

MEMORANDUM OF UNDERSTANDING

2017 – 2020

CITY OF FOUNTAIN VALLEY

AND

**THE ORANGE COUNTY
EMPLOYEES' ASSOCIATION
FOR THE
PROFESSIONAL/TECHNICAL UNIT**



This Memorandum of Understanding sets forth the terms of agreement reached between the City of Fountain Valley and the Orange County Employees' Association as the Exclusively Recognized Employee Organization for the Professional/Technical Unit for the period beginning August 16, 2017 through August 15, 2020. Unless otherwise indicated herein, all provisions shall become effective the beginning of the pay period following City Council approval.

TABLE OF CONTENTS

		<u>PAGE NO.</u>
	<u>PREAMBLE</u>	4
<u>ARTICLE 1</u>	<u>RECOGNITION</u>	4
Section 1.01	Recognition	4
Section 1.02	Representation	4
<u>ARTICLE 2</u>	<u>REPRESENTED CLASSIFICATIONS</u>	4
Section 2.01	Classifications	4
Section 2.02	Classification Series	5
<u>ARTICLE 3</u>	<u>WORK SCHEDULE</u>	6
Section 3.01	City Hall 9/80 Flexible Work Schedule	6
Section 3.02	City Yard 4/10 Flexible Work Schedule	6
Section 3.03	Flexible Work Schedule as Management Right	7
<u>ARTICLE 4</u>	<u>PROBATIONARY PERIOD</u>	7
Section 4.01	New Hires	7
Section 4.02	Promotions	7
<u>ARTICLE 5</u>	<u>COMPENSATION</u>	7
Section 5.01	Compensation	7
Section 5.02	Matching Deferred Compensation Contribution	7
Section 5.03	Pay for Performance Plan	7
Section 5.04	Salary on Promotion	8
Section 5.05	Compensation for Acting/Provisional Appointments	8
Section 5.06	Salary on Demotion	9
Section 5.07	Fair Labor Standards Act Exemption	9
<u>ARTICLE 6</u>	<u>UNIFORMS AND SAFETY FOOTWEAR PROGRAM</u>	9
Section 6.01	Safety Footwear for Professional/Technical Employees	9
Section 6.02	Uniforms and Safety Footwear for the Fire Marshal	11
Section 6.03	Uniforms for the Crime Analyst	11
<u>ARTICLE 7</u>	<u>RETIREMENT</u>	12

Section 7.01	CalPERS Retirement System	12
Section 7.02	Employees Hired August 15, 2010 and Earlier	12
Section 7.03	Employees Hired Beginning August 16, 2010 Through December 31, 2012	12
Section 7.04	California Employees' Pension Reform Act of 2013	13
Section 7.05	New Members and New Employees Under PEPRA	13
Section 7.06	Classic/Legacy Employees Under the California Employees' Pension Reform Act of 2013	15
Section 7.07	Compensation Reportable to CalPERS	16
Section 7.08	Social Security	16
<u>ARTICLE 8</u>	<u>HEALTH AND OTHER INSURANCE FOR EMPLOYEES</u>	16
Section 8.01	Group Medical and Dental Insurance for Employees Hired August 15, 2010 and Earlier	16
Section 8.02	Group Medical and Dental Insurance for Employees Hired August 16, 2010 and Later	17
Section 8.03	Cafeteria Plan	17
Section 8.04	Term Life Insurance	19
Section 8.05	Long-Term Disability	19
Section 8.06	Flexible Spending Accounts	20
Section 8.07	Voluntary Vision Program	21
<u>ARTICLE 9</u>	<u>MEDICAL/DENTAL INSURANCE FOR RETIREES</u>	21
Section 9.01	Retired Employee Definition	21
Section 9.02	Disability Retired Employee Definition	22
Section 9.03	Coverage Eligibility Criteria	22
Section 9.04	Eligible Qualified Dependent Coverage Limitation	22
Section 9.05	Tier 1 and 2 Employee City Contributions	23
Section 9.06	Tier 3 City Contributions	24
Section 9.07	Separation then Return to City Service	24
Section 9.08	Limitations	24
Section 9.09	Retiree Medical/Dental Tiers	24

<u>ARTICLE 10</u>	<u>LEAVES</u>	24
Section 10.01	Holidays	25
Section 10.02	Vacation Accrual	26
Section 10.03	Annual Vacation Payoff	26
Section 10.04	Sick Leave Accrual Rate	27
Section 10.05	Sick Leave Usage	27
Section 10.06	Sick Leave Payoff	28
Section 10.07	Retirement Credit for Unused Sick Leave	28
Section 10.08	Bereavement	28
Section 10.09	Industrial Injury Leave	28
Section 10.10	Administrative Leave	29
<u>ARTICLE 11</u>	<u>TUITION REIMBURSEMENT PROGRAM</u>	30
<u>ARTICLE 12</u>	<u>ILLEGAL/CONTROLLED SUBSTANCE SCREENING</u>	32
<u>ARTICLE 13</u>	<u>GRIEVANCE PROCEDURE</u>	33
<u>ARTICLE 14</u>	<u>APPEALS OF DISCIPLINARY ACTIONS</u>	37
<u>ARTICLE 15</u>	<u>CONTRACTING OUT REOPENER</u>	39
<u>ARTICLE 16</u>	<u>FURLOUGH REOPENER</u>	39
<u>ARTICLE 17</u>	<u>MANAGEMENT RIGHTS</u>	39
<u>ARTICLE 18</u>	<u>NON-DISCRIMINATION</u>	40
<u>ARTICLE 19</u>	<u>GENERAL PROVISIONS</u>	41
<u>EXHIBIT 1</u>	<u>SALARY SCHEDULE</u>	42
<u>EXHIBIT 2</u>	<u>RETIREE MEDICAL/DENTAL TIERS</u>	49

**MEMORANDUM OF UNDERSTANDING
BETWEEN REPRESENTATIVES OF THE CITY MANAGER
OF THE CITY OF FOUNTAIN VALLEY
AND
THE ORANGE COUNTY EMPLOYEES' ASSOCIATION
(PROFESSIONAL/TECHNICAL UNIT)**

(2017-2020)

PREAMBLE

Representatives of the City Manager of the City of Fountain Valley and the representatives of the Orange County Employees Association (hereinafter referred to as OCEA) 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 Professional/Technical Employees of the City.

The representatives of the City Manager and OCEA 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 OCEA, acting on behalf of the Professional/Technical Unit, agree as follows:

ARTICLE 1 - RECOGNITION

Section 1.01. – 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 OCEA as the exclusive representative of all Professional/Technical employees 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 Professional/Technical employees, OCEA is empowered to act on behalf of said employees whether or not they are individually members of OCEA.

Section 1.02.- Representation. 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 - REPRESENTED CLASSIFICATIONS

Section 2.01 – Classifications. The following classifications are represented by the OCEA:

Classification	Classification
City Engineer/Traffic Engineer	Management Analyst
Community Services Manager	Management Specialist
Community Services Supervisor	Planner
Crime Analyst	Principal Civil Engineer
Deputy Public Works Director/City Engineer	Public Services Supervisor
Engineering Associate	Purchasing Manager
Environmental Services Administrator	Senior Civil Engineer
Field Services Manager	Sewer/Storm Drain Supervisor
Fire Marshal	Support Services Supervisor
General Services Manager	Transportation Manager/Traffic Engineer
Housing Coordinator	Utilities Manager
Information Systems Manager	Water Supervisor
Internal Services Supervisor	

Section 2.02 - Classification Series. A classification series for specific classifications identified as difficult to fill at the level required was established for specified engineering and management analyst type positions. Specifically, the Department Director or Division Manager may hire an employee at a lower classification within the series and once specific pre-determined criteria and satisfactory performance are met, the incumbent may be reclassified to the next classification within the classification series with the recommendation of the Department Director or Division Manager and approval of the City Manager. The decision to reclassify a given position within the reclassification series is the absolute right of the City. These specified positions are not subject to the Administrative Regulation procedure for reclassifications.

Engineering Classification Series.

- A. **Engineering Associate to Senior Civil Engineer.** Upon satisfactory completion of either two (2) years of satisfactory job performance with the City performing the full range of responsibilities of the Engineering Associate position or one (1) year of satisfactory job performance with the City performing the full range of responsibilities of the Engineering Associate position and registration as a Civil Engineer by the State of California, incumbent will be eligible for reclassification to the classification of Sr. Civil Engineer with Department Director and City Manager approval.
- B. **Senior Civil Engineer to Principal Civil Engineer.** Upon satisfactory completion of two (2) years of satisfactory job performance with the City performing the full range of responsibilities of the Senior Civil Engineer position, incumbent will be eligible for reclassification to the classification of Principal Civil Engineer with Department Director and City Manager approval.

- C. Principal Civil Engineer to either Deputy City Engineer, Transportation Manager, or Traffic Engineer. Upon satisfactory completion of two (2) years of satisfactory job performance with the City performing the full range of responsibilities of the Principal Civil Engineer, incumbent will be eligible for reclassification to the classification of City Engineer or Transportation Manager or Traffic Engineer (requires registration as Traffic Engineer) depending upon the needs of the Department.

Management Classification Series.

- A. Management Aide to Management Specialist. Upon satisfactory completion of one (1) year of satisfactory job performance with the City performing the full range of responsibilities of the Management Aide, incumbent will be eligible for reclassification to the classification of Management Specialist with Department Director and City Manager approval.
- B. Management Specialist to Management Analyst. Upon satisfactory completion of one (1) to two (2) years of satisfactory job performance with the City performing the full range of responsibilities of the Management Specialist position, incumbent will be eligible for reclassification to the classification of Management Analyst with Department Director and City Manager approval.

ARTICLE 3 - WORK SCHEDULE

Section 3.01 – City Hall 9/80 Flexible Work Schedule. The City and OCEA recognize a 9/80 synchronized flexible work schedule for City Hall employees. The work schedule for Professional/Technical employees at City Hall is:

Work Days	Work Hours
Week 1 of the payroll period: Monday through Thursday	7 a.m. to 5 p.m.
Week 1 of the payroll period: Friday	8 hour flex day off
Week 2 of the payroll period: Monday through Thursday	7 a.m. to 5 p.m.
Week 2 of the payroll period: Friday	7 a.m. to 4 p.m.

Work Period. The seven (7) day work period will begin four hours into to the eight hour workday/alternating day off.

Section 3.02 – City Yard 4/10 Flexible Work Schedule. The City and OCEA recognize a 4/10 work schedule for specified Professional/Technical employees at the City Yard. The work schedule for Professional/Technical employees at the City Yard is:

Work Days	Work Hours
Week 1 and 2 of the payroll period: Monday through Thursday	6:30 a.m. to 5 p.m.
Week 1 and 2 of the payroll period: Friday	Flex day off

Work Period. The seven (7) day work week period will begin at midnight on Saturday and end at 11:59 p.m. the following Friday.

Section 3.03 – Flexible Work Schedule as Management Right. The City and OCEA recognize that the institution or termination of the flexible work schedule is a management right and that such schedule may be terminated or modified in the City's sole and absolute discretion.

ARTICLE 4 – PROBATIONARY PERIOD

Section 4.01 – New Hires. All Professional/Technical employees shall serve a twelve (12) month probationary period. Upon successful completion of the probationary period, the Professional/Technical employee may be recommended for permanent status subject to Department Director and City Manager approval.

Section 4.02 – Promotions. All Professional/Technical employees promoted to a classification within this Unit shall serve a twelve (12) month probationary period. Upon successful completion of the probationary period, the Professional/Technical employee may be recommended for permanent status subject to Department Director and City Manager approval.

