



**CITY OF CORNING
CITY COUNCIL SPECIAL MEETING AGENDA**

**FRIDAY, DECEMBER 11, 2015
CITY COUNCIL CHAMBERS
794 THIRD STREET**

The City of Corning welcomes you to our meetings, which are regularly scheduled for the second and fourth Tuesdays of each month. Your participation and interest is encouraged and appreciated.

In compliance with the Americans with Disabilities Act, the City of Corning will make available to members of the public any special assistance necessary to participate in this meeting. The public should contact the City Clerk's office (530/824-7033) to make such a request. Notification at least 72 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

This is an Equal Opportunity Program. Discrimination is prohibited by Federal Law. Complaints of discrimination may be filed with the Secretary of Agriculture, Washington, D.C. 20250.

A. CALL TO ORDER: 10:00 a.m.

B. ROLL CALL:

Council:

**Darlene Dickison
Dave Linnet
Tony Cardenas
Willie Smith
Gary Strack**

Mayor:

C. PLEDGE OF ALLEGIANCE: Led by the City Manager.

D. BUSINESS FROM THE FLOOR:

E. REGULAR AGENDA:

1. Ratify Memorandum of Understandings between the City and:

- a) The City Corning Public Safety Employee Bargaining Unit; and**
- b) The City of Corning Dispatcher's Association Bargaining Unit; and**
- c) The City of Corning Miscellaneous Employees Bargaining Unit; and**
- d) The City of Corning Management Association Bargaining Unit.**

2. Approve compensation plan for the unrepresented positions of City Manager and Administrative Assistant to the City Manager.

F. ADJOURNMENT!:

POSTED: MONDAY, DECEMBER 7, 2015

ITEM NO. : E-1a
RATIFY MEMORANDUM OF
UNDERSTANDING BETWEEN THE
CITY AND THE CORNING PUBLIC
SAFETY BARGAINING UNIT

December 11, 2015

TO: HONORABLE MAYOR AND COUNCIL MEMBERS
FROM: CITY MANAGER JOHN L. BREWER, AICP 
LISA M. LINNET, CITY CLERK

SUMMARY:

The City of Corning, through the assistance of State Mediation, has reached agreement with the employees of the Corning Public Safety Association Bargaining Unit as reflected in the attached complete Agreement, known under California Law as a "Memorandum of Understanding" (MOU). This Unit represents the Police Officers, Sergeants and Police Detective.

The proposed MOU is for a one year term beginning on January 1, 2016 and ends on December 31, 2016.

MEMORANDUM OF UNDERSTANDING (MOU):

Below are the key elements of the proposed new MOU Agreement:

1. **Term:** 1-Year Agreement (January 1, 2016 through December 31, 2016); and
2. **Wage & Salary:** Beginning the start of the first pay period in 2016 following Council approval of the MOU, provides a 2.5% pay increase to all members of the Bargaining Unit and an additional .5% wage increase beginning the last pay period of December 2016.
3. **457 Deferred Compensation Plan:** The City will match up to \$50 monthly of employee's contribution towards their 457 Deferred Compensation Plan (City match is only available for 1 Deferred Compensation Plan should employees be enrolled in more than one Plan) beginning the first pay period in January 2016 following City Council approval of the Memorandum of Understanding (MOU).
4. **Life Insurance:** The City agrees to increase life insurance coverage from \$70,000 to \$100,000 effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU).
5. **Bi-lingual Officer Pay:** The City agrees to increase bilingual specialty pay for this Bargaining Unit from 2.5% to 5% effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU).
6. **Range Master Pay:** The City agrees to implement a Range Master Specialty Pay in the amount of 3% of a qualifying Officer's base wages (estimated at no more than 40 hours per year in total for all qualifying Officers) effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU).
7. **Retirement - Deferral of PERS EPMC pick-up:** The City proposed and the Unit agreed to a deferral of PERS EPMC pick-up of an additional one and a half percent (1.5%) by City Public Safety Bargaining Unit members until the first pay period in July of 2016 for the following changes:
 - Tier 1:** Beginning the first pay period in July 2016 Public Safety Unit Employees will pay 3.5% of the 9% employee share.
 - Tier 2:** Beginning the first pay period in July 2016 Public Safety Unit Employees will pay 8% of the 9% employee share.

FINANCIAL:

Under the proposed Agreement the total increased cost the City will incur for this Bargaining Units wages will be approximately:

1. **Wages: \$22,590 total annually (this amount will be somewhat less as the .5% will not become effective until 1st pay period in July 2016).**
2. **457 Deferred Compensation: Up to \$3,600 annually (\$25 multiplied by 12 Officers).**
3. **5% Bi-lingual Specialty Pay: No costs at this time.**
4. **Range Master Pay: 3% of base wages when actively instructing. (Currently there are two within the Police Department.)**
5. **Life Insurance: Additional \$5.34 per Bargaining Unit Member for a total of \$768.96 annually.**
6. **Retirement Cost Savings: (\$2026.46) annually (this amount will be somewhat less of a savings as the take back will not become effective until the first pay period in July 2016).**

RECOMMENDATION:

MAYOR AND COUNCIL RATIFY THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CORNING AND THE CITY OF CORNING PUBLIC SAFETY UNIT FOR THE PERIOD OF JANUARY 1, 2016 THROUGH DECEMBER 31, 2016.



MEMORANDUM OF UNDERSTANDING

Between

CITY OF CORNING

and

OPERATING ENGINEERS UNION LOCAL NO. 3

of the

**INTERNATIONAL
UNION OF OPERATING ENGINEERS
AFL-CIO**

for

PUBLIC SAFETY EMPLOYEES

Effective:

January 1, 2016 – December 31, 2016

**Agreement December 11, 2015
Ratified by City Council December 11, 2015**

**City of Corning
and the
Operating Engineers Local Union No. 3 of the
International Union of Operating Engineers AFL-CIO
for Public Safety Employees**

Effective: January 1, 2016 – December 31, 2016

This Memorandum of Understanding is made and entered into between the Operating Engineers Local No. 3 of the International Union of Operating Engineers, AFL-CIO, hereinafter referred to as "**Union**", and the designated representatives of the CITY OF CORNING, hereinafter referred to as the "**City**", pursuant to the provisions of the Meyers-Miliias-Brown Act (Government Code Section 3500, et seq.). This Memorandum of Understanding supersedes and replaces all previous Memorandum of Understandings between the parties.

**ARTICLE 1
GENERAL PROVISIONS - DEFINITIONS**

1.1 DEFINITIONS:

- A. Employer:** The term "Employer", as used herein, shall refer to the City of Corning.
- B. Union:** The term "Union", as used herein, shall refer to the Operating Engineers Local No. 3 of the International Union of Operating Engineers, AFL-CIO.
- C. Employee:** The term "Employee", as used herein, shall mean all Employees of the Peace Officer Unit as established under the provisions of the Employer-Employee Relation Policy of the City of Corning.
- D. Employment Anniversary Date:** The term "employment anniversary date", as used herein, shall mean the anniversary date of the employee's employment with the City.
- E. Step Anniversary Date:** The term "step anniversary date", as used herein, shall mean the date upon which an employee has finished serving the requisite amount of time in order to be eligible for a salary step increase. A new time period for such requisite service shall commence upon the occurrence of any of the following events: Promotion, reclassification, implementation of a Memorandum of Understanding provision or Side Letter of Understanding specifying a movement into a new step or an increase in the rate paid for the step currently held by the employee.

**ARTICLE 2
RECOGNITION**

- 2.1** The Employer hereby recognizes the Union as the only organization entitled to meet and confer on matters within the scope of representation.

**ARTICLE 3
HIRING PROVISIONS**

- 3.1** No Employee covered by this Memorandum of Understanding shall be discriminated against by the Employer or by the Union by reason of race, color, religion, sex, age or national origin.
- 3.2** The Employer shall not discharge, or otherwise discriminate against any Employee by reason of Union activities not interfering with the proper performance of his work.

THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER

**ARTICLE 4
CHECK OFF**

- 4.1 The Employer agrees to deduct from the wages of its Employees' initiation fees and dues and transmit the moneys so deducted to the Financial Secretary of the Union. An Employee desiring to have such deduction or deductions made shall sign a proper assignment form authorizing such deductions.
- 4.2 The Employer agrees to deduct from the wages of its Employees' Operating Engineers Local Union No. 3 Credit Union deductions and to transmit the moneys so deducted to the Credit Union. An Employee desiring to have such a deduction or deductions made shall sign a proper assignment form authorizing such deductions.
- 4.3 Such deductions shall not be made more often than once per month.

**ARTICLE 5
MANAGEMENT RIGHTS**

- 5.1 The Employer retains the exclusive right to manage the City. All the rights, powers, functions and authority of the Employer, which it had prior to the time the Union became certified as representative of the Employees of the Employer, and which are not limited or modified by specific provisions of the Memorandum, are retained by the Employer. The Employer specifically retains the right to manage and supervise its Employees as follows:
 - 1. To hire, promote, transfer, assign, classify positions, retain employees, and to suspend, demote, discharge or take other disciplinary action against Employees.
 - 2. To lay-off or demote Employees from duties because of lack of work, lack of funds, in the interest of economy, or other legitimate reasons.
 - 3. To determine the policies, standards, procedures, methods, means and personnel by which City operations are to be conducted.
 - 4. To take whatever actions may be necessary to carry out the mission of the City in situations of emergency.
 - 5. To limit or prohibit the right of Employees in certain positions or classes of positions from forming, joining, or participating in employee organizations as provided in the California Government Code, and designating such employees in the current schedule of Departments and Authorized Positions adopted by resolution.
 - 6. Nothing in this policy shall be construed to interfere with the City's right to manage its operations in the most economical and efficient manner consistent with the best interests of all citizens, taxpayers, and employees in the City.

**ARTICLE 6
UNION RIGHTS**

- 6.1 The Union recognizes its obligation to cooperate with the Employer to assure maximum service of the highest quality and efficiency to the citizens of the City of Corning consistent with its obligations to the Employees it represents.
- 6.2 Employer and Union affirm the principle that harmonious Employer-Employee relations are to be promoted and furthered. When a person is hired in any of the covered job classifications, the City shall notify that person that the Union is the certified representative for the Employees and shall notify the Union of such hiring.
- 6.3 The Employer shall provide the Union space to erect a bulletin board in each area where Employees covered by this Memorandum are assigned.

- 6.4 Business Representatives of the Union shall have reasonable access to Employees, provided such access does not interfere with City business. Department Heads and First-Line Supervisors will be notified by the Employer of the provisions of this Section. Solicitation for membership shall not be conducted during working time.
- 6.5 Business representatives of the Union shall have access to any Employee or Employees presenting a grievance; and Employees have the right to have the Union Business Representative represent him/her at all stages of disciplinary action.
- 6.6 The Union may select one (1) Employee as Union Steward.
- 6.7 In addition to his regularly assigned work, the Union Steward shall be permitted reasonable time during working hours to notify the Business Representative of any violations of this Memorandum. Employees are authorized to contact their Union Steward during working hours to report a grievance or violation of this Memorandum.

ARTICLE 7 PEACEFUL PERFORMANCE

- 7.1 The parties to this Memorandum of Understanding recognize and acknowledge that the services performed by the City Employees covered by this Memorandum are essential to the public health, safety and general welfare of the residents of the City of Corning. The Union agrees that under no circumstances will the Union recommend, encourage, cause or permit its members to initiate, participate in, nor will any member of the bargaining unit take part in, any strike, sit-down, stay-in, sick-out, slow-down or picketing (hereinafter collectively referred to as work stoppage), in any office or department of the City, nor to curtail any work or restrict any production, or interfere with any operation of the City. In the event of any such work stoppage by any member of the bargaining unit, the City shall not be required to negotiate on the merits of any dispute, which may have given rise to such work stoppage until said work stoppage has ceased.
- 7.2 In the event of any work stoppage during the term of this Memorandum of Understanding, whether by the Union or by any member of the bargaining unit, the Union, by its officers, shall immediately declare in writing and publicize that such action is illegal and unauthorized, and further direct its members in writing to cease the said conduct and resume work. Copies of such written notice shall be served upon the City. If in the event of any work stoppage the Union promptly and in good faith performs the obligations of this paragraph, and providing the Union has not otherwise authorized, permitted or encouraged such work stoppage, the Union shall not be liable for any damages caused by the violation of this provision. However, the City shall have the right to discipline, including discharge, any Employee who instigates, participates in, gives leadership to, any work stoppage activity herein prohibited, and the City shall also have the right to seek full legal redress including damages, as against any such Employee.

ARTICLE 8 PAYMENTS

- 8.1 This Memorandum is intended to cover all aspects of wages, hours, and working conditions for Employees covered herein, therefore, nothing in this Memorandum shall prevent the Employer from modifying any fringe benefits or benefit plans not specifically provided for in this Memorandum such as retirement plans, salary continuation plans, etc., subject to meet and confer.
- 8.2 If an Employee covered by this Memorandum is permanently assigned work of a substantially new or different nature so as to constitute a new job classification, the Employer and the Union shall determine the wage rate through the established procedures.

- 8.3** Effective 6/24/01 in accordance with the City's Standard Bi-weekly Pay Plan, the pay period for all employees covered by this MOU will be bi-weekly. Initial bi-weekly payment to be made 7/12/01 and every other week after that date in the same manner and time as all other City employees.

This transition will allow employees to receive a modified semi-monthly paycheck for work performed in the portion of the last period of June 2001 (between 6/16/01 and 6/23/01) in the same manner and time as previously scheduled.

The work period will be the 80 hours bi-weekly allowed under the provisions of the FLSA 7K exemption for Safety employees.

ARTICLE 9 PREVAILING RIGHTS

- 9.1** This Memorandum of Understanding contains all of the covenants, stipulations and provisions agreed upon by the parties. It is understood that all items relating to Employees' wages, hours, and other terms and conditions of employment not covered in this Memorandum of Understanding shall remain the same, except as specifically mentioned in this Memorandum; therefore, for the life of this Memorandum, neither party shall be compelled to bargain with the other concerning any mandatory bargaining issues, whether specifically bargained about prior to the execution of this Memorandum or which may have been omitted in the bargaining which led up to the execution of this Memorandum of Understanding, except by mutual agreement of the parties or as specifically mentioned in this Memorandum.

ARTICLE 10 WAGES

- 10.1** **(A) Wage Increase: A two and one-half percent (2.5%) increase in base wages to all members of the Bargaining Unit beginning the first pay period in 2016. An additional one half percent (0.5%) increase in base wages to all members of the Bargaining Unit beginning the last pay period in 2016 occurring after the City Council approves the Memorandum of Understanding (MOU).**

(B) For the period of this agreement, Employees will be eligible for merit step increases in accordance with section 10.2.

- 10.2** Employees may advance to the next step in the pay schedule upon satisfactory completion of the required time in the lower step. The time required to advance from step A to B, and B to C is currently six (6) months. For employees hired after July 1, 2005, the time required between step A and B shall remain six (6) months. For employees hired after July 1, 2005 advancement from step B to C, C to D and D to E shall be twelve (12) months between each step.

- 10.3** Employees transferring into the unit from other public agencies or from other departments within the City shall be placed on whatever salary step the City determines is appropriate based on their qualifications. However, an Employee receiving a promotion within the department shall not be placed in a step requiring a lower salary than was earned in the previous position.

- 10.4** Longevity Pay: Employees will be eligible for longevity performance incentive pay under the following conditions:

A. Annual satisfactory performance evaluations will be required to receive and maintain annual pay increase.

B. A performance evaluation will be made 30-days before the employee's anniversary date.

- C. Qualifying employees will receive a longevity performance incentive pay increase to be added to their base rate as follows:
 - 1. 3% after 10 years, effective the first pay period after anniversary date.
 - 2. 6% after 15 years, effective the first pay period after anniversary date, (not compounded with the 3%).
- D. In the event the employee is denied a longevity performance incentive pay increase, the employee may request the City Manager for review and to make final determination. The matter may not be filed under any other grievance procedure.
- E. The plan will be implemented for all eligible employees effective the pay period closest to the date the City Council ratifies the Memorandum of Understanding (MOU). The initial performance increase will be effective the first pay period following a satisfactory performance evaluation. The initial evaluation is to be made as soon as administratively feasible following the adoption of the MOU. Such increase will remain in effect to the employee's next anniversary date prior to which time a reevaluation is required.

