are kept straight and held in place throughout the test for the participant. The minimum standards for the flexibility test are as follows:

<table>
<thead>
<tr>
<th>UNDER 30</th>
<th>30-39</th>
<th>40-49</th>
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</tr>
</thead>
<tbody>
<tr>
<td>-4&quot;</td>
<td>-5&quot;</td>
<td>-6&quot;</td>
<td>-7&quot;</td>
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**EXHIBIT 2**

**CITY OF FOUNTAIN VALLEY**

**ESTABLISHED SALARY RANGES FOR THE FOUNTAIN VALLEY BATTALION CHIEFS**

**EFFECTIVE: PAYROLL PERIOD ENDING AUGUST 11, 2017**

<table>
<thead>
<tr>
<th>CLASSIFICATION</th>
<th>STEP 1</th>
<th>STEP 2</th>
<th>STEP 3</th>
<th>STEP 4</th>
<th>STEP 5</th>
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<tr>
<td>Battalion Chief</td>
<td>$10,550.53</td>
<td>$11,078.06</td>
<td>$11,631.96</td>
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<td>$12,824.24</td>
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### Individually Represented Battalion Chiefs
August 1, 2012 – July 31, 2013

<table>
<thead>
<tr>
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<th>Bi-Weekly</th>
<th>Hourly Rate</th>
<th>Class Code P23</th>
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<tbody>
<tr>
<td>Battalion Chief</td>
<td>$4,869.48</td>
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<td>$5,896.88</td>
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(Fire Operations/Training Division Chief salary range based on assignment of 12.6% above Battalion Chief)

### CITY OF FOUNTAIN VALLEY
ESTABLISHED SALARY RANGES FOR THE FOUNTAIN VALLEY BATTALION CHIEFS
EFFECTIVE: PAYROLL PERIOD ENDING AUGUST 10, 2018

<table>
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<td>Fire Operations/Training Division Chief</td>
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<td></td>
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<td></td>
</tr>
</tbody>
</table>

(Fire Operations/Training Division Chief salary range based on assignment of 12.6% above Battalion Chief)

### CITY OF FOUNTAIN VALLEY
ESTABLISHED SALARY RANGES FOR THE FOUNTAIN VALLEY BATTALION CHIEFS
EFFECTIVE: PAYROLL PERIOD ENDING AUGUST 9, 2019

<table>
<thead>
<tr>
<th>Classification</th>
<th>STEP 1</th>
<th>STEP 2</th>
<th>STEP 3</th>
<th>STEP 4</th>
<th>STEP 5</th>
</tr>
</thead>
<tbody>
<tr>
<td>Battalion Chief</td>
<td>$11,247.40</td>
<td>$11,809.77</td>
<td>$12,400.25</td>
<td>$13,020.27</td>
<td>$13,671.28</td>
</tr>
<tr>
<td>Bi-Weekly</td>
<td>$5,191.11</td>
<td>$5,450.86</td>
<td>$5,723.19</td>
<td>$6,009.35</td>
<td>$6,309.82</td>
</tr>
</tbody>
</table>
Individually Represented Battalion Chiefs:
August 1, 2020 – July 31, 2021

<table>
<thead>
<tr>
<th>Hourly Rate</th>
<th>$84.89</th>
<th>$88.10</th>
<th>$71.54</th>
<th>$75.12</th>
<th>$76.87</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Class Code P23</strong></td>
<td></td>
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<tr>
<td><strong>Fire Operations/Training Division Chief</strong></td>
<td>$12,653.89</td>
<td>$13,286.69</td>
<td>$13,950.92</td>
<td>$14,648.46</td>
<td>$15,380.88</td>
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<tr>
<td>Bi-Weekly</td>
<td>$5,840.26</td>
<td>$6,132.27</td>
<td>$6,438.88</td>
<td>$6,760.83</td>
<td>$7,098.67</td>
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<tr>
<td>Hourly Rate</td>
<td>$73.00</td>
<td>$76.65</td>
<td>$80.49</td>
<td>$84.51</td>
<td>$88.74*</td>
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<tr>
<td>Bench-T410</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Class Code P24</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
</tbody>
</table>

(Fire Operations/Training Division Chief salary range based on assignment of 12.5% above Battalion Chief)
EXHIBIT 3

UNIFORM SPECIFICATIONS

The uniforms to be worn by Individually Represented Battalion Chiefs shall meet the following specifications:

Chief Officer – Formal Dress Uniform (Class A)

A. Coat
   1. Flying Cross, #34892, navy, badge tab, gold fire department buttons.

B. Shirt
   1. Liberty, #780 MWH L/S.

C. Tie
   1. Black.

D. Pant
   1. Flying Cross, #34291, navy.

E. Belt
   1. Plain, black 1½ inch, brass clasp, #UN601 or gold department issue buckle.

F. Shoes

G. Service
   1. Gold pin-on Maltese crosses (left sleeve only).

H. Collar
   1. Collar insignias are 1 inch in size for jackets and ¾ inch for shirts.

I. Hat
   1. Standard fire service dress hat.
   2. Gold Fire Department buttons.
   4. Department issued hat insignia.

Chief Officer – Dress Uniform (Class B)

A. Shirt
   1. Flying Cross, #47W6810 L/S, add gold fire department buttons on shoulder straps/pocket folds. Maltese crosses embroidered on left sleeve. Fountain Valley Fire Department patch on left shoulder only
   2. Badge.
Individually Represented Battalion Chiefs
August 1, 2010 – July 31, 2011

3. Name tag, gold pin with black.
4. ¾ inch gold collar ornaments depicting rank.

B. Tie
1. Black regulation or breakaway with Velcro back, #45115.

C. Pants
1. Black Nomex Work Rite, #4007 ZC.

D. Belt
1. Black leather, basket weave, #1521U, brass clasp.
2. 1½ inch in width.

E. Shoe
1. Black, low quarter, plain toe.

Chief Officer – Daily Uniform

A. Shirt
1. Liberty, #732 MVH (white, short sleeve).
2. Workrite black Nomex, #700NMX45BK, short sleeve, embroidered first initial and last name in gold.
4. ¾ inch collar ornaments depicting rank.
5. Patch on left sleeve.
6. T-shirt, crew neck (black cotton) plain.

B. Pants
1. Black Nomex work Rite, #4007 ZC.

C. Belt
1. Black leather, basket weave, #1521U, 1½ inch in width, brass clasp.
2. Gold department issue buckle.

D. Shoe/Boot
1. Redback 8" slip-on or zipper boot.
2. Redwing, #4463.

All boots to be OSHA approved and NFPA compliant, steel toe, non-slip heels and soles.

E. Jacket
1. 2nd Generation brand, black, #3804-ZST.
2. Shoulder patch on both shoulders, ½ inch below seam.
3. Department logo 1½ inches above left pocket.
Individually Represented Battalion Chiefs  
August 1, 2020 – July 31, 2021

4. First initial and last name embroidered 2½ inches above right pocket. Embroidered letters shall be ½ inch full block, gold thread.
5. Rank embroidered above name. Embroidered rank shall be ½ inch full block, gold thread.

F. Baseball Hat
1. Black, wool ball cap with approved department logo with gold and red lettering.
RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
FOUNTAIN VALLEY RELATING TO THE CLASSIFICATION,
COMPENSATION, AND TERMS AND CONDITIONS OF
EMPLOYMENT OF ADMINISTRATIVE OFFICERS OF THE
CITY, AND SUPERSEADING ALL PROVISIONS CONTAINED
IN RESOLUTION NO. *** WHICH PERTAIN TO
ADMINISTRATIVE OFFICERS.

WHEREAS, The City of Fountain Valley has non-represented Administrative Officers also referred to as Department Directors; and

WHEREAS, the City desires to include in one comprehensive document the current benefits and terms and conditions of employment for Administrative Officers contained in Resolution No. ***; and

WHEREAS, the City has reached agreements with all represented bargaining groups which included changes to the existing salaries and benefits for represented employees; and

WHEREAS, the City intends to make changes to the existing salaries and benefits for Administrative Officers.

NOW, THEREFORE, the City Council of the City of Fountain Valley does hereby resolve as follows:

SECTION 1. This Resolution shall supersede all provisions contained in Resolution No. *** which pertain to Administrative Officers.

SECTION 2. The classification, compensation, and terms of employment for Professional and Technical employees, General Unit, Field Services Unit, sworn non-management Fire personnel, sworn management Fire personnel, sworn Police personnel,
and sworn management Police personnel and the City Manager are set forth by separate resolutions of the City Council and the provisions herein set forth shall not apply to those employees.

SECTION 3 - DESIGNATED CLASSIFICATIONS.
The following is a listing of classifications designated as Administrative Officers:

<table>
<thead>
<tr>
<th>CLASSIFICATION</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chief of Police</td>
</tr>
<tr>
<td>Fire Chief</td>
</tr>
<tr>
<td>Community Services Director</td>
</tr>
<tr>
<td>Director of Public Works Director</td>
</tr>
<tr>
<td>Finance Director</td>
</tr>
<tr>
<td>Human Resources Director</td>
</tr>
<tr>
<td>Planning/Building Director</td>
</tr>
</tbody>
</table>

SECTION 4 – COMPENSATION.

A. The schedule of base salary rates for Administrative Officers shall remain unchanged for the duration of 2020 unless otherwise directed by City Council.

B. **Matching Deferred Compensation Contribution**: The City will match up to $250 per month into each employee's deferred compensation account for each Administrative Officer who contributes $250 per month or more into the City's deferred compensation plan.

SECTION 5 - PAY FOR PERFORMANCE PLAN. **Beginning with the pay period ending July 13, 2013**, the Pay for Performance Plan for eligible Administrative Officers shall consist of the following:

A. Five (5) step salary ranges for each position shall be established at 5% between each step. Placement within the range would be based on current salary plus existing adjustments.
B. At the time of employment, the employee shall have a salary anniversary date established. The date shall be the first day of the pay period which is one year from the employee's date of employment.

C. Upon promotion into a classification different than the one an employee is occupying, a new salary anniversary date shall be established, which shall be twelve (12) months from the effective date of the promotion.

D. Employees shall be eligible for subsequent merit (step) increases annually on the first day of the pay period following their anniversary date until they reach the fifth step.

E. At least one month prior to his/her salary anniversary date, the employee shall submit a memo to his/her Supervisor detailing his/her accomplishments during the rating period. The Supervisor shall then complete a Management Performance Evaluation.

F. Merit (step) increases will be based on the employee's Management Performance Evaluation. The employee must receive an overall performance evaluation rating of "Meets Expectations" or "Exceeds Expectations" to be eligible for a merit (step) increase to the next step within the salary range. An overall performance evaluation rating of "Needs Improvement" will not result in a merit (step) increase.

**SECTION 6 - FAIR LABOR STANDARDS ACT EXEMPTION.** Pursuant to the Fair Labor Standards Act the City hereby determines that Administrative Officers are exempt from both minimum wage and overtime provisions under the Executive Exemption.
The Fire Chief, in consideration for call outs, will receive a bank of 20 hours of compensatory leave time. The City Manager shall have sole discretion to issue additional compensatory leave time as needed or warranted.

**SECTION 7 - UNIFORM ALLOWANCE.** The uniform allowance is defined as compensation paid for the purchase and maintenance of required clothing, including clothing made from specially designed protective fabrics, which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain. This excludes items that are solely for personal health and safety such as protective vests, pistols, bullets and safety shoes. Designated by CCR 571 (a) as statutory items.

A. **Chief of Police.** The City shall provide the Chief of Police with a uniform allowance in the amount of $1,200.00 per year and the allowance will be paid (as earned) in equal installments each pay period over the course of the calendar year, to be issued in semi-annual installments of $600.00 in the first payroll period in January of each year and $600.00 in the first payroll period in July of each year.

(Effective: 10/5/99; Revised 11/16/10, 2/16/91, 9/1/2020)

B. **Fire Chief.** The City shall provide the Fire Chief with a uniform allowance in the amount of $720.00 per year and the allowance will be paid (as earned) in equal installments each pay period over the course of the calendar year, to be issued the first payroll period in January of each year.

(Effective: 10/5/99; Revised 2/16/91, 9/1/2020)

**SECTION 8 - RETIREMENT.** Administrative Officers shall be enrolled as members in the California Public Employees' Retirement System (CalPERS) and are subject to all applicable provisions of the City's contract with CalPERS.
A. Non-Safety Administrative Officers Initially Hired August 15, 2010 and Earlier. Non-Safety Administrative Officers whose hire date as a full-time employee is effective August 15, 2010 and earlier will be covered under the 2.5% at 55 formula with the benefits specified below.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.5% at 55 formula</td>
<td>21354.4</td>
</tr>
<tr>
<td>One Year Final Compensation (Single Highest Year)</td>
<td>20042</td>
</tr>
<tr>
<td>Service Credit for Unused Sick Leave</td>
<td>20965</td>
</tr>
<tr>
<td>Post Retirement Survivor Allowance</td>
<td>21624, 21626 and 21635</td>
</tr>
<tr>
<td>Fourth Level of 1959 Survivor Benefit</td>
<td>21574</td>
</tr>
<tr>
<td>Pre-Retirement Optional Settlement 2 Death Benefit</td>
<td>21548</td>
</tr>
<tr>
<td>Public Service Credit for Periods of Layoff</td>
<td>21022</td>
</tr>
<tr>
<td>Public Service for Peace Corps or America Corps: VISTA Service</td>
<td>21023.5</td>
</tr>
<tr>
<td>Military Service Credit as Public Service</td>
<td>21024</td>
</tr>
<tr>
<td>Public Service Credit for Service Rendered to a Non-Profit Corporation</td>
<td>21026</td>
</tr>
<tr>
<td>Military Service Credit for Retired Persons</td>
<td>21027</td>
</tr>
<tr>
<td>Local System Service Credit included in Basic Death Benefit</td>
<td>21536</td>
</tr>
<tr>
<td>Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement</td>
<td>21037</td>
</tr>
</tbody>
</table>

8% Employee Contribution. Non-Safety Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 8% employee contribution. It is the intent of the parties to accommodate Administrative Officers' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the
City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

B. Non-Safety Administrative Officers Initially Hired August 16, 2010 through December 31, 2012. Non-Safety Administrative Officers whose hire date as a full-time employee is effective August 16, 2010 through December 31, 2012 will be covered under the 2% at 60 formula with the benefits specified below.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>2% at 60 Formula</td>
<td>21353</td>
</tr>
<tr>
<td>Three Highest Years Average Compensation</td>
<td>20037</td>
</tr>
<tr>
<td>Pre-Retirement Optional Settlement 2 Death Benefit</td>
<td>21548</td>
</tr>
<tr>
<td>Service Credit for Unused Sick Leave</td>
<td>20965</td>
</tr>
<tr>
<td>Fourth Level of 1959 Survivor Benefit</td>
<td>21574</td>
</tr>
<tr>
<td>Public Service Credit for Periods of Layoff</td>
<td>21022</td>
</tr>
<tr>
<td>Public Service for Peace Corps or America Corps: VISTA Service</td>
<td>21023.5</td>
</tr>
<tr>
<td>Military Service Credit as Public Service</td>
<td>21024</td>
</tr>
<tr>
<td>Public Service Credit for Service Rendered to a Non-Profit Corporation</td>
<td>21026</td>
</tr>
<tr>
<td>Military Service Credit for Retired Persons</td>
<td>21027</td>
</tr>
<tr>
<td>Local System Service Credit included in Basic Death Benefit</td>
<td>21536</td>
</tr>
<tr>
<td>Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement</td>
<td>21037</td>
</tr>
</tbody>
</table>

7% Employee Contribution. Non-Safety Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 7% employee contribution. It is the intent of the parties to accommodate Administrative Officers’ desire that said sums may be deducted on a pre-tax basis as deferred income for
federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

C. Sworn, Safety Administrative Officers Initially Hired July 1, 2010 and Earlier.
Sworn Safety Administrative Officers whose hire date as a full-time employee is effective July 1, 2010 and earlier will be covered under the 3% at 50 formula with the benefits specified below.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code</th>
</tr>
</thead>
<tbody>
<tr>
<td>3% at 50 formula</td>
<td>21362.2</td>
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<tr>
<td>One Year Final Compensation</td>
<td>20042</td>
</tr>
<tr>
<td>(Single Highest Year)</td>
<td></td>
</tr>
<tr>
<td>Service Credit for Unused Sick Leave</td>
<td>20965</td>
</tr>
<tr>
<td>Post Retirement Survivor Allowance</td>
<td>21624, 21626, and 21635</td>
</tr>
<tr>
<td>2% Cost-of-Living</td>
<td>21329</td>
</tr>
<tr>
<td>Prior Service Credit</td>
<td>20055</td>
</tr>
<tr>
<td>Retired Death Benefits</td>
<td>21620</td>
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<tr>
<td>Pre-Retirement Option 2W Death Benefits</td>
<td>21548</td>
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<tr>
<td>Military Service</td>
<td>20996</td>
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<tr>
<td>Military Service Credit</td>
<td>21024</td>
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<tr>
<td>Military Service Credit for Retirees</td>
<td>21027</td>
</tr>
<tr>
<td>Peace Corps Service Credit</td>
<td>21023.5</td>
</tr>
<tr>
<td>Public Service Layoff Service Credit</td>
<td>21022</td>
</tr>
<tr>
<td>Member Cost Sharing (applicable only to Police Administrative Officers)</td>
<td>20516</td>
</tr>
</tbody>
</table>
Public Service Credit for Service Rendered to a Nonprofit Corporation | 21026
Local System Service Credit Included in Basic Death Benefit | 21536
Cancellation of Payments for Service Credit Purchase Upon Industrial Disability Retirement | 21037

9% Employee Contribution. Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 9% employee contribution. It is the intent of the parties to accommodate Administrative Officers' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

D. Police Chief Hired Between August 1, 2010 through December 31, 2012. The Police Chief whose hire date as a full-time employee is effective August 1, 2010 through December 31, 2012 will be covered under the 3% at 55 formula with the benefits specified below.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3% at 55 formula</td>
<td>21363.1</td>
</tr>
<tr>
<td>Three Highest Years Average</td>
<td>20037</td>
</tr>
<tr>
<td>Service Credit for Unused Sick Leave</td>
<td>20965</td>
</tr>
<tr>
<td>2% Cost-of-Living</td>
<td>21329</td>
</tr>
<tr>
<td>Pre-Retirement Option 2W Death Benefits</td>
<td>21548</td>
</tr>
<tr>
<td>Military Service Credit</td>
<td>21024</td>
</tr>
<tr>
<td>-------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Military Service Credit for Retirees</td>
<td>21027</td>
</tr>
<tr>
<td>Peace Corps Service Credit</td>
<td>21023.5</td>
</tr>
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<td>Public Service Layoff Service Credit</td>
<td>21022</td>
</tr>
<tr>
<td>Different Level of Benefits</td>
<td>20475</td>
</tr>
<tr>
<td>Public Service Credit for Service Rendered to a Nonprofit Corporation</td>
<td>21026</td>
</tr>
<tr>
<td>Local System Service Credit Included in Basic Death Benefit</td>
<td>21536</td>
</tr>
<tr>
<td>Cancellation of Payments for Service Credit Purchase Upon Industrial Disability Retirement</td>
<td>21037</td>
</tr>
</tbody>
</table>

9% Employee Contribution. Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 9% employee contribution. It is the intent of the parties to accommodate Administrative Officers' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

E. Fire Chief Hired Between August 1, 2011 and December 31, 2012. The Fire Chief whose hire date as a full-time employee is effective August 1, 2011 through December 31, 2012 will be covered under the 2% at 50 formula with the benefits specified below.
9% Employee Contribution. Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 9% employee contribution. It is the intent of the parties to accommodate Administrative Officers’ desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

F. California Employees' Pension Reform Act of 2013. Assembly Bill No. 340 (2012) established the California Public Employees' Pension Reform Act of 2013 (hereinafter referred to as PEPRA). The City is required to comply with the provisions of PEPRA.
G. New Members and New Employees Under PEPRA.

New Members Defined by PEPRA. New members are defined by PEPRA as an employee who becomes a member of a public retirement system for the first time on or after January 1, 2013 and:

1. Was not a member of a public retirement system before January 1, 2013; or

2. Was a member of a public retirement system before January 1, 2013 that is not subject to reciprocity with CalPERS; or

3. Alternatively, anyone who was an active member of a retirement system, has a break in service of six (6) months or more, and returns to active membership in the same system with a new employer.

New Employees Defined by PEPRA. New employees are defined by PEPRA as an individual hired on or after January 1, 2013 and:

1. Never worked in the public sector before January 1, 2013; or

2. Worked in the public sector before January 1, 2013, but worked for an employer with a retirement plan that did not have reciprocity with CalPERS.

