MEMORANDUM OF UNDERSTANDING

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.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Article</th>
<th>Title</th>
<th>Page No.</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>PREAMBLE</td>
<td>4</td>
</tr>
<tr>
<td>1</td>
<td>RECOGNITION</td>
<td>4</td>
</tr>
<tr>
<td>2</td>
<td>WORK SCHEDULE</td>
<td>5</td>
</tr>
<tr>
<td>3</td>
<td>PROBATIONARY PERIOD</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Section 3.01  New Hires</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Section 3.02  Promotions</td>
<td>5</td>
</tr>
<tr>
<td>4</td>
<td>COMPENSATION</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Section 4.01  Compensation</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td>Section 4.02  Compensation for New Appointment</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Section 4.03  Promotional Differential</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Section 4.04  FLSA Exempt</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Section 4.05  Management Performance Program</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Section 4.06  Eligibility for Merit Increase</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Section 4.07  Promotion Merit Increase</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Section 4.08  New Hire Merit Increase</td>
<td>6</td>
</tr>
<tr>
<td></td>
<td>Section 4.09  P.O.S.T. Certificate Pay</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Section 4.10  Physical Fitness Program (Wellness)</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Section 4.11  City Vehicle or Allowance</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Section 4.12  Longevity Pay</td>
<td>8</td>
</tr>
<tr>
<td>5</td>
<td>UNIFORM AND UNIFORM ALLOWANCE</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Section 5.01  Equipment Provided</td>
<td>7</td>
</tr>
<tr>
<td></td>
<td>Section 5.02  Uniform Allowance</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Section 5.03  Uniforms Damaged in the Line of Duty</td>
<td>8</td>
</tr>
<tr>
<td>6</td>
<td>RETIREMENT</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Section 6.01  Retirement Benefits</td>
<td>8</td>
</tr>
<tr>
<td></td>
<td>Section 6.02  Employees Hired July 31, 2010 or Earlier</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Section 6.03  Employees Hired between August 1, 2010 through December 31, 2012</td>
<td>9</td>
</tr>
<tr>
<td></td>
<td>Section 6.04  New Members or New Employees Under PEPRA</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>Section 6.05  Compensation Reportable to CalPERS</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Section 6.06  Pre-Tax Employee Contributions</td>
<td>11</td>
</tr>
<tr>
<td>7</td>
<td>HEALTH AND OTHER INSURANCE FOR ACTIVE EMPLOYEES</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Section 7.01  Overview</td>
<td>11</td>
</tr>
<tr>
<td></td>
<td>Section 7.02  CalPERS Medical</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Section 7.03  Employees Defined</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Section 7.04  Tier 1 Employees City Contribution</td>
<td>12</td>
</tr>
<tr>
<td></td>
<td>Section 7.05  Tier 2 Employees City Contribution</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Section 7.06  Cafeteria Plan</td>
<td>13</td>
</tr>
<tr>
<td></td>
<td>Section 7.07  Term Life Insurance</td>
<td>14</td>
</tr>
<tr>
<td></td>
<td>Section 7.08  Long-Term Disability Insurance</td>
<td>14</td>
</tr>
<tr>
<td>8</td>
<td>MEDICAL/DENTAL INSURANCE FOR RETIREES</td>
<td>15</td>
</tr>
<tr>
<td>9</td>
<td>LEAVES</td>
<td>21</td>
</tr>
<tr>
<td>Section 9.01</td>
<td>Holidays</td>
<td>22</td>
</tr>
<tr>
<td>-----------------</td>
<td>----------------</td>
<td>----</td>
</tr>
<tr>
<td>Section 9.02</td>
<td>Holiday Pay Off</td>
<td>22</td>
</tr>
<tr>
<td>Section 9.03</td>
<td>Floating Holiday</td>
<td>22</td>
</tr>
<tr>
<td>Section 9.04</td>
<td>Vacation Accrual Rate</td>
<td>22</td>
</tr>
<tr>
<td>Section 9.05</td>
<td>Vacation Accrual Limitations</td>
<td>22</td>
</tr>
<tr>
<td>Section 9.06</td>
<td>Vacation Pay Off</td>
<td>22</td>
</tr>
<tr>
<td>Section 9.07</td>
<td>Administrative Leave</td>
<td>23</td>
</tr>
<tr>
<td>Section 9.08</td>
<td>Sick Leave Accrual Rate</td>
<td>23</td>
</tr>
<tr>
<td>Section 9.09</td>
<td>Sick Leave Usage</td>
<td>23</td>
</tr>
<tr>
<td>Section 9.10</td>
<td>Sick Leave Payoff</td>
<td>24</td>
</tr>
<tr>
<td>Section 9.11</td>
<td>Retirement Credit for Unused Sick Leave</td>
<td>24</td>
</tr>
<tr>
<td>Section 9.12</td>
<td>Bereavement Leave</td>
<td>24</td>
</tr>
</tbody>
</table>