**ARTICLE 11
HEALTH AND WELFARE INSURANCE**

- 11.1 The City offers a choice of four (4) Health and Safety Insurance Policies: (1) Operating Engineers Public Employees' Health and Welfare Plan; and (3) different tier Blue Shield Health Savings Account Plans. All Employees and their eligible dependents may participate in the Plans, with the City contributing to the cost of such plans up to **\$1,275.50** per month towards the rate. The employee shall pay any remaining costs of insurance. Future increases shall be divided equally between the City and the employee.
- 11.2 The City shall pay the fee for Employees who are not members of the Operating Engineers Local Union No. 3 in order to participate in the Union's Health and Welfare Plan.
- 11.3 **The City shall provide life insurance in the amount of one hundred thousand dollars (\$100,000) effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU) and will continue to pay the life and disability insurance premiums.**
- 11.4 The City shall have the option of replacing the Operating Engineers Public Employees Health and Welfare Plan with a plan of the City's choosing. If the City exercises this option, the City shall maintain coverage that is comparable and substantially equivalent to that provided currently under the present plan.
- 11.5 A Health Plan Review Committee consisting of one employee from each bargaining unit will be established and coordinated by the City Manager to review alternate health plans. A non-binding Committee Report will be made to the City and the Union. The committee will study both the health plan and the short-term disability and "cafeteria" plans. Upon receipt of the committee's report, the City or the Union, upon the request of either, will meet and confer on the recommendations of the committee.

**ARTICLE 12
WORKDAY AND WORKWEEK**

- 12.1 The regular workday shall be eight (8) hours, inclusive of mealtime. The regular workweek shall not exceed forty (40) hours per week on duty. Workweeks shall be scheduled by the Employer to provide for five (5) consecutive days on duty and two (2) consecutive days off duty. All time worked in excess of the regular workday or workweek shall be considered overtime.

- 12.2 The City may institute an optional work schedule to the (5-8) shift. If another shift is considered, it is the understanding that management retains the right to schedule in the best interests of the department, and for the safety of the citizens of Corning.

ARTICLE 13 OVERTIME

- 13.1 Overtime shall be compensated at the rate of time and one-half, which will be paid in the same manner as other wages, except C.T.O.
- 13.2 An Employee shall, upon termination of employment, be entitled to be paid all unpaid accumulated overtime together with the Employee's normal wages.
- 13.3 All cash payments for overtime worked will be made on the regular salary check in which it was earned. The only exception is holiday pay. (See Article 19 regarding holidays.)
- 13.4 All overtime worked shall be first approved by the Chief or Shift Sergeant.
- 13.5 Compensatory Time in lieu of overtime (CTO): Currently members of the Bargaining Unit may accrue up to a maximum of one hundred fifty (150) hours annually upon the Police Chief's discretionary authority. Effective the pay-period beginning January 4, 2015, members of the Bargaining Unit may accrue up to a maximum of one hundred seventy five (175) hours annually upon the Police Chief's discretionary authority. CTO time may be carried into the following year, but at no time can it exceed the one hundred fifty (150) hours. The Police Chief shall approve when employees can take time off, taking into consideration the desire of the employees and the operational needs of the department. The Police Chief and employees may mutually agree to pay out any or all CTO time at any time. All unused CTO shall be paid upon termination. All CTO in excess of one hundred fifty (150) hours shall be paid.

ARTICLE 14 SPECIALTY PAY

- 14.1 Employees in the classification of Police Officer shall receive in addition to regular pay a 5% premium when assigned, in writing by the Police Chief, to serve and perform as a Field Training Officer (FTO).
- 14.2 Out of Class Pay. An Employee who is temporarily assigned, in writing, the duties of a supervising position for fifteen (15) cumulative days shall receive premium pay of no more than five percent (5%) above his/her present salary beginning on the sixteenth (16th) day.
- 14.3 Officers assigned by the Chief of Police to the K-9 Unit shall receive one hundred fifty dollars (\$150) per month for the incidental duties related to the assignment effective June 24, 2001.
- 14.4 Officers certified and assigned by the Chief of Police as **bi-lingual shall receive an additional 2.5% pay for a total of 5% for the incidental duties related to the assignment effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU).** The Police Chief shall establish reasonable standards to qualifying Officers and for ongoing review of skills.
- 14.5 **Effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU), Officers certified and assigned by the Chief of Police as Range Master shall receive an additional 3% of a qualifying Officer's base wages when actively instructing (Estimated at no more than 40 hours per year in total for all qualifying Officer's.)**

**ARTICLE 15
STAND-BY COMPENSATION**

- 15.1 When the Employer requires an Employee to remain available for call back at any time, the Employee shall receive stand-by pay.
- 15.2 When an Employee is required to stand by, he shall be compensated for such stand-by at the rate of two (2) hours of straight time compensation by cash for each accumulated eight (8) hours of stand-by.

**ARTICLE 16
CALL-BACK COMPENSATION**

- 16.1 When the City requires an employee to return to work other than his regularly scheduled workday, or for hours that are not contiguous to the beginning or end of an employee's normal shift, the employee shall be entitled to call-back compensation.
- 16.2 The City shall compensate the employee a minimum of two (2) hours of overtime compensation irrespective of the actual time worked when an employee is called back to work. In the event the task exceeds two (2) hours duration, the total overtime compensation shall be for the hours actually worked.

**ARTICLE 17
SICK LEAVE**

- 17.1 Sick leave is available to an employee to use in case of illness, bodily injury, exposure to a contagious disease, medical or dental appointment or attendance upon seriously ill member of employee's immediate family, as defined by these rules. An employee may take paid sick leave after the first month of employment. Every effort by the employee shall be made to schedule appointments during non-working hours.
- 17.2 Sick leave with pay shall be granted to all employees. Sick leave shall be earned at the rate of eight (8) hours per calendar month of service, not to exceed a total maximum accumulation of one thousand four hundred forty (1440) hours. No sick leave shall be earned once the maximum accrual is reached.
- 17.3 **The City agrees to pay fifty percent (50%) of Employee's unused accumulated sick leave upon retirement or death effective the start of the first pay period in 2016 occurring after the City Council approves the Memorandum of Understanding (MOU).** Upon reduction in force, the City shall pay twenty-five (25%) of Employee's unused accumulated sick leave.
- 17.4 Employees who have less than thirty-six (36) days of sick leave accumulated may, in lieu of taking vacation, bank said vacation time under sick leave.
- 17.5 Family Leave shall be administered in accordance with applicable State and Federal law.
- 17.6 Bereavement Leave - In the event of a death in the immediate family, the Employee may take off up to four (4) days. The immediate family shall be defined as husband, wife, child, step child, mother, father, brother, sister, grandparents, and grandchildren. Such leave shall be charged to sick leave.
- 17.7 When an employee is off work as a result of a valid on-the-job injury sustained in the service of the City, the employee is entitled to use their accrued Sick Leave during the period of disability to make up the difference between their regular pay and the Workers Compensation Temporary Disability Payments. The City shall pay only that amount necessary to make up the difference between the employee's monthly rate and the amount payable to the employee as temporary disability payments from the Worker's Compensation Insurance Plan of the City. To take advantage of this benefit, the employee must forward their Temporary check to the City.

- 17.8** The City may require verification of the necessity for sick leave. Such verification may be in the form of a written statement from a doctor or a personal affidavit from the Employee. The City reserves the right to specify which of the two verification procedures will be required in any particular situation. If the City requires verification from a physician, the City shall pay for the cost of such verification to the extent such cost is not reimbursed by the Employee's health insurance.
- 17.9** If the City determines that an Employee has abused the provisions of the sick leave policy, the Employee shall be subject to disciplinary action.
- 17.10** Sick Leave Conversion Upon Retirement: In lieu of a cash out of sick leave, an employee, upon retirement under PERS, may choose as an option, to convert a percentage of the dollar value of the sick leave at the employee's current hourly base rate of pay as of the date of retirement, to pay the pre-paid health insurance premium up for a period of time up to age 65 according to the following conversion plan:

<u>Employee's year of Service with City</u>	<u>Percentage value of employee's accrued Sick Leave</u>
Through 15 years	50 %
16 through 19 years	70 %
20 or more years	80 %

The following is the procedure to account for the percentage value of converted sick leave:

- (A)** At the written request of the retiring employee, the City Staff will compute the dollar value of the accrued sick leave according to the percentages shown above, and maintain an accounting in the employee's name, deducting the amount of monthly City health insurance premium for the "balance".
- (B)** The value of sick leave does not accrue in a cash fund for each employee, therefore no actual funds are held in trust. The City simply agrees to pay the retiree's premium for a period of time until the balance value of the conversion is depleted.
- (C)** Should a retired employee want to stop their insurance premium payments under this Section, the employee must notify the City Manager in writing, giving the date payments should end, and City Staff will do an accounting of the actual dollar amount paid out. Should this amount still be less than the fifty percent (50%) value provided for in the sick leave payoff provisions of this MOU, Section 17.3 the balance will be paid to the employee.
- (D)** Should a retired employee die prior to fully using this benefit, any dependents covered under the health insurance may, if permitted to, continue insurance coverage by the insurance carrier and receive the continuation of this benefit until fully expended. The benefit shall have no cash value to the employee's estate nor can the City accept any claim for payoff by heirs.
- (E)** Employees' not choosing to remain in the City's offered health plan may use the benefits set out in these sections, to be applied to the cost of a private health plan. The retired employee will be reimbursed on a quarter year basis, such amounts as provided in these sections, upon submission of a written claim and proof of a paid premium by the retired employee. The form, manner of claim, and proof will be as prescribed by the City.

**ARTICLE 18
UNIFORM ALLOWANCE**

- 18.1** Effective January 1, 2009 the City agrees to pay all members of the Public Safety Employees Bargaining Unit covered by this Memorandum of Understanding, a uniform allowance, also to include Body Armor Shell, of nine hundred dollars (\$900) per year, payable on the Employee's employment anniversary date. Notwithstanding the foregoing, the City reserves the option to implement a system by which the City will purchase and maintain the uniforms required of Employees at City's expense in lieu of providing the aforementioned uniform allowance.
- 18.2** The Employer agrees to replace, at no cost to the Employee, any item of uniform clothing damaged in the line of duty.

**ARTICLE 19
HOLIDAYS & HOLIDAY PAY**

- 19.1** Members of the bargaining unit shall receive "Holiday in Lieu". The amount shall annually be equal to one hundred eight (108) hours pay.
- 19.2** Employees hired into full time positions during each calendar year shall have their Holiday in Lieu pay prorated based on the number of full months worked in relationship to twelve (12) months. This section applies only to initial hires by the City, not employees who promote during the year.
- 19.3** Annual payment is to be made on the last pay period in November.

**ARTICLE 20
457 DEFERRED COMPENSATION PLAN**

Effective the first pay period in 2016, the City will match employee's contributions to their 457 Deferred Compensation Plan up to \$50 per month. The City match is only available for one (1) Deferred Compensation Plan even if employees are enrolled in more than one (1) Plan. Employees must commit to maintain their 457 contribution for one full year.

**ARTICLE 21
EDUCATIONAL INCENTIVE PAY**

- 21.1** The Employer agrees to provide Incentive Pay for all Peace Officers at the following rates:
- A.** All Employees to receive, monthly, two and one-half percent (2 1/2%) above base monthly pay for possession of a POST Intermediate Certificate or an Associate of Arts Degree.
 - B.** All Employees to receive, monthly, five percent (5%) above base monthly pay for possession of a POST Advanced Certificate or a Bachelor's Degree.

**ARTICLE 22
VACATION TIME**

- 22.1** Employees shall earn vacation according to the following:
- A.** Employees shall earn vacation with pay at the rate of one hundred twenty (120) hours per year after one (1) year and during the first seven (7) years of City employment.
 - B.** Employees shall earn vacation with pay at the rate of one hundred sixty (160) hours per year after completion of seven (7) years of City employment.
 - C.** Effective January 1, 2009, employees shall earn vacation with pay at the rate of two hundred (200) hours per year after fifteen (15) years of City employment.

- D. The maximum number of vacation hours employees may carry over or have in a vacation account at the start of each new calendar year is one hundred fifty (150) hours.
 - E. Employees who have more than one hundred fifty (150) hours in their vacation account will have the excess vacation time paid off at the close of each calendar year.
- 22.2** The Employee shall have the option of converting up to fifty percent (50%) of unpaid accumulated vacation to cash payment in lieu of taking vacation. The Employee may exercise this payoff option only one (1) time per fiscal year with five (5) working days notice to payroll.

ARTICLE 23 SAFETY

- 23.1** The Employer agrees to furnish, at no cost to the Employee, all items of safety equipment including, but not limited to: weapon, holster, belt with ammo pouches, cuffs, nightstick and rain gear with waterproof boots, plus reflectorized traffic vests and traffic batons for each patrol car.
- 23.2** **Body Armor:** The City shall periodically choose a manufacturer and brand of body armor that meets the "Threat Level III-A" Standard published from time to time by the National Institute of Justice. Each employee represented by the Bargaining Unit will be provided "Threat Level III-A" body armor upon employment. Such body armor shall be replaced every four (4) years. Initial and replacement armor will include both the armor and the shell. The employee is responsible for the periodic replacement of the shell as part of the annual Uniform Allowance, as explained in Article 18. The Employee may select a higher priced unit (meeting this standard) by paying the difference. The body armor will be required to be worn at all times when the Officer is on duty.
- 23.3** **Vehicles:** The City Police Chief will consult with a representative of the Unit and consider Unit input when developing a maintenance inspection program for patrol cars. The program will include routine "certified" vehicle inspections at specific mileage and following an accident or high-speed chase involving the vehicle.
- 23.4** **Manning:** The Police Chief will consult with a representative of the Unit and consider Unit input when developing a plan for the scheduling and deployment of available staff to best meet the needs of the Department and the City population.
- 23.5** **Ammunition:** City will provide all duty ammunition and range qualification and ammunition for all City duty issued weapons.
- 23.6** A Physical Fitness Plan Committee, consisting of one employee from the bargaining unit and the Police Chief, will be established and coordinated by the City Manager to review physical fitness plans.
- 23.7** Employees who qualify under the physical fitness incentive plan shall receive a total of five percent (5%) pay increase.

ARTICLE 24 LAY-OFF POLICY

- 24.1** The City may lay-off Employees whenever it becomes necessary because of lack of work or funds, or whenever it is deemed advisable in the interests of the economy to reduce the force in a department or office.
- 24.2** Persons shall be laid off in the following order:

1. All extra help, temporary and provisional Employees in the same department and within the same job classification shall be laid off before any regular Employee is laid off.
2. When it becomes necessary to reduce the force in any department or office by lay-off of regular Employees, seniority shall be the determining factor. In the case where seniority is equal, ability shall govern.

The determination of ability shall be the exclusive responsibility of the department head, provided that in making such determination, consideration shall be given to skill, efficiency, knowledge, physical fitness, training and attitude toward fellow Employees.

- 24.3** Seniority shall be measured from the Employee's initial appointment to City service, but shall not include any period during which such Employee was on leave without pay, or not actually in City employment because of the Employee's voluntary termination, lay-off or other cause; provided that, for any Employee who is reemployed after being discharged, seniority shall be measured from the date of the Employee's most recent appointment.
- 24.4** The City shall send written notice by certified mail, postage prepaid, return receipt requested, and correctly addressed to the last known mailing address of the Employee as found in the Employee's personnel file. In lieu of the above, the City may serve notice by personal service. Notice of lay-off shall be made at least (30) thirty-days prior to the effective date of the action.
- 24.5** In lieu of being laid off, a regular Employee may elect demotion and displacement in the same department to a classification previously held by said Employee with substantially the same or lower salary step and/or to a classification in which said Employee meets the minimum qualifications. Demotion and displacement rights to specified classifications shall be applicable only within the department and subject to layoff list provisions in this Section based on seniority and ability. Employees wishing demotion and displacement in lieu of layoff must notify the City Manager in writing of this election no later than seven (7) calendar days after receiving notice of layoff.

ARTICLE 25 PROBATION PERIOD AND EVALUATION

- 25.1** All Employee evaluations should be made by the Employee's immediate Supervisor or the Employee's Department Head when possible. In the event the immediate Supervisor or Department Head is unable to complete the evaluation, the City Manager may complete the evaluation. The City reserves the right to conduct formal evaluation summaries every six (6) months. Nothing contained herein should be construed to limit the right of the City to continually monitor and assess Employee performance and provide feedback to the Employee regarding the Employee's performance.
- 25.2** All new, promoted and reclassified Employees are on probation for one (1) year. The Police Chief may extend a probation period for a worker, on a day for day basis, which has been on a limited duty assignment or on leave, either compensated or non-compensated in excess of ten (10) days.
- 25.3** Current City Employees accepting a promotion to a higher classification retain the right to return to their former classifications if the City determines they are unable to satisfy the requirements of the new classification.