Non-Safety New Members and New Employees will be covered under the 2% at 62 formula with the benefits specified below.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>2% at 62</td>
<td>7522.20(a)</td>
</tr>
<tr>
<td>Three year final compensation</td>
<td>7522.32</td>
</tr>
<tr>
<td>Pre-retirement Optional Settlement 2 Death Benefit</td>
<td>21548</td>
</tr>
<tr>
<td>Military Service Credit as Public Service</td>
<td>21024</td>
</tr>
</tbody>
</table>
Sworn Safety New Members and New Employees will be covered under the 2.7% at 57 formula with the benefits specified below.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.7% at 57</td>
<td>7522.20(b)</td>
</tr>
<tr>
<td>Three year final compensation</td>
<td>7522.32</td>
</tr>
<tr>
<td>Military Service Credit as Public Service</td>
<td>21024</td>
</tr>
<tr>
<td>Pre-retirement Optional Settlement 2 Death Benefit</td>
<td>21548</td>
</tr>
</tbody>
</table>

New Member and New Employee Contribution. PEPRA (Government Code Section 7522.30) states “Equal sharing of normal costs between public employers and public employees shall be the standard.” The standard shall be that employees pay at least 50% of normal costs and the employers not pay any of the required employee contributions.

The “normal cost rate” shall mean the annual actuarially determined normal cost for the defined benefit plan of an employer expressed as a percentage of payroll.

New Members and New Employees shall pay 50% of the normal cost adjusted annually in accordance with the CalPERS actuarial valuation for the City of Fountain Valley 2% at 62 or 2.7% at 57 plan. Any change to the New Member and New Employee contribution rate will become effective the first payroll period closest to July 1 of the appropriate year.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

H. Classic/Legacy Employees Under the California Employees’ Pension Reform Act of 2013. An Administrative Officer hired on or after January 1, 2013 who was employed by any public employer before January 1, 2013 and who does not meet the definition of “New Member” or “New Employee” under the PEPRA will be designated as a
Classic/Legacy Employee. Classic/Legacy Employees are defined as those individuals who are:

1. Working for an employer providing CalPERS retirement benefits who begins employment with the City of Fountain Valley without a break in service or a break in service of less than six (6) months; or

2. Current member of a public retirement system or plan with reciprocity with CalPERS.

Non-Safety Classic/Legacy Employees will be covered under the 2% at 60 formula with the benefits specified below.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>2% at 60 Formula</td>
<td>21353</td>
</tr>
<tr>
<td>Three Highest Years Average Compensation</td>
<td>20037</td>
</tr>
<tr>
<td>Pre-Retirement Optional Settlement 2 Death Benefit</td>
<td>21548</td>
</tr>
<tr>
<td>Service Credit for Unused Sick Leave</td>
<td>20965</td>
</tr>
<tr>
<td>Fourth Level of 1959 Survivor Benefit</td>
<td>21574</td>
</tr>
<tr>
<td>Public Service Credit for Periods of Layoff</td>
<td>21022</td>
</tr>
<tr>
<td>Public Service for Peace Corps or America Corps: VISTA Service</td>
<td>21023.5</td>
</tr>
<tr>
<td>Military Service Credit as Public Service</td>
<td>21024</td>
</tr>
<tr>
<td>Public Service Credit for Service Rendered to a Non-Profit Corporation</td>
<td>21026</td>
</tr>
<tr>
<td>Military Service Credit for Retired Persons</td>
<td>21027</td>
</tr>
<tr>
<td>Local System Service Credit included in Basic Death Benefit</td>
<td>21536</td>
</tr>
<tr>
<td>Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement</td>
<td>21037</td>
</tr>
</tbody>
</table>

7% Employee Contribution. Non-Safety Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 7% employee contribution. It is the intent of the parties to accommodate Administrative Officers'
desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefore and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

**City Contribution.** The City agrees to pay the employer contribution to CalPERS.

Classic/Legacy Police Chief will be covered under the 3% at 55 formula with the benefits specified below.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>3% at 55 formula</td>
<td>21363.1</td>
</tr>
<tr>
<td>Three Highest Years Average</td>
<td>20037</td>
</tr>
<tr>
<td>Service Credit for Unused Sick Leave</td>
<td>20965</td>
</tr>
<tr>
<td>2% Cost-of-Living</td>
<td>21329</td>
</tr>
<tr>
<td>Pre-Retirement Option 2W Death Benefits</td>
<td>21548</td>
</tr>
<tr>
<td>Military Service Credit</td>
<td>21024</td>
</tr>
<tr>
<td>Military Service Credit for Retirees</td>
<td>21027</td>
</tr>
<tr>
<td>Peace Corps Service Credit</td>
<td>21023.5</td>
</tr>
<tr>
<td>Public Service Layoff Service Credit</td>
<td>21022</td>
</tr>
<tr>
<td>Different Level of Benefits</td>
<td>20475</td>
</tr>
<tr>
<td>Public Service Credit for Service Rendered to a Nonprofit Corporation</td>
<td>21026</td>
</tr>
<tr>
<td>Local System Service Credit Included in Basic Death Benefit</td>
<td>21536</td>
</tr>
<tr>
<td>Cancellation of Payments for Service Credit Purchase Upon Industrial Disability Retirement</td>
<td>21037</td>
</tr>
</tbody>
</table>

9% **Employee Contribution.** Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 9% employee contribution.
It is the intent of the parties to accommodate Administrative Officers' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

Classic/Legacy Fire Chief will be covered under the 2% at 50 formula with the benefits specified below.

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>2% at 50</td>
<td>21362</td>
</tr>
<tr>
<td>Three year final compensation</td>
<td>20037</td>
</tr>
<tr>
<td>Different levels of benefits</td>
<td>20475</td>
</tr>
<tr>
<td>Pre-retirement Optional Settlement 2 Death Benefit</td>
<td>21548</td>
</tr>
<tr>
<td>Credit for Unused Sick Leave</td>
<td>20965</td>
</tr>
<tr>
<td>Public Service Credit for Periods of Layoff</td>
<td>21022</td>
</tr>
<tr>
<td>Public Service for Peace Corps or America Corps: VISTA Service</td>
<td>21023.5</td>
</tr>
<tr>
<td>Military Service Credit as Public Service</td>
<td>21024</td>
</tr>
<tr>
<td>Public Service Credit for Service Rendered to a Nonprofit Corporation</td>
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<tr>
<td>Military Service Credit for Retired Persons</td>
<td>21027</td>
</tr>
<tr>
<td>Local System Service Credit Included in Basic Death Benefit</td>
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</tr>
<tr>
<td>Cancellation of Payments for Service Credit Purchase Upon Industrial Disability Retirement</td>
<td>21037</td>
</tr>
</tbody>
</table>
9% Employee Contribution. Administrative Officers agree to share the cost of retirement contribution on a pre-tax basis by paying the full 9% employee contribution. It is the intent of the parties to accommodate Administrative Officers’ desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the Administrative Officer, the City shall not be responsible therefor and the City has made no representation regarding such tax treatment and Administrative Officers shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

I. Compensation Reportable to CalPERS.

Administrative Officers Hired on or Before December 31, 2012. For purposes of calculating retirement benefits, the City will report to the California Public Employees’ Retirement System all regular compensation and special compensation including uniform allowance.

Administrative Officers Hired January 1, 2013 and Later. For purposes of calculating retirement benefits, the City will report to the California Public Employees’ Retirement System, all regular compensation. In accordance with PEPRA, for employees hired beginning January 1, 2013 and later, special compensation including uniform allowance is not pensionable compensation and therefore may not be reported to CalPERS as pensionable compensation. PEPRA, amendments and CalPERS law will define those special pays which may be reportable as pensionable compensation.
SECTION 9 - GROUP MEDICAL AND DENTAL INSURANCE.

A. The City contracts with the California Public Employees’ Retirement System’s Public Employees’ Medical and Hospital Care Act (PEMHCA) for medical insurance for City employees. The payment of premiums towards group medical/dental/life insurance will be through the administration of a flexible benefit package.

The City shall pay the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees’ Medical and Hospital Care Act. In addition to the CalPERS statutory minimum employer contribution, the City shall make contributions to a flexible benefits plan as noted herein.

B. Employees Defined.

1. Tier 1A Medical Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning July 31, 2011 and earlier.

2. Tier 2 Medical Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 1, 2011 and later.

If an employee separates employment then later returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the hire date for the employee and will be considered a Tier 2 employee and only eligible for Tier 2 benefits.

The amount identified as flex dollars is inclusive of the CalPERS statutory minimum. The annual City contribution towards health insurance will be published during the open enrollment period each year.

C. Tier 1 Employees City Contribution. The City contribution is as follows:

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
<th>Longevity Health</th>
<th>Total Flex Allowance</th>
</tr>
</thead>
</table>

- 17 -
<table>
<thead>
<tr>
<th>Coverage</th>
<th>Stipend</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only coverage</td>
<td>$575.00</td>
</tr>
<tr>
<td>Employee +1 Dependent coverage</td>
<td>$1,050.00</td>
</tr>
<tr>
<td>Employee + Family coverage</td>
<td>$1,300.00</td>
</tr>
</tbody>
</table>

Administrative Officers who elect not to be covered under the medical plan provided through the cafeteria plan (waiver of premium) shall receive the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees’ Medical and Hospital Care Act as cash wages. However, the Administrative Officer will be required to pay for dental and life insurance premiums, both of which are mandatory out of the CalPERS statutory minimum employer contribution waiver of premium contribution.

D. Tier 2 Employees City Contribution. The City will make contributions to each Administrative Officer’s flexible spending account based upon coverage elected. Specifically, Tier 2 Administrative Officers may select from Kaiser, Blue Shield HMO, Blue Shield HMO Net Value, PERS Select PPO and PERS Choice PPO for medical and Delta PPO or HMO dental with the City paying for the full premiums for coverage selected for the employee and eligible dependents. If PERS Care is selected, the maximum medical premium the City will pay will be equivalent to the PERS Choice PPO premium with the Administrative Officer paying the remainder of the premium. Tier 2 employees do not qualify for the longevity health stipend.

Administrative Officers who elect not to be covered under the medical plan provided through the cafeteria plan shall receive the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees’ Medical and Hospital Care Act as cash wages. However, the Administrative Officer will be required to pay for dental and life insurance premiums, both of which are mandatory out of the CalPERS statutory minimum employer contribution specified in Section 22892 of the
Public Employees’ Medical and Hospital Care Act waiver of premium contribution.

E. Cafeteria Plan. The provisions of the Cafeteria Plan are described below.

1. Benefits Provided Through the Cafeteria Plan. Effective January 1, 2011, the insurance benefits provided for in this Section will be provided through the provision of a cafeteria plan adopted in accordance with the provisions of Internal Revenue Code § 125: medical and dental.

2. Each month the City will contribute to the cafeteria plan flex dollars for current employees and new hires as specified in the flexible benefit form. In addition, the City will contribute a longevity stipend for Tier 1 employees as specified in Section C above. The City’s flex dollar contribution includes the CalPERS statutory minimum paid by the City.

3. The Purchase of Optional Benefits Through the Cafeteria Plan. The cafeteria plan offers Administrative Officers the opportunity to purchase optional medical insurance and AFLAC insurance. Eligible employees may select from any of the medical insurance plans offered by CalPERS. If CalPERS changes any of the medical insurance plans by either adding or deleting the plan options, employees will be limited to those plan options offered by CalPERS.

Administrative Officers may also elect any of the optional AFLAC insurance options the City offers to employees at the employee’s sole cost.

Dental and life insurance are not optional benefits and such premiums will be deducted from each employee’s cafeteria plan flex dollars or waiver of premium contribution.
4. **Employee Contributions for Benefit Options.** If an Administrative Officer chooses optional benefits whose aggregate cost exceeds the total flex dollar City contribution to the cafeteria plan, the City will automatically deduct the excess amount on a pre-tax basis, if applicable, from the employee’s bi-weekly payroll.

5. **The Receipt of Cash Through the Cafeteria Plan.** Tier 1 Administrative Officers will be eligible to receive cash (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving medical insurance or if they choose optional benefits that do not cost as much as the flex dollars provided by the City towards the cafeteria plan. Any such employee shall be eligible to receive in cash the difference between the City’s monthly cafeteria plan flex dollar contribution and the total of the premiums selected up to a maximum of $350 per month. Tier 1 Administrative Officers who are receiving cash through the cafeteria plan in excess of $350 per month as of January 1, 2018 are grandfathered to continue to receive cash in excess of $350 per month until they are no longer a Tier 1 Administrative Officer or the receipt of cash falls below $350 per month. Tier 1 Administrative Officers appointed after January 1, 2018 are capped at receiving a maximum of $350 per month as cash.

In order to opt out of the City’s medical coverage, employees will be required to maintain and provide proof of group health plan coverage through an alternative source and the alternative group health plan coverage must meet the Affordable Care Act’s requirements regarding affordability and minimum value.

F. **Voluntary Vision Plan.** Effective January 2, 2016, the City will offer a voluntary vision care plan as one of the health programs offered under the City’s cafeteria plan. Enrollment in the vision program is voluntary with premiums paid by the employee.
SECTION 10 - TERM LIFE INSURANCE. The City shall provide each Administrative Officer with a term life insurance policy equal to $100,000 worth of coverage and shall pay the full cost of the life insurance premium. Retired Administrative Officers shall not be eligible for life insurance coverage.

SECTION 11 - LONG-TERM DISABILITY INSURANCE. The City shall maintain and pay full premiums for a long-term disability insurance policy for all Administrative Officers. The purpose of long-term disability insurance is to ensure that Administrative Officers will have a source of income if they are disabled from performing their regular duties for a period longer than sixty (60) calendar days.

A. Eligibility. An Administrative Officer's eligibility for long-term disability benefits depends on whether or not the Administrative Officer's disability is industrial or non-industrial in nature. If the disability is industrially related, the Administrative Officer's eligibility for long-term disability benefits begins on the 61st calendar day of continuous absence from work for non-safety Administrative Officers and upon exhaustion of Labor Code 4850 benefits for Safety Administrative Officers.

If the Administrative Officer's disability is not industrially related, the Administrative Officer's eligibility begins either on the 61st calendar day of the Administrative Officer's absence from work, or upon expiration of the Administrative Officer's sick leave, whichever period is longer.

B. Benefits. An Administrative Officer who is eligible to receive long-term disability benefits will receive 66 2/3% of the first $5,000 of his/her monthly salary as of the date their disability began less any deductible benefits, as provided for in the long-term disability policy.

C. Off Payroll Status. An Administrative Officer who is receiving long-term disability benefits is considered in an off-payroll status, and will not accrue benefits during the
time that he/she is in such status. In addition, Administrative Officers who are in an off-payroll status while receiving long-term disability benefits are responsible for maintaining group health insurance coverage and for paying premiums therefor.

D. In Lieu of Other Benefits. Such long-term disability benefits are in lieu of all other City-provided compensation, such as Workers’ Compensation benefits or disability retirement benefits and shall not be paid in addition to those other benefits.

SECTION 12 – FLEXIBLE SPENDING ACCOUNT. The City shall provide a voluntary Flexible Spending Plan (Section 125 Plan under the Internal Revenue Code) to Administrative Officers. Enrollment in the plan allows employees to pay for out-of-pocket Health Care and Dependent Care costs with pre-tax dollars. Flexible Spending Account limits will be followed by the City as set each year by the Internal Revenue Service (IRS).

<table>
<thead>
<tr>
<th>Maximum Annual Deduction for Health Care</th>
<th>Maximum Annual Deduction for Dependent Care</th>
</tr>
</thead>
<tbody>
<tr>
<td>$2,500</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

At enrollment and annually thereafter, participants must designate the Flexible Spending Account election amount for the remainder of the year for new hires and for the next year for current employees. The annual amount is deducted from the employee’s paycheck in equal installments, on a pre-tax basis, and credited to the employee's Flexible Spending Account. Reimbursement will be paid directly by a third party administrator.

Federal law prohibits any change in a Flexible Spending Account during the calendar year unless the employee or his/her dependent(s) have a qualifying “life event.” A qualifying “life event” is marriage, divorce or legal separation, birth or adoption of a dependent, death of a dependent, or a change in the employee or employee’s spouse’s employment status. The change in the Flexible Spending Account must be due to and consistent with the “life event” which permits the change.
An annual open enrollment period will be provided for the upcoming year's program. Administrative Officers must affirmatively enroll in the Flexible Spending Account for each year. There is no automatic renewal.

When estimating annual expenses, Administrative Officers are cautioned to only consider those expenses he/she is reasonably certain he/she will incur. Any amount left in an Administrative Officer's Flexible Spending Account at the end of the year is forfeited.

Deductions for Flexible Spending Accounts shall not reduce earnable compensation for purposes of calculating benefits or contributions for the California Public Employees' Retirement System.

The City maintains the right to select and change, if needed, the vendor to administer the Flexible Spending Account program.

**SECTION 13 - MEDICAL AND DENTAL INSURANCE FOR RETIREES.** The City shall provide group medical/dental insurance to Administrative Officers who retire from the City meeting the criteria and subject to the conditions and limitations noted below. The City contracts with the California Public Employees' Retirement System's Public Employee's Medical and Hospital Care Act (PEMHCA) for medical insurance for City employees and retirees. Benefits are grouped in tiers based upon hire date and years of continuous City service.

A. Retiree Medical Tiers and City Contributions,

1. **Tier 1 EmployeeMedical Retiree.** Tier 1 employees—medical retirees are defined as those individuals employed as an Administrative Officer with the City of Fountain Valley beginning July 31, 2011 and earlier.
2. **Tier 2 Employee Medical Retiree.** Tier 2 employees—medical retirees are defined as those individuals hired as an Administrative Officer with the City of Fountain Valley beginning August 1, 2011 and later.

3. **Tier 3 Employees Medical Retirees.** Tier 3 employees—medical retirees are defined as City employees (hired August 20, 2012 and earlier) promoted to Administrative Officer with the City of Fountain Valley beginning August 21, 2012 and later:

<table>
<thead>
<tr>
<th>Bargaining Unit Promoted From</th>
<th>Original City Hire Date</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td>Police Officers Management</td>
<td>N/A</td>
<td>City contributions continue and become supplemental to Medicare upon the dependent or retiree reaching age 65.</td>
</tr>
<tr>
<td>Battalion Chief and Professional/Technical Unit</td>
<td>2/15/86 &amp; earlier.</td>
<td>City contributions continue and become supplemental to Medicare upon the dependent or retiree reaching age 65.</td>
</tr>
<tr>
<td>Battalion Chief and Professional/Technical Unit</td>
<td>2/16/86 &amp; later.</td>
<td>City contributions will continue until the retiree or covered dependent reaching age 65, whichever reaches age 65 sooner, at which time, City contributions will be reduced to the CalPERS statutory minimum employer contribution.</td>
</tr>
<tr>
<td>Individually Represented Professional/Technical Employee Personnel-Human Resource Manager/Director</td>
<td>6/5/89</td>
<td>City contributions continue and become supplemental to Medicare upon the dependent or retiree reaching age 65.</td>
</tr>
</tbody>
</table>
B. **Retiree Medical/Central Tiers.** The following is a synopsis of each tier

<table>
<thead>
<tr>
<th>Tier</th>
<th>Effective Date of Promotion to Administrative Officer</th>
<th>Years of Continuous City Service</th>
<th>Provisions the Employee in the Specified Tier is Eligible for</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A</td>
<td>7/31/11 and earlier</td>
<td>10 or more years</td>
<td>1,3,4,5,6,8,9,11,13,14</td>
</tr>
<tr>
<td>1B</td>
<td>7/31/11 and earlier (Disability Retirement)</td>
<td>N/A</td>
<td>2,3,4,5,6,8,9,11,13,14</td>
</tr>
<tr>
<td>1C</td>
<td>7/31/11 and earlier if City service does not fit into Tier 1A or B</td>
<td>N/A</td>
<td>1,4,6,7,12</td>
</tr>
<tr>
<td>2A</td>
<td>8/1/11 and later</td>
<td>N/A</td>
<td>1,4,6,7,12</td>
</tr>
<tr>
<td>2B</td>
<td>8/1/11 and later (Disability Retirement)</td>
<td>N/A</td>
<td>2,4,6,7,12</td>
</tr>
<tr>
<td>3A</td>
<td>Promotion to Administrative Officer from the Police Officers Management Unit.</td>
<td>10 or more years</td>
<td>1,3,4,5,6,8,9,11,13,14</td>
</tr>
<tr>
<td>3B</td>
<td>Promotion to Administrative Officer 8/21/12 and later from the Battalion Chief or Professional/Technical Unit with an original City hire date of 2/15/86 and earlier.</td>
<td>10 or more years</td>
<td>1,3,4,5,6,8,9,11,13,14</td>
</tr>
<tr>
<td>3C</td>
<td>Promotion to Administrative Officer 8/21/12 and later from the Battalion Chief or Professional/Technical Unit with an original City hire date of 2/16/86 and later.</td>
<td>10 or more years</td>
<td>1,3,4,5,6,8,10,11,13,14</td>
</tr>
<tr>
<td>3D</td>
<td>Promotion to Administrative Officer 8/21/12 and later from Individually Represented</td>
<td>10 or more years</td>
<td>1,3,4,5,6,8,9,11,13,14</td>
</tr>
</tbody>
</table>
Professional/Technical Employee in the classification of Personnel Manager with an original hire date of 6/5/89.

| 3E | 8/21/12 and later if City service does not fit into Tier 3A, B, or C. | 1,4,6,7,12 |

The provision numbers listed below correspond to the code above designating which benefits each retiree is eligible for. If a code is not included in the “Provisions the Employee in the Specified Tier is Eligible for” section, the employee in the specified tier is not eligible for that benefit.