**ARTICLE 10**

<table>
<thead>
<tr>
<th>Section 10.01</th>
<th>Pre-Employment Substance Screening</th>
<th>25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 10.02</td>
<td>Definition</td>
<td>25</td>
</tr>
<tr>
<td>Section 10.03</td>
<td>Random, Reasonable Suspicion and Post-Accident Drug and Alcohol Testing</td>
<td>25</td>
</tr>
</tbody>
</table>

**ARTICLE 11**

<table>
<thead>
<tr>
<th>Section 11.01</th>
<th>Physical Fitness/Wellness Program</th>
<th>25</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 11.02</td>
<td>Elements of the Physical Fitness/Wellness Program</td>
<td>25</td>
</tr>
</tbody>
</table>

**ARTICLE 12**

<table>
<thead>
<tr>
<th>Section 12.01</th>
<th>Subject Matter and Scope of Grievances</th>
<th>26</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 12.02</td>
<td>Form</td>
<td>26</td>
</tr>
<tr>
<td>Section 12.03</td>
<td>Informal Discussion</td>
<td>27</td>
</tr>
<tr>
<td>Section 12.04</td>
<td>Formal Grievance Procedure</td>
<td>27</td>
</tr>
<tr>
<td>Section 12.05</td>
<td>Appeal to the City Manager</td>
<td>27</td>
</tr>
<tr>
<td>Section 12.06</td>
<td>Extension or Waiver of Time Limits</td>
<td>28</td>
</tr>
<tr>
<td>Section 12.07</td>
<td>Conduct of Grievance Procedure</td>
<td>28</td>
</tr>
<tr>
<td>Section 12.08</td>
<td>Interpretation of MOU</td>
<td>28</td>
</tr>
<tr>
<td>Section 12.09</td>
<td>Appeals of Testing and Selection Procedures</td>
<td>29</td>
</tr>
</tbody>
</table>

**ARTICLE 13**

<table>
<thead>
<tr>
<th>Section 13.01</th>
<th>General Provisions</th>
<th>29</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 13.02</td>
<td>Appeal Procedures</td>
<td>30</td>
</tr>
<tr>
<td>Section 13.03</td>
<td>Appeal to the City Manager</td>
<td>31</td>
</tr>
</tbody>
</table>

**ARTICLE 14**

<table>
<thead>
<tr>
<th>Section 14.01</th>
<th>Maintenance of Benefits</th>
<th>32</th>
</tr>
</thead>
<tbody>
<tr>
<td>Section 14.02</td>
<td>Severability</td>
<td>33</td>
</tr>
<tr>
<td>Section 14.03</td>
<td>Integration, Modification and Ratification</td>
<td>33</td>
</tr>
<tr>
<td>Section 14.04</td>
<td>Term</td>
<td>33</td>
</tr>
</tbody>
</table>

**EXHIBIT 1**

| EXHIBIT 1      | ESTABLISHED SALARY RANGES         | 35 |

**EXHIBIT 2**

| EXHIBIT 2      | PHYSICAL FITNESS/WELLNESS PROGRAM | 37 |
MEMORANDUM OF UNDERSTANDING
BETWEEN REPRESENTATIVES OF THE CITY MANAGER
OF THE CITY OF FOUNTAIN VALLEY
AND
THE FOUNTAIN VALLEY PEACE OFFICERS’ MANAGEMENT UNIT
(2017-2020)

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 expiration of this Memorandum of Understanding.
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 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 rates is contained in Exhibit 1.