**ARTICLE 26
RETIREMENT**

26.1 For existing Tier 1 Public Safety Employees, the City provides retirement benefits under a contract with the California Public Employees Retirement System (PERS) as follows:

The City will implement the CalPERS "3% @ 50 Formula" safety retirement including the "single highest year" option to be effective no later than June 30, 2002. The City assumes responsibility for all costs associated with buying back past service as well as assuming all costs associated with maintaining said monthly benefit.

The City confirms that all current PERS Tier 1 Safety Members are in the 3% at 50 Retirement Formula and:

- a.) The City and City of Corning Public Safety Bargaining Unit Members agree to the deferral of PERS EPMC pick up of an additional one and one half percent (1.5%) by Public Safety Bargaining Unit members until the first pay period in July of 2016. The total employee share of retirement pickup would then be 3.5% of the 9% employee's share of retirement costs.**

26.2 For PERS Safety Members the 3% @ 55 Formula with three (3) year average salary.

The City also adds the following change for new hires as soon as administratively feasible after the City Council approves the Memorandum of Understanding (MOU). (City Council approved the 2012 MOU on December 13, 2011.)

26.3 Tier 2 PERS Safety Members currently pay six and one half percent (6.5%) of the employee's share of retirement cost which is 9% for Safety.

- a) The City and City of Corning Public Safety Bargaining Unit Members agree to the deferral of PERS EPMC pick up of an additional one and one half percent (1.5%) by Public Safety Bargaining Unit members until the first pay period in July of 2016. The total employee share of retirement pickup would then be 8% of the 9% employee's share of retirement costs.**

26.4 The City agrees that the retirement tier changes in 26.3 and 26.4 will not affect employees hired prior to January 1, 2012.

26.5 Employees hired on or after January 1, 2013, who are not eligible for reciprocity or are not current CalPERS members without a break in service greater than six (6) months, shall participate in legislatively mandated CalPERS contributions and retirement benefit formula plans established by AB340, the "Public Employees' Pension Reform Act of 2013". This legislation is administered/interpreted by the California Public Employees Retirement System (CalPERS). New employee members shall have the following retirement benefit formula and contribution rate:

- a. For PERS Safety Members 2.7%@57, 3 year final compensation as defined by PERS**
- b. Member contribution rate is 11.5%.**
- c. The member contribution rate is expected to remain unchanged until July 1, 2015**

The current safety member contribution rate is 11.50%. CalPERS may change this rate following actuarial review during the term of the MOU.

**ARTICLE 27
SAVINGS CLAUSE**

27.1 If any Article, Section, subsection, paragraph, sentence, clause or phrase of this Memorandum of Understanding shall, for any reason, be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portion of this Memorandum, it being expressly provided that this Memorandum and each section, subsection, paragraph, sentence, clause, or phrase hereof would have been adopted irrespective of the fact that any one or more sections, subsections, paragraphs, sentences, clauses or phrases shall be declared invalid or unconstitutional.

**ARTICLE 28
TERM OF AGREEMENT**

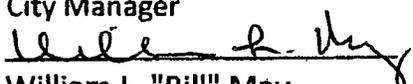
28.1 This Memorandum of Understanding shall be effective January 1, 2016, upon adoption by the City Council of the City of Corning and shall remain in effect until the 31st day of December 2016.

28.2 Either party may, in writing, notify the other party within 120 days of the terminated date of this Memorandum of Understanding after start to negotiate a new Memorandum.

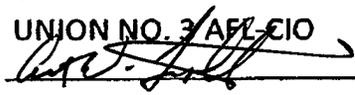
IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding this 11th day of December 2015.

CITY OF CORNING

John L. Brewer
City Manager


William L. "Bill" May
Chief Negotiator

**OPERATING ENGINEERS LOCAL
UNION NO. 3 AFL-CIO**



Art Frolii
Chief Negotiator

David Pryatel
POA Representative

James White
POA Representative

Ratified by the Corning City Council on December 11, 2015

ITEM NO.: E-1b
RATIFY MEMORANDUM OF
UNDERSTANDING BETWEEN THE
CITY AND THE CORNING
DISPATCHERS ASSOCIATION
BARGAINING UNIT

December 11, 2015

TO: HONORABLE MAYOR AND COUNCIL MEMBERS
FROM: CITY MANAGER JOHN L. BREWER, AICP *JLB*
LISA M. LINNET, CITY CLERK

SUMMARY:

The City of Corning, through the assistance of State Mediation, has reached agreement with the employees of the Corning Dispatchers Association Bargaining Unit as reflected in the attached complete Agreement, known under California Law as a "Memorandum of Understanding" (MOU).

The proposed MOU is for a one year term beginning on January 1, 2016 and ends on December 31, 2016.

MEMORANDUM OF UNDERSTANDING (MOU):

Below are the key elements of the proposed new MOU Agreement:

1. **Term:** 1-Year Agreement (January 1, 2016 through December 31, 2016); and
2. **Wage & Salary:** Beginning the start of the first pay period in 2016 following Council approval of the MOU, provides a **2.5%** pay increase to all members of the Bargaining Unit and an additional **.5%** wage increase beginning the last pay period of December 2016.
3. **457 Deferred Compensation Plan:** The City will match up to \$40 monthly of employee's contribution towards their 457 Deferred Compensation Plan (City match is only available for 1 Deferred Compensation Plan should employees be enrolled in more than one Plan) beginning the first pay period in January 2016 following City Council approval of the Memorandum of Understanding (MOU).
4. **Life Insurance:** The City agrees to increase life insurance coverage from \$70,000 to \$100,000 effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU).
5. **Bi-lingual Officer Pay:** The City agrees to increase bilingual specialty pay for this Bargaining Unit from 2.5% to 5% effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU).
6. **Retirement - Deferral of PERS EPMC pick-up:** The City proposed and the Unit agreed to a deferral of PERS EPMC pickup of an additional one and a half percent (1.5%) until the first pay period in July of 2016 for the following changes:
 - Tier 1:** Beginning the first pay period in July 2016 Dispatchers Association Unit Employees will pay 3.5% of the 7% employee share.
 - Tier 2:** Beginning the first pay period in July 2016 Dispatchers Association Unit Employees will pay 7% of the 7% employee share.

FINANCIAL:

Under the proposed Agreement the total increased cost the City will incur for this Bargaining Units wages will be:

1. **Wages: Approximately \$11,931.48 total annually (this amount will be somewhat less as the .5% will not become effective until 1st pay period in July 2016).**
2. **457 Deferred Compensation: Up to \$1,620 annually (\$15 multiplied by 9 Dispatchers).**
3. **5% Bi-lingual Specialty Pay: (At this time there is one individual in this Unit that receives the 2.5% Specialty Pay.)**
4. **Life Insurance: Additional \$5.34 per Bargaining Unit Member for a total of \$576.72 annually.**
5. **Retirement Cost Savings: (\$2,871.73) annually (this amount will be somewhat less of a savings as the take back will not become effective until the first pay period in July 2016).**

RECOMMENDATION:

MAYOR AND COUNCIL RATIFY THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CORNING AND THE CITY OF CORNING DISPATCHERS ASSOCIATION UNIT FOR THE PERIOD OF JANUARY 1, 2016 THROUGH DECEMBER 31, 2016.



MEMORANDUM OF UNDERSTANDING

Between

CITY OF CORNING

And the

**CITY OF CORNING DISPATCHERS
ASSOCIATION**

For

DISPATCHER UNIT

Effective:

January 1, 2016 – December 31, 2016

**Agreement December 11, 2015
Ratified by City Council December 11, 2015**

THIS MEMORANDUM OF UNDERSTANDING is made and entered into between **CITY OF CORNING DISPATCHERS ASSOCIATION**, hereinafter referred to as "Association", and the designated representatives of the **CITY OF CORNING**, hereinafter referred to as the "City", pursuant to the provisions of the Meyers-Milias-Brown Act (Government Code Sections 3500, et seq.).

ARTICLE 1 DEFINITIONS

1.1 DEFINITIONS:

A. City: The term "City", as used herein, shall refer to the City of Corning.

B. Association: The term "Association", as used herein, shall refer to the City of Corning Dispatchers Association.

C. Employee: The term "Employee", as used herein, shall mean an employee filling a regularly budgeted position in a City classification which has been designated to the Dispatchers Unit under the Employee Relations Policy of the City of Corning.

C. Employee Anniversary Date: The term "employment anniversary date", as used herein, shall mean the anniversary date of the employee's most recent employment with the City.

D. Step Anniversary Date: The term "step anniversary date", as used herein, shall mean the date upon which an employee has finished serving the requisite amount of time in order to be eligible for a salary step increase. A new time period for such requisite service shall commence upon the occurrence of any of the following events: promotion; reclassification; implementation of a Memorandum of Understanding provision or Side Letter of Understanding specifying a movement into a new step, or an increase in the rate paid for the step currently held by the employee.

ARTICLE 2 RECOGNITION

2.1 The City hereby recognizes the Association as the bargaining representative for the purpose of meeting and conferring on matters within the scope of representation.

ARTICLE 3 NON-DISCRIMINATION

3.1 No Employee covered by this Memorandum of Understanding shall be discriminated against by the City, or by the Association, by reason of race, color, religion, sex, age or national origin.

3.2 The City shall not discharge, or otherwise discriminate against any Employee by reason of Association activities not interfering with the proper performance of his/her work.

ARTICLE 4 PAY ROLL DEDUCTIONS

4.1 The City agrees to deduct from the wages of its Employees, Association Fees and Dues, and to transmit the monies so deducted to the responsible financial representative designated by the Association. An Employee desiring such deduction or deductions shall sign a proper assignment form authorizing the deductions and present the completed form to the City Payroll Office. The Association shall hold harmless the City in all transactions associated with such deductions.

4.2 The City agrees to deduct from the wages of its Employees, Credit Union deductions, and to transmit the monies so deducted to the Credit Union. An Employee desiring to have such a deduction or deductions made shall sign a proper assignment form authorizing such deduction.

4.3 Such deductions shall not be made more often than once per month.

THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER

**ARTICLE 5
MANAGEMENT RIGHTS**

5.1 The City retains the exclusive right to manage the City. All the rights, powers, functions and authority of the City, which it had prior to the time the Association became certified as representative of the Employees of the City, and which are not limited or modified by specific provisions of the Memorandum, are retained by the City. The City specifically retains the right to manage and supervise its Employees as follows:

(A) To hire, promote, transfer, assign, classify positions, retain employees, and to suspend, demote, discharge or take other disciplinary action against employees.

(B) To lay-off or demote Employees from duties because of lack of work, lack of funds, in the interest of economy, or other legitimate reasons.

(C) To determine the policies, standards, procedures, methods, means and personnel by which City operations are to be conducted.

(D) To take whatever actions may be necessary to carry out the City in situations of emergency.

(E) To limit or prohibit the right of Employees in certain positions or classes of positions from forming, joining, or participating in employee organizations as provided in the California Government Code, and designating such employees in the current Schedule of Department and Authorized Positions adopted by Resolution.

(F) Nothing in this policy shall be construed to interfere with the City's right to manage its operations in the most economical and efficient manner consistent with the best interests of citizens, taxpayers, and employees of the City.

**ARTICLE 6
ASSOCIATION RIGHTS**

6.1 The Association recognizes its obligation to cooperate with the City to assure maximum service of the highest quality and efficiency to the citizens of the City of Corning consistent with its obligations to the Employees it represents.

6.2 City and Association affirm the principle that harmonious City-Employee relations are to be promoted and furthered. When a person is hired in any of the covered job classifications, the City shall notify that person that the Association is the certified representative for the Employees and shall notify the Association of such hiring.

6.3 The City shall provide the Association space to erect a bulletin board in each area where Employees covered by this Memorandum are assigned.

6.4 The City Manager shall be notified in advance by the Association President of the name of any official representative designated by the Association. Such representative shall have reasonable access to Employees within the Unit to insure compliance with the provisions of this Memorandum of Understanding, provided such access does not interfere with City business. Solicitation for membership shall not be conducted during working time.

6.5 The officially designated representative of the Association shall have access to any Unit Employee or Employees presenting a grievance; and Employees have the right to have the representative represent them at all formal stages of disciplinary action.

6.6 The Association may designate one (1) employee as Association Steward. The Association President shall notify the City Manager of such designation.

6.7 In addition to regularly assigned work, the Association Steward shall be permitted reasonable time during working hours to notify the Association President, or any official representative designated by the Association of any violations of this Memorandum. Employees are authorized to contact their Association Steward during working hours to report a grievance or violation of this Memorandum.

**ARTICLE 7
PEACEFUL PERFORMANCE**

7.1 The parties to this Memorandum of Understanding recognize and acknowledge that the services performed by the City Employees covered by this Memorandum of Understanding are essential to the public health, safety and general welfare of the residents of the City of Corning. The Association agrees that under no circumstances will the Association recommend, encourage, cause or permit its members to initiate, participate in, nor will any member of the Bargaining Unit take part in, any strike, sit-down, stay-in, sick-out, slow-down or picketing (hereinafter collectively referred to as work-stoppage), in any office or department of the City, nor to curtail any work or restrict any production, or interfere with any operation of the City. In the event of any such work stoppage by any member of the Bargaining Unit, the City shall not be required to negotiate on the merits of any dispute, which may have given rise to such work stoppage until said work stoppage has ceased.

7.2 In the event of any work stoppage during the term of this Memorandum of Understanding, whether by the Association or by any member of the Bargaining Unit, the Association, by its officers, shall immediately declare in writing and publicize that such action is illegal and unauthorized, and further direct its members in writing to cease the said conduct and resume work. Copies of such written notice shall be served upon the City. If in the event of any work stoppage, the Association promptly and in good faith, performs the obligations of this paragraph, and providing the Association has not otherwise authorized, permitted or encouraged such work stoppage, the Association shall not be liable for any damages caused by the violation of this provision. However, the City shall have the right to discipline, including discharge, any employee who instigates, participates in, or gives leadership to, any work stoppage activity herein prohibited, and the City shall also have the right to seek full legal redress including damages, as against any such employee.

**ARTICLE 8
PAYMENTS**

8.1 This Memorandum is intended to cover all aspects of wages, hours, and working conditions for Employees covered herein; therefore, nothing in this Memorandum shall prevent the City from modifying any employee benefits or benefit plans not specifically provided for in this Memorandum such as retirement plans, salary continuation plans, etc., subject to meet and confer.

8.2 If an Employee covered by this Memorandum is permanently assigned work of a substantially new or different nature so as to constitute a new job classification, the City and the Association shall consult to determine the wage rate through the established procedures.

8.3 Employees will be paid bi-weekly, no later than five (5) days following the end of the preceding payroll period. If the fifth day is a holiday, Employees will be paid on the preceding day.

**ARTICLE 9
PREVAILING RIGHTS**

9.1 This Memorandum of Understanding contains all of the covenants, stipulations and provisions agreed upon by the parties. It is understood that all items relating to Employees' wages, hours, and other terms and conditions of employment not covered in this Memorandum of Understanding shall remain the same, except as specifically mentioned in this Memorandum of Understanding; therefore, for the life of this Memorandum of Understanding, neither party shall be compelled to bargain with the other concerning any mandatory bargaining issues, whether specifically bargained about prior to the execution of this Memorandum of Understanding or which may have been omitted in the bargaining which led up to the execution of this Memorandum of Understanding, except by mutual agreement of the parties or as specifically mentioned in this Memorandum of Understanding.

THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER

**ARTICLE 10
CLASSIFICATIONS AND WAGES**

10.1 (A) **Wage Increase: A 2.5% increase in base wages to all members of the Bargaining Unit effective the start of the first pay-period in 2016. An additional 0.5% increase in base wages to all members of the Bargaining Unit beginning the last pay period of 2016 occurring after the City Council approves the Memorandum of Understanding (MOU).**

(B) For the period of this agreement, Association Members will be paid in accordance with the monthly salary schedule and effective dates as shown in Exhibit "A". Employees will be eligible for step increases on their step anniversary dates. Employees may advance to the next step in the pay schedule upon satisfactory completion of the required time in the lower step. The time required between step A and B shall be (6) six months. The advancement from step B to C shall be twelve months. Advancement from C to D, and D to E shall be (12) twelve months between each step.

10.2 Employees may be appointed to a classification at any step, A through E, as determined by the City Manager.

10.3 Longevity Pay: Employees will be eligible for longevity performance incentive pay under the following conditions:

(A) Annual satisfactory performance evaluations will be required to receive and maintain annual pay increase.

(B) A performance evaluation will be made 30 days before the employee's anniversary date.

(C) Effective January 1, 2012, qualifying employees will receive a longevity performance incentive pay increase to be added to their base rate as follows:

1. Two and one half (2.5%) percent after ten (10) years, effective the first pay period after anniversary date.

2. Five (5%) percent after fifteen (15) years, effective the first pay period after anniversary date, (not compounded with the 2.5%).