ARTICLE 5 - COMPENSATION

Section 5.01 – Compensation. The schedule of base salary rates is contained in Exhibit 1. The schedule of base salary rates reflects the following adjustment to base salary for Professional/Technical employees:

Effective Date of Salary Adjustment	Percent Increase to Base Salary
Effective the beginning of the pay period following City Council approval	3%
Effective the first payroll period in July 2018	3%
Effective the first payroll period in July 2019	3%

Section 5.02 – Matching Deferred Compensation Contribution. The City will make up to a \$75 per month matching contribution into each employee's deferred compensation account for each Professional/Technical employee who contributes into the City's deferred compensation plan. For example, an employee contribution of \$25 per month will receive a matching City contribution of \$25 per month. An employee contribution of \$100 per month will receive a city contribution of \$75 per month.

Section 5.03 – Pay for Performance Plan.

Administration. In order to clarify the administration of the Pay for Performance Plan for eligible Professional/Technical employees, the following shall be implemented:

- A. The five (5) step salary ranges for each position shall be established at 5% between each step.
- B. Placement within the range would be based on current salary plus existing adjustments.
- C. Employees must have been employed in a Professional/Technical classification for at least six (6) months during the rating period between July 1 and June 30 of the fiscal year to be eligible for that year's pay for performance increase.
- D. Those employees with less than (6) six months employment in a Professional/Technical classification at the time of the current evaluation period will be evaluated during the next evaluation period.

Timeline. The timeframe for the implementation of the performance increases will be as follows:

- A. Professional/Technical employees submit a memo to their Supervisor detailing his/her accomplishments during the rating period within the timeframe specified in the annual schedule distributed to all Managers. Typically, this memo is due to the Supervisor in August of each year.
- B. The Supervisor and/or Department Director complete the Management Performance Evaluation form within the timeframe specified in the annual schedule distributed to all Managers. Typically, the Management Performance Evaluation is completed by the Supervisor and/or Department Director in August and September of each year.
- C. The City Manager reviews each Management Performance Evaluation within the timeframe specified in the annual schedule distributed to all Managers. Typically, the Management Performance Evaluation is reviewed by the City Manager in September of each year.

Criteria for Salary Adjustment.

- A. The Professional/Technical employee must receive an overall performance evaluation rating of “Meets Expectations” or “Exceeds Expectations” to be eligible for a pay for performance increase to the next step within the salary range.
- B. An overall performance evaluation rating of “Needs Improvement” will not result in a pay for performance increase.

Section 5.04 – Salary on Promotion. When a Professional/Technical employee is promoted from employment in one classification to employment in a classification allocated to a higher salary range, the Professional/Technical employee shall be moved to a step within the higher salary range which will provide not less than a 5% increase in monthly/annual compensation.

Section 5.05 – Compensation for Acting/Provisional Appointments. Subject to the following terms and conditions, a Professional/Technical employee who is required on the basis of a provisional appointment to serve in a classification with a higher salary range than that of the classification in which he/she is normally assigned, shall be moved to a step within the higher salary range which will provide not less than a 5% increase in monthly/annual compensation provided, however, that:

- A. The written approval of the City Manager shall be required.
- B. The Professional/Technical employee shall perform all the duties and assume all the responsibilities of the higher class for a period not less than thirty (30) calendar days to be eligible for the higher compensation.
- C. Compensation for acting/provisional appointments shall be limited to the temporary filling of a vacant, regular position due to termination, promotion, or extended sick leave of the incumbent, or the temporary filling of newly-budgeted positions.

Section 5.06 – Salary on Demotion. A regular, non-probationary, Professional/Technical employee who is demoted, whether voluntarily or involuntarily, shall be reassigned to the salary range to which his/her new classification is assigned. If the maximum monthly salary of the new classification is less than the Professional/Technical employee's monthly compensation, his/her salary shall be reduced to the nearest lower step in the new classification to their previous salary. Such Professional/Technical employee shall not be required to serve a probation period in the lower position. The effective date of the demotion shall become the new salary anniversary date and he/she may be eligible for annual merit increases thereafter.

Section 5.07 – Fair Labor Standards Act Exemption. Pursuant to Section 13(a)(1) of the Fair Labor Standards Act, the City hereby determines that employees in Professional/Technical positions are exempt from both the minimum wage and overtime provisions of the Fair Labor Standards Act.

ARTICLE 6 – UNIFORMS AND SAFETY FOOTWEAR PROGRAM

Section 6.01 – Safety Footwear for Professional/Technical Employees. The City shall provide a total of two (2) pairs of safety footwear per calendar year (subject to the Safety Footwear Allowance Section) for all Professional/Technical classifications listed below:

- A. General Services Manager
- B. Internal Services Supervisor
- C. Public Services Supervisor
- D. Utilities Manager

- E. Water Supervisor
- F. Sewer/Storm Drain Supervisor

Such employees will be required to wear safety footwear at all times while at work.

Safety Footwear Replacement. The City will provide a new pair of safety footwear to a Professional and Technical employee listed in Section 1 based upon “fair wear and tear” of existing footwear up to a maximum cost established by the City. The City retains the exclusive right to specifications of safety footwear to be worn, as well as, the vendor to provide the safety footwear and maintenance thereof.

Safety Footwear Requirements:

- A. Steel-reinforced toes or the equivalent with insteps.
- B. Must be a minimum of 6" high and covering the ankle (with the exception of Fleet personnel).
- C. Must be black or brown in color.
- D. Bear the official stamp of approval from the American National Standards Institute.
- E. Vouchers for safety footwear will be issued for Iron Age, Red Wing, or other as determined by the City.

Safety Footwear Allowance.

- A. Effective with hire, a new Professional/Technical employee will receive one (1) pair of safety footwear valued (including tax) up to \$165.00.
- B. Effective six months after hire, a Professional/Technical employee will receive one (1) pair of safety footwear valued (including tax) up to \$165.00.
- C. Effective one (1) year after hire, safety footwear will be replaced on an as-needed basis up to a maximum of two (2) replacements in a calendar year.
- D. Professional/Technical employees selecting safety footwear costing in excess of \$165.00 will be responsible for any such excess cost.

(Effective 2/16/99)

Enforcement. The Director of Public Works or his/her designee will enforce employee compliance with the safety footwear program and Professional/Technical employees will not be allowed to work without the appropriate safety footwear.

Safety Footwear Maintenance. Professional/Technical employees will be responsible for properly maintaining and safekeeping their safety footwear. If extreme conditions result in the premature wearing of safety footwear, the Professional/Technical employee must notify the supervisor immediately. The Director of Public Works or his/her designee may issue more than two (2) safety footwear each calendar year for specified Professional/Technical employees on an as-needed, case-by-case basis at the sole discretion of the Director of Public Works.

Lost or Abused Footwear. Replacement of lost or abused footwear will **not** be made except as provided.

Section 6.02 – Uniforms and Safety Footwear for the Fire Marshal. The Fire Marshal shall be required to maintain (laundered and ready to wear) and wear uniforms as specified by the Fire Chief.

In accordance with CalPERS amendment to Section 571, subsection (a) (5) in Title 2 of the California Code of Regulations, expanding the definition of uniform allowance to include the monetary value for the purchase of required clothing, including clothing made from specially designed protective fabrics, but excluding items that are solely for personal health and safety such as protective vests and safety shoes. The City will report the monetary value of uniform items noted below to CalPERS and the Internal Revenue Service as uniforms/special compensation. The monetary value for the purchase of required clothing will be reported to CalPERS on a bi-weekly basis for the following:

- One Workrite Nomex shirt
- One Workrite Nomex pant
- Uniform belt (estimated replacement every 3 years, the pro-rata share will be reported to CalPERS annually)
- Jacket (estimated replacement every 5 years, the pro-rata share will be reported to CalPERS annually)

The Fire Department will annually provide the cost of the uniforms to the Human Resources Department so the monetary value can be determined and reported to CalPERS and the Internal Revenue Service.

The monetary value of uniforms will only be reported to CalPERS for those employees hired on or before December 31, 2012. Uniform allowance for employees hired January 1, 2013 and later in accordance with PEPRA provisions discussed in Article 7 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.

(Effective 8/16/15)

Section 6.03 – Uniforms for the Crime Analyst. The City shall provide a uniform allowance in the amount of \$300 per year to the Crime Analyst. The City retains the right to

determine the type of uniform to be worn. If hired on or before June 30, the Crime Analyst shall receive 100% of the uniform allowance for that calendar year. If hired after June 30, the Crime Analyst shall receive 50% of the uniform allowance for that calendar year.

(Effective 4/15/13)

ARTICLE 7 – RETIREMENT

Section 7.01 – 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 miscellaneous employees.

Section 7.02 - Employees Hired August 15, 2010 and Earlier: Employees hired as a full-time employees on or prior to August 15, 2010 and earlier will be covered under the 2.5% at 55 formula with the benefits specified below.

<u>Provision</u>	<u>Government Code Section</u>
2.5% at 55 formula – Effective October 8, 2005	21354.4
One Year Final Compensation (Single Highest Year)	20042
Service Credit for Unused Sick Leave	20965
2% Cost-of-Living	21329
Post Retirement Survivor Allowance	21624, 21626, and 21635
Fourth Level of 1959 Survivor Benefit	21574
Pre-Retirement Optional Settlement 2 Death Benefit	21548
Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Non-Profit Corporation	21026
Military Service Credit for Retired Persons	21027
Local System Service Credit included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement	21037

8% Employee Contribution. Employees agree to share the cost of their retirement benefit on a pre-tax basis by paying the full 8% employee contribution. It is the intent of the parties to accommodate employees’ 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 may be deducted on a pre-tax basis 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. The City shall not be responsible for any adverse tax treatment for the employees. 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 7.03 – Employees Hired Beginning August 16, 2010 Through December 31, 2012:

Employees whose hire date as a full-time employee is August 16, 2010 through December 31, 2012 will be covered under the 2% at 60 formula with the benefits specified below.

<u>Provision</u>	<u>Government Code Section</u>
2% at 60 Formula	21353
Three Highest Years Average Compensation	20037
Pre-Retirement Optional Settlement 2 Death Benefit	21548
Service Credit for Unused Sick Leave	20965
2% Cost-of-Living	21329
Fourth Level of 1959 Survivor Benefit	21574
Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Non- Profit Corporation	21026
Military Service Credit for Retired Persons	21027
Local System Service Credit included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement	21037

7% Employee Contribution. Employees agree to share the cost of their retirement benefit on a pre-tax basis by paying the full 7% employee contribution. It is the intent of the parties to accommodate employees' 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 may be deducted on a 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. The City shall not be responsible for any adverse tax treatment for the employees. 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 7.04 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 PEPRA). The City is required to comply with the provisions of PEPRA.

Section 7.05 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:

- 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 CalPERS; 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. New Employees are defined by PEPRA as 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 CalPERS.

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

<u>Provision</u>	<u>Government Code Section</u>
2% at 62	7522.20 (a)
Three Highest Years Average Compensation	7522,32

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 employer’s defined benefit plan 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’s 2% at 62 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% at 62 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. The Association may request to meet with the City if the New Member and New Employee

contribution rate increases.

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

Section 7.06 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" or "New Employee" 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 60 formula with the benefits specified below.

<u>Provision</u>	<u>Government Code Section</u>
2% at 60 Formula	21353
Three Highest Years Average Compensation	20037
Pre-Retirement Optional Settlement 2 Death Benefit	21548
Service Credit for Unused Sick Leave	20965
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Local System Service Credit included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement	21037

7% Employee Contribution. Employees 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 employees' 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-taxable 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 7.07 – 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. PEPRA, amendments to PEPRA and CalPERS law will define those special pays which may be reportable as pensionable compensation.

Section 7.08 – Social Security. If during the term of this agreement the City is required to enroll current Professional/Technical employees in Social Security and/or Medicare, the City and the OCEA agree to meet solely on this issue of coordination of Social Security/Medicare contributions and benefits with CalPERS contributions and benefits.

ARTICLE 8 – HEALTH AND OTHER INSURANCE FOR EMPLOYEES

Section 8.01 – Group Medical and Dental Insurance for Employees Hired August 15, 2010 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 cafeteria plan.

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.

- A. Tier 1 employees (current employees) are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 15, 2009 and earlier.
- B. Tier 2 employees (current employees) are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 16, 2009 through August 15, 2010.

Tier 1 and 2 Employees City Contribution. The City contribution for Tier 1 and 2 employees

is as follows:

Flex Dollar Allowance	Flex Dollars	Longevity Health Stipend	Total Flex Allowance
Electing Employee Only coverage	\$525.00	\$1,042.94	\$1,567.94
Electing Employee +1 Dependent coverage	\$1,025.00	\$542.94	\$1,567.94
Electing Employee + Family coverage	\$1,300.00	\$267.94	\$1,567.94

The amount identified as flex dollars is inclusive of the CalPERS statutory minimum. For example, for 2017, employees electing Employee Only coverage shall receive \$525.00 - \$128.00 for the CalPERS statutory minimum and an additional \$397.00 in flex dollars.

Professional/Technical employees who elect 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 mandatorily deducted 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 employee's new hire date and the employee will be considered a Tier 3 employee and only eligible for Tier 3 benefits.

Section 8.02 - Group Medical and Dental Insurance for Employees Hired August 16, 2010 and Later.

Tier 3 employees (new hires) are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 16, 2010 and later.

Tier 3 City Contribution. The City contribution for Tier 3 employees is as follows:

Flex Dollar Allowance	Flex Dollars
Electing Employee Only coverage	\$525.00
Electing Employee +1 Dependent coverage	\$1,025.00
Electing Employee + Family coverage	\$1,300.00

Effective the beginning of the pay period following City Council approval of the MOU, the Tier 3 contribution is:

Flex Dollar Allowance	Flex Dollars
Electing Employee Only coverage	\$575.00
Electing Employee +1 Dependent coverage	\$1,075.00
Electing Employee + Family coverage	\$1,350.00

Effective the first pay period in July 2018, the Tier 3 contribution is:

Flex Dollar Allowance	Flex Dollars
Electing Employee Only coverage	\$625.00
Electing Employee +1 Dependent coverage	\$1,125.00
Electing Employee + Family coverage	\$1,400.00

Effective the first pay period in July 2019, the Tier 3 contribution is:

Flex Dollar Allowance	Flex Dollars
Electing Employee Only coverage	\$675.00
Electing Employee +1 Dependent coverage	\$1,175.00
Electing Employee + Family coverage	\$1,450.00

Tier 3 employees do not qualify for the longevity health stipend.

Section 8.03 – 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.

Each month the City will contribute to the cafeteria plan flex dollars for Tier 1, Tier 2 and Tier 3 employees as specified in Sections 8.01 and 8.02. In addition, the City will contribute a longevity health stipend for Tier 1 and 2 employees as specified in Section 8.01. 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 for Tier 1 and Tier 2 employees. 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 Professional/Technical employees the opportunity to purchase AFLAC and vision 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.

Professional/Technical employees may also elect any of the optional AFLAC insurance options the City offers to employees at the employee's sole cost.

Professional/Technical employees may designate flex dollars, available after deductions for

premiums for elected benefit options, towards the employee's deferred compensation plan. Using cafeteria plan flex dollars towards deferred compensation contributions is binding for the entire calendar year and subject to Medicare taxes.

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 a Professional/Technical 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 pay.

The Receipt of Cash Through the Cafeteria Plan. Professional/Technical 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 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. Employees in this unit who are receiving cash through the cafeteria plan in excess of \$350 as of January 1, 2018 are grandfathered (per a side letter of agreement) to continue to receive cash in excess of \$350 per month until they are no longer represented by the Professional/Technical Unit, or the receipt of cash falls below \$350. If medical is declined, the employee will receive in cash the CalPERS statutory minimum minus the required dental and life insurance premiums.

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 8.04 – Term Life Insurance. The amount of term life insurance for each Professional/Technical 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 8.05 – Long-Term Disability. The City shall maintain and pay the full premiums for a long-term disability insurance policy for all Professional/Technical employees. The purpose of long-term disability insurance is to ensure that Professional/Technical employees 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. A Professional/Technical employee's eligibility for long-term disability benefits depends on whether the Professional/Technical employee's disability is industrial or non-industrial in nature. If the disability is industrially related, the Professional/Technical 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 Professional/Technical employee's eligibility begins either on the sixty-first (61st) calendar day of the Professional/Technical employee's absence from work, or upon expiration of the Professional/Technical employee's sick leave, whichever period is longer. In addition, the eligible Professional/Technical employee must meet the insurance carrier's definition of disability prior to eligibility to receive benefits.

Benefits. A Professional/Technical employee who is eligible to receive long-term disability benefits will receive 66 2/3% of their basic monthly earnings or a maximum monthly benefit of \$5,000 as of the date the Professional/Technical employee's disability began, less any deductible benefits, as provided for in the long-term disability policy.

A Professional/Technical 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 OCEA.

Section 8.06 – Flexible Spending Accounts. The City shall provide a voluntary Flexible Spending Plan (Section 125 Plan under the Internal Revenue Code) to Professional/Technical employees. Enrollment in the plan allows employees to pay for out-of-pocket Health Care and Dependent Care costs with pre-tax dollars.

Maximum Annual Deduction for Health Care	Maximum Annual Deduction for Dependent Care
\$2,500	\$5,000

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. Professional/Technical employees must affirmatively enroll in the Flexible Spending Account for each year. There is no automatic renewal.

When estimating annual expenses, Professional/Technical employees are cautioned to only consider those expenses he/she is reasonably certain he/she will incur. Any amount left in a Professional/Technical employee'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 8.07 – Voluntary Vision Program. 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.

The City intends to offer the vision program through Vision Service Plan (VSP). The City reserves the right to change vision insurance providers if necessary and if so, will provide similar benefits with the new provider. Enrollment in the vision program is voluntary with premiums paid by the employee from January 2, 2016 through December 31, 2016.

Effective with the payroll period ending January 13, 2017, the City will pay the employee only premium for the voluntary vision program. If the employee chooses to add dependents to the plan, dependent premiums shall be paid by the employee.

ARTICLE 9 – MEDICAL/DENTAL INSURANCE FOR RETIREES

The City shall provide group medical/dental insurance to Professional/Technical 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.

Section 9.01 - Retired Employee Definition. A Professional/Technical 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 years;
- C. Is a vested member of CalPERS;
- D. Retires with a service retirement after October 1, 1980.

Section 9.02 – Disability Retired Employee Definition. A “disability retired employee” shall refer to an employee who:

- A. Has received a disability retirement from CalPERS;
- B. Whose injury or illness constitutes a total disability, as defined by CalPERS.

Section 9.03 – Coverage Eligibility Criteria.

- A. Retired employees and disability retired employees must retire directly from active duty and maintain continuous coverage both prior to and subsequent to their retirement;
- B. Any lapse in coverage for the retiree or his/her dependents will result in a permanent loss of City contributions towards such retiree’s medical and dental premiums or dependent medical premiums in excess of the CalPERS statutory minimum employer contribution.
- C. Retirees, surviving spouses, or surviving dependents will be responsible for paying for dependent dental premiums in order to continue coverage. The City will not make any contribution towards dependent dental premiums.

Section 9.04 – Eligible Qualified Dependent Coverage Limitation. For Tier 1 and Tier 2 employees retiring beginning August 16, 2011 and later, 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 full years (24 months) prior to the Professional/Technical employee’s retirement date. 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:

- 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 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 for the dependent child(ren) and pays two-party

coverage for the retiree and spouse.

Effective during the period between September 1, 2011 and December 31, 2011, Professional/Technical employees may add qualified dependent(s) to their medical/dental insurance coverage in accordance with plan provisions. This one-time enrollment period will allow employees to add dependent(s) onto their medical/dental plan to ensure dependent(s) are covered on the plan prior to retirement.

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.

Section 9.05 – Tier 1 and 2 Employee City Contributions.

- A. Tier 1 Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 15, 2009 and earlier.
- B. Tier 2 Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 16, 2009 through August 15, 2010.

The City contribution is specified below based upon the Tier 1 and 2 employees' eligibility tier. The payment of premiums for retirees in excess of the CalPERS statutory minimum will be through the administration of an Integral Part Trust or retiree trust for current employees only.

- A. If a retiree chooses benefits whose aggregate premium cost exceeds the total City contribution, the retiree will be responsible for paying the excess premiums.
- B. If retired August 15, 2011 and earlier, City contributions for retiree dental premiums will continue until the retiree's death.
- C. If retired August 16, 2011 and later, City contributions and dental coverage will cease upon the retiree or dependent's eligibility for Medicare at age 65. This provision applies to employees hired beginning February 16, 1986 and later. The retiree may continue coverage under COBRA for 18 months but will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.
- D. Employees hired February 15, 1986 and earlier who retire beginning August 16, 2011 and later will continue in accordance with the retiree health provisions specified in P&T – Tier 1B and P&T – Tier 1E Disability Retirement.
- E. If a retiree covers dependents on the dental plan, the retiree will pay the full premiums for dependent coverage. The dependent dental premium will be deducted from the City contribution to the retiree trust. If the retiree, surviving spouse, or surviving dependent is not receiving any contribution to the retiree trust, such individual will be billed directly

for such premiums. Coverage will be cancelled if payment for premiums is not received in accordance with established timelines.

F. The retiree is responsible for paying for all Medicare premiums.

Section 9.06 – Tier 3 City Contributions. Tier 3 employees (new hires) are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 16, 2010 and later. New hires are not eligible for City contributions in excess of the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act for each retiree. The retiree is responsible for paying for all Medicare premiums. Dental coverage will end at retirement. However, dental coverage eligibility will be extended through COBRA continuation of coverage for a maximum of 18 months. If dental coverage is elected, the retiree will pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

Section 9.07 – 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. The employee will be considered a new hire and only eligible for new hire benefits.

Section 9.08 – Limitations.

A. 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 Professional/Technical employees for Tier 1 employees.

B. Retirees are not eligible for life or vision insurance coverage through the City.

Section 9.09 – Retiree Medical/Dental Tiers. The following is a synopsis of each Tier:

Tier	Hire Date	Years of Continuous City Service
P&T – Tier 1-A	N/A	5 years but less than 10 years
P&T – Tier 1-B	2/15/86 and earlier	10 or more years
P&T – Tier 1-C	2/16/86-2/15/94	10 or more years
P&T – Tier 1-D	2/16/94-8/15/09	15 or more years
P&T – Tier 1-E (Disability Retirement)	2/15/86 and earlier	N/A
P&T – Tier 1-F	2/15/86-8/16/09	N/A
P&T – Tier 2-A	8/16/09-8/15/10	N/A
P&T – Tier 3-A	8/16/10 and later	N/A

The eligibility criteria, City contribution, eligible qualified dependent coverage limitation, coverage at age 65+, and eligible qualified dependent for each tier is specified in Exhibit 2.

ARTICLE 10 - LEAVES

Section 10.01 – Holidays. Professional/Technical employees 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 employees 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 and conferring with OCEA representatives.

Floating Holiday. The "floating holiday" may be taken at any time during the year, subject to approval of the employee's Division Manager or Department Director. The "floating holiday" must be used during the calendar year and may not be carried over from one year to the next. Professional/Technical employees who separate from employment may not be compensated for any unused holiday.

Holiday on Regularly Scheduled Day Off. If a holiday falls on a Monday or the employee's regularly scheduled day off, the Professional/Technical employee will take another day off during that same pay period. The Professional/Technical employee will not receive double compensation.

Holiday Closure. City Hall and the City Yard will close during the week between Christmas and New Year's Day of each year. The City's observed holidays, which fall on a regularly scheduled Friday flex day, will be deferred and taken during the holiday closure. The employee will use sufficient hours of applicable leave time to supplement each 8-hour holiday, the total of which will equal the regular work day. If there are not sufficient holidays to cover the entire period, the employee will be required to use accrued vacation or administrative leave to cover their time during the closure.

Support Services Supervisor Provision. Notwithstanding the provisions of Section 10.01, the Chief of Police or his/her designee may require the Support Services Supervisor on occasion to work on a scheduled City holiday for business necessity. Business necessity includes, but is not limited to, staffing vacancies, emergency situations, and internal affair

matters in which the Support Services Supervisor's expertise is required. Only on those occasions when the Chief of Police or his/her designee require the Support Services Supervisor to work on a scheduled City holiday, the Support Services Supervisor will be eligible to take the equivalent time off within two payroll periods immediately following the holiday worked.

Section 10.02 - Vacation Accrual. Professional/Technical employees shall accrue vacation time at the following rates:

Years of Service	Hours Per Year	Hours Per Payroll Period
Up to 1 year	80	3.08
2-4	120	4.62
5-11	152	5.85
12-14	176	6.77
15+	200	7.69

The accrual rate changes when the employee is beginning the new year of service. For example, when a Professional/Technical employee has completed his/her 11th year of service, and is beginning his/her 12th year of service, his/her accrual will increase from 152 hours to 176 hours per year.

Maximum Accrual:

City Service	Maximum Accrual
Employees with less than 14 years of City service	240 hours
Employees with 15 or more years of City service	280 hours

Professional/Technical employees are responsible for maintaining their vacation accrual below the applicable maximum accrual noted above and may reduce their accrual levels by participating in the annual vacation payoff program specified in Section 10.03.

Professional/Technical employees shall not be eligible to take vacation time until they have successfully completed six (6) months of continuous service with the City.

Section 10.03 - Annual Vacation Payoff. Professional/Technical employees 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 forty (40) 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 forty (40) hours have been used.
- B. A minimum accrual of twenty (20) hours of vacation remains in the employee's vacation accrual bank after payoff.

If the aforementioned criteria have been met, Professional/Technical employees may request a cash payment of eighty (80) hours maximum to be included in the paycheck issued within the first payroll period 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 31st of the year prior to the payoff. For example, to receive a payout in 2018, an employee must submit a completed irrevocable election form to Human Resources before December 31, 2017. If during the 2018 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 10.04 – Sick Leave Accrual Rate. Sick leave shall accrue according to regular work schedule. Professional/Technical employees working a 5/8 or 9/80 flexible work schedule shall accrue sick leave at the rate of 3.69 hours per bi-weekly pay period (one (1), eight (8) hour day per month), and Professional/Technical employees working a 4/10 schedule shall accrue sick leave at the rate of 4.62 hours per bi-weekly pay period (one (1), ten (10) hour day per month). Upon separation from service with the City, all accrued sick leave shall be converted to the eight (8) hour accrual rate.

In accordance with California Labor Code section 245 et seq., should a Professional/Technical employee 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.

Section 10.05 - 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. Employees can use sick leave for themselves for preventive care (such as physical exams) or care of an existing health condition;
2. Employees 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. 1050; however, sick leave usage for family illness may run concurrently with Family Care and Medical Leave; or

3. Employees 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 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 Division Manager or Department Director 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 a Professional/Technical employee to return to duty. Professional/Technical employees will be required to use accrued sick leave prior to requesting a leave of absence without pay.

Section 10.06 - Sick Leave Payoff. Upon completion of ten (10) years of continuous service with the City, the Professional/Technical employee who separates from the City due to retirement or the death of the employee shall be paid for 25% of the accrued, unused sick leave balance at the time of retirement or death, up to a maximum of \$10,000.

Professional/Technical employees who resign, shall be paid for 25% of the accrued, unused sick leave balance at the time of separation, up to a maximum of \$6,000. Professional/Technical employees terminated for cause are ineligible for any payoff of unused sick leave.

A retiring Professional/Technical employee may, however, elect to forego his/her sick leave payoff so all his/her sick leave accrual at the time of retirement is credited toward CalPERS service credit as specified in Section 10.08. A Professional/Technical employee electing to forego his/her sick leave payoff must submit a written election to the Personnel Department prior to retirement.

Section 10.07 Retirement Credit for Unused Sick Leave. Pursuant to Government Code Section 20862.8 and the City's contract with CalPERS, the Professional/Technical employee who retires from the City may receive service credit towards his/her retirement for all accrued, unused sick leave for which they do not receive compensation. This provision shall apply to the Professional/Technical employee whose effective date of retirement is within four months of separation from employment with the City. Contributions to the California Public Employees' Retirement system shall not be made on any payoff for accrued, unused sick leave.

Section 10.08 – Bereavement. Professional/Technical employees 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, registered domestic partner, child, step-child, grandchild, brother, sister, parent, step-parents, mother-in-law, father-in-law, grandparents, or legal guardian.

Section 10.09 - Industrial Injury Leave. Professional/Technical employees who sustain injuries or illnesses arising out of their employment or in the course of their employment shall be entitled to a maximum of 90 calendar days of industrial injury leave at full salary and benefits, in lieu of temporary disability benefits. Professional/Technical employees who are absent from work for longer than 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. Professional/Technical employees will also be permitted, after exhaustion of the 90 days industrial injury leave, to use accrued sick leave to supplement their workers' compensation benefits for a maximum of 60 calendar days. In no case will a Professional/Technical employee be permitted to receive more than their regular pay.

Section 10.10 – Administrative Leave. All classifications within the Professional/Technical Unit are classified as exempt in accordance with the Fair Labor Standards Act and not eligible for overtime. Professional/Technical employees will, however, be eligible for Administrative Leave in consideration for extra hours worked based upon the following tiers:

Tier 1: Employed Prior to August 16, 2010. Professional/Technical employees in Tier 1 shall be eligible for one (1) day per month up to a maximum of 96 hours of Administrative Leave per calendar year. At the beginning of each calendar year, Professional/Technical employees in Tier 1 shall be credited with 96 hours of Administrative Leave. Professional/Technical employees, subject to the approval of the Department Director or Division Manager, shall be eligible to use up to one (1) work day of Administrative Leave per month. Administrative Leave which is not taken for a given month is forfeited except as noted below. Administrative Leave may not be carried over into the next calendar year and any leave remaining at separation is forfeited and has no cash value.

Professional/Technical employees in Tier 1 each calendar year on a one (1) time only basis, may bank a maximum of 16 hours (2 days) of Administrative Leave per calendar year. Banked leave time is for Administrative Leave that was not taken in a given month during the calendar year and would have been forfeited had the employee not banked the leave time. Future Administrative Leave hours may not be banked. The maximum hours an employee may charge to Administrative Leave in a single month, once per calendar year, is 24 hours which includes Administrative Leave for the month earned plus two (2) banked days.

Tier 2: Employed Prior to August 16, 2010 Represented by Another Bargaining Group Then Promoted to a Professional/Technical Unit Classification. Professional/Technical employees in Tier 2 shall be eligible for 80 hours of Administrative Leave per calendar year. At the beginning of the calendar year, employees in Tier 2 shall be credited with 80 hours

of Administrative Leave. Tier 2 employees, subject to the approval of the Department Director or Division Manager, shall be eligible to use up to one (1) work day of Administrative Leave per month until the employee's Administrative Leave bank is exhausted. Administrative Leave may be denied if the Department Director or Division Manager determines the Professional/Technical employee is not working additional hours in excess of 40 hours per week, attending after hour meetings, etc. Administrative Leave which is not taken is forfeited and may not be carried over into the next calendar year. Any such leave remaining at separation is forfeited and has no cash value. Administrative Leave will be pro-rated on a monthly basis for newly promoted Tier 2 employees if hired after January 1st.

Tier 3: Hired by the City Beginning August 16, 2010 and Later. Professional/Technical employees in Tier 3 shall be eligible for 48 hours of Administrative Leave per calendar year. At the beginning of the calendar year, employees in Tier 3 shall be credited with 48 hours of Administrative Leave. Tier 3 employees, subject to the approval of the Department Director or Division Manager, shall be eligible to use up to one work day of Administrative Leave per month until the employee's Administrative Leave bank is exhausted. Administrative Leave may be denied if the Department Director or Division Manager determines the Professional/Technical employee is not working additional hours in excess of 40 hours per week, attending after hour meetings, etc. Administrative Leave which is not taken is forfeited and may not be carried over into the next calendar year. Any such leave remaining at separation is forfeited and has no cash value. Administrative Leave will be pro-rated on a monthly basis for newly promoted Tier 2 employees if hired after January 1st.

The City Manager, upon receiving a recommendation from a department head, may approve Administrative Leave hours above 48 hours up to a maximum of 80 hours for a Tier three employee when the employee demonstrates he/she is regularly working additional hours in excess of his/her regular work schedule. Recommendations from department heads must be received prior to December 31st of each year for the subsequent calendar year.

ARTICLE 11 – TUITION REIMBURSEMENT PROGRAM

The City will set aside \$10,000 each fiscal year for tuition reimbursement for employees of the Professional/Technical Unit. Funds will be distributed on a first come, first served basis. However, to ensure all employees have an opportunity to receive reimbursement, the Human Resources Director may approve a reimbursement request for a first time requester prior to another requester who has previously received reimbursement and submitted their request prior to the first time requester.

Employees shall be encouraged to further their academic education and training in those areas of benefit to the employee and to the City.

Reimbursable Coursework:

Reimbursable courses must be coursework taken towards obtaining a Bachelor's or Master's Degree and related to:

1. The employee's current occupation;
2. A City classification to which the employee may reasonably expect promotion; or
3. Required for the completion of the pre-approved job-related major.

Coursework must be completed at an accredited college or university in order to be eligible for reimbursement. Accredited colleges or universities are those accredited by Western Association of Schools and Colleges (WASC, www.wscuc.org), Council for Higher Education Accreditation (CHEA, www.chea.org), or pre-approved by the Human Resources Director or his/her designee.

Completing coursework on-line or studying for such courses may not be completed on City time. No coursework beyond those for a Master's Degree or any law school coursework is eligible for reimbursement. Courses that duplicate previously taken courses are not eligible for reimbursement.

Provisions for Tuition Reimbursement:

Full-time employees who have completed and passed their probationary period will be eligible for reimbursement of tuition by the City for courses subject to the following conditions:

1. Human Resources Director approval of the "Tuition Reimbursement Program Application" form to be eligible for reimbursement.
2. The employee has achieved a letter grade of "C" or higher for undergraduate courses and "B" or higher for graduate courses. In cases where no letter grade is given, a certificate of completion or written proof that the college course work was completed in a satisfactory manner.
3. The maximum reimbursement amount shall be based on the tuition and mandatory campus based fees for California State University at Fullerton for the applicable semester plus a maximum of \$150 for books per course. Parking fees will not be reimbursed and are to be paid by the employee. Reimbursement will be paid upon receipt by the Human Resources Department of proof of successful completion of the course(s) and proof that payment of fees has been made.
4. The City has set up procedures that allow for expedient reimbursement for classes taken and fees paid. Employees may request reimbursement within 60 calendar days of receipt of the college or university issuing grades for the course. Failure to request reimbursement within the timeline prescribed and/or classes taken in excess of the allowable reimbursement level cannot be carried over to a future year reimbursement period.

An employee who registers for a class and pays for the appropriate fees without prior Human Resources Director approval of the "Tuition Reimbursement Program Application" form or does not meet the timeline as specified herein, is not eligible for any reimbursement from the City.

Reimbursement Process and Timeline for Completion:

Employees shall submit a request for Tuition Reimbursement form to the Human Resources Director a minimum of thirty (30) work days prior to the scheduled program start date and obtain written approval from the Human Resources Director before the employee is eligible for reimbursement. Any coursework not related to the following will be denied:

1. Coursework not applicable towards obtaining a Bachelor's or Master's Degree;
2. The employee's current occupation;
3. A City classification to which the employee may reasonably expect promotion; or
4. Required for the completion of the pre-approved job-related major.

Upon completion of the approved program, a completed "Tuition Reimbursement Form" must be submitted to the Human Resources Director within 60 calendar days of receipt of the college or university issuing grades for the course with the following attachments:

1. A bona fide certification of fees paid and grade achieved (must be a "C" or higher for undergraduate courses and "B" or higher for graduate courses) from the attendant institution. In cases where no letter grade is given, a certificate of completion or written proof that the college course work was completed in a satisfactory manner.
2. Receipt for eligible expenses the employee is seeking reimbursement.

Failure to submit the required documentation within the established timeline will disqualify the employee from receiving tuition reimbursement for the course.

If the employee receives tuition payments or other subsidies from other sources, the City will contribute the difference between the amount the employee is receiving from other sources and the eligible costs up to the maximum City tuition reimbursement. In no case may the employee receive full reimbursement for the same coursework from the City and other sources.

Funds received from any outside sources for the same purpose, such as a scholarship, grant or Veteran's Educational Benefits must be applied toward the tuition/fees before the City's tuition reimbursement plan shall apply.

The education/tuition reimbursement may be a taxable benefit depending upon the provisions of the Internal Revenue Code. The individual employee will be responsible for any tax liability. The education/tuition reimbursement is not subject to CalPERS contributions nor may not be used in the calculation in the regular rate for overtime purposes.

ARTICLE 12 - ILLEGAL/CONTROLLED SUBSTANCE SCREENING

OCEA acknowledges the City's right to at its discretion to include illegal/controlled substance screening as part of the pre-employment physical examination for the Professional/Technical 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.

A program for reasonable and post-accident drug and alcohol testing has been agreed to in concept. The parties shall meet and confer on the construction of the specific policy language to implement a reasonable suspicion and post-accident drug and alcohol test program.

Department of Transportation Regulations Pertaining to Drug and Alcohol Policy. In accordance with the Department of Transportation Regulations (hereinafter referred to as D.O.T. Regulations) the City will have a policy, specified in Administrative Regulation No. 1051, pertaining to drug and alcohol for classifications meeting the criteria as established by the D.O.T. Regulations. Professional/Technical employees meeting the criteria as established in these regulations will be subject to the provisions of Administrative Regulation No. 1051.

ARTICLE 13 - GRIEVANCE PROCEDURE

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

Scope of Grievance Procedure. A grievance may be initiated by any Professional/Technical 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 (see Interpretation of MOU section below).
4. Classification content.

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

- A. Professional/Technical employee's name, title, department, and division.
- B. The name of the individual or organization, if any, representing the Professional/Technical 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 Professional/Technical employee is seeking.

Informal Discussion. If a Professional/Technical employee has a problem relating to a work situation, the Professional/Technical 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.

Formal Grievance Procedure.

A. Step 1

1. A Professional/Technical 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 Professional/Technical 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 Step 1 No. 3. 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 Professional/Technical 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 Professional/Technical employee and/or his/her designated representative. Within fifteen (15) calendar days after

meeting with the Professional/Technical employee, the supervisor shall forward his/her decision in writing to the Professional/Technical employee.

B. Step 2

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

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 Division Manager or Department Director during the grievance process.
 2. The remedy sought is not within the authority of the Division Manager or 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 Division Manager or 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 Professional/Technical 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 Professional/Technical employee's grievance.
- F. The City Manager shall submit a written response to the Professional/Technical employee within fifteen (15) calendar days after meeting with the Professional/Technical employee, or within fifteen (15) calendar days after completing his/her investigation.

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.

Conduct of Grievance Procedure.

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

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.

Appeals of Testing and Selection Procedures.

- A. A Professional/Technical 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 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. A Professional/Technical 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.
- 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 14 - APPEALS OF DISCIPLINARY ACTIONS

General Provisions.

- A. No permanent Professional/Technical employee shall be disciplined unless the person imposing the disciplinary action believes, in good faith, that reasonable cause exists for imposing disciplinary action.
- B. Any permanent Professional/Technical employee shall have the right to appeal any disciplinary action imposed on him/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, forfeiture of 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 and required by case law, notice to the Professional/Technical 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.

Appeal Procedures.

- A. Disciplinary action imposed against a Professional/Technical 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 alleged offense.
- B. Appeal of a disciplinary action must be filed with the Division Manager or Department Director 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 Professional/Technical 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 Professional/Technical 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 Professional/Technical 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 Professional/Technical employee.
- D. Upon receiving an appeal of a disciplinary action, the Division Manager or Department Director shall first determine whether or not the appeal complies with Appeals Procedures B and 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 Appeal Procedures B.
 2. The appeal does not allege a dispute over the facts or abuse of discretion.
- E. If the appeal complies with Appeal Procedures B and C 1, 2, and 3, the Division Manager or Department Director shall take the necessary steps to determine the merits of the appeal. Included in such steps will be the opportunity for the Professional/Technical employee and his/her designated representative to meet with the Division Manager or Department Director, and to review any additional evidence which supports the disciplinary action.

- F. Within five (5) working days after completing his/her investigation of appeal, the Division Manager or Department Director shall notify the Professional/Technical employee in writing of his/her decision, and the reasons therefore.

Appeal to the City Manager.

- A. The decision of the Division Manager or Department Director may be appealed to the City Manager within fifteen (15) days after the Division Manager's or Department Director's decision is rendered. Upon receiving such an appeal, the City Manager shall proceed in the same manner as outlined in Appeal Procedures D.
- B. If the disciplinary action imposed involves a significant property right, a Professional/Technical employee shall be assured the right to a formal hearing, unless such right is specifically waived by the Professional/Technical 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 Professional/Technical employee in writing of his/her decision and the reasons therefore. The decision of the City Manager shall be final, except as provided in Section 2.52.200 of the Fountain Valley Municipal Code.

ARTICLE 15 - CONTRACTING OUT REOPENER

The City and Professional/Technical Unit agree to re-open the Memorandum of Understanding to discuss contracting out services performed by employees if the City determines it is appropriate to pursue this course of action.

ARTICLE 16 – FURLOUGH REOPENER

The City and the Professional/Technical Unit agree to re-open the Memorandum of Understanding to discuss furloughs if the City experiences substantial revenue loss or expenses that are unexpected and unrecoverable.

ARTICLE 17- 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 policies and procedures 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 the 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 18 - NON-DISCRIMINATION

Neither the City nor the Association shall discriminate against any employee because of race, color, 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 disability, medical condition (including cancer, a record of cancer, genetic characteristics, diseases or disorders) or military or veteran status, except as provided for by applicable law.

The City and the Association 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 regarding a modification or change in any provision of this agreement in compliance with state or federal anti-discrimination laws.

ARTICLE 19 - 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 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 Professional/ Technical employees 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 for a period of three years, beginning August 16, 2017, and ending midnight August 15, 2020.

IN WITNESS WHEREOF, the parties hereto executed this Memorandum of Understanding on November 21, 2017.

ATTEST:

CITY OF FOUNTAIN VALLEY

Rick Miller
City Clerk Administrator

Rob Houston, City Manager

APPROVED AS TO FORM:

Kristi Recchia, Liebert Cassidy Whitmore

Colin Burns, Attorneys for the City

ORANGE COUNTY EMPLOYEES'
ASSOCIATION PROFESSIONAL/
TECHNICAL EMPLOYEES UNIT

Amanda DeForest, HR Analyst

Maggie Le, Assistant to the City Manager

Temo Galvez

***Original with signatures available in the
Human Resources Department at City Hall.*

Mark Sprague

**EXHIBIT 1
CITY OF FOUNTAIN VALLEY
ESTABLISHED SALARY RANGES FOR CLASSIFICATIONS
REPRESENTED BY THE PROFESSIONAL AND TECHNICAL UNIT**

EFFECTIVE: Payroll period ending December 15, 2017

CLASSIFICATION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Community Services Supervisor	\$5,757.27	\$6,045.13	\$6,347.39	\$6,664.76	\$6,997.99
Bi-weekly	\$2,657.20	\$2,790.06	\$2,929.56	\$3,076.04	\$3,229.84
Hourly	\$33.215	\$34.876	\$36.620	\$38.451	\$40.373
Crime Analyst	\$5,910.04	\$6,205.54	\$6,515.82	\$6,841.61	\$7,183.69
Bi-weekly	\$2,727.71	\$2,864.10	\$3,007.30	\$3,157.66	\$3,315.55
Hourly	\$34.096	\$35.801	\$37.591	\$39.471	\$41.444
Deputy Public Works Director/City Engineer	\$10,787.19	\$11,326.55	\$11,892.88	\$12,487.52	\$13,111.90

Bi-weekly	\$4,978.70	\$5,227.64	\$5,489.02	\$5,763.47	\$6,051.65
Hourly	\$62.234	\$65.345	\$68.613	\$72.043	\$75.646
Engineering Associate	\$7,303.30	\$7,668.47	\$8,051.89	\$8,454.49	\$8,877.21
Bi-weekly	\$3,370.76	\$3,539.29	\$3,716.26	\$3,902.07	\$4,097.18
Hourly	\$42.134	\$44.241	\$46.453	\$48.776	\$51.215
Environmental Services Administrator	\$7,505.84	\$7,881.13	\$8,275.18	\$8,688.94	\$9,123.39
Bi-weekly	\$3,464.23	\$3,637.44	\$3,819.32	\$4,010.28	\$4,210.80
Hourly	\$43.303	\$45.468	\$47.741	\$50.129	\$52.635
Field Services Manager	\$9,475.37	\$9,949.14	\$10,446.60	\$10,968.93	\$11,517.37
Bi-weekly	\$4,373.25	\$4,591.91	\$4,821.51	\$5,062.58	\$5,315.71
Hourly	\$54.666	\$57.399	\$60.269	\$63.282	\$66.446
Fire Marshal	\$8,469.60	\$8,893.08	\$9,337.73	\$9,804.62	\$10,294.85
Bi-weekly	\$3,909.05	\$4,104.50	\$4,309.72	\$4,525.21	\$4,751.47
Hourly	\$48.863	\$51.306	\$53.872	\$56.565	\$59.393
Housing Coordinator	\$7,445.60	\$7,817.88	\$8,208.77	\$8,619.21	\$9,050.17
Bi-weekly	\$3,436.43	\$3,608.25	\$3,788.66	\$3,978.10	\$4,177.00
Hourly	\$42.955	\$45.103	\$47.358	\$49.726	\$52.213
Information Systems Manager	\$9,110.36	\$9,565.88	\$10,044.17	\$10,546.38	\$11,073.70
Bi-weekly	\$4,204.78	\$4,415.02	\$4,635.77	\$4,867.56	\$5,110.94
Hourly	\$52.560	\$55.188	\$57.947	\$60.845	\$63.887
Internal Services Supervisor	\$6,794.36	\$7,134.08	\$7,490.78	\$7,865.32	\$8,258.59
Bi-weekly	\$3,135.86	\$3,292.65	\$3,457.28	\$3,630.15	\$3,811.66
Hourly	\$39.198	\$41.158	\$43.216	\$45.377	\$47.646
Management Analyst	\$5,910.04	\$6,205.54	\$6,515.82	\$6,841.61	\$7,183.69
Bi-weekly	\$2,727.71	\$2,864.10	\$3,007.30	\$3,157.66	\$3,315.55
Hourly	\$34.096	\$35.801	\$37.591	\$39.471	\$41.444
Management Specialist	\$5,319.03	\$5,584.99	\$5,864.23	\$6,157.45	\$6,465.32
Bi-weekly	\$2,454.94	\$2,577.69	\$2,706.57	\$2,841.90	\$2,983.99
Hourly	\$30.687	\$32.221	\$33.832	\$35.524	\$37.300
Planner	\$8,409.36	\$8,829.83	\$9,271.32	\$9,734.89	\$10,221.63
Bi-weekly	\$3,881.24	\$4,075.31	\$4,279.07	\$4,493.03	\$4,717.68
Hourly	\$48.516	\$50.941	\$53.488	\$56.163	\$58.971
Planner (new hire)	\$8,287.15	\$8,701.50	\$9,136.58	\$9,593.41	\$10,073.08
Bi-weekly	\$3,824.84	\$4,016.08	\$4,216.88	\$4,427.73	\$4,649.11
Hourly	\$47.810	\$50.201	\$52.711	\$55.347	\$58.114
Principal Civil Engineer	\$8,763.79	\$9,201.98	\$9,662.08	\$10,145.18	\$10,652.44
Bi-weekly	\$4,044.83	\$4,247.07	\$4,459.42	\$4,682.39	\$4,916.51
Hourly	\$50.560	\$53.088	\$55.743	\$58.530	\$61.456
Public Services Supervisor	\$6,794.36	\$7,134.08	\$7,490.78	\$7,865.32	\$8,258.59
Bi-weekly	\$3,135.86	\$3,292.65	\$3,457.28	\$3,630.15	\$3,811.66
Hourly	\$39.198	\$41.158	\$43.216	\$45.377	\$47.646
Purchasing Manager	\$7,056.25	\$7,409.07	\$7,779.52	\$8,168.50	\$8,576.92
Bi-weekly	\$3,256.73	\$3,419.57	\$3,590.55	\$3,770.07	\$3,958.58
Hourly	\$40.709	\$42.745	\$44.882	\$47.126	\$49.482
Purchasing Manager (new hire)	\$6,985.54	\$7,334.82	\$7,701.56	\$8,086.64	\$8,490.97

Bi-weekly	\$3,224.10	\$3,385.30	\$3,554.57	\$3,732.29	\$3,918.91
Hourly	\$40.301	\$42.316	\$44.432	\$46.654	\$48.986
Recreation and Community Services Manager					
	\$7,844.55	\$8,236.78	\$8,648.62	\$9,081.05	\$9,535.10
Bi-weekly	\$3,620.56	\$3,801.59	\$3,991.67	\$4,191.25	\$4,400.81
Hourly	\$45.257	\$47.520	\$49.896	\$52.391	\$55.010
Senior Civil Engineer					
	\$8,033.98	\$8,435.68	\$8,857.47	\$9,300.34	\$9,765.36
Bi-weekly	\$3,707.99	\$3,893.39	\$4,088.06	\$4,292.47	\$4,507.09
Hourly	\$46.350	\$48.667	\$51.101	\$53.656	\$56.339
Sewer/Storm Drain Supervisor					
	\$6,794.36	\$7,134.08	\$7,490.78	\$7,865.32	\$8,258.59
Bi-weekly	\$3,135.86	\$3,292.65	\$3,457.28	\$3,630.15	\$3,811.66
Hourly	\$39.198	\$41.158	\$43.216	\$45.377	\$47.646
Support Services Supervisor					
	\$7,047.52	\$7,399.90	\$7,769.89	\$8,158.39	\$8,566.31
Bi-weekly	\$3,252.70	\$3,415.34	\$3,586.11	\$3,765.41	\$3,953.68
Hourly	\$40.659	\$42.692	\$44.826	\$47.068	\$49.421
Transportation Manager/Traffic Engineer					
	\$9,494.48	\$9,969.20	\$10,467.66	\$10,991.04	\$11,540.59
Bi-weekly	\$4,382.07	\$4,601.17	\$4,831.23	\$5,072.79	\$5,326.43
Hourly	\$54.776	\$57.515	\$60.390	\$63.410	\$66.580
Utilities Manager					
	\$8,594.43	\$9,024.16	\$9,475.36	\$9,949.13	\$10,446.59
Bi-weekly	\$3,966.66	\$4,165.00	\$4,373.24	\$4,591.91	\$4,821.50
Hourly	\$49.583	\$52.062	\$54.666	\$57.399	\$60.269
Water Supervisor					
	\$6,794.36	\$7,134.08	\$7,490.78	\$7,865.32	\$8,258.59
Bi-weekly	\$3,135.86	\$3,292.65	\$3,457.28	\$3,630.15	\$3,811.66
Hourly	\$39.198	\$41.158	\$43.216	\$45.377	\$47.646

CITY OF FOUNTAIN VALLEY
ESTABLISHED SALARY RANGES FOR CLASSIFICATIONS
REPRESENTED BY THE PROFESSIONAL AND TECHNICAL UNIT

EFFECTIVE: July 1, 2018 (Payroll period ending July 13, 2018)

CLASSIFICATION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Community Services Supervisor	\$5,929.99	\$6,226.48	\$6,537.81	\$6,864.70	\$7,207.93
Bi-weekly	\$2,736.92	\$2,873.76	\$3,017.45	\$3,168.32	\$3,326.74
Hourly	\$34.211	\$35.922	\$37.718	\$39.604	\$41.584
Crime Analyst	\$6,087.34	\$6,391.71	\$6,711.29	\$7,046.86	\$7,399.20
Bi-weekly	\$2,809.54	\$2,950.02	\$3,097.52	\$3,252.39	\$3,415.01
Hourly	\$35.119	\$36.875	\$38.719	\$40.655	\$42.688
Deputy Public Works	\$11,110.81	\$11,666.35	\$12,249.67	\$12,862.15	\$13,505.26

Director/City Engineer					
Bi-weekly	\$5,128.07	\$5,384.47	\$5,653.69	\$5,936.38	\$6,233.20
Hourly	\$64.101	\$67.306	\$70.671	\$74.205	\$77.915
Engineering Associate	\$7,522.40	\$7,898.52	\$8,293.45	\$8,708.12	\$9,143.53
Bi-weekly	\$3,471.88	\$3,645.47	\$3,827.75	\$4,019.13	\$4,220.09
Hourly	\$43.398	\$45.568	\$47.847	\$50.239	\$52.751
Environmental Services Administrator	\$7,731.01	\$8,117.56	\$8,523.44	\$8,949.61	\$9,397.09
Bi-weekly	\$3,568.16	\$3,746.57	\$3,933.89	\$4,130.59	\$4,337.12
Hourly	\$44.602	\$46.832	\$49.174	\$51.632	\$54.214
Field Services Manager	\$9,759.63	\$10,247.62	\$10,760.00	\$11,298.00	\$11,862.90
Bi-weekly	\$4,504.45	\$4,729.67	\$4,966.15	\$5,214.46	\$5,475.18
Hourly	\$56.306	\$59.121	\$62.077	\$65.181	\$68.440
Fire Marshal	\$8,723.69	\$9,159.87	\$9,617.86	\$10,098.76	\$10,603.70
Bi-weekly	\$4,026.32	\$4,227.63	\$4,439.01	\$4,660.97	\$4,894.01
Hourly	\$50.329	\$52.845	\$55.488	\$58.262	\$61.175
Housing Coordinator	\$7,668.97	\$8,052.42	\$8,455.04	\$8,877.79	\$9,321.68
Bi-weekly	\$3,539.52	\$3,716.50	\$3,902.32	\$4,097.44	\$4,302.31
Hourly	\$44.244	\$46.456	\$48.779	\$51.218	\$53.779
Information Systems Manager	\$9,383.67	\$9,852.86	\$10,345.50	\$10,862.77	\$11,405.91
Bi-weekly	\$4,330.93	\$4,547.47	\$4,774.85	\$5,013.59	\$5,264.27
Hourly	\$54.137	\$56.843	\$59.686	\$62.670	\$65.803
Internal Services Supervisor	\$6,998.19	\$7,348.10	\$7,715.51	\$8,101.28	\$8,506.35
Bi-weekly	\$3,229.93	\$3,391.43	\$3,561.00	\$3,739.05	\$3,926.01
Hourly	\$40.374	\$42.393	\$44.513	\$46.738	\$49.075
Management Analyst	\$6,087.34	\$6,391.71	\$6,711.29	\$7,046.86	\$7,399.20
Bi-weekly	\$2,809.54	\$2,950.02	\$3,097.52	\$3,252.39	\$3,415.01
Hourly	\$35.119	\$36.875	\$38.719	\$40.655	\$42.688
Management Specialist	\$5,478.60	\$5,752.54	\$6,040.16	\$6,342.17	\$6,659.28
Bi-weekly	\$2,528.59	\$2,655.02	\$2,787.77	\$2,927.16	\$3,073.51
Hourly	\$31.607	\$33.188	\$34.847	\$36.589	\$38.419
Planner	\$8,661.64	\$9,094.73	\$9,549.46	\$10,026.94	\$10,528.28
Bi-weekly	\$3,997.68	\$4,197.57	\$4,407.44	\$4,627.82	\$4,859.21
Hourly	\$49.971	\$52.470	\$55.093	\$57.848	\$60.740
Planner (new hire)	\$8,535.76	\$8,962.55	\$9,410.68	\$9,881.21	\$10,375.27
Bi-weekly	\$3,939.58	\$4,136.56	\$4,343.39	\$4,560.56	\$4,788.59
Hourly	\$49.245	\$51.707	\$54.292	\$57.007	\$59.857
Principal Civil Engineer	\$9,026.71	\$9,478.04	\$9,951.94	\$10,449.54	\$10,972.02
Bi-weekly	\$4,166.17	\$4,374.48	\$4,593.20	\$4,822.86	\$5,064.01
Hourly	\$52.077	\$54.681	\$57.415	\$60.286	\$63.300
Public Services Supervisor	\$6,998.19	\$7,348.10	\$7,715.51	\$8,101.28	\$8,506.35
Bi-weekly	\$3,229.93	\$3,391.43	\$3,561.00	\$3,739.05	\$3,926.01
Hourly	\$40.374	\$42.393	\$44.513	\$46.738	\$49.075
Purchasing Manager	\$7,267.94	\$7,631.34	\$8,012.90	\$8,413.55	\$8,834.23
Bi-weekly	\$3,354.43	\$3,522.16	\$3,698.26	\$3,883.18	\$4,077.34
Hourly	\$41.930	\$44.027	\$46.228	\$48.540	\$50.967

Purchasing Manager (new hire)	\$7,195.11	\$7,554.86	\$7,932.61	\$8,329.24	\$8,745.70
Bi-weekly	\$3,320.82	\$3,486.86	\$3,661.20	\$3,844.26	\$4,036.48
Hourly	\$41.510	\$43.586	\$45.765	\$48.053	\$50.456
Recreation and Community Services Manager	\$8,079.89	\$8,483.88	\$8,908.07	\$9,353.48	\$9,821.15
Bi-weekly	\$3,729.18	\$3,915.64	\$4,111.42	\$4,316.99	\$4,532.84
Hourly	\$46.615	\$48.945	\$51.393	\$53.962	\$56.660
Senior Civil Engineer	\$8,275.00	\$8,688.75	\$9,123.19	\$9,579.35	\$10,058.32
Bi-weekly	\$3,819.23	\$4,010.19	\$4,210.70	\$4,421.24	\$4,642.30
Hourly	\$47.740	\$50.127	\$52.634	\$55.265	\$58.029
Sewer/Storm Drain Supervisor	\$6,998.19	\$7,348.10	\$7,715.51	\$8,101.28	\$8,506.35
Bi-weekly	\$3,229.93	\$3,391.43	\$3,561.00	\$3,739.05	\$3,926.01
Hourly	\$40.374	\$42.393	\$44.513	\$46.738	\$49.075
Support Services Supervisor	\$7,258.95	\$7,621.90	\$8,002.99	\$8,403.14	\$8,823.30
Bi-weekly	\$3,350.28	\$3,517.80	\$3,693.69	\$3,878.37	\$4,072.29
Hourly	\$41.879	\$43.972	\$46.171	\$48.480	\$50.904
Transportation Manager/Traffic Engineer	\$9,779.31	\$10,268.27	\$10,781.69	\$11,320.77	\$11,886.81
Bi-weekly	\$4,513.53	\$4,739.20	\$4,976.16	\$5,224.97	\$5,486.22
Hourly	\$56.419	\$59.240	\$62.202	\$65.312	\$68.578
Utilities Manager	\$8,852.27	\$9,294.88	\$9,759.62	\$10,247.61	\$10,759.99
Bi-weekly	\$4,085.66	\$4,289.94	\$4,504.44	\$4,729.66	\$4,966.15
Hourly	\$51.071	\$53.624	\$56.306	\$59.121	\$62.077
Water Supervisor	\$6,998.19	\$7,348.10	\$7,715.51	\$8,101.28	\$8,506.35
Bi-weekly	\$3,229.93	\$3,391.43	\$3,561.00	\$3,739.05	\$3,926.01
Hourly	\$40.374	\$42.393	\$44.513	\$46.738	\$49.075

**CITY OF FOUNTAIN VALLEY
ESTABLISHED SALARY RANGES FOR CLASSIFICATIONS
REPRESENTED BY THE PROFESSIONAL AND TECHNICAL UNIT**

EFFECTIVE: July 1, 2019 (Payroll period ending July 12, 2019)

CLASSIFICATION	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5
Community Services Supervisor	\$6,107.88	\$6,413.28	\$6,733.94	\$7,070.64	\$7,424.17
Bi-weekly	\$2,819.02	\$2,959.97	\$3,107.97	\$3,263.37	\$3,426.54
Hourly	\$35.238	\$37.000	\$38.850	\$40.792	\$42.832
Crime Analyst	\$6,269.96	\$6,583.46	\$6,912.63	\$7,258.26	\$7,621.17
Bi-weekly	\$2,893.83	\$3,038.52	\$3,190.44	\$3,349.97	\$3,517.47

Hourly	\$36.173	\$37.981	\$39.881	\$41.875	\$43.968
Deputy Public Works Director/City Engineer	\$11,444.13	\$12,016.34	\$12,617.16	\$13,248.01	\$13,910.41
Bi-weekly	\$5,281.91	\$5,546.00	\$5,823.30	\$6,114.47	\$6,420.19
Hourly	\$66.024	\$69.325	\$72.791	\$76.431	\$80.252
Engineering Associate	\$7,748.08	\$8,135.48	\$8,542.25	\$8,969.37	\$9,417.84
Bi-weekly	\$3,576.04	\$3,754.84	\$3,942.58	\$4,139.71	\$4,346.69
Hourly	\$44.700	\$46.935	\$49.282	\$51.746	\$54.334
Environmental Services Administrator	\$7,962.94	\$8,361.09	\$8,779.14	\$9,218.10	\$9,679.00
Bi-weekly	\$3,675.20	\$3,858.96	\$4,051.91	\$4,254.51	\$4,467.23
Hourly	\$45.940	\$48.237	\$50.649	\$53.181	\$55.840
Field Services Manager	\$10,052.42	\$10,555.04	\$11,082.80	\$11,636.94	\$12,218.78
Bi-weekly	\$4,639.58	\$4,871.56	\$5,115.14	\$5,370.89	\$5,639.44
Hourly	\$57.995	\$60.894	\$63.939	\$67.136	\$70.493
Fire Marshal	\$8,985.40	\$9,434.67	\$9,906.40	\$10,401.72	\$10,921.81
Bi-weekly	\$4,147.11	\$4,354.46	\$4,572.18	\$4,800.79	\$5,040.83
Hourly	\$51.839	\$54.431	\$57.152	\$60.010	\$63.010
Housing Coordinator	\$7,899.04	\$8,293.99	\$8,708.69	\$9,144.12	\$9,601.33
Bi-weekly	\$3,645.71	\$3,827.99	\$4,019.39	\$4,220.36	\$4,431.38
Hourly	\$45.571	\$47.850	\$50.242	\$52.755	\$55.392
Information Systems Manager	\$9,665.18	\$10,148.44	\$10,655.86	\$11,188.66	\$11,748.09
Bi-weekly	\$4,460.85	\$4,683.90	\$4,918.09	\$5,164.00	\$5,422.20
Hourly	\$55.761	\$58.549	\$61.476	\$64.550	\$67.777
Internal Services Supervisor	\$7,208.14	\$7,568.54	\$7,946.97	\$8,344.32	\$8,761.54
Bi-weekly	\$3,326.83	\$3,493.17	\$3,667.83	\$3,851.22	\$4,043.79
Hourly	\$41.585	\$43.665	\$45.848	\$48.140	\$50.547
Management Analyst	\$6,269.96	\$6,583.46	\$6,912.63	\$7,258.26	\$7,621.17
Bi-weekly	\$2,893.83	\$3,038.52	\$3,190.44	\$3,349.97	\$3,517.47
Hourly	\$36.173	\$37.981	\$39.881	\$41.875	\$43.968
Management Specialist	\$5,642.96	\$5,925.11	\$6,221.37	\$6,532.44	\$6,859.06
Bi-weekly	\$2,604.44	\$2,734.67	\$2,871.40	\$3,014.97	\$3,165.72
Hourly	\$32.556	\$34.183	\$35.893	\$37.687	\$39.571
Planner	\$8,921.49	\$9,367.57	\$9,835.95	\$10,327.74	\$10,844.13
Bi-weekly	\$4,117.61	\$4,323.49	\$4,539.67	\$4,766.65	\$5,004.98
Hourly	\$51.470	\$54.044	\$56.746	\$59.583	\$62.562
Planner (new hire)	\$8,791.83	\$9,231.43	\$9,693.00	\$10,177.65	\$10,686.53
Bi-weekly	\$4,057.77	\$4,260.66	\$4,473.69	\$4,697.38	\$4,932.24
Hourly	\$50.722	\$53.258	\$55.921	\$58.717	\$61.653
Principal Civil Engineer	\$9,297.51	\$9,762.38	\$10,250.50	\$10,763.03	\$11,301.18
Bi-weekly	\$4,291.16	\$4,505.71	\$4,731.00	\$4,967.55	\$5,215.93
Hourly	\$53.639	\$56.321	\$59.138	\$62.094	\$65.199
Public Services Supervisor	\$7,208.14	\$7,568.54	\$7,946.97	\$8,344.32	\$8,761.54
Bi-weekly	\$3,326.83	\$3,493.17	\$3,667.83	\$3,851.22	\$4,043.79
Hourly	\$41.585	\$43.665	\$45.848	\$48.140	\$50.547
Purchasing Manager	\$7,485.98	\$7,860.28	\$8,253.29	\$8,665.96	\$9,099.25
Bi-weekly	\$3,455.07	\$3,627.82	\$3,809.21	\$3,999.67	\$4,199.66
Hourly	\$43.188	\$45.348	\$47.615	\$49.996	\$52.496

Purchasing Manager (new hire)	\$7,410.96	\$7,781.51	\$8,170.59	\$8,579.11	\$9,008.07
Bi-weekly	\$3,420.44	\$3,591.47	\$3,771.04	\$3,959.59	\$4,157.57
Hourly	\$42.756	\$44.893	\$47.138	\$49.495	\$51.970
Recreation and Community Services Manager	\$8,322.28	\$8,738.40	\$9,175.32	\$9,634.08	\$10,115.79
Bi-weekly	\$3,841.05	\$4,033.11	\$4,234.76	\$4,446.50	\$4,668.82
Hourly	\$48.013	\$50.414	\$52.935	\$55.581	\$58.360
Senior Civil Engineer	\$8,523.25	\$8,949.42	\$9,396.89	\$9,866.73	\$10,360.07
Bi-weekly	\$3,933.81	\$4,130.50	\$4,337.03	\$4,553.88	\$4,781.57
Hourly	\$49.173	\$51.631	\$54.213	\$56.923	\$59.770
Sewer/Storm Drain Supervisor	\$7,208.14	\$7,568.54	\$7,946.97	\$8,344.32	\$8,761.54
Bi-weekly	\$3,326.83	\$3,493.17	\$3,667.83	\$3,851.22	\$4,043.79
Hourly	\$41.585	\$43.665	\$45.848	\$48.140	\$50.547
Support Services Supervisor	\$7,476.72	\$7,850.55	\$8,243.08	\$8,655.24	\$9,088.00
Bi-weekly	\$3,450.79	\$3,623.33	\$3,804.50	\$3,994.72	\$4,194.46
Hourly	\$43.135	\$45.292	\$47.556	\$49.934	\$52.431
Transportation Manager/Traffic Engineer	\$10,072.69	\$10,576.32	\$11,105.14	\$11,660.40	\$12,243.42
Bi-weekly	\$4,648.93	\$4,881.38	\$5,125.45	\$5,381.72	\$5,650.81
Hourly	\$58.112	\$61.017	\$64.068	\$67.272	\$70.635
Utilities Manager	\$9,117.84	\$9,573.73	\$10,052.41	\$10,555.03	\$11,082.79
Bi-weekly	\$4,208.23	\$4,418.64	\$4,639.58	\$4,871.55	\$5,115.13
Hourly	\$52.603	\$55.233	\$57.995	\$60.894	\$63.939
Water Supervisor	\$7,208.14	\$7,568.54	\$7,946.97	\$8,344.32	\$8,761.54
Bi-weekly	\$3,326.83	\$3,493.17	\$3,667.83	\$3,851.22	\$4,043.79
Hourly	\$41.585	\$43.665	\$45.848	\$48.140	\$50.547

EXHIBIT 2 RETIREE MEDICAL/DENTAL TIERS

PROFESSIONAL/TECHNICAL EMPLOYEES	
P&T – TIER 1-A:	
HIRE DATE: Not applicable.	YEARS OF SERVICE: 5 years but less than 10 years continuous service with the City.
<p><u>ELIGIBILITY CRITERIA:</u></p> <p>A. Is at least 50 years of age;</p> <p>B. Has been employed by the City for at least 5 years;</p> <p>C. Is a vested member of CalPERS;</p> <p>D. Has applied for and received a service retirement from CalPERS;</p> <p>E. Effective date of retirement occurred no earlier than October 1, 1980;</p> <p>F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;</p> <p>G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.</p> <p><u>NOT ELIGIBLE FOR LIFE OR VISION INSURANCE:</u> Retired employees shall not be eligible for life or vision insurance coverage.</p> <p><u>RETIREE CONTRIBUTION:</u> The employee enrolls at their own expense for both medical and dental 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.</p> <p><i>If retired beginning August 16, 2011 and later:</i> If dental coverage is elected, dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.</p>	
P&T – TIER 1-B:	
HIRE DATE: February 15, 1986 and earlier.	YEARS OF SERVICE: 10 or more years continuous service with the City.
<p><u>ELIGIBILITY CRITERIA:</u></p> <p>A. Is at least 50 years of age;</p> <p>B. Has been employed by the City for at least 5 years;</p> <p>C. Is a vested member of CalPERS;</p> <p>D. Has applied for and received a service retirement from CalPERS;</p> <p>E. Effective date of retirement occurred no earlier than October 1, 1980;</p> <p>F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;</p>	

G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.