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.
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, 8/9/08, 8/11/07, 1/1/98, 1/1/97)


(Revised 8/7/10, 8/8/09, 8/9/08, 8/11/07, 1/1/98, 1/1/97)


(Revised 8/7/10, 8/8/09, 8/9/08, 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 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 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>
</tbody>
</table>
Service Credit for Unused Sick Leave 20965
2% Cost-of-Living 21329
Prior Service Credit 20055
Post-Retirement Survivor Allowance 21624, 21626 and 21635
Retired Death Benefits 21620
Pre-Retirement Option 2W Death Benefits 21548
Military Service Credit 21024
Military Service Credit for Retirees 21027
Peace Corps Service Credit 21023.5
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

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>
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</thead>
<tbody>
<tr>
<td>3% at 55</td>
<td>21363.1</td>
</tr>
<tr>
<td>Three Highest Years Average</td>
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</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>
</tbody>
</table>
Sworn management police personnel will pay a 9% employee contribution towards CalPERS retirement.

**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>
</tr>
<tr>
<td>Three year final compensation</td>
<td>7522.32</td>
</tr>
<tr>
<td>Different levels of benefits</td>
<td>20475</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 employees, 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.

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 <strong>Employee Only</strong> coverage</td>
<td>$655.92</td>
<td>$1,200.34</td>
<td>$1,856.26</td>
</tr>
<tr>
<td>Electing <strong>Employee +1 Dependent</strong> coverage</td>
<td>$1,167.67</td>
<td>$688.59</td>
<td>$1,856.26</td>
</tr>
<tr>
<td>Electing <strong>Employee + Family</strong> coverage</td>
<td>$1,500.68</td>
<td>$355.58</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 $527.92 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 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 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>$1,242</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 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. 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 $30,000 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 POMU.

### 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>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>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>10/26/04-7/31/2007</td>
<td>15 but less than 20 years</td>
<td>1,3,4,5,6,9,12,13,16</td>
</tr>
<tr>
<td>1C</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>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>
</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 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 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 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 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 three hundred (300) hours. Upon reaching the maximum accrual, no additional vacation hours will accrue to the employees’ vacation bank until the use of vacation or the employee elects and receives vacation payoff as identified below and the vacation bank is therefore below the maximum of 300 hours.

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 employees 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.

Section 9.08 – 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 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:
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 9.10 - 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 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 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.

**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.

ARTICLE 12 - GRIEVANCE PROCEDURE

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
Peace Officers’ Management Unit February 1, 2017 – June 30, 2020

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 problem in an effort to clarify the issue and to work cooperatively towards settlement.

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 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 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 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 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. 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 and ending June 30, 2020.
IN WITNESS WHEREOF, the parties hereto executed this Memorandum of Understanding on May 16, 2017.

ATTEST:

______________________________
Rick Miller, City Clerk Administrator

APPROVED AS TO FORM:

______________________________
Colin Burns, Attorneys for the City

CITY OF FOUNTAIN VALLEY

By________________________________________
John Sibley, Interim City Manager

By________________________________________
Kristi Recchia, Liebert Cassidy Whitmore

By________________________________________
Amanda DeForest, Human Resources Analyst

FOUNTAIN VALLEY PEACE OFFICERS’ MANAGEMENT ASSOCIATION

By________________________________________
Kevin Childe

By________________________________________
Mike Simko

By________________________________________
Ken Hounsley

By________________________________________
Rob Sweaza

By________________________________________
Matt Sheppard
EXHIBIT 1

ESTABLISHED SALARY RANGES

EFFECTIVE PAYROLL PERIOD INCLUDING

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

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EXHIBIT 2

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 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.

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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 test 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 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.

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

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<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:
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: