

**CITY OF ANGELS
EXEMPT EMPLOYEES**

**MEMORANDUM
OF
UNDERSTANDING**

2024-2027

CITY OF ANGELS
EXEMPT EMPLOYEES MEMORANDUM OF UNDERSTANDING

1. **PARTICIPANTS**

This Memorandum of Understanding (“MOU”) is entered into by and between the City of Angels (“City”) and the City of Angels Employee’s Association (“Association”), having met and conferred in good faith regarding wages and conditions of employment. All designated representatives have exchanged freely; information, opinions and proposals and have endeavored to reach agreement on matters relating to wages and benefits.

2. **TERM OF AGREEMENT**

Unless other specified herein, the provisions of this MOU shall be effective the first day of the first payroll period after ratification and approval and shall remain in effect until June 30, 2027. Any subsequent amendments or side letters of agreement shall be made with the consent of the Parties and the amendment or side letter and signature page shall be attached to the original MOU and incorporated herein.

Should agreement not be reached by the effective end date of this MOU, this MOU shall be automatically extended and continue in effect until a new MOU can be negotiated and executed.

3. **DEFINITION OF CITY**

The City Council or the person or persons duly authorized by the City Council as the representative of the City of Angels, shall hereinafter be referred to as “City”.

4. **BARGAINING UNIT**

This MOU shall be applicable to full-time exempt management employees in the classifications listed in Exhibit A. The terms “employee,” “bargaining unit employee,” “exempt management employees” and “members of this unit” may be used interchangeably herein to mean all workers covered by this MOU.

5. **USE OF CITY FACILITIES**

The Association shall be allowed to use bulletin boards for communications having to do with official Association business, such as times and places of meeting, etc.

6. **NO DISCRIMINATION**

The City and Association agree that there shall be no unlawful discrimination against, and/or harassment of employees or job applicants with respect to any terms or conditions of employment on the basis of actual or perceived: race, color, national origin, ancestry, sex (including pregnancy, childbirth, related medical conditions, or breastfeeding), gender, gender identity, gender expression, sexual orientation, age (40 or over), religion (including religious dress and grooming practices), physical or mental disability, medical condition, pregnancy, marital status, citizenship status, military or veteran status, genetic information or characteristics, or any other basis protected by applicable federal, state, or local law.

7. **ATTENDANCE AT MEETINGS BY EMPLOYEES**

When requested by the City, persons who are representatives of the association shall be given reasonable time off with pay to attend meetings with City representatives. The use of official time for this purpose shall be reasonable and shall not interfere with the performance of City services as determined by the City.

8. **AT-WILL EMPLOYMENT STATUS/TERMS OF EMPLOYMENT**

Members of this bargaining unit are appointed to their positions and serve at the pleasure of the City Council and City Administrator, thus bargaining unit employees are at-will employees and either the City or the employee may terminate the employment relationship at any time with or without notice. As appointed at-will management employees, bargaining unit members have no property right in their jobs and are not entitled to due process for any adverse employment action under the City's Personnel Policy Rules and Regulations or any other City policy or procedure, unless such process is required by law, set forth in this MOU, or an applicable individual employment agreement.

The City Administrator may negotiate employment terms with members of the bargaining unit including but not limited to the appropriate pay step into which to hire new staff (from within the City Salary Table) and to enter into individual employment agreements for such bargaining unit positions on the City's behalf; provided that any such employment agreement terms which conflict with the specified benefits provided under this MOU must be approved by the City Council.

The City's Personnel Policy Rules and Regulations, as may be amended from time to time after meeting and conferring with the Association, shall apply to employees covered by this MOU, to the extent that they are not in conflict with any provision of this MOU or any applicable individual employment agreement.

9. **SALARIES**

Salary ranges for exempt management employee classifications shall be set forth in Exhibit A. The rates of pay set forth do not include reimbursement for actual and necessary expenses authorized and incurred incident to City employment. Salary increases shall be retroactive to the first day of the first pay period following July 1, 2024.

Beginning the first day of the first pay period following July 1, 2025, each bargaining unit employee shall receive a cost of living increase in the amount of three percent (3%) of the employee's base hourly rate of pay as set forth in Attachment A ("COLA"). Employees shall receive a second three percent (3%) COLA the first pay period following July 1, 2026.

10. **CONVERSION OF SALARIES**

Any monthly, daily or hourly rate of pay may be converted into any equivalent rate of pay or to such other time basis when, in the judgment of the City, such conversion is advisable. In determining equivalent amounts of different time bases, the City shall provide tables or regulations to the person involved for the calculation of payment and for use in converting monthly salaries to hourly rates, as well as for calculating hourly rates.

11. **SALARY INCREASES / PERFORMANCE REVIEWS**

Each employee shall be considered for salary step increases annually in according to the employee's anniversary date, or revised salary anniversary date. Salary step increases are based on merit and are contingent on the recommendation of the City Administrator. If awarded, step increases will be paid the next complete pay cycle following the anniversary date. Should the City Administrator determine that an employee has not achieved the level of performance required for a salary increase, the City Administrator shall provide notice to the employee explaining the specific reason(s) why a salary increase is to be withheld.

Changes in an employee's salary because of promotion, demotion or postponement of salary step increases due to marginal performance will set a revised salary anniversary date for that employee. However, salary range adjustments for a classification will not set a revised salary anniversary date.

Documentary records and/or performance reviews must be maintained and discussed with the employee at least once every year, and more often if considered desirable by the City.

12. **PAYMENT OF SALARIES AND WAGES**

BIWEEKLY PAY PERIODS... all City employees will be paid on a biweekly basis. This will be a total of 26 paychecks per year which will be issued every other Friday.