NOT ELIGIBLE FOR LIFE OR VISION INSURANCE: Retired employees shall not be eligible for life or vision insurance coverage.

ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:

If retired August 15, 2011 and earlier: Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

If retired beginning August 16, 2011 and later: Coverage is limited to the eligible retiree and qualified dependent(s) who was covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement.

Dependent Children. City contributions towards medical for qualified 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 towards 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 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 for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

NON-QUALIFIED DEPENDENT(S): Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

CITY CONTRIBUTION:

If retired August 15, 2011 and earlier: The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. 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.

If retired beginning August 16, 2011 and later: The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the

qualified dependent, if applicable.

RETIREE CONTRIBUTION:

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. Medicare premiums are fully retiree paid.

COVERAGE AT AGE 65+: Coverage will become supplemental to Medicare at age 65. The City will pay the supplemental to Medicare/basic 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 Professional/Technical employees for Tier 1 employees. The retiree will continue paying the dependent dental premium if coverage is elected and will be responsible for paying Medicare premiums.

ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. If none of the events listed above, 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 provisions of the City’s group medical insurance carrier, after which the dependent survivors will be provided an opportunity to continue their coverage under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA).

The City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

P&T – TIER 1-C:

HIRE DATE: February 16, 1986 through February 15, 1994.

YEARS OF SERVICE: 10 or more years continuous service with the City.

ELIGIBILITY CRITERIA:

- A. Is at least 50 years of age;
- B. Has been employed by the City for at least 5 years;
- C. Is a vested member of CalPERS;
- D. Has applied for and received a service retirement from CalPERS;
- E. Effective date of retirement occurred no earlier than October 1, 1980;
- F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;
- G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.

NOT ELIGIBLE FOR LIFE OR VISION INSURANCE: Retired employees shall not be eligible for life or vision insurance coverage.

ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:

If retired August 15, 2011 and earlier: Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

If retired beginning August 16, 2011 and later: Coverage is limited to the eligible 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.

Dependent Children. City contributions towards medical for qualified 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 towards 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 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 for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

NON-QUALIFIED DEPENDENT(S): Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

CITY CONTRIBUTION:

If retired August 15, 2011 and earlier: The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. 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.

If retired beginning August 16, 2011 and later: The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent, if applicable.

RETIREE CONTRIBUTION:

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. Medicare premiums are fully retiree paid.

COVERAGE AT AGE 65+:

If retired August 15, 2011 and earlier: Coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee continues coverage at their 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. The retiree will continue paying the dependent dental premium if coverage is elected and will be responsible for paying Medicare premiums.

If retired beginning August 16, 2011 and later: Medical coverage will terminate upon the retiree or qualified dependent reaching age 65, at which time, the employee continues coverage at their 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. The retiree will be responsible for paying Medicare premiums. Dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependents will terminate. While covered, the City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

P&T – TIER 1-D:

HIRE DATE: February 16, 1994 through August 15, 2009.	YEARS OF SERVICE: 15 or more years continuous service with the City.
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ELIGIBILITY CRITERIA:

- A. Is at least 50 years of age;
- B. Has been employed by the City for at least 5 years;
- C. Is a vested member of CalPERS;
- D. Has applied for and received a service retirement from CalPERS;
- E. Effective date of retirement occurred no earlier than October 1, 1980;
- F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;

G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.

NOT ELIGIBLE FOR LIFE OR VISION INSURANCE: Retired employees shall not be eligible for life or vision insurance coverage.

ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:

If retired August 15, 2011 and earlier: Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

If retired beginning August 16, 2011 and later: Coverage is limited to the eligible 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.

Dependent Children. City contributions towards medical for qualified 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 towards 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 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 for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

NON-QUALIFIED DEPENDENT(S): Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

CITY CONTRIBUTION:

If retired August 15, 2011 and earlier: The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependents as defined in the service provider's group health benefit agreement.

If retired beginning August 16, 2011 and later: The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the

qualified dependent, if applicable.

RETIREE CONTRIBUTION:

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. Medicare premiums are fully retiree paid.

COVERAGE AT AGE 65+:

If retired August 15, 2011 and earlier: Coverage will terminate upon the retiree or covered dependent(s) reaching age 65, at which time, the employee continues coverage at their 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. The retiree will continue paying the dependent dental premium, if coverage is elected, and will be responsible for paying Medicare premiums.

If retired beginning August 16, 2011 and later: Medical coverage will terminate upon the retiree or qualified dependent reaching age 65, at which time, the employee continues coverage at their 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. The retiree will be responsible for paying Medicare premiums. Dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. While covered, the City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

P&T – TIER 1-E: DISABILITY RETIREMENT

HIRE DATE: February 15, 1986 and earlier.	YEARS OF SERVICE: Not applicable.
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ELIGIBILITY CRITERIA: A “disability retired employee” shall refer to an employee who has received a disability retirement from CalPERS and whose injury or illness constitutes a total disability, as defined by the City’s group medical insurance carrier. The disability retired employee must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement. Any lapse in coverage will

make the employee ineligible for coverage.

NOT ELIGIBLE FOR LIFE OR VISION INSURANCE: Retired employees shall not be eligible for life or vision insurance coverage.

ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:

If retired August 15, 2011 and earlier: Coverage is limited to the eligible disability retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

If retired beginning August 16, 2011 and later: Coverage is limited to the eligible 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.

Dependent Children. City contributions towards medical for qualified 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 towards 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 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 for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

NON-QUALIFIED DEPENDENT(S): Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

CITY CONTRIBUTION:

If retired August 15, 2011 and earlier: The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. 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.

If retired beginning August 16, 2011 and later: The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent, if applicable.

RETIREE CONTRIBUTION:

<p>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).</p> <p>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.</p> <p>Medicare. Medicare premiums are fully retiree paid.</p> <p>COVERAGE AT AGE 65+: Coverage will become supplemental to Medicare at age 65. The City will pay the supplemental to Medicare/basic 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 Professional/Technical employees for Tier 1 employees. The retiree will continue paying the dependent dental premium, if coverage is elected, and will be responsible for paying Medicare premiums.</p> <p>ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE: Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependents will terminate. If none of the events listed above 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 provisions of the City’s group medical insurance carrier, after which the dependent survivors will be provided an opportunity to continue their coverage under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). The City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. Dental premiums for the surviving dependents are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.</p>	
<p>P&T – TIER 1-F: DISABILITY RETIREMENT</p>	
<p>HIRE DATE: February 15, 1986 to August 16, 2009.</p>	<p>YEARS OF SERVICE: Not applicable.</p>
<p>ELIGIBILITY CRITERIA: A “disability retired employee” shall refer to an employee who has received a disability retirement from CalPERS and whose injury or illness constitutes a total disability, as defined by the City’s group medical insurance carrier. The disability retired employee must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement. Any lapse in coverage will make the employee ineligible for coverage.</p> <p>NOT ELIGIBLE FOR LIFE OR VISION INSURANCE: Retired employees shall not be eligible for life or vision insurance coverage.</p> <p>ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:</p> <p>If retired August 15, 2011 and earlier: Coverage is limited to the eligible disability retiree and those specific dependent(s) as defined in the service provider’s group benefit agreement that were covered at the time of the employee’s retirement.</p> <p>If retired beginning August 16, 2011 and later: Coverage is limited to the eligible retiree and qualified dependent(s) who was covered on the employee’s plan for a minimum of two (2) full years (24 months) prior to retirement.</p>	

Dependent Children. City contributions towards medical for qualified 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 towards 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 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 for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

NON-QUALIFIED DEPENDENT(S): Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

CITY CONTRIBUTION:

If retired August 15, 2011 and earlier: The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. 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.

If retired beginning August 16, 2011 and later: The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent, if applicable.

RETIREE CONTRIBUTION:

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. Medicare premiums are fully retiree paid.

COVERAGE AT AGE 65+:

If retired August 15, 2011 and earlier: Coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee continues coverage at

their 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. The retiree will continue paying the dependent dental premium if coverage is elected and will be responsible for paying Medicare premiums.

If retired beginning August 16, 2011 and later: Medical coverage will terminate upon the retiree or qualified dependent reaching age 65, at which time, the employee continues coverage at 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. The retiree will be responsible for paying Medicare premiums. Dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. While covered, the City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for Professional/Technical employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

P&T – TIER 2-A (SERVICE AND DISABILITY RETIRED EMPLOYEES)

HIRE DATE: August 16, 2009 through August 15, 2010.	YEARS OF SERVICE: Not applicable.
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ELIGIBILITY CRITERIA:

- A. Is at least 50 years of age;
- B. Has been employed by the City for at least 5 years;
- C. Is a vested member of CalPERS;
- D. Has applied for and received a service retirement from CalPERS;
- E. Effective date of retirement occurred no earlier than October 1, 1980;
- F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;
- G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.

NOT ELIGIBLE FOR LIFE OR VISION INSURANCE: Retired employees shall not be eligible for life or vision insurance coverage.

RETIREE CONTRIBUTION: The employee enrolls at their own expense for both medical and dental 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.

<p><i>If retired beginning August 16, 2011 and later:</i> If dental coverage is elected, dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.</p>	
<p>P&T – TIER 3-A (SERVICE AND DISABILITY RETIRED EMPLOYEES)</p>	
<p>HIRE DATE: August 16, 2010 and later.</p>	<p>YEARS OF SERVICE: Not applicable.</p>
<p><u>ELIGIBILITY CRITERIA:</u></p> <ul style="list-style-type: none"> A. Is at least 50 years of age; B. Has been employed by the City for at least 5 years; C. Is a vested member of CalPERS; D. Has applied for and received a service retirement from CalPERS; E. Effective date of retirement occurred no earlier than October 1, 1980; F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement; G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan. <p><u>NOT ELIGIBLE FOR LIFE INSURANCE:</u> Retired employees shall not be eligible for life insurance coverage.</p> <p><u>RETIREE CONTRIBUTION:</u> The employee enrolls at their 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. Dental coverage will end at retirement. Dental coverage eligibility will be extended through COBRA continuation of coverage 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 coverage, the full premium plus a 2% administrative fee is payable by the retiree. The employee is not eligible for any flexible spending or other contribution from the City towards continued dental insurance upon retirement.</p>	