(D) In the event the employee is denied a longevity performance incentive pay increase, the employee may request the City Manager for review and to make final determination. The matter may not be filed under any other grievance procedure.

(E) This plan will be implemented for all eligible employees effective January 1, 2012. The initial performance increase will be effective the first pay period following a satisfactory performance evaluation. The initial evaluation is to be made in the month of January 2012. Such increase will remain in effect to the employee's next anniversary date prior to which time a reevaluation is required.

10.4 Bi-lingual Pay: Shall receive an additional 2.5% pay for a total of 5% for the incidental duties related to the assignment effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU).

(A) An employee must be certified as bi-lingual.

(B) The City Manager will establish standards for qualifying employees and for an ongoing review of skills. The City Manager will require that employees demonstrate the ability to converse in Spanish sufficient to serve the needs of the City.

(C) The City Manager shall terminate the assignment if the ongoing use of the bi-lingual skills are no longer required and/or the employee fails to perform the duties at a skill level which meets the established standards.

10.5 P.O.S.T. Dispatcher Certification Pay: Effective the pay period closest to the date the City Council ratifies the Memorandum of Understanding (MOU):

(A) Employees who possess a P.O.S.T. Dispatcher Intermediate Certificate will receive an additional two and one-half (2.5%) percent of base pay.

(B) Employees who possess a P.O.S.T. Dispatcher Advanced Certificate will receive an additional five (5%) percent of base pay.

(C) The maximum P.O.S.T. Dispatcher Certificate pay that employees can earn is five (5%) percent.

10.6 Shift Differential: If any other bargaining unit within the City of Corning receives any Shift Differential compensation, this bargaining unit shall receive the same compensation as the other bargaining unit. It is the intent of this language that parity will be achieved either by flat rate, or percentage of salary based on the actual salary of bargaining unit members.

10.7 Training Officer Pay: Effective the pay period closest to the date the City Council ratifies the Memorandum of Understanding (MOU), Fire and Police Dispatchers, when assigned in writing by the Fire Chief or Police Chief shall receive, in addition to regular pay, a two and one-half (2.5%) percent premium for serving as Training Officers for the period so assigned.

ARTICLE 11 OUT OF CLASSIFICATION PAY

11.1 Any Employee who works out of classification shall be paid at the higher wage rate if the Employee works out of classification for four (4) hours or more and the City shall pay for the entire day.

ARTICLE 12 HEALTH AND WELFARE INSURANCE

12.1 Currently the City offers a choice of four (4) Health and Safety Insurance Policies; (1) Operating Engineers Public Employees' Health and Welfare Plan; and (3) different tier Blue Shield Health Savings Account Plans. All Employees and their eligible dependents may participate in the Plans, with the City contributing to the cost of such plans up to **\$1,275.50** per month towards the rate. The employee shall pay any remaining costs of insurance.

Future increases shall continue to be divided equally between the City and the employees.

12.2 Employees who are not members of the Union are required to pay a service fee in the same amount as the monthly Union Dues in order to participate in the Union's Health and Welfare Plan.

12.3 The City shall provide life insurance in the amount of one hundred thousand dollars (\$100,000) effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU) and will continue to pay the life and disability insurance premiums.

12.4 The City shall have the option of replacing the Operating Engineers Public Employees Health and Welfare Plan with a plan of the City's choosing. If the City exercises this option, the City shall maintain coverage that is comparable and substantially equivalent to that provided currently under the present plan.

12.5 A Health Plan Review Committee, consisting of one employee from each bargaining unit, has been established and coordinated by the City Manager to review alternate health plans. This committee will study both the health plan and the short-term disability plan.

**ARTICLE 13
WORKDAY AND WORKWEEK**

13.1 The regular workday for Association Members shall be either eight (8) hours, or twelve (12) hours, inclusive of mealtime. The regular work period consists of eighty (80) hours in any two-week pay period on duty except in an emergency or when the normal scheduled rotation requires a different duty arrangement.

13.2 Shifts, schedules, rotations and assignments, including weekends and holidays shall be the sole prerogative of the City. The City will give fifteen (15) day written notice of change to the affected employees.

13.3 The City may institute an optional work schedule to the (5-8, 3-12, or 4-12) shift by giving the Association and the affected employees a (30) thirty days written notice. Should optional work schedule hours be different than a regular eight hours per day (example: 9, 10 or 12 hour days), the optional hours shall constitute a "regular workday", for the purpose of daily overtime pay as defined in section 14.1.

**ARTICLE 14
OVERTIME**

14.1 All time worked in excess of the "regular workday" either over 8 hours, or over 12 hours, depending on the schedule, or over (80) eighty hours per two-week pay period shall be considered over-time. Overtime shall be compensated therefore at the rate of time and one-half the Employee's regular pay rate, which will be paid in the same manner as other wages.

14.2 The Employee shall, on termination of employment, be entitled to be paid all accumulated overtime, together with the Employee's normal wage.

14.3 All payments for overtime worked will be made with the regular salary check for the pay period in which it was earned.

14.4 Compensatory Time in lieu of overtime (CTO): Currently members of the Bargaining Unit may accrue up to a maximum of one hundred fifty (150) hours annually upon the Fire or Police Chief's discretionary authority. Effective the pay-period beginning January 4, 2015, members of the Bargaining Unit may accrue up to a maximum of one hundred seventy five (175) hours annually upon the Fire or Police Chief's discretionary authority. CTO time may be carried into the following year, but at no time can it exceed the one hundred fifty (150) hours. Management shall approve when employees can take time off, taking into consideration the desire of the employees and the operational needs of the department. The Fire Chief or Police Chief and employees may mutually agree to pay out any or all CTO time. All unused CTO shall be paid upon termination. All CTO in excess of one hundred fifty (150) hours shall be paid.

**ARTICLE 15
STAND-BY COMPENSATION**

15.1 When the City requires an Employee to remain available for call back at any time, the Employee shall receive stand-by pay.

15.2 When an Employee is required to stand-by, such employee shall be compensated for such stand-by time at the rate of two (2) hours of straight-time compensation for each accumulated eight (8) hours of stand-by.

15.3 The City reserves the right to close any facility, if the City determines in its sole discretion that the facility needs not be open. The Association acknowledges that Employees do not have the right or privilege to stand-by at non-public City facilities without the express consent of the City.

**ARTICLE 16
CALLBACK COMPENSATION**

16.1 When the City requires an Employee to return to work other than his regularly scheduled workday, the Employee shall be entitled to call-back compensation.

16.2 The City shall compensate the Employee a minimum of two (2) hours of overtime compensation irrespective of the actual time worked when an Employee is called back to perform an emergency task. In the event the task exceeds two (2) hours duration, the total overtime compensation shall be for the hours actually worked.

**ARTICLE 17
SICK LEAVE**

17.1 Sick leave is available to an employee to use in case of illness, bodily injury, exposure to a contagious disease, medical or dental appointment or attendance upon seriously ill member of employee's immediate family, as defined by these rules. An employee may take paid sick leave after the first month of employment. Every effort by the employee shall be made to schedule appointments during non-work hours.

(A) Sick leave with pay shall be granted to all Employees. Sick leave shall be earned at the rate of (8) eight hours per calendar month of service, not to exceed a total maximum accumulation of (1920) nineteen hundred twenty hours. No sick leave shall be earned once the maximum accrual is reached.

17.2 The City agrees to pay fifty percent (50%) of Employee's unused accumulated sick leave upon retirement or death. Upon reduction in force, the City shall pay twenty-five percent (25%) of Employee's unused accumulated sick leave.

17.3 Family Leave: Employees with approval of the Department Head may use up to three (3) days accumulated sick leave per year for purpose of attending to immediate family during difficult or extended illness. Alternatives for care of family members should be pursued prior to requesting leave under this provision, and the Supervisor that stipulates to the necessity for such care and attendance may request a copy of a written confirmation from the attending physician.

17.4 Bereavement Leave: In the event of a death in the immediate family, the Employee may take off up to four (4) days. The immediate family shall be defined as husband, wife, child, mother, father, brother, sister, grandparents and grandchildren. Such leave shall be charged to sick leave.

17.5 When an employee is off work as a result of a valid on-the-job injury sustained in the service of the City, the employee is entitled to use their accrued Sick Leave during the period of disability to make up the difference between their regular pay and the Workers Compensation Temporary Disability Payments. The City shall pay only that amount necessary to make up the difference between the employee's monthly rate and the amount payable to the employee as temporary disability payments from the Worker's Compensation Insurance Plan of the City. To take advantage of this benefit, the employee must forward their Temporary disability check to the City.

17.6 The City may require verification of the necessity for sick leave. Such verification may be in the form of a written statement from a doctor or a personal affidavit from the Employee. The City reserves the right to specify which of the two verification procedures will be required in any particular situation. If the City requires verification from a physician, the City shall pay for the cost of such verification to the extent such cost is not reimbursed by the Employee's health insurance.

17.7 If the City determines that an Employee has abused the provisions of the sick leave policy, the Employee shall be subject to disciplinary action.

17.9 Sick Leave Conversion Upon Retirement: In lieu of a cash-out of sick leave, an employee upon retirement under PERS, may choose as an option to convert a percentage of the dollar value of the sick leave, at the employee's current hourly base rate of pay as of the date of retirement, to pay the pre-paid health insurance premium for a period of time up to age 65 according to the following conversion plan.

<u>Employee's years of Service with City:</u>	<u>Percentage value of employee's accrued Sick Leave:</u>
Through 15 years	50%
16 through 19 years	70%
20 or more years	80%

(A) Following is the procedure to account for the percentage value of converted sick leave. At the written request of the retiring employee, the City Staff will compute the dollar value of the accrued sick leave according to the percentages shown above and maintain an accounting in the employee's name deducting the amount of monthly City health insurance premium from the "balance".

(B) The value of sick leave does not accrue in a cash fund for each employee, therefore no actual funds are held in trust. The City simply agrees to pay the retiree's premium for a period of time until the balance value of the conversion is depleted.

(C) Should a retired employee want to stop their insurance premium payments under the Section, the employee must notify the City Manager in writing, giving the date payments should end, and City Staff will do an accounting of the actual dollar amount already paid out. Should this amount still be less than the fifty percent (50%) value provided for in the sick leave payoff provisions of this MOU (Section 17.2), the balance will be paid to the employee.

(D) Should a retired employee die prior to fully using this benefit, any dependents covered under the health insurance may, if permitted to continue insurance coverage by the insurance carrier, receive the continuation of this benefit until fully expended. The benefit shall have no cash value to the employee's estate nor can the City accept any claim for payoff by heirs.

ARTICLE 18 UNIFORM ALLOWANCE

18.1 The City agrees to furnish, at no cost to the Employees, necessary safety items required and determined by the City.

18.2 The City agrees to provide Fire and Police Dispatchers one summer and one winter uniform upon completion of the initial training period.

18.3 In addition:

(A) Police Dispatchers will receive \$625 per year Uniform Allowance; and

(B) Fire Dispatchers will receive \$525 per year Uniform Allowance.

ARTICLE 19 HOLIDAYS AND HOLIDAY PAY

19.1 Association members shall receive "Holiday in Lieu Pay". The amount shall annually be equal to (126) one hundred twenty-six hours pay. The annual payment is to be made on the pay period prior to Thanksgiving Day. This Holiday in Lieu Pay provision for Association Members replaces all previous policies and resolves any and all previous Holiday Pay issues.

457 DEFERRED COMPENSATION PLAN

Effective the first pay period in 2016, the City will match employee's contributions to their 457 Deferred Compensation Plan up to \$40 per month. The City match is only available for one (1) Deferred Compensation Plan even if employees are enrolled in more than one (1) Plan. Employees must commit to maintain their 457 contribution for one full year.

ARTICLE 21 RETIREMENT

21.1 The City provides retirement benefits under a contract with the Public Employees' Retirement System (PERS). The City confirms that all current Tier 1 Miscellaneous Employees are in the PERS 2% @ 55 Retirement Formula.

- a.) **The City and City of Corning Dispatchers Association Bargaining Unit Members agree to the deferral of PERS EPMC pickup of an additional one and one half percent (1.5%) effective the first pay period in July of 2016. The total employee share of retirement pickup would then be 3.5% of the 7% employee's share of retirement costs.**

21.2: For PERS Miscellaneous Members, the new retirement tier formula of 2% at 60 based upon three (3) year average salary for employees hired after January 1, 2012.

The City and the Association agreed to implementation of a PERS Tier 2 Retirement formula which the City Council approved via MOU on December 13, 2011.

- a.) **Employees The City and the City of Corning Dispatchers Association Bargaining Unit Members agree to the deferral of PERS EPMC pickup of an additional one and one half percent (1.5%) effective the first pay period in July 2016. The total employee share of retirement pickup would then be 7% of the 7% employee's share of retirement costs.**

21.4: Employees hired on or after January 1, 2013, who are not eligible for reciprocity or are not current CalPERS members without a break in service greater than six (6) months, shall participate in legislatively mandated CalPERS contributions and retirement benefit formula plans established by AB340, the "Public Employees' Pension Reform Act of 2013". This legislation is administered/interpreted by the California Public Employees Retirement System (CalPERS). New employee members shall have the following retirement benefit formula and contribution rate:

- a. For PERS Miscellaneous members 2% @ 62, 3 year final compensation as defined by PERS
- b. Member contribution rate is 6.25%
- c. The member contribution rate is expected to remain unchanged until July 1, 2015

The current miscellaneous member contribution rate is 6.25%. CalPERS may change this rate following actuarial review during the term of the MOU.

ARTICLE 22 VACATION

22.1 Employees shall earn vacation according to the following:

(A) Employees shall earn vacation with pay at the rate of eighty (80) hours per year after one (1) year of employment.

(B) Employees shall earn vacation with pay at the rate of one hundred twenty (120) hours per year after five years of City employment.

(C) Employees shall earn vacation with pay at the rate of one hundred sixty (160) hours per year after ten (10) years of City employment.

(D) Effective January 1, 2009, employees shall earn vacation with pay at the rate of two hundred (200) hours per year after fifteen (15) years of City employment.

(E) The maximum number of vacation hours employees may carry over or have in a vacation account at the start of each new calendar year is one hundred fifty (150) hours.

(F) Employees who have more than one hundred fifty (150) hours in their vacation account will have the excess vacation time paid off at the close of each calendar year.

Effective the pay-period beginning January 4, 2015 employees shall earn vacation according to the following:

(A) Employees shall earn vacation with pay at the rate of one hundred twenty (120) hours per year after one (1) year and during the first seven (7) years of City employment.

(B) Employees shall earn vacation with pay at the rate of one hundred sixty (160) hours per year after completion of seven (7) years of City employment.

(C) Employees shall earn vacation with pay at the rate of two hundred (200) hours per year after completion of fifteen (15) years of City employment.

(D) The maximum number of vacation hours employees may carry over or have in a vacation account at the start of each new calendar year is one hundred fifty (150) hours.

(E) Employees who have more than one hundred fifty (150) hours in their vacation account will have the excess vacation time paid off at the close of each calendar year.

22.2 The Employee shall have the option of converting up to fifty percent (50%) of unpaid accumulated vacation to cash payment in lieu of taking vacation. Employees may exercise the payoff option only one (1) time per fiscal year with five (5) working days notice to payroll.

ARTICLE 23 PROBATION PERIOD AND EVALUATION

23.1 All Employee evaluations will be made by the Employee's immediate Supervisor or the Employee's Department Head annually prior to the employee's anniversary date. In the event the immediate supervisor or Department Head is unable to complete the evaluation, the City Manager may complete the evaluation. The City reserves the right to conduct formal evaluation summaries every six (6) months. Nothing contained herein should be construed to limit the right of the City to continually monitor and assess Employee performance and provide feedback to the Employee regarding the Employee's performance.

23.2 All new, promoted, and reclassified Employees are on probation for twelve (12) months. Current City Employees accepting a promotion to a higher classification retain the right to return to their former classification if the City determines during the probation period that they are unable to satisfy the requirements of the new classification.

ARTICLE 24 LAY-OFF POLICY

24.1 The City may lay off Employees whenever it becomes necessary because of lack of work or funds, or whenever it is deemed advisable in the interests of economy to reduce the force in a department or office.

24.2 Persons shall be laid off in the following order:

(A) All extra help, temporary and provisional Employees in the same department and within the same job classification shall be laid off before any regular Employee is laid off.

(B) When it becomes necessary to reduce the force in any department or office by lay-off of regular Employees, seniority shall be the determining factor. In the case where seniority is equal, ability shall govern. The determination of ability shall be the exclusive responsibility of the Department Head, provided that in making such determination, consideration shall be given to skill, efficiency, knowledge, physical fitness, training and attitude toward fellow Employees.