**Provision No. 1 - Retired Employee Definition.** An Administrative Officer is a retired employee when he/she:

1. Has reached 50 years in age or greater;

2. Has been employed for at least 5 years;

3. Is a vested member of CalPERS;

4. Retires with a service retirement after October 1, 1980;

5. Must retire directly from actual duty and maintain continuous coverage both prior to and subsequent to retirement;

6. Any lapse in coverage for the retiree or his/her dependents (including voluntarily removing a dependent from the plan) will result in a permanent loss of City contributions towards such retiree’s and dependent’s medical and dental premiums.
Provision No. 2 - Disability Retired Employee Definition. Any of the following permanent disabilities shall be conclusively presumed to be total in character:

1. Loss of both eyes or the sight thereof.
2. Loss of both hands or the use thereof.
3. An injury resulting in practically total paralysis.
4. An injury to the brain resulting in incurable imbecility or insanity.

In all other cases, permanent total disability shall be determined in accordance with the fact.

Totally disabled employees may apply to the life insurance carrier for continued life insurance coverage under the waiver of premium provision. Coverage is subject to the annual provision, review and approval of the insurance carrier.

Provision No. 3 - Eligible Qualified Dependent Coverage Limitation.

For Tier 1 and Tier 3 employees, City contributions towards medical premiums in excess of the CalPERS statutory minimum employer contribution is limited to the eligible retiree and those dependent(s) covered on the employee's plan for a minimum of two (2) full years (24 months) prior to the Administrative Officer's retirement date. Such dependent will be classified as a qualified dependent.

Definition of Qualified Dependent. A spouse and/or dependent child covered on the employee's medical and dental plan for a minimum of two (2) full years (24 months) prior to retirement. Such dependent will be classified as a qualified dependent.

Dependent Children. City contributions for dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on
the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child’s medical or dental premiums past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

1. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions towards the premium for the dependent child and pays only single coverage for the retiree.

2. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions towards the premium for the dependent child and pays two-party coverage for the retiree and spouse.

3. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay the premium for family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions towards the premiums for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

4. If the retiree covers 1) himself/herself, 2) more than two (2) dependent children, the month during which the dependent child reaches age 23, the City ceases contributions towards the premium for the 23 year old dependent child and pays two-party coverage for the retiree and the dependent child under age 23.

**Definition of Non-Qualified Dependent.** A dependent added to the employee’s medical and dental plan less than two (2) full years (24 months) prior to retirement or at a later date is ineligible for any City contribution towards medical insurance.
The non-qualified dependent may enroll in the medical plan; however, premiums for such enrollment are entirely dependent paid. The City will not pay any contributions towards the medical premium for such non-qualified dependent(s). Failure to pay premiums for non-qualified dependents will result in loss of coverage.

Provision No. 4 - Separation Then Return to City Service. If an employee separates employment then later returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the hire date for the employee and will be considered a new hire and only eligible for new hire benefits.

Provision No. 5 – Limitation. There is no cash back provision if the premium for the medical and dental plans for qualified dependents is less than the difference between the CalPERS statutory minimum and the medical premium for the plan selected for the retiree and eligible qualified dependent(s) up to the maximum the City contributes for Administrative Officers for Tier 1 employees.

Provision No. 6 – Life or Vision Insurance. Retirees are not eligible for life or vision insurance coverage through the City.

Provision No. 7 – CalPERS Statutory Minimum Employer Contribution. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees’ Medical and Hospital Care Act (PEMI-CA) to CalPERS. Should the City discontinue contracting with PEMHCA at any time, the City will not be responsible for paying any contribution towards health insurance premiums for such retiree and those premiums shall be entirely retiree paid.

Provision No. 8 – City Contributions. The City will contribute towards the monthly medical and dental premiums for the retiree and qualified dependent(s) who were covered on the employee’s plan for a
minimum of two (2) full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for Administrative Officers for Tier 1 employees. The City’s contribution will equal the premium for the retiree and eligible qualified dependents medical and dental plan. If PERS Care is selected, the City’s contribution will equal the premium for the retiree and eligible qualified dependents on PERS Choice or comparable plan with the remainder of the PERS Care premium paid by the retiree. The City guarantees that the premium payment shall be the same as active Administrative Officers, provided that the contribution paid by the City shall not be less than the City contribution at the time Resolution No. 9338 was in effect.

** Provision No. 9 – Supplemental to Medicare City Contribution. ** Coverage will become supplemental to Medicare at age 65. The City will pay the supplemental to Medicare/basic medical and dental premium as applicable for the retiree and eligible qualified dependent(s) up to the maximum the City contributes for Administrative Officers for active Tier 1 employees. The retiree will be responsible for paying Medicare premiums.

** Provision No. 10 – Termination of City Contribution. ** Medical coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee and covered dependent continues coverage at his/her own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees’ Medical and Hospital Care Act (PEMHCA) to CalPERS. Retiree only dental premiums will continue to be paid by the City until the retiree’s death.

** Provision No. 11 – Surviving, Eligible Qualified Dependent(s) City Contribution. ** The City pays the actual medical and dental premium for the surviving dependent(s) up to the maximum the City contributes for Administrative Officers for Tier 1 employees.
Provision No. 12 – Retiree Contributions. The retiree enrolls in the medical plan at his/her own expense. The retiree may elect dental coverage through COBRA continuation for 18 months. If elected, the retiree will pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

Provision No. 13 – Retiree Contributions.
Non-Qualified Dependent(s).
If non-qualified dependent(s) are covered under the plan, the retiree will be responsible for paying for the full premium for such dependent(s).
Medicare Premium.
Medicare premiums are to be paid by the retiree.

Provision No. 14 – Surviving, Eligible Qualified Dependent(s) Coverage – Continuation on the Medical and Dental Plans. Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue though coverage will become supplemental if the surviving spouse obtains other group medical insurance or Medicare at age 65. If the surviving spouse remarries, all coverage for the survivor’s spouse and dependent survivors, including supplemental coverage paid by the City will terminate. If none of these events which would terminate coverage occurs, coverage for dependent survivors of deceased retirees or employees killed in the line of duty under the City’s group medical insurance plan will continue in accordance with the Public Employees’ Medical and Hospital Care Act Program or the medical plan currently in existence.

SECTION 14 - HOLIDAYS. Administrative Officers will be entitled to 11 paid holidays per calendar year. The 11 paid holidays to which they are entitled are:

New Year’s Day
Washington’s Birthday
Lincoln’s Birthday
Memorial Day
Independence Day  
Labor Day  
Veterans’ Day  
Thanksgiving and the day after Thanksgiving  
Christmas  
“Floating Holiday”

The exact date upon which each of the above holidays will be observed and during which City Hall will be closed shall be set by Administrative Regulation each year.

The “floating holiday” may be taken at any time during the year, subject to approval of the City Manager. The “floating holiday” must be used during the calendar year, and may not be carried over from one year to the next. Administrative Officers who separate from employment may not be compensated for any unused holiday.

**SECTION 15 - VACATION ACCRUAL RATE.** Administrative Officers shall accrue vacation time at the following rate:

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Hours Per Year</th>
<th>Hours Per Payroll Period</th>
</tr>
</thead>
<tbody>
<tr>
<td>6 months - 1 year</td>
<td>80</td>
<td>3.08</td>
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<td>Years 2 - 5</td>
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<td>Years 6 - 8</td>
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<td>Years 9 - 10</td>
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<td>5.54</td>
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<tr>
<td>Years 11 - 12</td>
<td>152</td>
<td>5.85</td>
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<tr>
<td>Years 13 - 14</td>
<td>160</td>
<td>6.15</td>
</tr>
<tr>
<td>Years 15 and over</td>
<td>200</td>
<td>7.69</td>
</tr>
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</table>

A. **Eligibility to Use Vacation:** Administrative Officers shall not be eligible to take vacation time until they have successfully completed six (6) months of continuous service with the City.

B. **Maximum Vacation Accrual:** Administrative Officers may accrue up to 240 hours of vacation and with City Manager approval, may exceed 240 hours for business necessity.
C. Annual Vacation Payoff: Annually, Administrative Officers who use 40 hours of vacation in a calendar year and maintain an accrual of 20 hours (after vacation buy-back) may request to buy-back a maximum of 80 hours of vacation. To request a vacation payoff, the Administrative Officer must submit an irrevocable election form specifying the number of hours requested. The irrevocable election form must be received by the Human Resources Department before December 31\textsuperscript{st} of the year prior to the payoff. For example, to receive a payout in 20182021, an Administrative Officer must submit a completed irrevocable election form to Human Resources before December 31, 20172020. If during the 2018-2021 calendar year, the Administrative Officer meets the criteria specified herein to be eligible for payoff, he/she will receive the requested payoff. If the Administrative Officer does not submit the irrevocable election form within the required timeline or he/she does not meet the criteria for payoff, no payoff will be given.

D. Annual Sweep of Vacation Hours in Excess of 240 Hours: Annually, effective on the first payroll period in February, should an Administrative Officers vacation accrual exceed the maximum vacation accrual specified in Section 15 B, the sum above the maximum will be swept into a qualifying plan such as a 457 or 401(A) account for the Administrative Officer. The hours exceeding the maximum will be cashed out and deposited into the Administrative Officer’s account.

E. Vacation Accrual at Separation: At separation, the monetary value of the Administrative Officer’s accrued, unused vacation time will be cashed out and paid to the Administrative Officer.

**SECTION 16 - SICK LEAVE.** Administrative Officers shall accrue sick leave at the rate of 3.69 hours per bi-weekly pay period (one, eight hour day per month).
In accordance with California Labor Code section 245 et seq., should an Administrative Officer separate from employment with the City of Fountain Valley, and then return to City employment within one (1) year from the date of separation, the employee's accrued, unused sick leave hours at the time of separation after any sick leave payoff if any, shall be reinstated upon re-hire.

A. Sick Leave Usage. The first three (3) days or work hours equivalent (e.g. 30 hours for employees on a 4/10 schedule) of paid sick leave taken each 12 month period will be considered sick leave used pursuant to the Healthy Workplaces, Healthy Families Act of 2014 (California Labor Code sections 245-249). The 12 month period is July 1 through June 30 for employees hired prior to July 1, 2015. For employees hired on or after July 1, 2015, the 12 month period is the 12 month period beginning on the employee’s hire date, until the following July 1, at which point the employee’s 12 month period will change to July 1 - June 30.

1. Administrative Officers can use sick leave for themselves for preventative care (such as physical exams) or care of an existing health condition;

2. Administrative Officers can use up to a maximum of one-half of one year’s annual accrued sick leave (e.g. 60 hours for employees on a 4/10 work schedule) per year for the diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee's child, parent, spouse or registered domestic partner. The first three days (or work hours equivalent) of sick leave an employee uses in a 12 month period can also be used for the diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee’s sibling, parents-in-law, grandparent or grandchild. Sick leave usage for family illness is separate from Family Care and Medical Leave, the provisions of which are included in Administrative Regulation No. 1053; however, sick leave usage for family illness may run concurrently with Family
Care and Medical Leave; or

3. Administrative Officers can use sick leave for specified purposes if they are victims of domestic violence, sexual assault or stalking as set forth in California Labor Code section 230(f) and 230.1(a).

After an Administrative Officer has used three sick leave days (or work hours equivalent) in a 12 month period, the use of sick leave shall be subject to the approval of the City Manager who may request a physician's statement or other documentation substantiating the illness at any time and may require a release to duty before allowing an Administrative Officer to return to duty. Administrative Officers will be required to use accrued sick leave prior to requesting a leave of absence without pay.

C. **Sick Leave Payoff.** Upon completion of ten (10) years of continuous service with the City, Administrative Officers who separate from the City for any reason other than termination for cause shall be paid 25% of the Administrative Officer's accrued, unused sick leave balance at the time of separation. In the event of death at any time during employment with the City, 25% of the Administrative Officer's accrued, unused sick leave will be paid to the Administrative Officer's estate. Contributions to the California Public Employees' Retirement System shall not be made on any payoff for accrued, unused sick leave.

D. **Retirement Credit for Unused Sick Leave.** Pursuant to Government Code Section 20965 and the City's contract with CalPERS, Administrative Officers who retire from the City may receive service credit towards their retirement for all accrued, unused sick leave for which they do not receive compensation. This provision shall apply only to Administrative Officers whose effective date of retirement is within four (4) months of separation from employment with the City.
SECTION 17 - BEREAVEMENT LEAVE. Administrative Officers shall be entitled to a maximum of three (3) working days absence with pay, as Bereavement Leave, when they are compelled to be absent from duty by reason of death of an immediate family member, or in the event of critical illness where death appears to be imminent. For purposes of bereavement leave, “immediate family member” refers to spouse, child, stepchild, grandchild, brother, sister, parent, step-parents, mother-in-law, father-in-law, grandparents, or legal guardian.

SECTION 18 - INDUSTRIAL INJURY LEAVE. Administrative Officers who sustain injuries or illnesses arising out of their employment and in the course of their employment shall be entitled to the following:

A. Non-sworn Administrative Officers shall be entitled to a maximum of ninety (90) calendar days of industrial injury leave at full salary and benefits in lieu of temporary disability benefits. Administrative Officers who are absent from work for longer than ninety (90) calendar days due to industrial illness or injury will receive those benefits provided for in the Workers' Compensation Law, as well as, any long-term disability benefits to which they may be entitled. Administrative Officers will also be permitted, after exhaustion of the ninety (90) days industrial injury leave, to use accrued sick leave to supplement their Workers' Compensation benefits for a maximum of sixty (60) calendar days. In no case will an Administrative Officer be permitted to receive more than their regular pay.

B. Sworn Administrative Officers shall be entitled to a maximum of one year of industrial injury leave at full salary and benefits, pursuant to Labor Code Section 4850. Administrative Officers who are absent from work for longer than one year due to industrial illness or injury will receive those benefits provided for in the Workers' Compensation law, as well as, any long-term disability benefits to which they may be
entitled. In no case will an Administrative Officer be permitted to receive more than their regular pay.

SECTION 19 - ADMINISTRATIVE LEAVE. All Administrative Officers shall be eligible for Administrative Leave equivalent to one (1) work day per month up to a maximum of ninety-six (96) hours per calendar year. In addition, Administrative Officers shall receive twenty (20) hours of COVID Thank You leave. COVID Thank You leave has no cash value and expires on December 31, 2021. Any unused leave after that date will be forfeited by the employee.

SECTION 20 - CITY VEHICLE. The Chief of Police and Fire Chief shall be provided with a City vehicle which may be used for transportation between the City and home and for official work-related business.

SECTION 21 - ANNUAL PHYSICAL. All Administrative Officers shall be entitled to one (1) of the following with respect to annual (calendar year) physical examinations:

A. A complete physical examination conducted by the City physician.

B. Reimbursement equal to the amount the City pays the City physician for a comparable examination with the physical examination conducted by a physician other than the City physician. The Administrative Officer will be required to submit a summarized doctor bill to the Human Resources Department prior to the City issuing a reimbursement check to the Administrative Officer.

SECTION 22 - ADMINISTRATIVE REGULATIONS. The City Manager is authorized to issue written administrative personnel regulations designed to augment or clarify the provisions of this resolution.

SECTION 23 - EFFECTIVE DATE. Except as otherwise specified to the contrary in this Resolution, all provisions shall be effective as of August 16, 2015X, 2020.
PASSED AND ADOPTED by the City Council of the City of Fountain Valley at a regular meeting on this 24st Xst day of August X, 2020.

ATTEST:

Michael Vo
Cheryl Brothers, Mayor

Rick Miller, City Clerk Administrator

APPROVED AS TO FORM

HARPER & BURNS LLP

Colin Burns
Attorneys for the City
RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FOUNTAIN VALLEY RELATING TO THE CLASSIFICATION, COMPENSATION AND TERMS OF EMPLOYMENT FOR THE FOUNTAIN VALLEY POLICE OFFICERS’ ASSOCIATION.

WHEREAS, representatives of the City of Fountain Valley and the Police Officers’ Association have negotiated in good faith to reach an agreement to provide certain classifications of City employees with adjustments to salary and other benefits pursuant to Government Code Section 3500 et seq; and

WHEREAS, said negotiations occurred in 2020 and resulted in a new Memorandum of Understanding between representatives of the City and the Police Officers’ Association from July 1, 2020 – June 30, 2021, a copy of which is attached hereto as “Exhibit 1” and be reference made a part hereof, is hereby approved and implemented in accordance with the terms and conditions thereof; and the City Manager is authorized to execute the new Memorandum of Understanding.

NOW, THEREFORE, the City Council of the City of Fountain Valley does hereby resolve as follows:

SECTION 1. The provisions of the new Memorandum of Understanding are memorialized in the Agreement between the City of Fountain Valley and the Police Officers’ Association, a copy of which is attached hereto as Exhibit “1” and is hereby ratified and implemented.

SECTION 2. COVID THANK YOU LEAVE. The City desires to provide a 48 hour COVID “Thank you” leave to be used by December 31, 2021 to each member of the Police Officers’ Association.
SECTION 3. VACATION ACCRUAL.  The new vacation accrual rates will be:

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Hours Accrued Per Pay Period (based upon 26 pay periods annually)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date of Hire – 1 year</td>
<td>3.08 hours (80 hours total)</td>
</tr>
<tr>
<td>2-5 years</td>
<td>4.62 hours (120 hours total)</td>
</tr>
<tr>
<td>6-9 years</td>
<td>5.38 hours (140 hours total)</td>
</tr>
<tr>
<td>10-11 years</td>
<td>6.15 hours (160 hours total)</td>
</tr>
<tr>
<td>12-14 years</td>
<td>6.92 hours (180 hours total)</td>
</tr>
<tr>
<td>15 years or more</td>
<td>7.69 hours (200 hours total)</td>
</tr>
</tbody>
</table>

SECTION 4. The City Manager is authorized to execute the Memorandum of Understanding between the City of Fountain Valley and the Police Officers’ Association effective July 1, 2020 through June 30, 2021 which will replace the previous Memorandum of Understanding effective February 1, 2017 through June 30, 2020.

PASSED AND ADOPTED by the City Council of the City of Fountain Valley at a regular meeting on this 1st day of September, 2020.

__________________________
Cheryl Brothers, Mayor

ATTEST:

__________________________
City Clerk

APPROVED AS TO FORM:

__________________________
Colin Burns, Attorney for the City
MEMORANDUM OF UNDERSTANDING

CITY OF FOUNTAIN VALLEY

AND

THE FOUNTAIN VALLEY POLICE OFFICERS' ASSOCIATION

INCORPORATED

JUNE 13, 1957

2017-2020-2020-2021

This Memorandum of Understanding sets forth the terms of agreement reached between the City of Fountain Valley and the Fountain Valley Police Officers' Association as the exclusively recognized employee organization for the Police Officers' Unit for the period beginning February 1, 2017 through June 30, 2021. Unless otherwise indicated herein, all provisions shall become effective following City Council approval of the MOU.
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<td>Employees Hired Between August 1, 2010 through December 31, 2012 or Classic Employees Hired After January 1, 2013</td>
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<td>Sick Leave Accrual Rate</td>
<td>30</td>
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MEMORANDUM OF UNDERSTANDING
BETWEEN REPRESENTATIVES OF THE CITY MANAGER
FOR THE CITY OF FOUNTAIN VALLEY
AND
THE FOUNTAIN VALLEY POLICE OFFICERS’ ASSOCIATION

(February 1, 2017 – July 1, 2020 – June 30, 2021)

ARTICLE 1 - RECOGNITION

The Fountain Valley Police Officers’ Association (hereinafter referred to as "FVPOA") is the recognized employee organization with the right to meet and confer in good faith on behalf of sworn employees of the City in the classifications of Police Officer and Police Sergeant, hereinafter referred to as "sworn, non-management Police personnel."

A. Representatives of the City Manager for the City of Fountain Valley and representatives of FVPOA have met on a number of occasions and have conferred in good faith, exchanging a number of proposals concerning wages, hours, fringe benefits and other terms and conditions of employment for the said employees of the City.

B. The representatives of the City Manager and FVPOA have reached an understanding as to changes in wages, hours, fringe benefits, and other terms and conditions of employment contained herein.

THEREFORE, representatives of the City Manager for the City of Fountain Valley and the representatives of FVPOA agree as follows:

A. Pursuant to Government Code Section 3500 et seq. and the Employer-Employee Relations Resolution No. 9379 of the City Council of the City of Fountain Valley, the City has recognized the FVPOA as the representative for sworn employees of the City in the ranks of Police Officer and Police Sergeant for the purpose of representation regarding wages, hours, benefits and other terms and conditions of employment. As such, FVPOA is empowered to act on behalf of said employees whether or not they are individually members of FVPOA.

B. This memorandum shall act as a bar to the raising of any question concerning such representation during the term of this memorandum, except that a question of representation may be raised during the period between 60 days and 90 days prior to the expiration of this memorandum.
ARTICLE 2 - WORK SCHEDULE

Section 2.01 – Work Period. The work period for sworn, non-management Police personnel shall be twenty-eight days pursuant to Section 207(k) of the Fair Labor Standards Act beginning at 12:01 a.m. on the first day of the payroll period and ending at twelve (12:00) Midnight twenty-eight days later.

Section 2.02 – Work Schedule – 3/12.5. Sworn, non-management Police personnel assigned to Patrol duties (Uniform Division) shall work:

Following approval of the NOU, personnel assigned to Patrol (excluding School Resource Officer and Canine Officer), will be assigned to the a 3/12.5 schedule, on a six month trial basis. In each seven calendar day period the employee is scheduled to work three 12.5 hour days followed by four consecutive days off. During the 28-day work period, the employee must work one additional 10 hour shift. The specific days and hours will be established in advance by the Division Commander and the Chief of Police.

One month prior to the end of the six month test period, the Police Chief and Department Command staff will meet with representatives from FVPOA to discuss each schedule and to receive feedback regarding interest of members of the Association in moving forward with one of the 3/12.5 models or returning to the 4/10 schedule.

At the end of the pilot program, Police Department Command staff will make a determination based on the needs of the Department and service to the community, if either Schedule A or Schedule B work. If neither schedules are successful, the Department will revert back to the 4/10 patrol schedule. Following the pilot program, should the Police Officers’ Association membership vote to revert back to the 4/10 work schedule, the Department will revert back to the 4/10 patrol schedule.

TEST SCHEDULE A

Test Schedule A will be a 3/12.5 patrol schedule with one 10-hour work day in a 28-day pay cycle. The schedule will follow a team policing model. Officers will be assigned to work one of six different shifts. The trial period for test schedule A will be three months.

TEST SCHEDULE B

Test Schedule B will be a 3/12.5 patrol schedule with one 10-hour work day in a 28-day pay cycle. Officers will be assigned to work one of three different shifts. The trial period for test schedule B will be three months.
Section 2.03 – Work Schedule – 4/10. Employees in the assignments of School Resource Officer, Canine Officer, Traffic, and non-uniformed sworn personnel, including the Detective Division and Personnel and Training, shall be scheduled to work consecutive four (4), ten (10) hour days per week, commonly known as a 4/10 schedule. The specific days and hours will be established in advance by the Division Commander and the Chief of Police. This 4/10 work schedule shall remain in effect except as provided below.

A. The Chief of Police shall have the right to adjust the work schedule of non-uniformed sworn personnel during the time period in which any of the following conditions exist:

1. The Detective Bureau staffing level is at least three (3) sworn personnel below budget-authorized strength due to vacancies and/or long-term injuries or illnesses. For purposes of this subsection, "long-term injury or illness" shall mean an injury or illness which results, or is expected to result, in an employee being absent from work for a period of at least thirty (30) calendar days.

2. The clearance rate for any six (6) month period is less than 25%, using the standard formula: number of cases cleared, divided by number of open investigative cases received = clearance rate.

3. Average overtime usage for sworn non-uniformed personnel, excluding special incident overtime, exceeds ten (10) hours per month per employee. Special incident overtime may include but is not limited to the following:
   a. Officer involved shootings
   b. Officer involved death of suspect
   c. Major task force, i.e., serial rapist
   d. Training days
   e. Major investigations

4. The City and the FVPOA agree that if any one (1) or more of the three (3) conditions listed above occur, the Chief of Police may at his/her discretion and without meeting with FVPOA representatives, modify the existing 4/10 work schedule for sworn, non-uniformed personnel, until such time as the condition or conditions cease to exist.

Section 2.04 – Work Schedule – Industrial Injury. Sworn, non-management Police personnel who have sustained an industrial injury accepted by the City's Workers' Compensation Program who are placed on light duty by the treating physician, shall work a 4/10 schedule. The precise 4/10 schedule will be based on the needs of the department; however, consideration will be given to the employee's existing schedule whenever possible.
ARTICLE 3 - PROBATIONARY EMPLOYEES

Section 3.01 – Probationary Period for New Hires. New employees shall be subject to a one (1) year probationary period. Upon completion of one (1) year of continuous City service and successful completion of probation, the employee shall be eligible for a merit increase. Thereafter, employees shall be eligible for merit increases effective upon completion of twenty-four (24) months, thirty (30) months, and forty-two (42) months after appointment subject to the maximum step in the applicable salary range.

Section 3.02 – Probationary Period Upon Promotion. Sworn, non-management Police personnel promoted to a higher classification shall be subject to a one (1) year probationary period. Upon successful completion of the probationary period, the sworn, non-management Police employee may be recommended for permanent status subject to Department Director and City Manager approval and a merit increase. Thereafter, the sworn, non-management Police employee shall be eligible for a merit increase effective with completion of twenty-four (24) months, thirty (30) months, and forty-two (42) months after appointment subject to the maximum step in the applicable salary range.

ARTICLE 4 - COMPENSATION

Section 4.01 - Compensation. The schedule of base salary rates is contained in Exhibit 1. Base salary adjustments will be given according to the following schedule:

A. 3% increase effective the beginning of the pay period following City Council approval of the MOU.

An additional 1% salary increase (for a total of 4%), effective the beginning of the pay period following City Council approval of the MOU, is conditioned upon the acceptance of the reduction of the receipt of cash to $350/month through the Cafeteria Plan or via excess medical contributions.

B. 4% increase effective the pay period that includes July 1, 2018.

C. 3.5% increase effective the pay period that includes July 1, 2019. The FVPOA forgoes any increases for the duration of this contract.

Section 4.02 – Pay Periods. Sworn non-management Police personnel shall be paid on a bi-weekly basis. The basic hourly rate for all employees shall be computed by dividing the annual salary by 2080 hours.

Section 4.03 – Master Police Officer (Sr. Police Officer) Compensation. Defined as compensation to local Police Officers who meet specified requirements, years of employment, performance standards, education, Peace Officer Standards Training...
(P.O.S.T.) and perform a specialty assignment. Designated by CCR 571 (a) as incentive pay. Sworn, non-management Police personnel assigned to Master Police Officer will receive a salary differential of 5% above their base hourly rate while assigned to such duty.

The City agrees to establish the classification of Police Corporal with a salary 5% above the classification of Police Officer. The City will prepare a job description and request position authorization for the new classification with the Fiscal Year 2017/18 mid-year budget process. Upon City Council approval of the classification and FTE authorization, Section 4.03 Master Police Officer (Sr. Police Officer) Compensation will be eliminated. Individuals with Master Police Officer compensation at the time of approval will be reclassified to Police Corporal. Promotional selection processes will be used to fill future vacancies in the classification of Police Corporal.

**Section 4.04 – Canine Officer/Animal Premium.** Defined as compensation to local Police Officers who are routinely and consistently assigned to handle, train and board a canine. Compensation shall not include veterinarian fees, feed or other reimbursable expenses for upkeep of the animal. Designated by CCR 571 (a) as special assignment pay. Sworn, non-management Police personnel assigned to duty as a Canine Officer shall receive a salary differential of 2.5% above their base hourly rate while assigned to such duty. The 2.5% Canine Officer/animal premium shall be separate from, and in addition to, other pay differentials which the employee is receiving.

A. Employees who are assigned to Canine Officer detail are entitled to compensation for the off-duty hours spent caring, grooming, feeding, and training their canine and maintaining their canine vehicle/unit. The parties acknowledge that the Fair Labor Standards Act permits the parties to agree upon an estimate as to a reasonable number of hours per month for the performance of canine duties. The Fair Labor Standards Act also allows the parties to agree on the appropriate rate of compensation for the performance of canine duties. The parties intend and actually believe that this article fully complies with the requirements of the Fair Labor Standards Act.

B. Canine Officers work a 4/10 work schedule. A sworn unit member assigned to canine duty is required to work one (1) hour less per shift than other Officers on that shift. That last hour of the shift will be compensated as usual as work time for the off-duty caring, grooming, feeding, exercising, and training of the canine. Since there is an average of 17.33 shifts per month, the parties agree that unit members normally spend 17.33 hours per month performing such work off-duty. Canine Officers assigned to an overtime shift must work the full number of hours of the overtime shift.

C. A unit member who is required to perform extraordinary off-duty canine care, such as a veterinary emergency or other rare occurrence which causes a substantial increase in the normal off-duty hours worked for that month, shall submit a written request to the Chief of Police or the Chief’s assigned designee for additional compensation for
the hours spent performing such work. Any additional compensation shall be compensated at time and one half.

D. City agrees to allow Canine Officers the use of a City patrol vehicle for the transportation of the Police canine to and from the Officer's personal residence.

Section 4.06 – Pay Relating to Off-Duty Court Appearances.

A. Sworn, non-management Police personnel who must be available during off-duty hours to appear in court on official City business pursuant to notification to appear in court shall be compensated at their base hourly rate for two (2) hours of "Court Standby Pay" for the morning court session and/or two (2) hours for the afternoon court session.

B. If an employee is required to appear in court, he/she shall be compensated with "Court Appearance Pay' at one and one-half times the employee's base hourly rate for the actual number of hours spent in court, with a minimum of three (3) hours.

C. If the employee is on call for court in the morning and subsequently is required to appear in court in the afternoon, he/she shall be compensated at the base hourly rate for two (2) hours of "Court Standby Pay" for the morning and at one and one-half times the base hourly rate for the actual number of hours spent in court in the afternoon, with minimum pay of three hours as "Court Appearance Pay." An employee cannot receive both " Court Appearance Pay" and "Court Standby Pay" for a single court session.

Section 4.06 – Peace Officer Standard Training (P.O.S.T.) Certificate Pay: Defined as compensation to local Police Officers who obtain Peace Officer Standards Training (P.O.S.T.) Certification. Designated by CCR 571 (a) as educational pay. Sworn, non-management Police personnel who have an Intermediate or Advanced P.O.S.T. Certificate shall receive either of the following:


(Revised 8/7/10, 8/8/09, 8/9/08, 8/11/07, 1/1/98, 1/1/97, 8/1/15)


(Revised 8/7/10, 8/8/09, 8/9/08, 8/11/07, 1/1/98, 1/1/97, 8/1/15)
Now appointments hired from outside of the department upon providing proof of possession of Peace Officer Standard Training (P.O.S.T.) Certificate Pay, as specified in this section, to the Personnel Department will be paid the applicable certificate pay effective the payroll period during which the Personnel Department is provided with proof of possession.

Section 4.07 – Physical Fitness Program (Wellness). Defined as compensation to local safety members who meet an established physical fitness criterion. Designated by CCR 571 (a) as incentive pay. Sworn, non-management police personnel who meet the criteria and testing for the physical fitness/wellness program specified in Article 11 shall receive:

A. Tier 1 Physical Fitness Program Certified: Sworn, non-management Police personnel certified as Tier 1 will receive Physical Fitness Program pay in the amount of $50 per month.

B. Tier 2 Physical Fitness Program Certified: Sworn, non-management Police personnel certified as Tier 2 will receive Physical Fitness Program pay in the amount of $195 per month.

Section 4.08 – Specialty Assignment Pay. Specialty Assignment pay shall be applicable as follows:

A. Specialty Assignment pay will be given to sworn, non-management Police personnel who are assigned to the following:

1. Detective Division Premium Pay: Defined as compensation to local police officers who are routinely and consistently assigned to detective or investigative division or intelligence duties. Designated by CCR 571 (a) as special assignment pay. Sworn, non-management Police personnel assigned to Detectives will receive Detective Division Premium Pay in the amount of $145 per month.

2. Police Liaison Premium (School Resource and Community Resource (2 positions)): Defined as compensation to rank and file local police officers who are routinely and consistently assigned to function as a liaison between special persons, groups or courts and the Police Department. Designated by CCR 571 (a) as special assignment pay. Sworn, non-management Police personnel assigned to Police Liaison will receive Police Liaison Premium in the amount of $145 per month.

3. Training Premium (Field Training Officer): Defined as compensation to employees who are routinely and consistently assigned to train employees. Designated by CCR 571 (a) as special assignment pay.
Sworn, non-management Police personnel assigned to Field Training Officer shall receive specialty assignment pay as long as the employee maintains current certification as Field Training Officer. The City Manager and Chief of Police have sole discretion in determining the number of Field Training Officers to be maintained by the City. Sworn, non-management Police personnel assigned to a specialty assignment shall receive $145 per month.

(Revised 1/8/11, 1/8/10, 1/10/09, 1/12/08, 1/1/97)

4. Traffic Detail Premium: Defined as compensation to employees who are routinely and consistently assigned to direct traffic. Designated by CCR 571 (a) as special assignment pay. Sworn, non-management Police personnel assigned to Traffic will receive Traffic Detail Premium in the amount of $145 per month.

Section 4.09 – Termination of Premium Pay. Detective Division Premium Pay, Police Liaison Premium, Training Premium and Traffic Detail Premium shall cease when the employee is reassigned to a non-specialty assignment. In those instances involving Detective Division Premium Pay, Police Liaison Premium, Training Premium, Traffic Detail Premium assignments no premium pay will be applicable when an Officer is temporarily assigned to said duties because the Officer is incapacitated from serving on his/her usual assignment (e.g., light duty).

Section 4.10 – Bilingual Premium. Defined as compensation to employees who are routinely and consistently assigned to positions requiring communication skills in languages other than English. Designated by CCR 571 (a) as special assignment pay.

Sworn, non-management Police personnel successfully completing proficiency certification will be eligible to receive Bilingual Premium in accordance with the following procedures:

A. The Chief of Police shall determine the languages appropriate for Bilingual Proficiency Pay.

B. Sworn, non-management Police personnel eligible to receive Bilingual Proficiency Pay must first successfully pass a proficiency test.

1. Level 1 Certified as proficient in speaking and writing an approved language: Sworn, non-management Police personnel certified by the Personnel Manager as proficient in speaking and writing an approved language shall be designated as Level 1 and will receive Bilingual Premium in the amount of $70 per month.

2. Level 2 Certified as proficient in speaking an approved language: Sworn, non-management Police personnel who are certified by the Personnel Manager as proficient in speaking an approved language shall be designated as Level 2 and
will receive Bilingual Premium in the amount of $35 per month.

**Section 4.11 – Temporary Upgrade Pay.** Defined as compensation to employees who are required by their employer to work in an upgraded position/classification of limited duration. Designated by CCR 571 (a) as premium pay.

Employees are eligible for a 5% base pay differential when they are assigned to work in a higher classification and when:

1. The City Manager approves of the temporary upgrade; and
2. The employee performs all the duties and assume all the responsibilities of the higher classification for a period of not less than thirty (30) calendar days; and
3. Compensation for temporary upgrade pay shall be limited to the temporary filling of a vacant regular position due to termination, promotion, or extended absence of the incumbent, vacant position or the temporary filling of newly budgeted positions.

**Section 4.12 - Overtime.** City agrees to pay overtime as follows:

A. **Overtime.** The City will pay overtime at the rate of time-and-one-half for all hours worked in excess of one-hundred sixty (160) hours in a twenty-eight (28) day work period. Paid absences, such as sick leave, vacation, compensatory time and holiday leave shall count as hours worked for purposes of eligibility for overtime compensation.

B. **Calculation of the Overtime Rate.** The City will pay overtime for all hours worked in excess of 160 hours in a 28-day work period. Paid absences, such as sick leave, vacation, compensatory time off, and holiday leave shall count as hours worked for the purposes of eligibility for contract overtime compensation. The City agrees to include special assignment pay, education incentive pay (i.e. POST), and court standby pay in the contract overtime rate. Should the City's payroll system be unable to calculate two different rates of pay (contract overtime and FLSA overtime), the City may provide an overtime calculation greater than the contract overtime rate but not more than the FLSA regular rate of pay.

The Fair Labor Standards Act requires overtime be paid at the "regular rate of pay" for actual hours worked in excess of one hundred and seventy-one (171) hours in a twenty-eight day work period. Paid leave hours are not included as hours worked for FLSA overtime purposes. FLSA overtime is paid at the "regular rate of pay" which for purposes of calculating the overtime rate, will always be expressed as an hourly rate, and includes all remuneration for employment paid to or on behalf of an employee, except payments specifically excluded by the Fair Labor Standards Act.
Section 4.13 - Compensatory Time. Sworn, non-management Police personnel will have the option of receiving compensatory time off at the rate of one-and-one-half hours off for each hour of overtime, in lieu of a cash payment.

A. Sworn, non-management Police personnel shall also have the option of "banking" compensatory time, to a maximum of sixty (60) compensatory time hours (forty (40) hours of earned overtime) and of utilizing time off from the compensatory time bank upon request, subject to approval of the employee's immediate supervisor and Chief of Police.

B. Compensatory time off, whether "banked" or used at the time the overtime is earned, shall be credited to the employee at the rate of one-and-one-half hours of compensatory time for each hour of overtime worked.

C. The employee shall inform his/her supervisor at the time overtime is earned if he/she wishes to utilize or bank compensatory time in lieu of being paid overtime.

D. Employees who separate from the City shall be paid for up to sixty (60) hours of "banked" compensatory time that is unused at the time of separation.

D-E. Members of the POA who participate in the City's on-site fitness program in the Police Department's gym will be eligible to accrue compensatory time. Every 40 minutes of exercise equates to 1 hour of accrued compensatory time regardless of length of shift assignment (12.5 or 10 hour days). Employees who exercise under this program must do so prior to the start of their shift or directly after the end of their shift. Workout time must be verified by their immediate supervisor.

ARTICLE 5 - UNIFORMS AND UNIFORM ALLOWANCE

Section 5.01 - Equipment Provided. Sworn, non-management Police personnel shall be required to purchase, maintain, and wear uniforms as specified by the Chief of Police. The following equipment will be provided by the City at no cost to the employee: handgun, ammunition, magazines, baton and grommet, baton ring, mace, mace holder, handcuffs, handcuff case, magazine holser, key holder, whistle, Sam brown belt, keepers (for Sam brown belt), helmet, face shield, holster, badge, hat piece badge, name tag, body armor (vest), raincoat/pants/boots, uniform patches.

Section 5.02 - Uniform Allowance. Defined as compensation paid for the purchase and maintenance of required clothing, including clothing made from specially designed protective fabrics, which is a ready substitute for personal attire the employee would otherwise have to acquire and maintain. This excludes items that are solely for personal health and safety such as protective vests, pistols, bullets and safety shoes. Designated by CCR 571 (a) as statutory items. Sworn, non-management Police personnel will receive uniform allowance based upon the following schedule:
A. $800 effective the beginning of the second payroll period in January and $600 the beginning of the second payroll period in July for a total of $1,200 annually.

(Revised 1/8/11, 1/9/10, 1/10/09, 1/12/08, 1/1/97)

B. The uniform allowance shall vest upon payment of each semi-annual installment. Newly-hired sworn, non-management Police personnel shall receive a pro-rated allowance if they are hired after July 1 for that calendar year.

C. For "Classic" employees, one twenty-sixth of the annual uniform allowance will be reported to CalPERS each payroll period.

Section 5.03 Uniforms Damaged in the Line of Duty. Upon submission of proper documentation by the Department that an employee's uniform has been damaged in the line of duty, the City shall, at its option, pay for the cost of repair or replacement of the uniform, unless it is determined that such damage was the result of negligence on the part of the employee. Damaged in the line of duty shall not include normal wear and tear.

ARTICLE 6 – RETIREMENT

Section 6.01 - Retirement. All sworn, non-management Police personnel are members of the California Public Employees’ Retirement System and are subject to all applicable provisions of the City's contract with CalPERS. In addition, the parties desire to recognize and comply with AB 340 (California Public Employees’ Pension Reform Act of 2013 (“PEPRA”).

Section 6.02 – Employees Hired on July 31, 2010 or Earlier. Sworn, non-management Police personnel employed by the City of Fountain Valley on July 31, 2010 or earlier, will be eligible for the following retirement benefits:

<table>
<thead>
<tr>
<th>BENEFIT</th>
<th>GOVERNMENT CODE SECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>3% at 50</td>
<td>21362.2</td>
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<tr>
<td>Single Highest Year</td>
<td>20042</td>
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<tr>
<td>Service Credit for Unused Sick Leave</td>
<td>20965</td>
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<tr>
<td>2% Cost-of-Living</td>
<td>21329</td>
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<tr>
<td>Prior Service Credit</td>
<td>20055</td>
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<tr>
<td>Post-Retirement Survivor Allowance</td>
<td>21624, 21626 and 21635</td>
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<tr>
<td>Retired Death Benefits</td>
<td>21620</td>
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<tr>
<td>Pre-Retirement Option 2W Death Benefits</td>
<td>21648</td>
</tr>
<tr>
<td>Military Service Credit</td>
<td>21024</td>
</tr>
<tr>
<td>Military Service Credit for Retirees</td>
<td>21027</td>
</tr>
<tr>
<td>Peace Corps Service Credit</td>
<td>21023.5</td>
</tr>
</tbody>
</table>
Public Service Layoff Service Credit 21022
Member Cost Sharing 20516
Public Service Credit for Service Rendered to a Nonprofit Corporation 21026
Local System Service Credit Included in Basic Death Benefit 21536
Cancellation of Payments for Service Credit Purchase Upon Industrial Disability Retirement 21037

Employee Contribution. Each employee will pay a portion of the required member contribution (9% of pensionable income) equal to 6% of pensionable income. The employer will “pick up” (and pay) the remaining portion of the required member contribution equal to 3% of pensionable income in accordance with Government Code Section 20691. In addition, each employee shall pay a portion of the required employer contribution equal to 3% of pensionable income in accordance with Government Code Section 20516(a) (i.e., cost sharing). The City has adopted the CalPERS Resolution (City Council Resolution No. 8996) in accordance with and as permitted by Internal Revenue Code Section 414(h)(2) to ensure that the employees’ payment (i.e., “pick up” as that term is used in Section 414(h)(2)) of their employee contribution is made on a pre-tax basis.

Section 6.03 – Employees Hired Between August 1, 2010 through December 31, 2012 or “Classic” Employee Hired after January 1, 2013. Sworn, non-management Police personnel employed by the City of Fountain Valley between August 1, 2010 through December 31, 2012 or a “Classic” employee hired by the City after January 1, 2013. “Classic” employees are defined as those individuals who are:

A. Working for an employer providing CalPERS retirement benefits who begins employment with the City of Fountain Valley without a break in service or a break in service of less than six (6) months; or

B. Current member of a public retirement system or plan with reciprocity with CalPERS.

Classic members will be covered under the 3% at 55 formula with the benefits specified below.

will be eligible for the following retirement benefits:

<table>
<thead>
<tr>
<th>BENEFIT</th>
<th>GOVERNMENT CODE SECTION</th>
</tr>
</thead>
<tbody>
<tr>
<td>3% at 55</td>
<td>21363 1</td>
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<tr>
<td>Three Highest Years Average</td>
<td>20037</td>
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<tr>
<td>Service Credit for Unused Sick Leave</td>
<td>20985</td>
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<tr>
<td>2% Cost-of-Living</td>
<td>21329</td>
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<tr>
<td>Pre-Retirement Option 2W Death Benefits</td>
<td>21548</td>
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<tr>
<td>Military Service Credit</td>
<td>21024</td>
</tr>
<tr>
<td>Military Service Credit for Retirees</td>
<td>21027</td>
</tr>
</tbody>
</table>
Sworn non-management police personnel will pay the required employee contribution (9% of pensionable income) towards CalPERS retirement.

The City has adopted the CalPERS Resolution (City Council Resolution No. 8998) in accordance with and as permitted by Internal Revenue Code Section 414(h)(2) to ensure that the employees’ payment (i.e., “pick up” as that term is used in Section 414(h)(2)) of their employee contribution is made on a pre-tax basis.

Section 6.04 – New Members or New Employees Under PEPRA. Assembly Bill No. 340 established the California Public Employees’ Pension Reform Act of 2013 (hereinafter referred to as PEPRA). PEPRA mandates the retirement benefits and employee contributions for “New Members” or “New Employees” (as those terms are defined by the law) hired on or after January 1, 2013.

New Members defined by PEPRA. New Members are defined by PEPRA as an employee who becomes a member of a public retirement system for the first time on or after January 1, 2013 and:

A. Was not a member of a public retirement system before January 1, 2013; or

B. Was a member of a public retirement system before January 1, 2013 that is not subject to reciprocity with the new public employer’s plan; or

C. Alternatively, anyone who was an active member of a retirement system, has a break in service of six (6) months or more, and returns to active membership in the same system with a new employer.

New Employees defined by PEPRA. An individual hired on or after January 1, 2013 and:

A. Never worked in the public sector before January 1, 2013; or

B. Worked in the public sector before January 1, 2013, but worked for an employer with a retirement plan that did not have reciprocity with the new employer’s plan.
New members and new employees will be eligible for the following retirement benefits:

<table>
<thead>
<tr>
<th>Provision</th>
<th>Government Code Section</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.7% at 57</td>
<td>7522.20(d)</td>
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<tr>
<td>Three years final compensation</td>
<td>7522.32</td>
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<tr>
<td>Different levels of benefits</td>
<td>20475</td>
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<tr>
<td>2.7% @ 57 Formula for Safety Members</td>
<td>Section 7522.25(d)</td>
</tr>
<tr>
<td>Different Level of Benefits</td>
<td>Section 20475</td>
</tr>
<tr>
<td>Final Compensation 3 Years</td>
<td>Section 20037</td>
</tr>
<tr>
<td>Military Service Credit as Public Service</td>
<td>Section 21024</td>
</tr>
<tr>
<td>Military Service Credit for Retired Persons</td>
<td>Section 21027</td>
</tr>
<tr>
<td>Post-Retirement Survivor Allowance to Continue After Remarriage</td>
<td>Section 21635</td>
</tr>
<tr>
<td>Pre-Retirement Death Benefits to Continue After Remarriage of Survivor</td>
<td>Section 21551</td>
</tr>
<tr>
<td>Pre-Retirement Option 2W Death Benefit</td>
<td>Section 21548</td>
</tr>
<tr>
<td>Prior Service</td>
<td>Section 20055</td>
</tr>
<tr>
<td>Public Service Credit for Peace Corps, AmeriCorps VISTA, or AmeriCorps Service</td>
<td>Section 21023.5</td>
</tr>
<tr>
<td>Public Service Credit for Periods of Layoff</td>
<td>Section 21022</td>
</tr>
<tr>
<td>Unused Sick Leave Credit - Local Member</td>
<td>Section 20985</td>
</tr>
</tbody>
</table>

Employee Contribution. PEPR (Government Code Section 7522.30) states “Equal sharing of normal costs between public employers and public employees shall be the standard.” The standard shall be that employees pay at least 50% of normal costs and that the employer not pay any of the required employee contribution.

The "normal cost rate" shall mean the annual actuarially determined normal cost for the defined benefit plan of an employer expressed as a percentage of payroll.

New Members and New Employees shall pay 50% of the normal cost adjusted annually in accordance with the CalPERS actuarial valuation for the City of Fountain Valley 2.7% at 57 plan. Any change to the New Member and New Employee contribution rate will become effective the first payroll period closest to July 1 of the appropriate year.

Upon receipt of the annual actuarial valuation from CalPERS for the 2.7% at 57 plan, the Personnel Department will forward a copy to the Association specifying the New Member and New Employee contribution rate for the upcoming period. This process shall serve as the meet and confer process for any increase in the employee contribution rate.

Section 6.05 – Compensation Reportable to CalPERS. For purposes of calculating retirement benefits, City will resort to the California Public Employees' Retirement System all regular compensation and special compensation (uniform allowance, P.O.S.T. Certificate, physical fitness program pay (wellness) and special assignment pay) for
employees hired on or before December 31, 2012. In accordance with PEPRA, for employees hired beginning January 1, 2013 and later, uniform allowance is not pensionable compensation and, therefore, may not be reported to CalPERS as pensionable compensation. In addition, for employees hired beginning January 1, 2013 and later, PEPRA, amendments to PEPRA and CalPERS law will define those special pays which may be reportable as pensionable compensation.

Section 6.06 – Pre-Tax Employee Contributions. Employee contributions may be deducted on a pre-tax basis as deferred income for Federal and State tax purposes. Any income tax obligation or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the employees, the City shall not be responsible and the City has made no representation regarding such tax treatment and employees shall seek such advice from their Association or personal tax advisors regarding such matters.

Section 6.07 – Employment of Laid Off Employee. If a sworn, non-management police personnel employed by the City on July 31, 2010 or earlier, is laid off then re-hired, the City will re-hire the employee under the 3% at 50 formula subject to CalPERS regulations and approval.

ARTICLE 7 – HEALTH AND OTHER INSURANCE FOR ACTIVE EMPLOYEES

Section 7.01 - Overview. The City contracts with CalPERS for medical insurance. This MCU recognizes two tiers of employees for purposes of medical coverage. Tier 1 employees are those employees hired on July 31, 2010 and earlier. Tier 2 employees are those hired on or after August 1, 2010. Tier 1 employees shall be entitled to a basic flex dollar medical allowance administered through a cafeteria plan qualified under the tax code. In addition, Tier 1 employees shall be entitled to an additional sum described herein as a longevity health stipend. Tier 2 employees shall only be entitled to the basic flex dollar allowance administered through a cafeteria plan, as described herein. In addition, Tier 1 employees are entitled to different health coverage upon retirement than Tier 2 employees.

Section 7.02 – CalPERS Medical. The City contracts with the California Public Employees’ Retirement System’s Public Employees’ Medical and Hospital Care Act (PEMHCA) for medical insurance for City employees. The payment of premiums towards group medical/dental/life insurance will be through the administration of a flexible benefit package.

The City shall pay the CalPERS statutory minimum employer contribution specified in Section 22802 of the Public Employees’ Medical and Hospital Care Act.

Section 7.03 – Employees Defined.

Tier 1 employees are defined as those individuals employed in a full-time position with
the City of Fountain Valley beginning July 31, 2010 and earlier.

Tier 2 employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 1, 2010 and later.

If an employee separates employment then later returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the hire date for the employee and will be considered a Tier 2 employee and only eligible for Tier 2 benefits.

**Section 7.04 – Tier 1 Employees City Contribution.** The City contribution for Tier 1 employees is as follows:

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
<th>Longevity Health Stipend</th>
<th>Total Flex Allowance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$655.92</td>
<td>$1,171.53</td>
<td>$1,827.45</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1,167.67</td>
<td>$659.78</td>
<td>$1,827.45</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,500.68</td>
<td>$326.77</td>
<td>$1,827.45</td>
</tr>
</tbody>
</table>

The amount identified as flex dollars is inclusive of the CalPERS statutory minimum. For example, for 2017/2020 employees electing Employee Only coverage shall receive $655.92 + $128.00, PEMHCA minimum for the CalPERS statutory minimum and an additional $627.92 in flex dollars.

Sworn, non-management Police employees who elect not to be covered under the medical plan provided through the cafeteria plan shall receive $128 PEMHCA minimum per month as cash wages. However, the employee will be required to pay for dental and life insurance premiums, both of which are mandatory out of the $128 waiver of premium contribution. In order to opt out of the City’s medical coverage, employees will be required to maintain and provide proof of group health plan coverage through an alternative source and the alternative group health plan coverage must meet the Affordable Care Act’s requirements regarding affordability and minimum value.

**Section 7.05 – Tier 2 Employees City Contribution.** The City will make the contributions to each employee’s flexible spending account based upon coverage subject to the provisions below:

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$655.92</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1,167.67</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,500.68</td>
</tr>
</tbody>
</table>

Effective the pay period that includes January 1, 2018, the monthly City contribution for
Police Officers' Association  
June 30, 2021

**Tier 2 will be:**

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$740</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1,242</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,675</td>
</tr>
</tbody>
</table>

Effective the pay period that includes January 1, 2019, the monthly City contribution for Tier 2 will be:

<table>
<thead>
<tr>
<th>Flex Dollar Allowance</th>
<th>Flex Dollars</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electing Employee Only coverage</td>
<td>$725</td>
</tr>
<tr>
<td>Electing Employee +1 Dependent coverage</td>
<td>$1,317</td>
</tr>
<tr>
<td>Electing Employee + Family coverage</td>
<td>$1,625</td>
</tr>
</tbody>
</table>

The flex dollar allowance includes the PEMHCA minimum employer contribution. Tier 2 employees do not qualify for the longevity health stipend.

**Section 7.06 – Cafeteria Plan.** The provisions of the Cafeteria Plan are described below.

A. **Benefits Provided Through the Cafeteria Plan.** Effective January 1, 2011, the insurance benefits provided for in this Article will be provided through the provision of a cafeteria plan adopted in accordance with the provisions of Internal Revenue Code § 125: medical and dental.

Each month the City will contribute to the cafeteria plan flex dollars for current employees and new hires as specified in Section 7.03 and 7.04 accordingly. In addition, the City will contribute a longevity stipend for Tier 1 employees as specified in Section 7.03. The City’s flex dollar contribution includes the CalPERS statutory minimum paid by the City.

Prior to January 1, 2011, dependent dental premiums were fully employee paid. However, due to the provisions of the cafeteria plan, dependent dental premiums are to be deducted from the flex dollars if sufficient monthly residue exists. Upon retirement, retirees are not covered by a cafeteria plan; therefore, dependent dental premiums will be fully retiree paid if coverage is elected. Nothing in these provisions require City contributions towards dependent dental premiums.

B. **The Purchase of Optional Benefits Through the Cafeteria Plan.** The cafeteria plan offers sworn, non-management Police employees the opportunity to purchase medical insurance, dental insurance, vision insurance, life insurance, and AFLAC insurance. Eligible employees may select from any of the medical insurance plans offered by CalPERS. If CalPERS changes any of the medical insurance plans by either adding or deleting the plan options, employees will be limited to those plan options offered by CalPERS.
Sworn, non-management Police employees may elect any of the optional AFLAC insurance options the City offers to employees.

Dental and life insurance are not optional benefits and such premiums will be deducted from each employee's cafeteria plan flex dollars or waiver of premium contribution.

C. Employee Contributions for Benefit Options. If a sworn, non-management Police employee chooses benefits whose aggregate cost exceeds the total flex dollar City contribution to the cafeteria plan, the City will automatically deduct the excess amount on a pre-tax basis if applicable, from the employee's bi-weekly paycheck.

D. The Receipt of Cash Through the Cafeteria Plan. Sworn, non-management Police employees will be eligible to receive cash (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving medical insurance or if they choose benefits that do not cost as much as the flex dollars provided by the City towards the cafeteria plan. Any such employee shall be eligible to receive up to a maximum of $350/month in cash. The employees in this unit who are receiving cash through the cafeteria plan in excess of $350 as of January 1, 2018 are grandfathered (upon completion of an exhibit amending the MOU listing the grandfathered individuals) to continue to receive cash in excess of $350 per month until they are no longer represented by POA, or the receipt of cash falls below $350.

Section 7.07 – Term Life Insurance. The amount of term life insurance for each sworn, non-management Police employee shall be equivalent to the employee's annual salary, rounded upward to the nearest thousand dollar increment, with a maximum policy amount of $350,000 per employee.

Section 7.08 – Long-Term Disability Insurance. City agrees to provide Long-Term Disability insurance benefits to eligible sworn, non-management Police personnel during the course of this agreement. The Plan Document is incorporated into this Agreement by reference.

A. Eligibility. An employee shall be eligible to receive Long-Term Disability benefits after the sixty (60) day benefit waiting period and after providing satisfactory medical proof that the employee qualifies for Long-Term Disability benefits. However, after thirty (30) days of continuous disability, an employee may receive 50% of the long-term disability benefit during any portion of the benefit waiting period the employee is ineligible to receive sick pay.

B. Benefits. Long-Term Disability benefits equal $66.2/3% of the first $8,000 of the employee's pre-disability earnings, reduced by deductible income – see below. The maximum benefit is $4,000 per month and the minimum benefit is $200 per month if
receiving sick pay for a non-industrial disability. The employee will not receive any LTD benefit while receiving 4850 pay.

Benefits are payable subject to the following conditions and limitations:

1. The employee must be unable to perform with reasonable continuity the material duties of his/her own occupation, or be unable to earn more than 50% of his/her Indexed Pre-disability Earnings while working in his/her own occupation (refer to the Plan Document for definition).

2. No benefits are payable for the first sixty (60) calendar days that the employee is absent from work as a result of the disability unless 7.08 A. applies. This period is known as the Benefit Waiting Period.

3. During the Benefit Waiting Period, an employee may utilize sick leave, vacation, compensatory time off, or absent no pay, if the disability is due to non-job related causes.

4. If the employee's disability is due to job-related causes, the employee's absence from work will be charged to industrial injury leave for a period of up to one (1) year from the date the disability was incurred, pursuant to Labor Code Section 4850, after which the employee is eligible for Long-Term Disability benefits.

The following deductible benefits/income will be credited against the amount of Long-Term Disability benefits listed above to which an employee is otherwise entitled:

1. Salary, including payment for sick leave, compensatory time off or other compensated absences excluding vacation.

2. Workers' Compensation benefits for temporary disability, whether partial or total.

3. Compensation paid to the employee in lieu of Workers' Compensation benefits (i.e., salary paid pursuant to Labor Code Section 4850).

4. Social security benefits.

5. Retirement or pension benefits.

C. Off-Payroll Status. An employee who is receiving Long-Term Disability benefits is placed in an off-payroll status and is not eligible to receive other employee benefits during such period of time, except for group health insurance benefits, which the employee may continue to receive at his/her own cost as per COBRA, unless the employee meets the criteria under Article 7 of this MOU or is otherwise eligible pursuant to law.
D. **Plan Document.** All benefits shall be subject to the language contained in the Benefit Plan Book. All capitalized definitions shall have the meanings ascribed in the Program.

**Section 7.09 – Flexible Spending Program**

The City shall provide a voluntary Flexible Spending Plan (Section 125 Plan under the Internal Revenue Code) to Individually Represented Battalion Chiefs. Enrollment in the plan allows employees to pay for out-of-pocket Health Care and Dependent Care costs with pre-tax dollars. Flexible Spending Account limits will be followed by the City as set each year by the Internal Revenue Service (IRS).

At enrollment and annually thereafter, participants must designate the Flexible Spending Account election amount for the remainder of the year for new hires and for the next year for current employees. The annual amount is deducted from the employee’s paycheck in equal installments, on a pre-tax basis, and credited to the employee’s Flexible Spending Account. Reimbursement will be paid directly by a third party administrator.

Federal law prohibits any charge in a Flexible Spending Account during the calendar year unless the employee or his/her dependent(s) have a qualifying “life event.” A qualifying “life event” is marriage, divorce or legal separation, birth or adoption of a dependent, death of a dependent, or a change in the employee or employee’s spouse’s employment status. The change in the Flexible Spending Account must be due to and consistent with the “life event” which permits the change.

An annual open enrollment period will be provided for the upcoming year’s program. Administrative Officers must affirmatively enroll in the Flexible Spending Account for each year. There is no automatic renewal.

When estimating annual expenses, Individually Represented Battalion Chiefs are cautioned to only consider those expenses he/she is reasonably certain he/she will incur. Any amount left in a Flexible Spending Account at the end of the year is forfeited.

Deductions for Flexible Spending Accounts shall not reduce earnable compensation for purposes of calculating benefits or contributions for the California Public Employees’ Retirement System.

The City maintains the right to select and change, if needed, the vendor to administer the Flexible Spending Account program.

**ARTICLE 8 – MEDICAL/DENTAL INSURANCE FOR RETIREES**

The City shall provide group medical/dental insurance to sworn, non-management Police employees who retire from the City meeting the criteria and subject to the
conditions and limitations noted below. The City contracts with the California Public
Employees’ Retirement System’s Public Employees’ Medical and Hospital Care Act
(PEMHCA) for medical insurance for City employees and retirees. Benefits are
grouped in tiers based upon hire date and years of continuous City service.

<table>
<thead>
<tr>
<th>Tier</th>
<th>Hire Date</th>
<th>Years of Continuous City Service</th>
<th>Provisions the Employee in the Specified Tier is Eligible for</th>
</tr>
</thead>
<tbody>
<tr>
<td>1A</td>
<td>2/15/94 and earlier</td>
<td>10 or more years</td>
<td>1,3,4,5,6,8,11,13,16</td>
</tr>
<tr>
<td>1B</td>
<td>2/16/94-10/25/04</td>
<td>15 or more years</td>
<td>1,3,4,5,6,8,11,13,16</td>
</tr>
<tr>
<td>1C</td>
<td>10/26/04-7/31/2007</td>
<td>15 but less than 20 years</td>
<td>1,3,4,5,6,9,12,13,16</td>
</tr>
<tr>
<td>1D</td>
<td>10/26/04-7/31/2007</td>
<td>20 or more years</td>
<td>1,3,4,5,6,8,11,13,16</td>
</tr>
<tr>
<td>1E</td>
<td>8/1/07-7/31/10</td>
<td>15 but less than 20 years</td>
<td>1,3,4,5,6,9,12,14,16</td>
</tr>
<tr>
<td>1F</td>
<td>8/1/07-7/31/10</td>
<td>20 or more years</td>
<td>1,3,4,5,6,8,11,14,16</td>
</tr>
<tr>
<td>1G</td>
<td>7/31/07 and earlier (Disability Retirement)</td>
<td>N/A</td>
<td>2,3,4,5,6,8,11,13,16</td>
</tr>
<tr>
<td>1H</td>
<td>6/1/07-7/31/10     (Disability Retirement)</td>
<td>N/A</td>
<td>2,3,4,5,6,8,11,14,16</td>
</tr>
<tr>
<td>1I</td>
<td>7/31/10 and earlier if City service does not fit into Tiers 1A-1H</td>
<td>N/A</td>
<td>1,6,7,15</td>
</tr>
<tr>
<td>2A</td>
<td>8/1/10 and later</td>
<td>N/A</td>
<td>1,6,7,10,15</td>
</tr>
<tr>
<td>2B</td>
<td>8/1/10 and later   (Disability Retirement)</td>
<td>N/A</td>
<td>2,6,7,10,15</td>
</tr>
</tbody>
</table>

The provision numbers listed below correspond to the code above designating which
benefits each retiree is eligible for. If a code is not included in the “Provisions the
Employee in the Specified Tier is Eligible for” section, the employee in the specified
tier is not eligible for that specific provision.

**Provision No. 1 - Retired Employee Definition.** A sworn, non-management Police
employee is a retired employee when he/she:

A. Has reached 50 years in age or greater;

B. Has been employed for at least five (5) years;
C. Is a vested member of CalPERS;

D. Retires with a service retirement after October 1, 1980;

E. Retires directly from active duty and maintains continuous coverage both prior to and subsequent to his/her retirement.

F. Any lapse in coverage will make the employee permanently ineligible for City contributions towards such retiree’s premiums in excess of the CalPERS statutory minimum employer contribution.

**Provision No. 2 - Disability (Totally) Retired Employee Definition.** A sworn, non-management Police employee is disability (totally) retired when:

Any of the following permanent disabilities shall be conclusively presumed to be total in character (total disability):

A. Loss of both eyes or the sight thereof.

B. Loss of both hands or the use thereof.

C. An injury resulting in a practically total paralysis.

D. An injury to the brain resulting in incurable imbecility or insanity.

In all other cases, permanent total disability shall be determined in accordance with the fact.

Totally disabled employees may apply to the life insurance carrier for continued life insurance coverage under the waiver of premium provision. Coverage is subject to the annual provision, review and approval of the insurance carrier.

**Provision No. 3 - Eligible Qualified Dependent Coverage Limitation.**

For Retirements Effective July 31, 2012 or Earlier.

**Definition of Qualified Dependent:** Qualified dependent coverage is limited to the eligible retiree and the same number of dependents or less as the employee had six (6) months before retiring, except for newborn children of the retiree who shall be covered from birth if they are enrolled.

For Retirements Effective August 1, 2012 and Later.

**Definition of Qualified Dependent:** A spouse and/or dependent child covered on the employee’s medical and dental plan for a minimum of two (2) full years (24 months) prior to retirement. Such dependent will be classified as a qualified dependent.
New Spouse Exception. An exception will be made for employees who get married and add his/her spouse to his/her medical plan within thirty (30) calendar days of the marriage. In such cases, the spouse must be on the plan for a minimum of one (1) full year (12 months) prior to his/her retirement in order to receive City contributions towards retiree medical and will be classified as a qualified dependent. No other exceptions will be made.

Dependent Children. City contributions for dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child’s medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.

B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.

C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

Definition of Non-Qualified Dependent for Retirements Effective August 1, 2012 and Later.

A dependent added to the employee’s medical and dental plan less than two full years (24 months) prior to retirement or at a later date is ineligible for any City contribution towards medical insurance. The non-qualified dependent may enroll in the medical plan; however, premiums for such enrollment are entirely dependent paid. The City will not pay any contributions towards the medical premium for non-qualified dependent(s). Non-qualified dependents may not enroll in the dental plan.

Premiums for additional covered dependent(s) or dependent(s) added on at a later date in accordance with plan provisions will be paid entirely by the retiree and will be classified as non-qualified dependent(s). Dependent dental premiums will be paid entirely by the retiree. Failure to pay premiums for non-qualified dependent(s) will result in loss of coverage.

Provision No. 4 - Separation then Return to City Service. If an employee
separates employment and later returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the hire date for the employee and he/she will be considered a new hire and only eligible for new hire benefits. The City will send a notice to the retiree where they acknowledge they were advised if the retiree reinstates on the medical, they are no longer eligible for any City contribution other than the PEMHCA minimum employer contribution.

**Provision No. 5 - Limitation.** There is no cash back provision if the premiums for the medical and dental plans for qualified dependents is less than the difference between the CalPERS statutory minimum and the medical premium for the plan selected for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for active sworn, non-management Police personnel for Tier 1 employees.

**Provision No. 6 - Life Insurance.** Retirees are not eligible for life insurance coverage through the City.

**Provision No. 7 - CalPERS Statutory Minimum Employer Contribution.** Only while participating in the CalPERS medical plan will the City pay the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees’ Medical and Hospital Care Act (PEMHCA) to CalPERS. Should the City discontinue contracting with PEMHCA at any time, the City will not be responsible for paying any contribution towards health insurance premiums for such retiree and those premiums shall be entirely retiree paid. The City will not make any contributions towards dental insurance.

**Provision No. 8 - City Contributions.**

**For Retirements Effective July 31, 2012 or Earlier.** The City will contribute towards the monthly medical premium for the retiree and the same number of dependents or less as the employee had six (6) months before retiring, except for newborn children of the retiree who shall be covered from birth if they are enrolled and retiree only dental premium up to the maximum the City contributes for active sworn, non-management Police personnel. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider’s group health benefit agreement. No City contributions towards dental insurance for dependents.

**For Retirements Effective August 1, 2012 and Later.** The City will contribute towards the monthly medical premium for the retiree and qualified dependents who were covered on the employee’s plan for a minimum of two (2) full years (twenty-four (24) months) prior to retirement (designated as qualified dependent) and retiree only dental premium up to the maximum the City contributes for active sworn, non-management Police personnel. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent, if applicable. No City contributions towards dental insurance for.
dependents.

**Provision No. 9 - City Contributions (75%).**
For Retirements Effective July 31, 2012 or Earlier.
The City will contribute towards the monthly medical premium for the retiree and the same number of dependents or less as the employee had six (6) months before retiring, except for new born children of the retiree who shall be covered from birth if they are enrolled and retiree only dental premium up to 75% of the maximum the City contributes for active sworn non-management Police personnel. The premiums shall be calculated based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider's group health benefit agreement. No City contributions towards dental insurance for dependents.

For Retirements Effective August 1, 2012 and Later:
The City will contribute towards the monthly medical premium for the retiree and those eligible dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (twenty-four (24) months) prior to retirement (designated as qualified dependent) and retiree only dental premium up to 75% of the maximum the City contributes for active sworn non-management Police personnel. The premiums shall be calculated based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent, if applicable. No City contributions towards dental insurance for dependents.

**Provision No. 10 - Retiree Health Savings Account.** Sworn, non-management Police employees will be required to contribute $25 per payroll period to the employee's retiree health savings account. Contributions to the retiree health savings are made solely by the employee and all administrative fees for the plan will be deducted from each employee's individual account assets. The account assets that accumulate, plus investment earnings, will be used in retirement to pay health insurance premiums and other eligible out-of-pocket medical expenses such as deductibles, co-payments and dental care in accordance with Internal Revenue Code Section 213. The employee contribution will be portable if an employee should leave employment with the City of Fountain Valley prior to retirement.

**Provision No. 11 - City Contributions at Age 65.** Coverage will become supplemental to Medicare at age 65. The City will pay the medical premium, as applicable, for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for active sworn, non-management Police personnel for Tier 1 employees. The retiree will continue paying the dependent dental premium if coverage is elected and will solely be responsible for paying Medicare premiums.

**Provision No. 12 - City Contributions at Age 65.** Coverage will become supplemental to Medicare at age 65. The City will pay the medical premium, as applicable, for the retiree and eligible qualified dependent(s) and retiree only dental
premium up to 75% of the maximum the City contributes for active sworn, non-management Police personnel for Tier 1 employees. The retiree will continue paying the dependent dental premium if coverage is elected and will solely be responsible for paying Medicare premiums.

**Provision No. 13 – Surviving, Eligible Qualified Dependent(s) City Contribution.**
City contributions continue for the surviving spouse or surviving dependent of a deceased retiree. The City pays the actual basic medical premium for the surviving spouse and eligible qualified dependent(s) up to the maximum the City contributes for active sworn, non-management Police personnel for Tier 1 employees minus the CalPERS statutory minimum employer contribution during the time period the survivors are eligible for City contributions. No City contributions towards dental premiums.

**Provision No. 14 – Surviving, Eligible Qualified Dependent(s) City Contribution.**
Employees hired beginning August 1, 2007 and after:
City contributions for the surviving spouse and dependent(s) of a deceased retiree will terminate effective when any of the following occur:

A. Surviving spouse obtains or is eligible to receive other medical/dental insurance coverage including Medicare.

B. Surviving spouse remarries.

C. Surviving dependent child obtains other medical/dental coverage.

D. Surviving dependent child is no longer eligible for coverage in accordance with the medical/dental plan requirements.

During the period the City pays insurance premiums, the City pays the actual basic medical premium for the surviving spouse and eligible qualified dependent(s) up to the maximum the City contributes for active sworn, non-management Police personnel for Tier 1 employees minus the CalPERS statutory minimum employer contribution during the time period the survivors are eligible for City contributions. No City contributions towards dental premiums.

**Provision No. 15 - Retiree Contributions.** The retiree enrolls in the medical plan at his/her own expense for medical insurance.

The retiree will be eligible for COBRA continuation for dental for a maximum of 18 months. Extension of coverage may apply in accordance with COBRA regulations; however, unless the retiree meets the COBRA provisions, the maximum coverage period for dental upon retirement is 18 months. To maintain COBRA coverage, the full premium plus a 2% administrative fee is payable by the retiree. Failure to pay premiums will result in loss of coverage. The employee is not eligible for any flexible
spending or other contribution from the City towards continued dental insurance upon retirement.

**Provision No. 16 - Retiree Contributions.**

*Premiums for Plan SelecteX Exceeds the Total City Contribution.* If a retiree chooses benefits whose aggregate premium cost exceeds the total City contribution, the retiree will be responsible for paying the excess premiums.

*Non-Qualified Dependent(s).* If non-qualified dependent(s) are covered under the plan, the retiree will be responsible for paying for the full premium for such dependent(s).

*Dependent Dental Premium.* If dependent dental coverage is elected, the dependent dental premium is deducted from the City’s reimbursement to the retiree for health premiums or the retiree will be billed because such premiums continue to be employee/retiree paid.

*Medicare Premium.* Medicare premiums are fully retiree paid.

**ARTICLE 9 - LEAVES**

**Section 9.01 - Holidays.** Sworn, non-management Police personnel will be entitled to eleven (11) paid holidays (88 hours) per year. Ten (10) of these holidays will be observed in accordance with those legal holidays observed by the City, while the remaining holiday will be a "floating" holiday. The "floating" holiday will be accrued on January 1 of each year and may be used at any time during the year. If this accrued "floating" holiday is not used prior to November 30 of each year, it will be paid in accordance with Section 9.04 below.

**Section 9.02 - Holiday Pay (Time Off).** Defined as additional compensation for employees who are normally required to work on an approved holiday because they work in positions that require scheduled staffing without regard to holidays. The Memorandum of Understanding provides holiday credit and allows employees to cash out accumulated holiday credit, the cash out must be done at least annually and reported in the period earned. Designated by CCR 571 (a) as statutory items. Sworn, non-management Police personnel will have, in addition to regular base pay, the option of taking holiday time off with the approval of their supervisor, or of being paid for the unused holiday time (holiday pay) in a separate warrant to be issued within the first ten (10) days of December. Holiday time off is to be taken in conjunction with an actual City holiday and if not used due to shift or schedule assignments, the unused accrued balance will be paid as holiday pay in a separate warrant in accordance with the provisions of this section.

The employee will report on his/her timecard, each holiday in the payroll period during which it is observed. Each holiday will be coded as HLPD (Holiday Police Benefit). The
holiday will be taxed at the employee’s regular withholding rate during the payroll period during which the holiday is reported. Though reported when the holiday is observed, all unused holiday will continue to be paid out in a separate check as specified herein.

Section 9.03 – Vacation Accrual Rate. Sworn, non-management Police personnel will accrue vacation leave at the following rates:

<table>
<thead>
<tr>
<th>Length of Service</th>
<th>Hours accrued Per Pay Period (based upon 26 pay periods annually)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than one year</td>
<td>3.08 hours (80 hours total)</td>
</tr>
<tr>
<td>1-5 years</td>
<td>4.62 hours (120 hours total)</td>
</tr>
<tr>
<td>6-9 years</td>
<td>5.38 hours (140 hours total)</td>
</tr>
<tr>
<td>10-11 years</td>
<td>6.15 hours (160 hours total)</td>
</tr>
<tr>
<td>12-14 years</td>
<td>6.92 hours (180 hours total)</td>
</tr>
<tr>
<td>15 years or more</td>
<td>7.69 hours (200 hours total)</td>
</tr>
</tbody>
</table>

Vacation hours shall be earned and accrue proportionally as the year is worked.

Vacation may accrue to a maximum of two hundred seventy (270) hours. Upon reaching the maximum accrual, no additional hours will accrue to the employees’ vacation bank until the use of accrued vacation or the employee elects and receives vacation payoff as identified below and the vacation bank is therefore below the maximum of 270 hours.

Employees with vacation balances above 270 hours at the time the City Council approves the MOU, will receive payment for all hours above 270 with the pay period following City Council approval of the MOU at the base hourly rate of the employee as of July 1, 2017.

Employees with vacation balances above 220 hours may participate in a one-time election to cash out hours above 220 to the new max of 270. An irrevocable election form must be submitted to Human Resources by the deadline identified by Human Resources to participate in this one-time additional cash out.

Section 9.04 – Annual Vacation Payoff. At the end of each calendar year, sworn non-management Police personnel shall have the option of receiving a cash payment for accrued vacation up to a maximum of forty (40) hours if the following criteria are met:

A. A minimum of eighty (80) hours of vacation has been used during the calendar year. Vacation may be utilized in any increment as approved by his/her supervisor as long as a minimum of eighty (80) hours has been used.

B. A minimum accrual of forty (40) hours of vacation remains after payoff.

If the aforementioned criteria have been met, sworn, non-management Police personnel may request a cash payment of forty (40) hours maximum to be included in the holiday warrant to be issued within the first ten (10) days in December.
To request a vacation payoff, the employee must submit an irrevocable election form specifying the number of hours the employee is requesting which must be received in the Human Resources Department before December 31 of the year prior to the payoff. For example, to receive a payout in 2017, a sworn, non-management Police personnel must submit a completed irrevocable election form to Human Resources before December 31, 2016. If during the 2017 calendar year, the employee meets the criteria specified herein to be eligible for vacation payoff, he/she will receive the requested payoff. If the employee does not submit the irrevocable election form within the required timeline or he/she does not meet the criteria for payoff, no payoff will be given.

Section 9.05 – Sick Leave Accrual Rate. Sick leave shall accrue as 4.62 hours per bi-weekly pay period (120 hours per year). Upon separation from service with the City, all accrued sick leave shall be converted to the eight (8) hour accrual rate (3.69 hours per pay period or 96 hours per year).

Section 9.06 - Sick Leave Usage. The first three days or work hours equivalent (e.g. 30 hours for employees on a 4/10 schedule) of paid sick leave taken each 12 month period will be considered sick leave used pursuant to the Healthy Workplaces, Healthy Families Act of 2014 (California Labor Code sections 245-249). The 12 month period is July 1 through June 30 for employees hired prior to July 1, 2015. For employees hired on or after July 1, 2015, the 12 month period is the 12 month period beginning on the employee’s hire date, until the following July 1, at which point the employee’s 12 month period will change to July 1 - June 30.

A. Employee’s Sick Leave. Employees can use sick leave for themselves for preventive care (such as physical exams) or care of an existing health condition;

B. Family Sick Leave. Employees can use up to a maximum of one-half of one year’s annual accrued sick leave (e.g. 60 hours for employees who accrue 120 hours per year) per year for family sick leave. Family sick leave may be used for the diagnosis, care, or treatment of an existing health condition of, or preventive care for family members. In this section the term “family members” means any of the following:

| A child (biological, adopted, foster child, step child, legal ward or a child to whom the employee stands in loco parentis) regardless of age or dependency status. |
| A biological, adoptive, or foster parent, step parent or legal guardian of an employee or the employee’s spouse or registered domestic partner or a person who stood in loco parentis when the employee was a minor child. |
| A spouse. |
| A registered domestic partner. |
| A grandparent. |
| A grandchild. |
| A sibling. |
C. Employees can

C. Employees can use the first three (3) days of sick leave for specified purposes if they are victims of domestic violence, sexual assault or stalking as set forth in California Labor Code section 230(f) and 230.1(a).

After an employee has used three sick leave days (or work hours equivalent) in a 12 month period, the use of sick leave shall be subject to the approval of the Police Chief who may request a physician’s statement substantiating the illness and release to duty before allowing an employee to return to duty. Sick leave shall only be used for real medical illness or to seek medical evaluation or consultation and shall not be considered personal time to be used at the employee’s discretion. Sick leave may be used for absences resulting from industrial injuries and illnesses.

Section 9.07 – Sick Leave Payoff at Separation. City shall make a cash payment to sworn, non-management Police personnel for accrued unused sick leave as follows:

A. An employee who separates from employment for any reason other than termination for cause after a minimum of ten years of service, shall be paid an amount equal to twenty-five percent (25%) of the salary value of the employee’s accrued, unused sick leave balance at the 8-hour rate at the date of separation.

B. In the event of death at any time while an employee is employed by the City, twenty-five percent (25%) of the monetary value of the employee’s accrued, unused sick leave at the time of death shall be paid to his/her estate.

Section 9.08 – Service Credit for Unused Sick Leave. Pursuant to the City’s contract with CalPERS, an employee who is applying for a service retirement may request that all accrued, unused sick leave for which the employee is not compensated be credited towards retirement service credit in accordance with the provisions of Government Code Section 20565. If an employee accepts the twenty-five percent (25%) payment as provided in Section 9.08, the employee shall only be entitled to credit the remaining seventy-five percent (75%) towards such service retirement credit.

Section 9.09 – Bereavement Leave. Sworn, non-management Police personnel shall be entitled to a maximum of three (3) working days absence with pay (for each occurrence) as Bereavement Leave, when they are compelled to be absent from duty by reason of death of an immediate family member, or in the event of critical illness where death appears to be imminent. For purposes of bereavement leave, "immediate family member" refers to spouse, child, stepchild, grandchild, brother, sister, parent, grandparent, mother-in-law, or father-in-law.
Section 9.10 — Administrative COVID Thank You Leave. Sworn, non-management Police personnel will have 48 hours of COVID Thank You Leave added to an Administrative Leave bank. The COVID “Thank You” leave has no cash value and expires on December 31, 2021. Any unused leave after that date will be forfeited by the employee.

ARTICLE 10 - ILLEGAL/CONTROLLED SUBSTANCE SCREENING

Section 10.01 — Pre-Employment/Promotional Substance Screening. FVPOA acknowledges City's right to, at its discretion, include illegal/controlled substance screening as part of the pre-employment physical examination and promotional selection process for FVPOA employees. (See Exhibit 2 for a detailed explanation of promotional selection substance screening.)

Section 10.02 — Probationary Period Substance Screening. FVPOA acknowledges the City's right to, at its discretion, perform random illegal/controlled substance screening during an employee's probationary period for FVPOA employees. (See Exhibit 2 for a detailed explanation of this provision.)

Section 10.03 — Random, Reasonable Suspicion and Post-Accident Drug and Alcohol Testing. FVPOA and the City agree to implement a random, reasonable suspicion and post-accident drug and alcohol testing for all sworn non-management Police Personnel. Refer to Administrative Regulation No. 1057 for the actual policy.

Section 10.04 — Definition. "Illegal/Controlled Substance" is defined as a drug, substance, or immediate precursor which are included in Schedules I through V, inclusive of the "California Uniform Controlled Substances Act" (Health and Safety Code Sections 11054-11057), as well as opiates, narcotic drugs, and marijuana, as defined in Health and Safety Code Sections 11018-11020.

ARTICLE 11 - PHYSICAL FITNESS (WELLNESS) PROGRAM

Section 11.01 — Physical Fitness (Wellness) Program. Defined as compensation to local safety members who meet an established physical fitness criterion. Designated by CCR 571 (a) as incentive pay. All sworn, non-management Police personnel may participate in a voluntary physical fitness/wellness program and receive physical fitness pay above their base pay (as identified in Section 4.07) each month for achievement of specific performance standards as specified in Exhibit 3.

Section 11.02 — Elements of the Physical Fitness/Wellness Program. The physical fitness/wellness program shall involve the following elements:

A. Performance testing shall be carried out semi-annually, with the process being presided over by a representative from the Personnel Department and the FVPOA.
B. Performance testing standards shall be calibrated according to the age of the candidates.

C. Performance testing shall be conducted while the Officer is on duty; however, workouts in preparation for the testing shall be carried out on off-duty hours.

D. Eligible personnel who have previously met all performance standards and are unable to re-qualify due to an injury or illness shall continue to receive the applicable bonus subject to the determination of the Chief of Police that the person is unable to participate in the performance test. However, said personnel shall be required to submit to a performance test as soon as they are released to full duty.

E. Eligible personnel who fail any or all standards of the performance testing process shall be given the opportunity to retest within thirty (30) days of the failure.

ARTICLE 12 - GRIEVANCE PROCEDURE

Section 12.01 – Subject Matter and Scope of Grievances. Except where appeal is otherwise provided, a grievance may be initiated by any employee who believes that the application of a policy, practice, rule, or procedure has been incorrect or inappropriate, and has adversely affected his/her employment.

A. Specifically excluded from the scope of grievances are the following:

1. Performance evaluations

2. Matters which are within the jurisdiction of another agency (i.e., Worker’s Comp. claims, etc.), and for which appeal is otherwise provided.

3. Recruitment/testing/selection procedures.

4. Classification plan.

5. Discipline appeal.

B. With respect to performance evaluations being excluded from the grievance process, any performance evaluation in which the employee disagrees with all or part of the evaluation and provides written support will be forwarded to the City Manager with all documentation by the Personnel office when the evaluation is received. The City Manager may then take whatever action is deemed appropriate, if any.
Section 12.02 – Form. All grievances submitted pursuant to the provisions of this section must be submitted to the appropriate authority in writing, and must contain, as a minimum, the following information:

A. The employee's name, title, department, division.

B. The name of the individual or organization, if any, who is representing the employee in the processing of the grievance.

C. The date that the grievance is being submitted.

D. The nature of the grievance, including a statement of the specific rules, regulations, policies, procedures, ordinances, or resolutions, if any, which are alleged to have been violated, the date which the alleged violation occurred, and the specific decision/action that constituted the alleged violation.

E. The facts relating to the action which gave rise to the grievance.

F. Any and all relevant material that is appropriate to be considered in conjunction with the grievance.

G. A statement of the remedy which the individual is seeking in response to the grievance.

Section 12.03 – Informal Grievance Procedure.

A. Where appropriate, an attempt shall be made to resolve grievances in an informal manner, at the lowest level of supervision. This would involve the employee and/or his designated representative meeting with the employee's immediate supervisor, up to and including Sergeant, Lieutenant, Captain, or other appropriate level of supervision below Chief of Police.

B. An employee who has a grievance must inform his/her supervisor of the nature of the grievance within twenty-one (21) calendar days of the action about which the employee is grieving, or within twenty-one (21) calendar days of the date that the employee became aware of the action giving rise to his/her grievance.

Section 12.04 – Formal Grievance Procedure.

A. In those instances where a grievance has not been satisfactorily resolved through the informal grievance procedure, or in those instances where the employee's immediate supervisor is the Chief of Police, the employee may file a formal grievance pursuant to the provisions of this section.
B. A grievance that has not been satisfactorily resolved through the informal grievance procedure shall be submitted to the Chief of Police within twenty-one (21) calendar days after the employee has been informed of the response of the last supervisor in the informal grievance procedure. Failure to submit the grievance in a timely manner will constitute a withdrawal of the grievance.

C. Grievances originating pursuant to this section shall be submitted to the Chief of Police within twenty-one (21) calendar days of the action about which the employee is grieving, or within twenty-one (21) calendar days of the date that the employee became aware of the action giving rise to his/her grievance. Failure to submit the grievance in a timely manner constitutes withdrawal of the grievance.

D. A grievance that is withdrawn, whether voluntarily or by virtue of failure to submit the grievance within the specified timeframe, cannot be re-filed.

E. Upon receiving the grievance, the Chief of Police shall schedule a meeting with the employee and/or his/her designated representative within twenty-one (21) calendar days of receipt of the grievance. The Chief of Police shall then respond to the employee’s grievance in writing within twenty-one (21) calendar days after the meeting.

F. If, in the opinion of the employee and the Chief of Police, a meeting is not necessary, said meeting may be waived by mutual agreement.

**Section 12.05 – Appeal to the City Manager.**

A. If the grievance is not satisfactorily resolved by the Chief of Police, the employee may, in certain situations, submit the grievance to the City Manager. Grievances submitted to the City Manager must be submitted within twenty-one (21) calendar days after the employee has received the written response from the Chief of Police. Failure to submit the grievance to the City Manager in a timely manner will constitute withdrawal of the grievance.

B. Appeal of a grievance to the City Manager is not an automatic right, and may be initiated only under one or more of the following circumstances:

1. If the grievant is alleging an abuse of discretion on the part of the Chief of Police during the grievance process.

2. If the remedy sought by the grievant is not within the authority of the Chief of Police to approve or implement.

C. Grievances appealed to the City Manager pursuant to this section shall include the following:
1. Copies of all written responses to the grievance from previous steps in the grievance process.

2. If an abuse of discretion is alleged, specific information must be provided in support of such allegation to indicate how or in what manner the Chief of Police abused his/her discretion in connection with the grievance.

D. Within twenty-one (21) calendar days after receipt of the grievance, the City Manager shall notify the employee and/or his designated representative for one of the following purposes:

1. To schedule a meeting with regard to the grievance.

2. To obtain or request additional information clarification with respect to the grievance.

3. To inform the employee of the date by which a written response will be prepared, in the event a meeting is not necessary.

E. In the event the City Manager deems it necessary to conduct a meeting with respect to the grievance, the City Manager shall notify the employee of the date, time, and location of said meeting, as well as those individuals who will be present at the meeting.

F. The City Manager may conduct such activities as are necessary and appropriate to properly evaluate the substance of the employee's grievance.

G. The City Manager shall submit a written response to the employee within twenty-one (21) calendar days after completing his/her investigation of the grievance, or within twenty-one (21) calendar days after meeting with the employee, whichever is sooner.

Section 12.06 – Extension/Waiver of Time Limits. Any of the time limits contained in this article may be extended or waived in the interests of facilitating the processing of a grievance only upon mutual agreement of the grievant and the supervisory or management employee to whom the grievance is being submitted.

Section 12.07 – Conduct of Grievance Procedure.

A. The employee may be represented by a person of his/her own choosing at any step in the grievance procedure.

B. Employees shall be assured freedom from reprisal for utilizing the grievance procedure.
ARTICLE 13 - APPEALS OF DISCIPLINARY ACTIONS

Any employee subject to the provisions of this Memorandum of Understanding shall have the right of appeal from any disciplinary action imposed on him/her, subject to the following conditions:

A. Appeal of a disciplinary action must be filed with the supervisor of the employee who imposed the disciplinary action within twenty-one (21) calendar days of the date the disciplinary action was imposed.

B. Appeal of a disciplinary action must be in writing, and must include, as a minimum, the following:

1. If the employee is alleging a disagreement over facts, a statement regarding what facts, if any, are in dispute. If there is no dispute over the facts, the appeal should so state.

2. If the employee is alleging abuse of discretion by the supervisor who imposed disciplinary action on him, a statement setting forth the manner in which the supervisor imposing the disciplinary action abused his/her discretion. Specifically, the statement must show that the supervisor has exceeded or acted without authority; that the employee was denied procedural due process; or that the disciplinary action imposed was not warranted by the facts of the situation.

3. The remedy being sought by the employee.

C. Upon receiving an appeal of a disciplinary action, the supervisor or Chief of Police shall first determine whether or not the appeal complies with Article 13 A and 13 B. If not, the appeal shall be denied on the basis of one or more of the following:

1. The appeal was not filed in a timely manner, pursuant to Article 13 A.

2. The appeal does not allege a dispute over the facts, or abuse of discretion, pursuant to Article 13 B.

   a. If the appeal complies with Article 13 A-B, the Chief of Police shall take the necessary steps to determine the merits of the appeal. Included in such steps will be the opportunity for the employee and his/her designated representative to meet with the Chief of Police, and to review all material on which the disciplinary action is based.

   b. Within five (5) working days after completing his/her review and investigation of the appeal, the Chief of Police shall notify the employee in writing of his/her decision and the reasons.

February 1, 2017 July 1, 2020
June 30, 2021
c. The decision of the Chief of Police may be appealed to the City Manager subject to the provisions contained in Article 13 A-B. Upon receiving such an appeal, the City Manager shall proceed in the same manner as outlined for the Chief of Police in Article 13.

d. Within twenty-one (21) calendar days after completing the review and investigation of the appeal, the City Manager shall notify the employee in writing of his/her decision and the reasons. The decision of the City Manager shall be final, except as provided in Section 2.52.200 of the Fountain Valley Municipal Code.

e. All constitutional and statutory due process rights shall be afforded to employees subject to disciplinary action, according to the severity of the disciplinary action imposed. The "Peace Officers Procedural Bill of Rights" and its protections shall apply to all proposed disciplinary and/or punitive action. Pre-disciplinary due process shall be afforded to employees who have been notified of proposed disciplinary action consisting of a one (1) day suspension without pay or greater disciplinary action.

ARTICLE 14 - APPEALS OF TESTING/SELECTION PROCEDURES

Sworn, non-management Police personnel who wish to appeal a testing/selection procedure, or the results thereof, shall forward their appeal through the chain-of-command to the City Manager/Personnel Officer. Appeals of testing/selection procedures cannot be filed until the testing/selection process is completed, and must be filed within fourteen (14) calendar days after the certification of the eligibility list. The FVPOA and all persons who took the test shall be notified of the date on which the eligible list is certified.

A. An employee can only appeal a selection/testing procedure if the result of a successful appeal would place him/her on the eligible list or, if already on the list would change his/her position on this list. An individual appealing a testing/selection procedure must have been an applicant, or would have been but for the procedure being appealed.

B. Upon receiving an appeal of a testing/selection procedure, the City Manager shall investigate or cause to be investigated all relevant facts regarding the appeal, and shall make a determination which shall be final.

C. If the City Manager makes a determination sustaining the appeal, and such determination results in the invalidation of all or part of the testing/selection procedure, a new recruitment shall be initiated to fill the position.

ARTICLE 15- MANAGEMENT RIGHTS
Except as otherwise specifically provided, the City has and retains the sole and exclusive rights and functions of management, including, but not limited to, the following:

A. To determine the merits, necessity, nature or extent of services to be performed, as well as the right to determine and implement its public function and responsibility, and the mission of its constituent departments, commissions and boards; and to determine budgets and appropriations of funds and to set municipal fees and charges.

B. To manage all facilities and operations of the City.

C. To schedule working hours, allot and assign work.

D. To establish, modify or change work schedules or standards.

E. To direct the working forces, including the right to hire, promote, or transfer any employee.

F. To determine the location of all plants and facilities.

G. To determine the layout and the machinery, equipment or materials to be used.

H. To determine processes, techniques, methods and means of all operations, including changes or adjustments of any machinery or equipment.

I. To determine the size and composition of the working force.

J. To determine the policy and procedure affecting the selection or training of new employees.

K. To establish, assess and implement employee performance standards, including, but not limited to, quality end quantity standards; the assessment of employee performances; and the procedures for said assessment.

L. To control and determine the use and location of City's property, material, machinery and equipment.

M. To schedule the operation of and to determine the number and duration of shifts.

N. To determine measures to promote safety and to protect health and property.

O. To transfer work from one job to another or from one plant or unit to another.

P. To introduce new, improved or different methods of operations, or to change existing methods.
Q. To relieve employees from duty for lack of work or for other reasons deemed legitimate by management.

R. To reprimand, suspend, demote, discharge or otherwise discipline employees for cause. The judgment of management shall govern except for an abuse of discretion.

S. To establish and determine job classifications.

T. To contract or subcontract construction, services, maintenance, distribution or any other work with outside public or private entities.

U. To take such other and further action as may be necessary to organize and operate the City in the most efficient and economical manner for the best interest of the public it serves.

**ARTICLE 16 - GENERAL PROVISIONS**

**Section 16.01 - Maintenance of Benefits.** City and FVPOA acknowledge that this agreement represents an attempt to develop a comprehensive Memorandum of Understanding addressing all wages, hours, benefits and terms and conditions of employment. To the extent that wages, hours, benefits, and/or terms and conditions of employment are not addressed in this agreement, it is understood that existing ordinances, resolutions and policies with the City govern matters pertaining to employer-employee relations, including but not limited to salaries, benefits, hours and other terms and conditions of employment, and the same are not affected by this agreement except as recommended herein.

**Section 16.02 - Overpayment.** Any inadvertent overpayment by the City shall be deducted from the employee's paycheck. Any payment made to the employee by the City to which the employee is entitled shall vest upon payment.

**Section 16.03 - Severability.** In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable, or is rendered void by virtue of statutory or legislative enactment, that provision of the Memorandum of Understanding shall be null and void, but such nullification shall not affect any other provision of this Memorandum of Understanding, which other provisions shall remain in full force and effect.

**Section 16.04 - Term.** The term of this Memorandum of Understanding shall be February 1, 2017 through June 30, 2020; July 1, 2020 through June 30, 2021.

**Section 16.05 - Integration, Modification and Ratification.** This memorandum sets forth the entire agreement of the parties with respect to improvements or changes in the wages, hours, benefits and other terms and conditions of employment for the employees.
represented by the FVPOA for the term of this agreement. This memorandum may be modified or amended only by written agreement between the parties hereto. This memorandum shall be of no force and effect unless or until duly adopted, ratified and approved by the City Council of the City of Fountain Valley or in the alternative the substantive provisions hereof are implemented by resolution of the City Council.

IN WITNESS WHEREOF, the parties hereto executed this Memorandum of Understanding on October 17, 2017 September 1, 2020.

ATTEST:
By __________________________
Rick Miller, City Clerk

APPROVED AS TO FORM:
By __________________________
Colin Burns, Attorney for the City

CITY OF FOUNTAIN VALLEY
By __________________________
Rob Houston, City Manager

By __________________________
Chelsea Phebus, HR Director

FOUNTAIN VALLEY POLICE OFFICERS' ASSOCIATION

By __________________________
Sergio Rodriguez

By __________________________
Bill Hughes

By __________________________
Isaac Marquez

By __________________________
Adam Laguisan

By __________________________
Robert M. Wexler
### EXHIBIT 1

**ESTABLISHED SALARY RANGES**

**EFFECTIVE THE BEGINNING OF THE PAY PERIOD FOLLOWING CITY COUNCIL APPROVAL OF THE MOU (PAYROLL PERIOD ENDING NOVEMBER 3, 2017)**

<table>
<thead>
<tr>
<th>CLASSIFICATION</th>
<th>STEP 1</th>
<th>STEP 2</th>
<th>STEP 3</th>
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<th>STEP 5</th>
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<tbody>
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### ESTABLISHED SALARY RANGES

**EFFECTIVE JULY 1, 2018**

**(PAYROLL PERIOD ENDING JULY 13, 2018)**

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<td>$41.27</td>
<td>$45.14</td>
<td>$49.26</td>
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## ESTABLISHED SALARY RANGES

**EFFECTIVE JULY 1, 2019**

(PAYROLL PERIOD ENDING JULY 12, 2019)

<table>
<thead>
<tr>
<th>CLASSIFICATION</th>
<th>STEP 1</th>
<th>STEP 2</th>
<th>STEP 3</th>
<th>STEP 4</th>
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<tr>
<td>Police Sergeant</td>
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EXHIBIT 2

ILLEGAL/CONTROLLED SUBSTANCE SCREENING

Section 1 - Promotional Selection Testing. Testing of a candidate selected for promotion for illegal/controlled substance screening will be conducted only through methods with proven reliability, with agreed-upon forensic standards, and in strict compliance with the appropriate medically accepted procedures for such tests under the general supervision of City physician.

Promoted employees shall not be subject to additional illegal/controlled substance screening during their probationary period unless the Chief of Police has reasonable suspicion to believe that the employee is under the influence of an impairing substance.

Section 2 - Probationary Employee Random Substance Screening. Upon the approval of the Chief of Police, random illegal/controlled substance screening shall be conducted on all new-hire probationary employees only through methods with proven reliability, with medically accepted forensic standards and in strict compliance with the appropriate procedures for such tests under the general supervision of the City physician.

A probationary employee shall be subject to a maximum of four (4) random tests during his/her probationary period.

Section 3 - Drug Screening Testing Procedures.

A. The City physician will follow a controlled chain of custody with testing samples, as follows:

1. Samples taken will be sealed, signed by the donor, and held in a secure area until picked up.

2. The custody of the sample will be documented as it moves through the testing process.

3. The employee shall be notified of the results of the testing within three (3) working days of the screening.

B. Employees whose initial test results are positive shall participate in a second verification test by the City physician, or shall submit an independent medical illegal/controlled substance screening report which has been prepared by a medical laboratory certified by the State of California and the Drug Enforcement Agency. The independent medical laboratory shall employ testing methods with proven reliability, with agreed-upon forensic standards, and with strict chain of custody procedures.
All verification testing, whether performed by the City physician, or the independent medical laboratory shall be conducted within twenty-four (24) hours of the notification to the employee of the results of the initial screening. The independent medical illegal/controlled substance screening report shall be submitted to the Chief of Police within fifteen (15) calendar days of the verification testing.

C. Employees whose final test results are positive, at the Chief of Police's discretion, may be required to enter and successfully complete an approved treatment program, or may be subject to disciplinary action up to and including termination. Any and all costs associated with a required treatment program shall be borne by the employee.

D. Employees who are required to participate in an illegal/controlled substance screening shall be compensated for the actual time spent in the testing process.

E. All information obtained in the course of examination, rehabilitation and treatment of employees with chemical dependency problems shall be protected as confidential medical information.

Section 4 - Chemical Dependency Aftercare. The City encourages rehabilitation when appropriate to the circumstances. The success of an individual's rehabilitation from chemical dependency is closely related to the continuation of treatment after initial assistance is provided. To that end, the following guidelines for aftercare are instituted:

A. Employees returning to work following a chemical rehabilitation program shall participate in a back-to-work conference with his/her supervisor and the Chief of Police. The conference may be held in one (1) or two (2) sessions (one (1) at the treatment facility; one (1) at the work place); however, all of the above individuals must be present in at least one (1) of the sessions.

B. A discharge summary shall be sent by the rehabilitation program to the Chief of Police.

C. The aftercare program of the treating facility must be agreed to and followed by the returning employee.

D. Following return to work, the employee shall participate in an aftercare program for a period of at least one (1) year, and shall be subject to illegal/controlled drug screening on a quarterly basis. As evidence of participation in the aftercare program, the aftercare agency shall send a quarterly report to the Chief of Police.

E. After one (1) year of the aftercare program, there shall be a combined meeting of the same people identified above to evaluate the continued progress of recovery. The employee may request that a representative from the aftercare program be present during this evaluation meeting.
EXHIBIT 3

PHYSICAL FITNESS/WELLNESS PROGRAM

Section 1 - Performance Testing. For the purposes of physical fitness testing, three (3) areas of physical ability will be evaluated:

A. Cardiovascular fitness
B. Upper body strength
C. Flexibility

The tests used in this program to evaluate fitness in these areas shall be:

A. Cardiovascular Fitness
   1. Life cycle test

B. Upper Body Strength
   1. Push-ups
   2. Crunches
   3. Pull-ups

C. Flexibility
   1. Forward Stretch

Section 2 - Cardiovascular Fitness. Cardiovascular endurance is the measurement of the rate at which a person can utilize metabolic reactions requiring oxygen to create energy.

Problems such as high blood pressure, heart and pulmonary congestion, obesity, etc., are the major contributors to premature retirement of Police Officers.

Testing for cardiovascular fitness is completed by the use of a lifecycle. The employee shall be required to ride the lifecycle for twelve (12) minutes on the basic "Hill Profile Program" at the level specified below for his/her age group.