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24.3 Seniority shall be measured from the Employee's most recent initial appointment to City service, but shall not include any period during which such Employee was on leave without pay, or not actually in City employment because of the Employee's voluntary termination, lay-off or other cause; provided that, for any Employee who is re-employed after being discharged, seniority shall be measured from the date of the Employee's most recent appointment.

24.4 The City shall send written notice by certified mail, postage prepaid, return receipt requested, and correctly addressed to the last known mailing address of the Employee as found in the Employee's personnel file. In lieu of the above, the City may serve notice by personal service. Notice of lay-off shall be made at least thirty (30) days prior to the effective date of the action.

24.5 In lieu of being laid off, a regular Employee may elect demotion and displacement in the same department to a classification previously held by said Employee with substantially the same or lower salary step and/or to a classification in which said Employee meets the minimum qualifications. Demotion and displacement rights to specific classifications shall be applicable only within the department and subject to lay-off list provisions in this Article based on seniority and ability. Employees wishing demotion and displacement in lieu of lay-off must notify the City Manager in writing of this election no later than seven (7) calendar days after receiving notice of layoff.

ARTICLE 25 SAVINGS CLAUSE

25.1 If any Article section, subsection, paragraph, sentence, clause or phrase of this Memorandum of Understanding shall, for any reason, be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portion of the Memorandum, it being expressly provided that this Memorandum and each Article section, subsection, paragraph, sentence, clause or phrase hereof would have been adopted irrespective of the fact that any one or more Articles, sections, subsections, paragraphs, sentences, clauses or phrases shall be declared invalid or unconstitutional.

ARTICLE 26 FULL UNDERSTANDING, MODIFICATION AND WAIVER

26.1 This Memorandum sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved by the City Council.

The waiver of any breach, term or condition of this Memorandum by either party shall not constitute a precedent in the future enforcement of all its terms and conditions.

ARTICLE 27 TERM OF AGREEMENT

27.1 This Memorandum of Understanding shall be effective January 1, 2016, upon adoption by the City Council of the City of Corning and shall remain in effect until the 31st day of December 2016.

27.2 This Memorandum of Understanding may be extended by mutual agreement of the parties if additional time is required to consummate a new Memorandum.

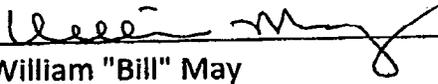
IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding this 11th day of December 2015.

CITY OF CORNING

**CITY OF CORNING
DISPATCHERS ASSOCIATION**

John L. Brewer, AICP
City Manager

Daymon Schlereth
Association Representative



William "Bill" May
Chief Negotiator

Shelley Keener
Association Representative


Art Frolii,
OE-3 Business Representative

Lisa M. Linnet,
City Clerk

Ratified by the Corning City Council on December 11, 2015

ITEM NO.: E-1c
RATIFY MEMORANDUM OF
UNDERSTANDING BETWEEN THE
CITY AND THE CORNING
MISCELLANEOUS BARGAINING UNIT

December 11, 2015

TO: HONORABLE MAYOR AND COUNCIL MEMBERS
FROM: CITY MANAGER JOHN L. BREWER, AICP
LISA M. LINNET, CITY CLERK

SUMMARY:

The City of Corning, with the assistance of State Mediation, has reached agreement with the employees of the City of Corning Miscellaneous Bargaining Unit as reflected in the attached complete Agreement, known under California Law as a "Memorandum of Understanding" (MOU).

The proposed MOU is for a one year term beginning on January 1, 2016 and ends on December 31, 2016.

MEMORANDUM OF UNDERSTANDING (MOU):

Below are the key elements of the proposed new MOU Agreement:

1. **Term:** 1-Year Agreement (January 1, 2016 through December 31, 2016); and
2. **Wage & Salary:** Beginning the start of the first pay period in 2016 following Council approval of the MOU, provides a 2.5% pay increase to all members of the Bargaining Unit and an additional .5% wage increase beginning the last pay period of December 2016.
3. **Uniform Allowance:** The City proposes no change to Article 18, Section 18.2. However, during the term of the MOU, under Section 18.1, the City is willing to work with the Bargaining Unit Members to obtain new safety reflective water proof pants and jackets, as well as to obtain rubber boots with steel toes and shanks, effective the first pay period in 2016 occurring after the City Council approves the Memorandum of Understanding.
4. **457 Deferred Compensation Plan:** The City will match up to \$40 monthly of employee's contribution towards their 457 Deferred Compensation Plan (City match is only available for 1 Deferred Compensation Plan should employees be enrolled in more than one Plan) beginning the first pay period in January 2016 following City Council approval of the Memorandum of Understanding (MOU).
5. **Life Insurance:** The City agrees to increase life insurance coverage from \$70,000 to \$100,000 effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU).
6. **Bi-lingual Pay:** The City agrees to increase bilingual specialty pay for this Bargaining Unit from 2.5% to 5% effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU).
7. **Retirement - Deferral of PERS EPMC pick-up:** The City proposed and the Unit agreed to a deferral of PERS EPMC pickup of an additional one and a half percent (1.5%) until the first pay period in July of 2016 for the following changes:
 - Tier 1:** Beginning the first pay period in July 2016 Management Unit Employees will pay 3.5% of the 7% employee share.
 - Tier 2:** Beginning the first pay period in July 2016 Management Association Unit Employees will pay 7% of the 7% employee share.

FINANCIAL:

Under the proposed Agreement the total increased cost the City will incur for this Bargaining Units wages will be:

1. **Wages: Approximately \$18,748.44 total annually (this amount will be somewhat less as the .5% will not become effective until 1st pay period in July 2016).**
2. **457 Deferred Compensation: Up to \$2,520 annually (\$15 multiplied by 14 Members).**
3. **Uniform Allowance: Up to \$1,600 (\$200 multiplied by 8 members).**
4. **5% Bi-lingual Specialty Pay: (At this time there is one individual in this Unit that receives the 2.5% Specialty Pay.)**
5. **Life Insurance: Additional \$5.34 per Bargaining Unit Member for a total of \$897.12 annually.**
6. **Retirement Cost Savings: (\$5,987.38) annually (this amount will be somewhat less of a savings as the take back will not become effective until the first pay period in July 2016).**

RECOMMENDATION:

MAYOR AND COUNCIL RATIFY THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CORNING AND THE CITY OF CORNING MISCELLANEOUS BARGAINING UNIT FOR THE PERIOD OF JANUARY 1, 2016 THROUGH DECEMBER 31, 2016.



MEMORANDUM OF UNDERSTANDING

Between

CITY OF CORNING

and

OPERATING ENGINEERS UNION LOCAL NO. 3

of the

**INTERNATIONAL UNION OF OPERATING
ENGINEERS AFL-CIO**

for

MISCELLANEOUS UNIT

Effective: January 1, 2016 - December 31, 2016

**Ratified December 11, 2015
Approved by City Council: December 11, 2015**

THIS MEMORANDUM OF UNDERSTANDING is made and entered into between **OPERATING ENGINEERS LOCAL UNION NO. 3**, of the International Union of Operating Engineers, AFL-CIO, hereinafter referred to as "Union", and the designated representatives of the **CITY OF CORNING**, hereinafter referred to as the "City", pursuant to the provisions of the Meyers-Milius-Brown Act (Government Code Sections 3500, et seq.). This Memorandum of Understanding supersedes and replaces all previous Memorandum of Understanding between the parties.

ARTICLE 1 GENERAL PROVISIONS - DEFINITIONS

1.1 A. **Employer:** The term "Employer", as used herein, shall refer to the City of Corning.

B. **Union:** The term "Union", as used herein, shall refer to the Operating Engineers Local No. 3 of the International Union of Operating Engineers, AFL-CIO.

C. **Employee:** The term "Employee", as used herein, shall mean all Employees of the Miscellaneous Unit as Employee Relations Policy of the City of Corning.

D. **Employee Anniversary Date:** The term "employment anniversary date", as used herein, shall mean the anniversary date of the employee's employment with the City.

E. **Step Anniversary Date:** The term "step anniversary date", as used herein, shall mean the date upon which an employee has finished serving the requisite amount of time in order to be eligible for a salary step increase. A new time period for such requisite service shall commence upon the occurrence of any of the following events: promotion; reclassification; implementation of a Memorandum of Understanding provision or Side Letter of Understanding specifying a movement into a new step or an increase in the rate paid for the step currently held by the employee.

ARTICLE 2 RECOGNITION

2.1 The Employer hereby recognizes the Union as the only Organization entitled to meet and confer on matters within the scope of representation.

ARTICLE 3 HIRING PROVISIONS

3.1 No Employee covered by this Memorandum of Understanding shall be discriminated against by the Employer, or by the Union, by reason of race, color, religion, sex, age or national origin.

3.2 The Employer shall not discharge, or otherwise discriminate against any Employee by reason of Union activities not interfering with the proper performance of his work.

ARTICLE 4 CHECK OFF

4.1 The Employer agrees to deduct from the wages of its Employees, initiation fees and dues, and to transmit the monies so deducted to the Financial Secretary of the Union. An Employee desiring to have such deduction or deductions made shall sign a proper assignment form authorizing such deductions.

4.2 The employer agrees to deduct from the wages of its Employees, Operating Engineers Local Union No. 3 Credit Union deductions, and to transmit the monies so deducted to the Credit Union. An Employee desiring to have such a deduction or deductions made shall sign a proper assignment form authorizing such deduction.

4.3 Such deductions shall not be made more often than once per month.

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ARTICLE 5 MANAGEMENT RIGHTS

5.1 The Employer retains the exclusive right to manage the City. All the rights, powers, functions and authority of the Employer which it had prior to the time the Union became certified as representative of the Employees of the Employer and which are not limited or modified by specific provisions of the Memorandum are retained by the Employer. The Employer specifically retains the right to manage and supervise its Employees as follows:

- (A) To hire, promote, transfer, assign, classify positions, retain employees, and to suspend, demote, discharge or take other disciplinary action against employees.
- (B) To lay-off or demote Employees from duties because of lack of work, lack of funds, in the interest of economy, or other legitimate reasons.
- (C) To determine the policies, standards, procedures, methods, means and personnel by which City operations are to be conducted.
- (D) To take whatever actions may be necessary to carry out the City in situations of emergency.
- (E) To limit or prohibit the right of Employees in certain positions or classes of positions from forming, joining, or participating in employee organizations as provided in the California Government Code, and designating such employees in the current Schedule of Department and Authorized Positions adopted by resolution.
- (F) Nothing in this policy shall be construed to interfere with the City's right to manage its operations in the most economical and efficient manner consistent with the best interests of all City citizens, taxpayers, and employees.

ARTICLE 6 UNION RIGHTS

6.1 The Union recognizes its obligation to cooperate with the Employer to assure maximum service of the highest quality and efficiency to the citizens of the City of Corning consistent with its obligations to the Employees it represents.

6.2 Employer and Union affirm the principle that harmonious employer-employee relations are to be promoted and furthered. When a person is hired in any of the covered job classifications, the City shall notify that person that the Union is the certified representative for the Employees and shall notify the Union of such hiring.

6.3 The Employer shall provide the Union space to erect a bulletin board in each area where Employees covered by this Memorandum are assigned.

6.4 Business representatives of the Union shall have reasonable access to Employees, provided such access does not interfere with City business. Department heads and first-line supervisors will be notified by the Employer of the provisions of this Section. Solicitation for membership shall not be conducted during working time.

6.5 Business representatives of the Union shall have access to any Employee or Employees presenting a grievance; and Employees have the right to have the Union business representative represent the Employee at all stages of disciplinary action.

6.6 The Union may select one (1) Employee as Union Steward.

6.7 In addition to his regularly assigned work, the Union Steward shall be permitted reasonable time during working hours to notify the business representative of any violations of this Memorandum. Employees are authorized to contact their Union Steward during working hours to report a grievance or violation of this Memorandum.

**ARTICLE 7
PEACEFUL PERFORMANCE**

7.1 The parties to this Memorandum of Understanding recognize and acknowledge that the services performed by the City Employees covered by this Memorandum of Understanding are essential to the public health, safety and general welfare of the residents of the City of Corning. The Union agrees that under no circumstances will the Union recommend, encourage, cause or permit its members to initiate, participate in, nor will any member of the bargaining unit take part in, any strike, sit-down, stay-in, sick-out, slow-down or picketing (hereinafter collectively referred to as work-stoppage), in any office or department of the City, nor to curtail any work or restrict any production, or interfere with any operation of the City. In the event of any such work stoppage by any member of the bargaining unit, the City shall not be required to negotiate on the merits of any dispute, which may have given rise to such work stoppage until said work stoppage has ceased.

7.2 In the event of any work stoppage during the term of this Memorandum of Understanding, whether by the Union or by any member of the bargaining unit, the Union, by its officers, shall immediately declare in writing and publicize that such action is illegal and unauthorized, and further direct its members in writing to cease the said conduct and resume work. Copies of such written notice shall be served upon the City. If in the event of any work stoppage, the Union promptly and in good faith, performs the obligations of this paragraph, and providing the Union has not otherwise authorized, permitted or encouraged such work stoppage, the Union shall not be liable for any damages caused by the violation of this provision. However, the City shall have the right to discipline, including discharge, any employee who instigates, participates in, or gives leadership to, any work stoppage activity herein prohibited, and the City shall also have the right to seek full legal redress including damages, as against any such employee.

**ARTICLE 8
PAYMENTS**

8.1 This Memorandum is intended to cover all aspects of wages, hours, and working conditions for Employees covered herein; therefore, nothing in this Memorandum shall prevent the Employer from modifying any fringe benefits or benefit plans not specifically provided for in this Memorandum such as retirement plans, salary continuation plans, etc., subject to meet and confer.

8.2 If an Employee covered by this Memorandum is permanently assigned work of a substantially new or different nature so as to constitute a new job classification, the Employer and the Union shall determine the wage rate through the established procedures.

8.3 Employees will be paid bi-weekly, no later than five (5) days following the end of the preceding payroll period. If the fifth day is a holiday, Employees will be paid on the preceding day.

**ARTICLE 9
PREVAILING RIGHTS**

9.1 This Memorandum of Understanding contains all of the covenants, stipulations and provisions agreed upon by the parties. It is understood that all items relating to Employees' wages, hours, and other terms and conditions of employment not covered in this Memorandum of Understanding shall remain the same, except as specifically mentioned in this Memorandum of Understanding; therefore, for the life of this Memorandum of Understanding, neither party shall be compelled to bargain with the other concerning any mandatory bargaining issues, whether specifically bargained about prior to the execution of this Memorandum of Understanding or which may have been omitted in the bargaining which led up to the execution of this Memorandum of Understanding, except by mutual agreement of the parties or as specifically mentioned in this Memorandum of Understanding.

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ARTICLE 10 CLASSIFICATIONS AND WAGES

10.1 For the period of this agreement, Employees will be paid in accordance with the monthly salary schedule and effective dates as shown in Exhibit "A". Employees will be eligible for step increases on their step anniversary date. Employees may advance to the next step in the pay schedule after satisfactory completion of the required time in the lower step. The time required between step A and B shall be (6) six months. Advancement from step B to C, C to D and D to E shall be (12) twelve months between each step.

1. **Wage Increase: A 2.5% increase in base wages to all members of the Bargaining Unit effective the start of the first pay-period in 2016. An additional 0.5% increase in base wages to all members of the Bargaining Unit beginning the last pay period of 2016 occurring after the City Council approves the Memorandum of Understanding (MOU).**

10.2 At the time of employment placement in Step 1 through 5 of the salary range within each classification shall be determined by the City. The Employees agree to abide by the City's decision.

10.3 Employees will be eligible for LONGEVITY INCENTIVE PAY under the following conditions:

(A) Qualifying employees will receive a longevity incentive pay increase to be added to their base rate as follows:

1. 2.5% after 10 years, effective first pay period after anniversary date.
2. 5% after 15 years, effective first pay period after anniversary date, (not compounded with the 2.5%).

ARTICLE 11 OUT OF CLASSIFICATION PAY

11.1 A Public Works field employee who is assigned, by the Director of Public Works and with prior approval by the City Manager, to work out of Classification in a higher level Class for one (1) hour or more shall be paid at Step 1 of higher Salary rate of the assigned Classification, or 5% above the Employee's permanent pay step rate whichever is higher.

- (A) When assigned by the Director of Public Works and with prior approval by the City Manager, to work out of Classification as an Equipment Operator, a Maintenance Worker shall be paid for the operation of the following equipment: Backhoe, Loader, Motor Grader, Roller, Tree Pruning Tower, Paving Machine.
- (B) When a Maintenance Worker is assigned by the Director of Public Works and with prior approval by the City Manager, to work out of Classification as a "Journey Level Carpenter", the Employee shall be paid 5% above the Employee's permanent pay step rate.