<table>
<thead>
<tr>
<th>TIER</th>
<th>UNDER 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Level 6</td>
<td>Level 6</td>
<td>Level 4</td>
<td>Level 3</td>
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<td>2</td>
<td>Level 8</td>
<td>Level 8</td>
<td>Level 6</td>
<td>Level 5</td>
</tr>
</tbody>
</table>

Section 3 - Upper Body Strength. Upper body strength contributes to the employee's ability to control suspects and other physical demands made on him/her in their work
environment, while avoiding the possibility of injury. This test will be administered through the use of push-ups, crunches, and pull-ups.

A. **Push-ups**

The employee shall maintain his/her body in a prone position, supported by straight arms with hands resting on the ground, and with toes resting on the ground. The administrator shall place his/her fist on the ground below the employee's chest. The employee must keep their back straight at all times, and from the up position, lower him/herself to the floor until his/her chest touches the administrator's hand. Once the employee touches the administrator's hand with his/her chest, the employee shall then push him/herself to the up position; attain, and repeat the process for the required number of times. The employee may rest in the up position.

Employees shall be required to complete the number of push-ups specified below for his/her age group.

<table>
<thead>
<tr>
<th>TIER</th>
<th>UNDER 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>24</td>
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<tr>
<td>2</td>
<td>30</td>
<td>25</td>
<td>20</td>
<td>15</td>
</tr>
</tbody>
</table>

B. **Crunches**

The employee shall begin by lying down on his/her back, knees bent, heels flat on the floor and arms folded across the chest. A partner shall hold the feet down. In the up position, the employee shall touch his/her elbows to his/her knees and then return to the lying position before starting the next sit-up. This is a continuous exercise, with no resting. The total minimum number of correct sit-ups is specified below according to age:

<table>
<thead>
<tr>
<th>TIER</th>
<th>UNDER 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50+</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>50</td>
<td>40</td>
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<td>20</td>
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<tr>
<td>2</td>
<td>62</td>
<td>50</td>
<td>37</td>
<td>25</td>
</tr>
</tbody>
</table>

C. **Pull-ups**

The employee shall hold the bar with the palms away from the body. Arms shall be extended straight up in a locked position with the feet off the ground. The employee must pull his/her body up to a position where his/her chin is above the bar for one (1) repetition. The total minimum number of correct pull-ups is specified below according to age:

<table>
<thead>
<tr>
<th>TIER</th>
<th>UNDER 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50+</th>
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<tbody>
<tr>
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<tr>
<td>2</td>
<td>9</td>
<td>8</td>
<td>7</td>
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</tbody>
</table>
A pull-down exercise on the Universal Weight Machine with a weight equaling one-half of the employee’s body weight may be substituted by those having difficulty with pull-ups. The participant in the pull-down exercise shall be required to assume a seated or kneeling position and shall pull the bar of the Universal Weight Machine down to either the back of the base of the neck or down to the top of the chest. The total minimum number of correct pull-downs that must be completed according to age shall be the same as the schedule for the minimum number of pull-ups as cited above.

Section 4 - Flexibility. There is a high incidence of lower back disabilities among middle-aged people. In many cases, this is related to reduced flexibility of the hip and back along with reduced elasticity of the hemstrings. It is possible that some cases can be improved by a well-designed program of stretching exercises to increase flexibility.

In addition to a short warm-up prior to the test, it is recommended that the participant refrain from fast or jerky movements which may increase the possibility of an injury.

The employee shall sit on the ground with his/her legs out straight in front of him/her. Shoes should be removed and the heels of the feet are placed flat against a 4" x 4" board. The employee shall slowly reach forward with both hands as far as possible towards his/her toes with his/her hands, holding this position momentarily. The employee shall keep the hands parallel and no stretch or lead with one hand. The distance between the fingertips and the toes shall be recorded as plus or minus inches. Plus inches shall be below the toes and negative is above the toes. The Administrator shall ensure that the knees of the employee are kept straight and held in place throughout the test for the participant. The minimum standards for the flexibility test are as follows:

<table>
<thead>
<tr>
<th>AGE</th>
<th>UNDER 30</th>
<th>30-39</th>
<th>40-49</th>
<th>50+</th>
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<tr>
<td>Minimum</td>
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<td>-5&quot;</td>
<td>-6&quot;</td>
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EXHIBIT 4

PRE-EMPLOYMENT, POST-ACCIDENT, REASONABLE SUSPICION
AND RANDOM DRUG AND ALCOHOL TESTING FOR
SWORN, NON-MANAGEMENT POLICE PERSONNEL

PURPOSE: To implement a policy for pre-employment, post-accident, reasonable
suspicion and random drug and alcohol testing for sworn, non-management police
personnel.

POLICY: The City of Fountain Valley and the Fountain Valley Police Officers Association
reached agreement in the Memorandum of Understanding effective August 1, 2000 for a
drug and alcohol testing program for sworn, non-management police personnel which
would include post-accident, reasonable suspicion and random drug and alcohol testing
in addition to the pre-employment drug testing which has been in place for many years.
Effective August 1, 2001, the City will implement this Administrative Regulation. This
policy sets forth the rights and obligations of covered employees. Employees covered by
these new requirements should familiarize themselves with the provisions of this policy
BECAUSE COMPLIANCE WITH THIS POLICY IS A CONDITION OF EMPLOYMENT.

Employees covered by this Administrative Regulation should be aware that they are still
required to comply with the provisions of the City’s drug and alcohol policy - the
Administrative Regulation regarding the Drug Free Workplace Act of 1988 which originally
became effective on April 7, 1989. The obligations and requirements set forth below are
in addition to existing obligations and requirements set forth in the Administrative
Regulation.

A. EMPLOYEE QUESTIONS: Employees shall refer any questions regarding his/her
rights and obligations under this policy to the Personnel Department or his/her
supervisor.

B. COVERED EMPLOYEES:

1. Employees in the following job classifications are "covered employees" and thus,
   are subject to all the provisions of this policy:
   a. Police Officer including K-9 Police Officer
   b. Senior Police Officer, including K-9 Senior Police Officer
   c. Police Sergeant

C. PROHIBITIONS: The following conduct is prohibited and may result in discipline, up
to and including termination:
1. Reporting for duty or remaining on duty requiring the performance of safety sensitive functions while having an alcohol concentration level of greater than 0.01 or greater;

2. Working within four hours of using alcohol;

3. Being on duty or operating a vehicle described above, while possessing alcohol;

4. Consuming alcohol while working;

5. Reporting for duty or remaining on duty when the employee used any controlled substances, except if the use is pursuant to the instructions of a physician who has advised the employee that the substance does not adversely affect the employee's ability to safely operate a vehicle;

6. Reporting for duty or remaining on duty if the employee tests positive for controlled substances;

7. Refusing to submit to any alcohol or controlled substances test required by the Policy. A covered employee who refuses to submit to a required drug/alcohol test will be treated in the same manner as an employee who tested 0.01 or greater on an alcohol test or tested positively on a controlled substances test;

   A refusal to submit to an alcohol or controlled substances test required by the Policy includes, but is not limited to:

   a. A refusal to provide a urine sample for a drug test;

   b. An inability to provide a urine sample without a valid medical explanation;

   c. A refusal to complete and sign the breath alcohol testing form, or otherwise to cooperate with the testing process in a way that prevents the completion of the test;

   d. An inability to provide breath or to provide an adequate amount of breath without a valid medical explanation;

   e. Tampering with or attempting to adulterate the urine specimen or collection procedure;

   f. Not reporting to the collection site in the time allotted by the supervisor or manager who directs the employee to be tested;
g. Leaving the scene of an accident without a valid reason as to why authorization from a supervisor or manager who shall determine whether to send the employee for a post-accident drug and/or alcohol test was not obtained.

8. Exceptions to Sections C1 through 7 would involve the performance of special assignments requiring on-duty personnel to consume alcohol. Refer to Fountain Valley Police Department General Order Section 1012.2 and 1012.21.

9. Consuming alcohol during the eight hours immediately following an accident, or until the employee undergoes a post-accident alcohol test, whichever occurs first.

In addition to the above prohibitions, employees are reminded of their obligations under the Federal Drug Free Workplace Act of 1988. All employees covered by this Policy have previously been provided with a copy of the City’s Drug Free Workplace Statement, and have signed an acknowledgement that they have read the Statement and agreed to comply with it.

D. CIRCUMSTANCES UNDER WHICH DRUG AND ALCOHOL TESTING WILL BE IMPOSED ON COVERED EMPLOYEES:

1. Pre-Employment Testing: All applicants for classifications which are covered by the DOT regulations (see “covered employees” above) as well as all employees who transfer from classifications which are not covered to classifications which are covered will be required to submit to pre-employment/pre-duty drug testing. Applicants will not be assigned to such a position if they do not pass the test.

2. Post-Accident Testing: Post-Accident drug and alcohol testing will be conducted on employees following an accident. Post-accident alcohol tests shall be administered as soon as possible and preferably within two (2) hours following an accident and, if not, within two (2) hours the reason why the test was not administered during this time frame will be documented. No test may be administered after eight hours. A post-accident drug test shall be conducted as soon as possible but within 32 hours following the accident. The City will provide the employee with transportation to the test site.

An accident occurs when as a result of an occurrence the accident results in one (1) or all of the following:

a. Human fatality

b. Bodily injury with immediate medical treatment away from the scene and a citation is issued to the driver

c. Disabling damage to any motor vehicle requiring tow away and a citation is issued to the driver
Note: If no citation is issued, each surviving driver who was performing safety-sensitive functions with respect to the vehicle will be tested if the accident involved the loss of human life.

3. **Random Testing:** The random pool will consist of all sworn officers employed by the Fountain Valley Police Department. Covered employees will be subject to random alcohol and drug testing as follows:

A random alcohol test will be administered just prior to the employee working, while the employee is working or just after the employee has stopped working. The City will subject at least 10% of the total number of covered employees to random alcohol testing per year.

A random drug test will be administered to at least 50% of the total number of covered employees per year. Some employees may be tested more than once in a year, while others are not tested at all, depending on the random selection.

On the date an employee is selected for random drug testing, his/her supervisor will ensure his/her duties are covered. The employee will receive a written notice immediately prior to the test that he/she has been randomly selected and will include directions where to report.

4. **Reasonable Suspicion Testing:** Covered employees are also required to submit to an alcohol or drug test when a trained supervisor has reasonable suspicion to believe the employee is under the influence of alcohol or controlled substances. The observation must be based on short-term indicators, such as bloodshot/watery eyes, slurring, or alcohol on the breath. The supervisor may not rely on long-term signs, such as absenteeism or tardiness, to support the need for a reasonable suspicion test.

The reasonable suspicion alcohol test will be administered within two hours of the observation and the City will provide transportation to the testing site. If not, the employer must provide written documentation as to why the test was not promptly conducted. No test may be administered after eight (8) hours following the observation.

To ensure that the supervisors are trained to make reasonable suspicion determination, supervisors vested with the authority to demand a reasonable suspicion drug and alcohol test will attend at least one hour of training on alcohol misuse and at least one (1) hour of training on controlled substances use. The training will cover the physical, behavioral, speech, and performance indicators of probable alcohol misuse and use of controlled substances.
5. **Return to Duty/Follow-up Testing:** A covered employee who has violated any of the prohibitions of this policy (see Section C) must submit to a return to duty test before he/she may be returned to his/her position. The test result must indicate an alcohol concentration of 0.01 or less or a verified negative result on a controlled substances test. In addition, because studies have shown that the relapse rate is highest during the first year of recovery, the employee will be subject to follow-up testing which is separate from the random testing obligation. The employee will be subject to at least six (6) unannounced drug/alcohol tests during the first year back to the safety-sensitive position following the violation.

E. **PROCEDURES TO BE USED FOR DETECTION OF DRUGS AND ALCOHOL:**

1. **Alcohol Testing:** Alcohol testing will be conducted by using an evidential breath testing device (EBT) approved by the National Highway Traffic Safety Administration. Non-EBT devices may be used for initial screening tests.

   A screening test will be conducted first. If the result is an alcohol concentration level of 0.01 or less, the test is considered a negative test. If the alcohol concentration level is greater than 0.01, a second confirmation test will be conducted.

   The procedures which will be utilized by the lab for collection and testing of the specimen are attached to this policy.

2. **Drug Testing:** Drug testing will be conducted pursuant to the procedures attached to this policy.
   
   a. The urine specimen will be split into two bottles labeled as "primary" and "split" specimen. Both bottles will be sent to the lab;

   b. If the urinalysis of the primary specimen tests positive for the presence of illegal, controlled substances, the employee has 72 hours after notification of the results to request that the split specimen be analyzed by a different certified lab;

   c. The urine sample will be tested for the following: marijuana, cocaine, opiates, amphetamines, and phencyclidine;

   d. If the test is positive for one or more of the drugs, a confirmation test will be performed using gas chromatography/mass spectrometry analysis;

   e. All drug test results will be reviewed and interpreted by a physician before they are reported to the employee and then to the City Personnel Office;
3. With all positive drug tests, the physician (a.k.a. medical review officer) will first contact the employee to determine if there is an alternative medical explanation for the positive test result. If documentation is provided and the MRO determines that there was a legitimate medical use for the prohibited drug, the test result may be reported to the City Personnel Office as "negative."

F. REFUSAL TO SUBMIT TO AN ALCOHOL AND/OR DRUG TEST: A covered employee who refuses to submit to any required drug/alcohol testing will be treated in the same manner as an employee who tested greater than 0.01 on an alcohol test or tested positively on a controlled substances test.

G. CONSEQUENCES OF FAILING AN ALCOHOL AND/OR DRUG TEST: A positive result from a drug or alcohol test may result in disciplinary action, up to and including termination.

If a covered employee is not terminated, the employee:

1. Must be removed from performing any safety work;

2. Must submit to an examination by a substance abuse professional. Upon a determination by the substance abuse professional, the employee may be required to undergo treatment for his/her alcohol or drug abuse. The City is not required to pay for this treatment;

3. May not be returned to his/her former safety position until the employee submits to a return-to-duty controlled substance and/or alcohol test (depending on which test the employee failed) which indicates an alcohol concentration level of 0.01 or less or a negative result on a controlled substance test;

4. Will be required to submit to unannounced follow-up testing after he/she has been returned to his/her safety position. (See Section F(5) above.)

H. INFORMATION CONCERNING THE EFFECTS OF ALCOHOL AND CONTROLLED SUBSTANCES AND AVAILABLE METHODS OF INTERVENTION: Attached to this Policy are Fact Sheets, addressing the effects of alcohol and the various controlled substances which are tested for under this Policy.

I. EMPLOYEE ASSISTANCE PROGRAM: You should also be aware that the City has established an Employee Assistance Program to help employees who need assistance with alcohol and controlled substance abuse. The provisions of the employee assistance program are attached to this policy.
EXHIBIT 5

LAYOFF POLICY

1. **Statement of Intent**: Whenever in the judgment of the City Manager it becomes necessary, the City Manager may, with the approval of the City Council, abolish any position or employment. The employee holding such position or employment may be laid off or demoted without disciplinary action and without the right of appeal.

   Seniority shall be observed in effecting such reduction in personnel pursuant to state law, the Personnel Rules and Regulations, and Municipal Code Section 2.52.120. Layoffs shall be made within classes of positions. All temporary or provisional employees, in the affected class or classes, shall be laid off prior to the layoff of any probationary or permanent employee. Probationary employees in the affected class shall be laid off prior to permanent employees.

2. **Notification**: Employees to be laid off shall be given, whenever possible, at least fourteen (14) calendar days' prior notice. The City may choose to give the employee who shall be laid off up to fourteen (14) days' severance pay in lieu of the fourteen (14) calendar days' notice.

3. **Definitions**: The terms used in these rules shall have the meanings as defined below:

   - **Employee**: An individual employed on a full-time basis by the City of Fountain Valley. Excluded are part-time employees, volunteers, independent contractors, etc.

   - **Departments**: Comprised of:
     - City Manager's office
     - Finance
     - Fire
     - Planning
Police Officers' Association
June 30, 2021

- Police
- Public Works Administration

Divisions: Comprised of:
- City Clerk
- Community Services
- Engineering
- Field Services
- Information Services
- Personnel

Permanent Status: A regular employee in the competitive service who has successfully completed the probationary period and has been retained as hereafter provided in these rules.

Seniority: Seniority, in terms of layoff, includes all periods of full-time service at or above the classification level where layoff is to occur. Seniority time shall include time served on military leave of absence, approved or authorized by law, at or above, the classification where layoff is to occur.

Order of Layoff: In accordance with Fountain Valley Municipal Code Section 2.52.120 Abolishment of Positions, layoff shall be made within classes of positions within each Department or Division as defined above. Temporary, provision, and probationary employees in the affected job classifications shall be laid off prior to permanent employees.

Bumping: An employee notified of layoff and bumping rights can only bump down to a position he/she previously held permanent status in with the City.

4. Procedure:

Vacancy and Demotion: Except as otherwise provided, whenever there is a reduction in the work force, the Personnel Officer shall first demote to a vacancy, if any, in a lower class for which the employee who is the latest to be laid off previously held permanent status with the City. All persons so demoted shall have their names placed on the re-employment list.

Determination of Need for Layoff: The determination of need for layoff will be made by the City. Classifications to be affected and the number of employees included will be determined by the City.

Temporary or Provisional Appointments: Temporary or provisional appointments shall be laid off according to the needs of the service as determined by the appointing authority.
Probationary Employees: Probationary employees shall be laid off according to the needs of the service as determined by the appointing authority. If an employee in an affected classification is a probationary appointment, that employee will be selected to be laid off, subject to bumping and re-employment rights, as applicable.

Layoff Procedure: The layoff determination will be based upon the most recently hired employee in the affected class who, e, has the least seniority in or above the class and will be the first to be laid off. The employee in the affected class with the least seniority within that class will be laid off, subject to bumping and re-employment rights, as applicable.

Prior to the establishment of the seniority list for the affected class, the City Manager or his/her designee shall provide affected employees with a copy. If the employee disagrees with the effective date used on the seniority list, he/she may provide any supporting documentation to the City Manager, or his/her designee, within five (5) calendar days after the list is published for consideration.

The seniority list will then be established for the affected class for determination of layoff. The decision of the City Manager, or his/her designee, shall be final and not subject to appeal including the grievance process.

5. Employee Bumping Rights: An employee laid off from a particular classification may "bump" into a lower classification for which he/she has held permanent status in the position previously with the City within their current Department or Division. After an employee is informed of an impending layoff or "bump down," he/she must inform the Personnel Officer or his/her designee in writing within five (5) working days of receipt of notice of layoff of his/her intent to take the option of the layoff or the "bump down." If the Personnel Officer or his/her designee does not receive the written request to "bump down" within the timeframe established, he/she will be laid off without the right to appeal.

If an employee "bumps down" to a class which then creates an average in that class, the aforementioned bumping rights process will be repeated. The "bumped down" employee shall be subject to further "bumping" depending on his/her seniority.

Employees retreating to a lower or similar class shall be placed at the salary step representing the least loss of pay. In no case, shall the salary be increased above that received in the class from which the employee was laid off.

If an employee does not have "bumping rights" because he/she has not held permanent status in a lower position with the City Department or Division, he/she will be laid off and placed on the re-employment list.

6. Re-Employment Rights: The names of probationary and regular employees who have been laid off shall be placed on an appropriate re-employment list for classes,
which in the opinion of the Personnel Officer, requires basically the same qualifications and duties and responsibilities of those of the class of positions from which layoff was made and will be placed in the order of their seniority. Such list shall be used by every Department Director or Division Manager when a vacancy arises in the same or lower class of position before certification is made from an eligible list. Such names shall remain thereon for a period of one year. The City Manager, in his sole discretion, may extend the re-employment list for an additional year for a maximum re-employment list of two (2) years.

Persons who refuse re-employment shall be dropped from the list. Persons re-employed in a lower class or on a temporary basis, shall be continued on the list for the higher position for one (1) year.

Persons who qualify for re-employment but do not respond to written notification to the last known address within the time period specified shall have their names removed from the re-employment list. It is the employee’s responsibility to provide the Personnel Department with a current mailing address.

Persons selected for re-employment shall be subject to any or all of the following: Background investigation, polygraph, psychological examination and medical examination. To be re-employed, the person must pass the re-employment testing process. If it is determined that a person selected for re-employment is no longer suited for employment as a peace officer due to a felony conviction or other offense that disqualifies him/her from employment as a peace officer, he/she will not be re-employed and shall not have any right to appeal the City’s determination.

Re-hired employees’ reinstatement will be subject to Section 907 of the Personnel Rules and Regulations. Specifically, reinstated employees shall be subject to the probationary period prescribed for the class. No credit for former employment shall be granted in computing salary, vacation, sick leave, or other benefits except on the specific written approval of the Personnel Officer at the time of reinstatement.

Reappointments after termination will be considered as new employment.

Effective on September 1, 2009.