11.2 Upon the recommendation of the Director of Public Works and prior approval by the City Manager, an Employee in the Classification of Public Works Maintenance Worker, Equipment Operator, and Equipment Mechanic/Maintenance Worker shall receive Specialty Pay in accordance with the following:

- (A) For holding a valid State of California Water Treatment Operator Grade I Certificate, the Employee shall receive Specialty Pay of 2 1/2% above their current pay step rate.

- (B) For holding a valid State of California Water Treatment Operator Grade II Certificate, the Employee shall receive Specialty Pay of 5% above their current pay step rate. This rate is not to be compounded for those employees holding a Water Treatment Operator Grade I Certificate. The maximum premium pay for both certificates is 5%.
- (C) For holding a valid State of California Certified Distribution Operator D-2 Certificate the Employee shall receive Specialty Pay of 5% above their current pay step rate.

11.3 An employee who is assigned the temporary duties of a superior position for fifteen (15) days or more by the City Manager and/or his/her designee shall receive premium pay of five percent (5%) above his/her present salary beginning on the sixteenth (16th) day and continuing for the length of such service.

11.4 Bi-lingual Pay: Shall receive an additional 2.5% pay for a total of 5% of base pay for up to three employees for the incidental duties related to the assignment effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU) under the following conditions:

- (A) An employee must be certified as bi-lingual and assigned the duties by the City Manager.
- (B) The City Manager will establish standards for qualifying employees and for an ongoing review of skills. The City Manager will require that employees demonstrate the ability to converse in Spanish sufficient to serve the needs of the City.
- (C) The City Manager shall terminate the assignment if the ongoing use of the bi-lingual skills are no longer required and/or the employee fails to perform the duties at a skill level which meets the established standards.

ARTICLE 12 HEALTH AND WELFARE INSURANCE

12.1 All Employees and their eligible dependents may participate in the Operating Engineers Public Employees' Health and Welfare Plan, with the City contributing to the cost of such plan up to **\$1,275.50** per month towards the rate. The employee shall pay any remaining costs of insurance.

Future increases shall be divided equally between the City and the employee.

12.2 Employees who are not members of the Union are required to pay a service fee in the same amount as the monthly Union dues in order to participate in the Union's Health and Welfare Plan.

12.3 The City shall provide life insurance in the amount of one hundred thousand dollars (\$100,000) effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU) and will continue to pay the life and disability insurance premiums.

12.4 The City shall have the option of replacing the Operating Engineers Public Employees Health and Welfare Plan with a plan of the City's choosing. If the City exercises this option, the City shall maintain coverage that is comparable and substantially equivalent to that provided currently under the present plan.

12.5 A Health Plan Review Committee, consisting of one employee from each bargaining unit, will be established and coordinated by the City Manager, to review alternate health plans. A non-binding Committee Report will be made to the City and the Union. The committee will study both the health plan and the short-term disability and "cafeteria" plans.

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Upon receipt of the committee's report, the City or the Union, upon the request of either, will meet and confer on the recommendations of the committee.

ARTICLE 13 WORKDAY AND WORKWEEK

13.1 The regular workday shall be eight (8) hours, exclusive of mealtime. The regular workweek shall not exceed forty (40) hours per week on duty. Workweeks shall be scheduled by the Employer to provide for five (5) consecutive days on duty and two (2) consecutive days off duty. All time worked in excess of the regular workday or workweek shall be considered overtime. The City shall have the right to assign employees to five (5) consecutive days on duty, which includes Saturday and/or Sunday, provided that those days are part of the five (5) consecutive days on duty.

ARTICLE 14 OVERTIME

14.1 Overtime shall be compensated therefore at the rate of time and one-half the Employee's regular pay rate, which will be paid in the same manner as other wages.

14.2 The Employee shall, on termination of employment, be entitled to be paid all accumulated overtime, together with the Employee's normal wage.

14.3 All cash payments for overtime worked will be made on the regular salary check in the next succeeding pay period in which it was earned. The only exception is holiday pay. (See Article 19)

14.4 Compensatory Time in Lieu of Overtime (CTO): Effective January 4, 2015, members of the bargaining unit may accrue up to a maximum of one hundred seventy five (175) hours annually upon the Department Head's discretionary authority. CTO time may be carried into the following year, but at no time can it exceed one hundred seventy five hours (175) hours. Management shall approve when employees can take time off taking into consideration the desire of the employees and the operational needs of the department. The Department Head and employees may mutually agree to pay out any or all CTO time. All unused CTO shall be paid upon termination. All CTO in excess of one hundred fifty (150) hours shall be paid.

ARTICLE 15 STAND-BY COMPENSATION

15.1 When the Employer requires an Employee to remain available for call back at any time, the Employee shall receive stand-by pay.

15.2 When an Employee is required to stand-by, he/she shall be compensated for such stand-by time at the rate of two (2) hours of straight-time compensation by cash for each accumulated eight (8) hours of stand-by.

15.3 The City reserves the right to close the Corporation Yard or any other facility if the City determines, in its sole discretion, that the facility need not be open. The Union acknowledges that Employees do not have the right or privilege to stand-by at non-public City facilities without the express consent of the City.

ARTICLE 16 CALLBACK COMPENSATION

16.1 When the Employer, due to an emergency, requires an Employee to return to work other than his regularly scheduled workday, the Employee shall be entitled to call-back compensation.

16.2 Effective December 1, 2012 the Employer will compensate the Employee a minimum of three (3) hours of overtime compensation irrespective of the actual time worked when an Employee is called back to perform an emergency task. In the event the task exceeds three (3) hours duration, the total overtime compensation shall be for the hours actually worked.

ARTICLE 17 SICK LEAVE

17.1 Sick leave is available to an employee to use in case of illness, bodily injury, exposure to a contagious disease, medical or dental appointment or attendance upon seriously ill member of employee's immediate family, as defined by these rules. An employee may take paid sick leave after the first month of employment. Every effort by the employee shall be made to schedule appointments during non-work hours.

17.2 Sick leave with pay shall be granted to all employees. Sick leave shall be earned at the rate of eight (8) hours per calendar month of service, not to exceed a total maximum accumulation of one thousand nine hundred twenty (1920) hours. No sick leave shall be earned once the maximum accrual is reached.

17.3 The City agrees to pay fifty percent (50%) of Employee's unused accumulated sick leave upon retirement or death. Upon reduction in force, the City shall pay twenty-five percent (25%) of Employee's unused accumulated sick leave.

17.4 Employees who have less than thirty-six (36) days of sick leave accumulated may, in lieu of taking vacation, bank said vacation time under sick leave.

17.5 Family Leave shall be administered in accordance with applicable State and Federal law.

17.6 Bereavement Leave: In the event of a death in the immediate family, the Employee may take off up to four (4) days. The immediate family shall be defined as husband, wife, child, mother, father, brother, sister, grandparents and grandchildren. Such leave shall be charged to sick leave.

17.7 When an employee is off work as a result of a valid on-the-job injury sustained in the service of the City, the employee is entitled to use their accrued Sick Leave during the period of disability to make up the difference between their regular pay and the Workers Compensation Temporary Disability Payments. The City shall pay only that amount necessary to make up the difference between the employee's monthly rate and the amount payable to the employee as temporary disability payments from the Worker's Compensation Insurance Plan of the City. To take advantage of this benefit, the employee must forward their Temporary disability check to the City.

17.8 The City may require verification of the necessity for sick leave. Such verification may be in the form of a written statement from a doctor or a personal affidavit from the Employee. The City reserves the right to specify which of the two verification procedures will be required in any particular situation. If the City requires verification from a physician, the City shall pay for the cost of such verification to the extent such cost is not reimburse by the Employee's health insurance.

17.9 If the City determines that an Employee has abused the provisions of the sick leave policy, the Employee shall be subject to disciplinary action.

17.10 Sick Leave Conversion Upon Retirement: Effective July 1, 2008, in lieu of a cash-out of sick leave, an employee, upon retirement under PERS, may choose as an option to convert a percentage of the dollar value of the sick leave at the employee's current hourly base rate of pay as of the date of retirement, to pay the pre-paid health insurance premium up for a period of time up to age 65 according to the following conversion plan:

Employee's years of Service with City

Percentage value of employee's accrued Sick Leave

Through 15 years	50%
16 through 19 years	70%
20 or more years	80%

(A) Following is the procedure to account for the percentage value of converted sick leave. At the written request of the retiring employee, the City Staff will compute the dollar value of the accrued sick leave according to the percentages shown above and maintain an accounting in the employee's name deducting the amount of monthly City health insurance premium for the "balance".

(B) The value of sick leave does not accrue in a cash fund for each employee, therefore no actual funds are held in trust. The City simply agrees to pay the retiree's premium for a period of time until the balance value of the conversion is depleted.

(C) Should a retired employee want to stop their insurance premium payments under the Section, the employee must notify the City Manager in writing, giving the date payments should end, and City Staff will do an accounting of the actual dollar amount paid out. Should this amount still be less than the fifty percent (50%) value provided for in the sick leave payoff provisions of this MOU, Section 17.3 the balance will be paid to the employee.

(D) Should a retired employee die prior to fully using this benefit, any dependents covered under the health insurance may, if permitted to continue insurance coverage by the insurance carrier, receive the continuation of this benefit until fully expended. The benefit shall have no cash value to the employee's estate nor can the City accept any claim for payoff by heirs.

(E) Employees not choosing to remain in the City's offered health plan may use the benefits set out in these sections, to be applied to the cost of a private health plan. The retired employee will be reimbursed, on a quarter year basis, such amounts as provided in these sections, upon submission of a written claim and proof of a paid premium by the retired employee. The form, manner of claim, and proof will be as prescribed by the City.

**ARTICLE 18
UNIFORM ALLOWANCE**

18.1 The City agrees to furnish, at no cost to the Employees, necessary foul weather gear and safety items required and determined by the City. **During the term of the MOU, the City will work with Bargaining Unit Members to obtain new safety reflective water proof pants and jackets, and to obtain rubber boots with steel toes and shanks, effective the first pay period in 2016 occurring after the City Council approves the Memorandum of Understanding.**

18.2 Effective the start of the pay period beginning July 6, 2014, the City agrees to furnish Public Works Crew Members:

- a. The City will provide five (5) long or short sleeve shirts each year;
- b. The City will reimburse employees for the purchase of three (3) pair of dark blue jeans each year. The City will reimburse up to thirty (\$30) dollars per pair upon proof of purchase. All employees must participate in the purchase of said dark blue jeans.
- c. Should any City provided clothing be damaged on the job, the City agrees to replace it at no expense to the employee. Shirts or pants that are damaged on the job refer to those that are ripped or torn and cannot be mended.
- d. The City agrees to provide two (2) coveralls per week to each employee desiring coveralls. Soiled coveralls are exchanged for laundered coveralls.
- e. The City agrees to provide rubber boots and gloves.

18.3 For Public Works Crewmembers, effective January 2014, the City shall allow \$200 per year towards safety field boots subject to verification that the boots purchased meet CAL OSHA Standards (the boots must meet American National Standards Institute [ANSI] Z41-PT99 or American Society for Testing & Materials [ASTM] F24113-05). The allowance will be paid during January of each year.

18.4 Effective the start of the pay period beginning July 6, 2014, all Community Service Officers shall be issued the following clothing items at the time of employment and maintained at this level by the City:

- a. Five (5) shirts.
- b. Five (5) pair of uniform pants.

The employer agrees to replace, at no cost to the Employee, any item of uniform clothing damaged in the line of duty. The City will also allow, effective January 2014, \$150 per year allowance for the purchase of shoes/boots meeting the standards prescribed by the Police Chief.

ARTICLE 19 HOLIDAYS AND HOLIDAY PAY

19.1 The employees shall receive the following scheduled holidays off with pay:

- (1) New Year's Day**
- (2) President's Day**
- (3) Memorial Day**
- (4) Independence Day**
- (5) Labor Day**
- (6) Veterans Day**
- (7) Thanksgiving Day**
- (8) Post Thanksgiving Day**
- (9) Christmas Eve Day**
- (10) Christmas Day**

Effective July 1, 1994, in addition to the scheduled Holidays above, each employee shall be credited with 14 hours of floating Holidays on January 1 and July 1 of each year. Floating Holidays shall be taken in the calendar year credited, at a time and manner mutually agreed to by the employee and the Department Head.

(A) Employees accrue 14 hours of Floating Holiday on January 1st and July 1st giving each employee 28 hours per calendar year to be used before December 31st of that year or they lose these hours.

(B) To receive Floating Holiday hours a new employee must be hired within the first quarter in which the accrual takes place. The employee must have a hire date before April 1st to receive 14 hours for January 1st or the hire date must be before October 1st to receive 14 hours for July 1st.

19.2 An Employee who is regularly scheduled to work on a holiday shall be granted a day off at a time mutually agreeable to the Employee and the Employer.

19.3 An Employee who is called back to work on a holiday, which is also his day off, shall be granted a day off at a time mutually agreeable to the Employer and the Employee, plus time and one-half for the actual hours worked. This Section shall be applied in addition to Article 14.

19.4 If a holiday falls on an Employee's day off, the Employer shall compensate the Employee by either eight (8) hours compensatory time off, or eight (8) hours straight-time pay, at the Employee's option.

19.5 Veterans Day (November 11th) will be celebrated on the nearest Monday or Friday which will create a three-day weekend. The Christmas Eve Holiday will be celebrated either on Christmas Eve or the day after Christmas; whichever will create a four-day weekend.

ARTICLE 20 457 DEFERRED COMPENSATION PLAN

Effective the first pay period in 2016, the City will match employee's contributions to their 457 Deferred Compensation Plan up to \$40 per month. The City match is only available for one (1) Deferred Compensation Plan even if employees are enrolled in more than one (1) Plan. Employees must commit to maintain their 457 contribution for one full year.

ARTICLE 21 RETIREMENT

21.1 The City provides retirement benefits under a Contract with the Public Employees Retirement System (PERS). Employees hired prior to February 19, 2012 have the 2%@55 formula with single highest year salary (Tier I).

- a.) **The City and City of Corning Miscellaneous Bargaining Unit Members agree to the deferral of PERS EPMC pickup of an additional one and one half percent (1.5%) effective the first pay period in July of 2016. The total employee share of retirement pickup would then be 3.5% of the 7% employee's share of retirement costs.**

The City and the Miscellaneous Unit agreed to implement the following changes (Tier 2) for new hires following approval by the City Council which occurred on April 24, 2012.)

21.2 For PERS Miscellaneous Members the 2% @ 60 formula with three (3) years average salary.

21.3 New Miscellaneous Unit Tier 2 employees hired after April 24, 2012 will be responsible for the following:

- a.) **The City and the City of Corning Miscellaneous Bargaining Unit Members agree to the deferral of PERS EPMC pickup of an additional one and one half percent (1.5%) effective the first pay period in July 2016. The total employee share of retirement pickup would then be 7% of the 7% employee's share of retirement costs.**

21.4 Employees hired on or after January 1, 2013, who are not eligible for reciprocity or are not current CalPERS members without a break in service greater than six (6) months, shall participate in legislatively mandated CalPERS contributions and retirement benefit formula plans established by AB340, the "Public Employees' Pension Reform Act of 2013". This legislation is administered/interpreted by the California Public Employees Retirement System (CalPERS). New employee members shall have the following retirement benefit formula and contribution rate:

- a. For PERS Miscellaneous members 2%@62, 3 year final compensation as defined by PERS.
- b. Member contribution rate is 6.25%.
- c. The member contribution rate is expected to remain unchanged until July 1, 2015.

The current Miscellaneous Member contribution rate is 6.25% CalPERS may change this rate following actuarial review during the term of the MOU.

ARTICLE 22 VACATION

22.1 Employees shall earn vacation according to the following:

- (A) Effective March 1, 2013, Employees shall earn vacation with pay at the rate of one hundred twenty (120) hours per year after one (1) year and during the first seven (7) years of employment;
- (B) Effective March 1, 2013, Employees shall earn vacation with pay at the rate of one hundred sixty (160) hours per year after completion of seven (7) years of City employment;
- (C) Effective March 1, 2013, Employees shall earn vacation with pay at the rate of two hundred (200) per year after fifteen (15) years of City employment;
- (D) The maximum number of vacation hours employees may carry over or have in a vacation account at the start of each new calendar year is one hundred fifty (150) hours; and
- (E) Employees who have more than one hundred fifty (150) hours in their vacation account will have the excess vacation time paid off at the close of each calendar year.

22.2 The Employee shall have the option of converting up to fifty percent (50%) of unpaid accumulated vacation to cash payment in lieu of taking vacation. The Employee may exercise the payoff option only one (1) time per fiscal year with five (5) working days notice to payroll.

ARTICLE 23 PROBATION PERIOD AND EVALUATION

23.1 All Employee evaluations should be made by the Employee's immediate supervisor or the Employee's Department Head when possible. In the event the immediate supervisor or Department Head is unable to complete the evaluation, the City Manager may complete the evaluation. The City reserves the right to conduct formal evaluation summaries every six (6) months. Nothing contained herein should be construed to limit the right of the City to continually monitor and assess Employee performance and provide feedback to the Employee regarding the Employee's performance.

23.2 All new, promoted, and reclassified Employees are on probation for six (6) months. Current City Employees accepting a promotion to a higher classification retain the right to return to their former classification if the City determines they are unable to satisfy the requirements of the new classification.

ARTICLE 24 LAY-OFF POLICY

24.1 The City may lay off Employees whenever it becomes necessary because of lack of work or funds, or whenever it is deemed advisable in the interests of economy to reduce the force in a department or office.

24.2 Persons shall be laid off in the following order:

- (A) All extra help, temporary and provisional Employees in the same department and within the same job classification shall be laid off before any regular Employee is laid off.
- (B) When it becomes necessary to reduce the force in any department or office by lay-off of regular Employees, seniority shall be the determining factor. In the case where seniority is equal, ability shall govern.

The determination of ability shall be the exclusive responsibility of the Department Head, provided that in making such determination, consideration shall be given to skill, efficiency, knowledge, physical fitness, training and attitude toward fellow Employees.

24.3 Seniority shall be measured from the Employee's initial appointment to City service, but shall not include any period during which such Employee was on leave without pay, or not actually in City employment because of the Employee's voluntary termination, lay-off or other cause; provided that, for any Employee who is re-employed after being discharged, seniority shall be measured from the date of the most recent appointment.

24.4 The City shall send written notice by certified mail, postage prepaid, return receipt requested, and correctly addressed to the last known mailing address of the Employee as found in the Employee's personnel file. In lieu of the above, the City may serve notice by personal service. Notice of lay-off shall be made at least thirty (30) days prior to the effective date of the action.

24.5 In lieu of being laid off, a regular Employee may elect demotion and displacement in the same department to a classification previously held by said Employee with substantially the same or lower salary step and/or to a classification in which said Employee meets the minimum qualifications. Demotion and displacement rights to specify classifications shall be applicable only within the department and subject to lay-off list provisions in this Article based on seniority and ability. Employees wishing demotion and displacement in lieu of lay-off must notify the City Manager in writing of this election no later than seven (7) calendar days after receiving notice of layoff.

ARTICLE 25 SPECIAL PROVISIONS

25.1 The City no longer requires the Public Works Employees to maintain a Commercial Driver's License and has already stopped the practice of paying for the required Medical Physical Examinations needed for any renewals.

The City does not currently require random drug testing of employees in the Miscellaneous Bargaining Unit.

The City will maintain the right to conduct drug testing if there is a reasonable suspicion that an employee is impaired by drugs while performing his/her assignments, which it will do to ensure its worksites be "drug free" for the safety of the City's employees and the public.

ARTICLE 26 SAVINGS CLAUSE

26.1 If any Article section, subsection, paragraph, sentence, clause or phrase of this Memorandum of Understanding shall, for any reason, be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portion of the Memorandum, it being expressly provided that this Memorandum and each Article section, subsection, paragraph, sentence, clause or phrase hereof would have been adopted irrespective of the fact that any one or more Articles, sections, subsections, paragraphs, sentences, clauses or phrases shall be declared invalid or unconstitutional.

**ARTICLE 27
TERM OF AGREEMENT**

27.1 This Memorandum of Understanding shall be effective January 1, 2016, upon adoption by the City Council of the City of Corning and shall remain in effect until December 31, 2016.

27.2 This Memorandum of Understanding may be extended by mutual agreement of the parties if additional time is required to consummate a new Memorandum.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding this 11 day of December, 2015.

CITY OF CORNING

**OPERATING ENGINEERS LOCAL
UNION NO. 3 AFL-CIO**

**John L. Brewer, AICP
City Manager**



**Art Frolli
OE-3 Business Representative**

**William May
Chief Negotiator**



**Troy Grootveld
Employee Representative**

**Lisa M. Linnet
City Clerk**

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ITEM NO.: E-1d
RATIFY MEMORANDUM OF
UNDERSTANDING BETWEEN THE
CITY AND THE CORNING
MANAGEMENT ASSOCIATION
BARGAINING UNIT

December 11, 2015

TO: HONORABLE MAYOR AND COUNCIL MEMBERS
FROM: CITY MANAGER JOHN L. BREWER, AICP JB
LISA M. LINNET, CITY CLERK

SUMMARY:

The City of Corning has reached agreement with the employees of the Corning Management Association Bargaining Unit as reflected in the attached complete Agreement, known under California Law as a "Memorandum of Understanding" (MOU). This Unit consists of seven management positions. This agreement was reached with the assistance of a State Mediator.

The proposed MOU is for a one year term beginning on January 1, 2016 and will expire on December 31, 2016.

MEMORANDUM OF UNDERSTANDING (MOU):

Below are the key elements of the proposed new MOU Agreement:

1. **Term:** 1-Year Agreement (January 1, 2016 through December 31, 2016); and
2. **Wage & Salary:** A two and one-half percent (2.5%) increase in base wages to all members of the Bargaining Unit effective the start of the first pay period in 2016 and a one half percent (.5%) increase beginning the last pay period of December 2016 occurring after the City Council approves the Memorandum of Understanding (MOU).
3. **457 Deferred Compensation Plan:** The City will match up to \$50 monthly of employee's contribution towards their 457 Deferred Compensation Plan (City match is only available for 1 Deferred Compensation Plan should employees be enrolled in more than one Plan) beginning the first pay period in January 2016 following City Council approval of the Memorandum of Understanding (MOU).
4. **Life Insurance:** The City agrees to increase life insurance coverage from \$70,000 to \$100,000 effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU).
5. **Retirement - Deferral of PERS EPMC pick-up:** Deferral of PERS EPMC pick-up of an additional one and one half (1.5%) by City Management Bargaining Unit members until the first pay period in July of 2016.

The City proposed and the Unit agreed to the following changes:

Tier I: Management Unit Misc. Employees agree to pay: An additional 1.5% of the 7% employee share of retirement costs which will be deferred until the first pay period in July of 2016 following City Council approval of the Memorandum of Understanding (MOU). As of the first pay period in July of 2016 Management Miscellaneous Employees will be paying 3.5% of the 7% employee share.

Management Unit Safety Employees agree to pay: An additional 1.5% of the 9% employee's share of retirement costs which will be deferred until the first pay period in July of 2016 following City Council approval of the Memorandum of Understanding (MOU). As of the first pay period in July of 2016 Management Safety Employees will be paying 3.5% of the 9% employee share.

Tier II: Management Unit Misc. Employees agree to pay: An additional 1.5% of the 7% employee's share of retirement costs which will be deferred until the first pay period in July of 2016 following City Council approval of the Memorandum of Understanding (MOU). As of the first pay period in July of 2016 Management Miscellaneous Employees will be paying 7% of the 7% employee share.

Management Unit Safety Employees agree to pay: An additional 1.5% of the 9% employee's share of retirement costs which will be deferred until the first pay period in July of 2016 following City Council approval of the Memorandum of Understanding (MOU). As of the first pay period in July of 2016 Management Safety Employees will be paying 8% of the 9% employee share.

FINANCIAL:

Under the proposed Agreement the total increased cost the City will incur for this Bargaining Units wages will be:

1. **Wages:** Approximately \$13,699.08 total annually (this amount will be somewhat less as the .5% increase will not become effective until 1st pay period in July of 2016).
2. **457 Deferred Compensation:** Up to \$1,800 annually.
3. **Life Insurance:** An additional \$5.34 per Bargaining Unit Member for a total of \$384.48 annually.
4. **Retirement Cost Savings:** Approximately (\$3,962.56) total annually (this amount will be somewhat less as the take back does not become effective until the 1st pay period in July of 2016).

RECOMMENDATION:

MAYOR AND COUNCIL RATIFY THE MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF CORNING AND THE CITY OF CORNING MANAGEMENT ASSOCIATION FOR THE PERIOD OF JANUARY 1, 2016 THROUGH DECEMBER 31, 2016.



MEMORANDUM OF UNDERSTANDING

Between

CITY OF CORNING

And

**THE CITY OF CORNING
MANAGEMENT ASSOCIATION**

For

Management Employees

Effective:

January 1, 2016 – December 31, 2016

**Agreement December 11, 2015
Ratified by City Council December 11, 2015**

THIS MEMORANDUM OF UNDERSTANDING is made and entered into between the **MANAGEMENT ASSOCIATION**, hereinafter referred to as "**Association**", and the designated representatives of the **CITY OF CORNING**, hereinafter referred to as the "**City**", pursuant to the provisions of the Meyers-Milias-Brown Act (Government Code Sections 3500, et seq.).

**ARTICLE 1
GENERAL PROVISIONS – DEFINITIONS**

1.1 A. Employer: The term "Employer", as used herein, shall refer to the City of Corning.

B. Association: The term "Association", as used herein, shall refer to the City of Corning Management Association.

C. Employee: The term "Employee", as used herein, shall mean all Employees of the Management Unit as designated under the provisions of the Employee Relations Policy of the City of Corning.

D. Employee Anniversary Date: The term "employment anniversary date", as used herein, shall mean the anniversary date of the employee's employment with the City.

E. Step Anniversary Date: The term "step anniversary date", as used herein, shall mean the date upon which an employee has finished serving the requisite amount of time in order to be eligible for a salary step increase. A new time period for such requisite service shall commence upon the occurrence of any of the following events: promotion; reclassification; implementation of a Memorandum of Understanding provision, or Side Letter of Understanding specifying a movement into a new step or an increase in the rate paid for the step currently held by the employee.

**ARTICLE 2
RECOGNITION**

2.1 The Employer hereby recognizes the Association as the only organization entitled to meet and confer on matters within the scope of representation.

**ARTICLE 3
HIRING PROVISIONS**

3.1 No Employee covered by this Memorandum of Understanding shall be discriminated against by the Employer, or by the Association, by reason of race, color, religion, sex, age or national origin.

3.2 The Employer shall not discharge, or otherwise discriminate against any employee by reason of Association activities not interfering with the proper performance of his work.

**ARTICLE 4
MANAGEMENT RIGHTS**

4.1 The Employer retains the exclusive right to manage the City. All the rights, powers, functions and authority of the Employer, which it had prior to the time the Association became certified as representative of the Employees of the Employer, and which are not limited or modified by specific provisions of the Memorandum are retained by the Employer. The Employer specifically retains the right to manage and supervise its Employees as follows:

(1) To hire, promote, transfer, assign, classify positions, retain employees, and to suspend, demote, discharge or take other disciplinary action against employees.

(2) To lay-off or demote employees from duties because of lack of work, lack of funds, in the interest of economy, or other legitimate reasons.

(3) To determine the policies, standards, procedures, methods, means and personnel by which City operations are to be conducted.

THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER

(4) To take whatever actions may be necessary to carry out the City in situations of emergency.

(5) To limit or prohibit the right of Employees in certain positions or classes of positions from forming, joining, or participating in employee organizations as provided in the California Government Code, and designating such employees in the current Schedule of Department and Authorized Positions adopted by resolution.

(6) Nothing in this policy shall be construed to interfere with the City's right to manage its operations in the most economical and efficient manner consistent with the best interests of all citizens, taxpayers, and employees of the City.

ARTICLE 5 ASSOCIATION RIGHTS

5.1 The Association recognizes its obligation to cooperate with the Employer to assure maximum service of the highest quality and efficiency to the citizens of the City of Corning consistent with its obligations to the Employees it represents.

5.2 Employer and Association affirm the principle that harmonious employer-employee relations are to be promoted and furthered. When a person is hired in any of the covered job classifications, the City shall notify that person that the Association is the certified representative for the Employees and shall notify the Association of such hiring.

5.3 The Employer shall provide the Association space to erect a bulletin board in each area where Employees covered by this Memorandum are assigned.

5.4 Association President shall have access to any Employee or Employees presenting a grievance; and Employees have the right to have the Association represent the Employee at all stages of disciplinary action.

ARTICLE 6 PEACEFUL PERFORMANCE

6.1 The parties to this Memorandum of Understanding recognize and acknowledge that the services performed by the City Employees covered by this Memorandum of Understanding are essential to the public health, safety and general welfare of the residents of the City of Corning. The Association agrees that under no circumstances will the Association recommend, encourage, cause or permit its members to initiate, participate in, nor will any member of the bargaining unit take part in, any strike, sit-down, stay-in, sick-out, slow-down or picketing (hereinafter collectively referred to as work-stoppage), in any office or department of the City, nor to curtail any work or restrict any production, or interfere with any operation of the City. In the event of any such work stoppage by any member of the bargaining unit, the City shall not be required to negotiate on the merits of any dispute, which may have given rise to such work stoppage until said work stoppage has ceased.

6.2 In the event of any work stoppage during the term of this Memorandum of Understanding, whether by the Association or by any member of the bargaining unit, the Association, by its officers, shall immediately declare in writing and publicize that such action is illegal and unauthorized, and further direct its members in writing to cease the said conduct and resume work. Copies of such written notice shall be served upon the City. If in the event of any work stoppage, the Association promptly and in good faith, performs the obligations of this paragraph, and providing the Association has not otherwise authorized, permitted or encouraged such work stoppage, the Association shall not be liable for any damages caused by the violation of this provision. However, the City shall have the right to discipline, including discharge, any employee who instigates, participates in, or gives leadership to, any work stoppage activity herein prohibited, and the City shall also have the right to seek full legal redress including damages, as against any such employee.

ARTICLE 7 PAYMENTS

7.1 This Memorandum is intended to cover all aspects of wages, hours, and working conditions for Employees covered herein; therefore, nothing in this Memorandum shall prevent the Employer from modifying any fringe benefits or benefit plans not specifically provided for in this Memorandum such as retirement plans, salary continuation plans, etc., subject to meet and confer.

7.2 If an Employee covered by this Memorandum is permanently assigned work of a substantially new or different nature so as to constitute a new job classification, the Employer and the Association shall determine the wage rate through the established procedures.

ARTICLE 8 PREVAILING RIGHTS

8.1 This Memorandum of Understanding contains all of the covenants, stipulations and provisions agreed upon by the parties. It is understood that all items relating to Employees' wages, hours, and other terms and conditions of employment not covered in this Memorandum of Understanding shall remain the same, except as specifically mentioned in this Memorandum of Understanding; therefore, for the life of this Memorandum of Understanding, neither party shall be compelled to bargain with the other concerning any mandatory bargaining issues, whether specifically bargained about prior to the execution of this Memorandum of Understanding or which may have been omitted in the bargaining which led up to the execution of this Memorandum of Understanding, except by mutual agreement of the parties or as specifically mentioned in this Memorandum of Understanding.

ARTICLE 9 CLASSIFICATIONS AND WAGES

9.1 **(A) Wage Increase: A 2.5% increase in base wages to all members of the Bargaining Unit effective the start of the first pay-period in 2016. An additional 0.5% increase in base wages to all members of the Bargaining Unit beginning the last pay period of 2016 occurring after the City Council approves the Memorandum of Understanding (MOU).**

(B) For the period of this agreement, Employees will be paid in accordance with the monthly salary schedule and effective dates as shown in Exhibit "A". Employees will be eligible for step increases on their step anniversary dates. Employees may advance to the next step in the pay schedule upon satisfactory completion of the required time in the lower step. The time required between step A and B shall be (6) six months. Advancement from step B to C, C to D and D to E shall be (12) twelve months between each step.

ARTICLE 10 HEALTH AND WELFARE INSURANCE

10.1 Currently the City offers a choice of four (4) Health and Safety Insurance Policies; (1) Operating Engineers Public Employees' Health and Welfare Plan; and (3) different tier Blue Shield Health Savings Account Plans. All Employees and their eligible dependents may participate in the Plans, with the City contributing to the cost of such plans up to **\$1,275.50** per month towards the rate. The employee shall pay any remaining costs of insurance.

Future increases shall continue to be divided equally between the City and the employees.

10.2 The City shall pay the fee for Employees who are not members of the Operating Engineers Local No. 3 Union in order to participate in the Union's Health and Welfare Plan.

10.3 **The City shall provide life insurance in the amount of one hundred thousand dollars (\$100,000) effective the first pay period in 2016 following City Council approval of the Memorandum of Understanding (MOU) and will continue to pay the life and disability insurance premiums.**

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10.4 The City shall have the option of replacing the Operating Engineers Public Employees Health and Welfare Plan with a plan of the City's choosing. If the City exercises this option, the City shall maintain coverage that is comparable and substantially equivalent to that provided currently under the present plan.

ARTICLE 11 ADMINISTRATIVE LEAVE

11.1 Effective July 1, 2014, Administrative Leave shall be increased from the current eighty (80) hours per year to ninety (90) hours per year credited on July 1 of each year.

11.2 Administrative Leave time may be carried into the following year, but at no time can it exceed one hundred fifty (150) hours.

11.3 Administrative Leave in excess of one hundred fifty (150) hours shall be paid.

11.4 Employees shall be allowed to convert up to fifty (50%) percent of Administrative Leave hours each fiscal year to paid days. Department heads shall plan for such conversion in their annual budget proposals.

11.5 Unused Administrative Leave shall be paid upon termination.

ARTICLE 12 457 DEFERRED COMPENSATION PLAN

12.1 Effective the first pay period in 2016, the City will match employee's contributions to their 457 Deferred Compensation Plan up to \$50 per month. The City match is only available for one (1) Deferred Compensation Plan even if employees are enrolled in more than one (1) Plan. Employees must commit to maintain their 457 contribution for one full year.

ARTICLE 13 SICK LEAVE

13.1 Sick leave is available to an employee to use in case of illness, bodily injury, exposure to a contagious disease, medical or dental appointment or attendance upon seriously ill member of employee's immediate family, as defined by these rules. An employee may take paid sick leave after the first month of employment. Every effort by the employee shall be made to schedule appointments during non-work hours.

13.2 Sick leave with pay shall be granted to all Employees. Sick leave shall be accumulated at the rate of one (1) day per calendar month of service, not to exceed a total accumulation of two hundred forty (240) days. An employee with 20 years service to the City will be allowed unlimited sick leave accrual above the 240-day cap only for the exclusive purpose of converting to pre-paid health insurance after retirement.

13.3 Family Leave: Family Leave shall be administered in accordance with applicable State and Federal Law.

13.4 Bereavement Leave: In the event of a death in the immediate family, the Employee may take off up to four (4) days. The immediate family shall be defined as husband, wife, child, mother, father, brother, sister, grandparents and grandchildren. Such leave shall be charged to sick leave.

13.5 Employees who have less than thirty-six (36) days of sick leave accumulated may, in lieu of taking vacation, bank said vacation time under sick leave.

13.6 On-The-Job Injuries: When an employee is off work as a result of a valid on-the-job injury sustained in the service of the City, the employee is entitled to use their accrued Sick Leave during the period of disability to make up the difference between their regular pay and the Workers Compensation Temporary Disability Payments. The City shall pay only that amount necessary to make up the difference between the employee's monthly rate and the amount payable to the employee as temporary disability payments from the Worker's Compensation Insurance Plan of the City. To take advantage of this benefit, the employee must forward their temporary disability check to the City.

13.7 The City may require verification of the necessity for sick leave. Such verification may be in the form of a written statement from a doctor or a personal affidavit from the Employee. The City reserves the right to specify which of the two verification procedures will be required in any particular situation. If the City requires verification from a physician, the City shall pay for the cost of such verification to the extent such cost is not reimbursed by the Employee's health insurance.

13.8 If the City determines that an Employee has abused the provisions of the sick leave policy, the Employee shall be subject to disciplinary action.

13.9 Sick Leave Credit Upon Retirement: The Employer agrees to pay fifty percent (50%) of Employee's unused accumulated sick leave upon retirement or death. Upon reduction in force, the City shall pay twenty-five percent (25%) of Employee's unused accumulated sick leave.

13.10 Sick Leave Conversion Upon Retirement: In lieu of a cash out of sick leave, an employee, upon retirement under PERS, may choose as an option to convert a percentage of the dollar value of the sick leave at the employee's current hourly base rate of pay as of the date of retirement, to pay the pre-paid health insurance premium up for a period of time up to age 65 according to the following conversion plan.

<u>Employee's years of service with City</u>	<u>Percentage value of employee's accrued Sick Leave</u>
Through 15 years	50%
16 through 19 years	70%
20 or more years	80%

(a) Following is the procedure to account for the percentage value of converted sick leave. At the written request of the retiring employee, the City Staff will compute the dollar value of the accrued sick leave according to the percentages shown above and maintain an accounting in the employee's name deducting the amount of monthly City health insurance premium from the "balance".

(b) The value of sick leave does not accrue in a cash fund for each employee, therefore no actual funds are held in trust. The City simply agrees to pay the retiree's premium for a period of time until the balance value of the conversion is depleted.

(c) Should a retired employee want to stop their insurance premium payments under the Section, the employee must notify the City Manager in writing, giving the date payments should end, and City Staff will do an accounting of the percent (50%) value provided for in the sick leave payoff provisions of this MOU and the actual dollar amount already paid out. Should this amount still be less than the fifty percent provided for in Section 17.2, the balance will be paid to the employee.

(d) Should a retired employee die prior to fully using this benefit, any dependents covered under the health insurance may, if permitted to continue insurance coverage by the insurance carrier, receive the continuation of this benefit until fully expended. The benefit shall have no cash value to the employee's estate nor can the City accept any claim for payoff by heirs.

(e) Employees not choosing to remain in the City's offered health plan may utilize the benefits set out in these sections to be applied to the cost of a private health plan. The retired employee will be reimbursed, on a quarter year basis, such amounts as provided in these sections, upon submission of a written claim and proof of a paid premium by the retired employee. The form, manner of claim and proof, will be as prescribed by the City.

ARTICLE 14 UNIFORM ALLOWANCE

14.1 The City agrees to furnish, at no cost to the Employees, necessary foul weather gear and safety items required and determined by the City. In addition, thereto, the Employer may furnish two (2) coveralls per week to each Employee desiring coveralls. Upon City determination, the City agrees to provide either short or long sleeve safety shirts, rubber boots, safety boots and gloves.

14.2 The City shall provide a Uniform Allowance of \$600 per year to the Police Chief and \$300 per year for the Fire Chief.

ARTICLE 15 HOLIDAYS AND HOLIDAY PAY

15.1 The employees shall receive the following scheduled ~~ten~~ holidays off with pay:

**New Year's Day
President's Day
Memorial Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
Post Thanksgiving Day
Christmas Eve Day
Christmas Day**

In addition to the scheduled holidays above, each employee shall be credited with 14 hours of floating holidays on January 1, and July 1 of each year. Floating holidays shall be taken in the calendar year credited, at a time and manner mutually agreed to by the employee and the Department Head.

15.2 An Employee who is regularly scheduled to work on a holiday shall be granted a day off at a time mutually agreeable to the Employee and the Employer.

15.3 If a holiday falls on an Employee's day off, the Employer shall compensate the Employee by either eight (8) hours compensatory time off, or eight (8) hours straight-time pay, at the Employee's option.

15.4 The Veteran's Day Holiday which falls in November will be celebrated on the nearest Monday or Friday, which will create a three-day weekend. The Christmas Eve holiday will be celebrated either on Christmas Eve or the day after Christmas, whichever will create a four-day weekend.

ARTICLE 16 RETIREMENT

16.1 For existing Management Employees, the City provides retirement benefits under a contract with the California Public Employee Retirement System (PERS) as follows:

16.2 The City confirms that all current PERS Tier 1 Management Unit Miscellaneous Members are in the 2% at 55 Retirement Formula and:

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- a.) **The City and City of Corning Management Association (Miscellaneous) Bargaining Unit Members agree to the deferral of PERS EPMC pickup of an additional one and one half percent (1.5%) effective the first pay period in July of 2016. The total employee share of retirement pickup would then be 3.5% of the 7% employee's share of retirement costs.**

16.3 The City confirms that all current PERS Tier 1 Management Unit Safety Members are in the 3% at 50 Retirement Formula and:

- a.) **The City and City of Corning Management Association (Safety) Bargaining Unit Members agree to the deferral of PERS EPMC pick up of an additional one and one half percent (1.5%) effective the first pay period in July of 2016. The total employee share of retirement pickup would then be 3.5% of the 9% employee's share of retirement costs.**

16.4 The City and the Association agreed to implementation of a PERS Tier 2 Retirement formula which the City Council approved via MOU on December 13, 2011.

- (a) For PERS Miscellaneous Members the City will provide the 2% at 60 formula with three (3) year average salary, and

- (1) **The City and the City of Corning Management Association (Miscellaneous) Bargaining Unit Members agree to the deferral of PERS EPMC pickup of an additional one and one half percent (1.5%) effective the first pay period in July 2016. The total employee share of retirement pickup would then be 7% of the 7% employee's share of retirement costs.**

- (b) For PERS Safety Members the City will provide the 3% at 55 formula with three (3) year average salary, and

- (1) **The City and the City of Corning Management Association (Safety) Bargaining Unit Members agree to the deferral of PERS EPMC pickup of an additional one and one half percent (1.5%) effective the first pay period in July 2016. The total employee share of retirement pickup would then be 8% of the 9% employee's share of retirement costs.**

16.5 Employees hired on or after January 1, 2013, who are not eligible for reciprocity or are not current CalPERS members without a break in service greater than six (6) months, shall participate in legislatively mandated CalPERS contributions and retirement benefit formula plans established by AB340, the "Public Employees' Pension Reform Act of 2013". This legislation is administered/interpreted by the California Public Employees Retirement System (CalPERS). New employee members shall have the following retirement benefit formulas and contribution rates:

- a. For PERS Miscellaneous Members 2% @ 62, 3 year final compensation as defined by PERS.
- b. Member contribution rate is 6.25%.
- c. The member contribution rate is expected to remain unchanged until July 1, 2015.
- d. For PERS Safety members 2.7% @ 57, 3 year final compensation as defined by PERS.
- e. Member contribution rate is 11.50%.
- f. The member contribution rate is expected to remain unchanged until July 1, 2015.

The current Miscellaneous Member contribution rate is 6.25%. CalPERS may change this rate following actuarial review during the term of the MOU.

The current Safety Member contribution rate is 11.5%. CalPERS may change this rate following actuarial review during the term of the MOU.

**ARTICLE 17
VACATION**

17.1 Employees shall earn vacation according to the following:

(a) Employees shall earn vacation with pay at the rate of one hundred twenty (120) hours per year after one (1) year and during the first seven (7) years of City employment.

(b) Employees shall earn vacation with pay at the rate of one hundred sixty (160) hours per year after completion of seven (7) years of City employment.

(c) Employees shall earn vacation with pay at the rate of two hundred (200) hours per year after twelve (12) years of City employment.

(d) The maximum number of vacation hours employees may carry over or have in a vacation account at the start of each new calendar year is one hundred fifty (150) hours.

(e) Employees who have more than one hundred fifty (150) hours in their vacation account will have the excess vacation time paid off at the close of each calendar year.

17.2 The Employee shall have the option of converting up to fifty percent (50%) of unpaid accumulated vacation to cash payment in lieu of taking vacation. Employees may exercise the payoff option only one (1) time per fiscal year with five (5) working days notice to payroll.

**ARTICLE 18
PROBATION PERIOD AND EVALUATION**

18.1 All Employee evaluations should be made by the City Manager or the Employee's Department Head when applicable. The City reserves the right to conduct formal evaluation summaries every six (6) months. Nothing contained herein should be construed to limit the right of the City to continually monitor and assess Employee performance and provide feedback to the Employee regarding the Employee's performance.

18.2 All new, promoted, and reclassified Employees are on probation for six (6) months except Safety Employees who shall serve a one (1) year probation period. Current City Employees accepting a promotion to a higher classification retain the right to return to their former classification if the City determines they are unable to satisfy the requirements of the new classification.

18.3 Management employees will be eligible for seniority performance incentive pay increase under the following conditions:

(a) An annual performance evaluation will be required to receive and maintain a seniority performance pay increase.

(b) The performance evaluation will be made 30 days before the employee's anniversary date, by the City Manager each year.

(c) Approved employees will receive a performance incentive pay increase to be added to their base salary rate as follows:

A. 2.5% after 10 years, effective first pay period after anniversary date.

B. 5% after 15 years, effective first pay period after anniversary date, (not to be compounded with 2.5%).

(d) This plan will be implemented for all eligible, 30 days after ratification of MOU, to allow for an initial evaluation increase to be effective the first pay period following the 30-day period. Such increase will remain in effect to the employee's next anniversary date prior to which time a reevaluation is required.

**ARTICLE 19
SAVINGS CLAUSE**

19.1 If any Article section, subsection, paragraph, sentence, clause or phrase of this Memorandum of Understanding shall, for any reason, be held to be invalid or unconstitutional, such invalidity or unconstitutionality shall not affect the validity or constitutionality of the remaining portion of the Memorandum, it being expressly provided that this Memorandum and each Article section, subsection, paragraph, sentence, clause or phrase hereof would have been adopted irrespective of the fact that any one or more articles, sections, subsections, paragraphs, sentences, clauses or phrases shall be declared invalid or unconstitutional.

**ARTICLE 20
TERM OF AGREEMENT**

20.1 This Memorandum of Understanding shall be effective January 1, 2016 upon adoption by the City Council of the City of Corning and shall remain in effect until December 31, 2016.

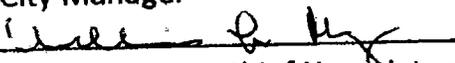
20.2 This Memorandum of Understanding may be extended by mutual agreement of the parties if additional time is required to consummate a new Memorandum.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding this 11th day of December 2015.

CITY OF CORNING:

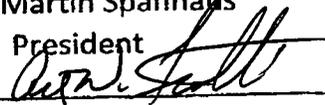
MANAGEMENT ASSOCIATION:

John L. Brewer, ACP
City Manager



William L. May, Chief Negotiator

Martin Spannaus
President



Art Froli, Operating Engineers
Business Representative

Ratified by the Corning City Council on December 11, 2015

THE CITY OF CORNING IS AN EQUAL OPPORTUNITY PROVIDER AND EMPLOYER
Page 10 of 10

**ITEM NO.: E-2
APPROVE COMPENSATION PLAN
FOR THE UNREPRESENTED
POSITIONS OF CITY MANAGER AND
ADMINISTRATIVE ASSISTANT TO
THE CITY MANAGER**

December 11, 2015

TO: HONORABLE MAYOR AND COUNCIL MEMBERS
FROM: CITY MANAGER JOHN L. BREWER, AICP 
LISA M. LINNET, CITY MANAGER'S ADMIN. ASSIST.

SUMMARY:

The City Manager (appointed by the City Council) and the Administrative "Confidential" Assistant (appointed by the City Manager), are not represented by an Employee Association or the Union. City Council's past practice has been to set the City Manager and the Administrative Assistant's salary after reaching agreement with the Corning Management Association.

BACKGROUND:

The City of Corning reached agreement with the Corning Management Association on December 1, 2015 and the Management Association's Memorandum of Understanding (MOU) was presented to the City Council on December 11, 2015 for ratification. Listed below are the key elements that were presented in the Management Association MOU:

- 1. Term: 1-Year Agreement (January 1, 2016 through December 31, 2016); and**
- 2. A 2.5% increase in base wages effective the start of the first pay period in 2016 and an additional 0.5% increase beginning the last pay period of December 2016.**
- 3. The City will match up to \$50 monthly of employee's contribution towards their 457 Deferred Compensation Plan (City match is only available for 1 Deferred Compensation Plan should employees be enrolled in more than one Plan) beginning the first pay period in January 2016.**
- 4. An increase in Life Insurance coverage from \$70,000 to \$100,000 effective the first pay period in 2016.**
- 5. Retirement – Deferral of PERS EPMC pick-up: Deferral of PERS EPMC pickup of an additional 1.5% by City Management Bargaining Unit members until the first pay period in July of 2016. The incoming City Manager (Tier II) will be paying 7% of the 7% employee share, the Administrative Assistant (Tier I) will pay 3.5% of the 7% employee share.**

FINANCIAL

Under the terms of this Agreement, the total increased cost the City would incur for these employees will be approximately:

- 1. Wages: \$4,792.68**
- 2. 457 Deferred Compensation: \$600**
- 3. Retirement Cost Savings: (\$1,842)**
- 4. Life Insurance: \$128.16**

RECOMMENDATION:

MAYOR AND COUNCIL CONFIRM THE COMPENSATION PLAN FOR THE CITY MANAGER AND ADMINISTRATIVE ASSISTANT TO THE CITY MANAGER TO BE THE SAME AS THE CORNING MANAGEMENT ASSOCIATION FOR THE PERIOD OF JANUARY 1, 2016 THROUGH DECEMBER 31, 2016.