13. **SEVERANCE PAY**

Final payroll checks issued as a result of resignation or layoff from City employment will be paid no later than the next regularly scheduled payday. If terminated for cause, accrued wages shall be paid no later than the next regular working day.

14. **MANAGEMENT LEAVE**

Exempt management employees shall receive fifteen (15) eight hour administrative days. Employees should not take Management leave until after the completion of six (6) months of their probation. Management leave cannot be carried over from year to year and is not paid out on termination. Exempt management employees may cash out 60 hours of Management leave per fiscal year based on:

- a. Approval/discretion of City Administrator
- b. Maximum of 80 hours per fiscal year
- c. Employee must have sufficient hours accrued for cash out
- d. Cash value equals employee's hourly rate times Management Leave
- e. Cash-out shall be administered in accordance with the IRS regulations (Regs. Sec. 1.451-2(a)) and rules related to PTO cash-out programs.

15. **HOLIDAYS**

All regular full time employees shall be entitled to fourteen (14) annual holidays off, on full pay. Authorized holidays are as follows:

- | | | |
|----|-----------------------|--------------------------------|
| 1. | New Year's Day | January 1 |
| 2. | Martin Luther King | 3rd Monday in Jan. |
| 3. | Washington's Birthday | 3 rd Monday in Feb. |

4.	Memorial Day	Last Mon. in May
5.	Independence Day	July 4
6.	Labor Day	1 st Mon. in Sep.
7.	Columbus Day	2 nd Mon. in Oct.
8.	Veterans Day	November 11
9.	Thanksgiving Day	November, as designated
10.	Day after Thanksgiving	November, as designated
11.	Christmas Eve	December 24
12.	Christmas Day	December 25
13.	Floating Day **	**In lieu of Election Day
14.	Juneteenth	June 19

Any additional holidays recognized by the Federal Government shall be an additional holiday and not substituted for any existing holiday.

When a holiday falls on a Saturday, the preceding Friday shall be recognized as a holiday. When a holiday falls on a Sunday, it shall be recognized the following Monday. If a holiday falls within an employee's vacation leave, that day shall be deemed a holiday and not a vacation day.

16. **VACATION ALLOWANCE**

Bargaining unit employees shall be entitled to annual vacation leave, with pay, according to the number of continuous full calendar years of full time employment, based on the following scale:

1 through 5 full calendar years	10 working days/year
6 through 10 full calendar years	15 working days/year

After 11 years of continuous full time service, one additional paid vacation day is added each year until a maximum of 20 working days is reached at the end of 15 years:

11 years	16 working days
12 years	17 working days
13 years	18 working days
14 years	19 working days
15 years	20 working days

Vacation time is accrued from first full month of employment but should not be taken until after passage of 6 months. Employees should request to schedule vacation days as far in advance as possible. Vacations will be scheduled so as to provide adequate coverage of jobs and staff requirements. Vacation does not accrue during unpaid leaves of absence or other periods of inactive service.

Vacation accrues to and will be capped at a maximum of 150% of the employee's annual accrual. Once that maximum amount is reached, no further vacation will accrue until some vacation time is used to reduce the employee's balance below the maximum annual accrual. Employees are responsible to keep track of accrued vacation time. For employees hired prior to January 1, 2006, the City will pay out accrued vacation in excess of the cap over the term of this Agreement. The timing and amount of such

payments will be in accord with the City's business needs, as determined by the City Administrator. If the employee's accrual is not reduced below the applicable cap within the applicable time period, the employee will cease to accrue additional vacation until such time as their accrued vacation time falls below the maximum cap.

The City may, in its discretion, schedule vacation time for employees in accord with its business needs, or to buy back unused accrued vacation time in December at the end of each calendar year during the period this MOU is in effect. Additionally, employees may request to cash out up to forty (40) hours of accrued vacation time each calendar year. Such requests will be granted provided, in the City Administrator's sole discretion, City's business needs and financial abilities allow. Vacation cash-out shall be administered in accordance with the IRS regulations (Regs. Sec. 1.451-2(a)) and rules related to vacation cash-out programs. It is the intent of the City that employees use allotted vacation time for its intended purpose. In lieu pay cannot be substituted for taking vacation time.

17. **SICK LEAVE**

Employees with accumulated sick leave may be granted sick leave for the following:

- a. Preventative care, illness or physical incapacity of the employee;
- b. Enforcement quarantine of the employee in accordance with community health regulations;
- c. Illness or injury in the immediate family will be granted in accordance with the Family Medical Leave Act;
- d. Medical, vision and dental office appointments which cannot be scheduled at other than work hours;
- e. Diagnosis, care or treatment of a medical condition or preventative treatment for an employee's family member in accordance with the California Paid Sick Leave laws;
- f. To obtain relief or services related to bring a victim of domestic violence, sexual assault or stalking in accordance with California Paid Sick Leave laws.

All bargaining unit employees shall be granted eight (8) hours of accrued sick leave for each full month of service.

Employees may be required to file a physician's certificate with the City Administrator stating the cause of the absence exceeding three days.

Accrual of sick leave begins on the first day of the first full month of employment.

Unused sick leave shall be accumulated from year to year. Sick leave may be accrued to a maximum of 720 hours.

Employees may use ½ of their accrued sick leave to attend to illnesses in the immediate family in accordance with the California Kin Care laws.

Unused sick leave will not be cashed out.

Upon retirement, unused sick leave may be credited as service time as provided in the City's contract with PERS.

18. **BEREAVEMENT**

Bereavement leave shall be administered in accordance with California law, except as set forth in this Section. Bereavement leave may be used by employees who have been employed for at least 30 days when they are required to be absent from work because of a death in their immediate family, not to exceed five (5) work days per incident. Immediate family is defined as an employee's spouse, child, parent, sibling, grandparent, grandchild, domestic partner, or parent-in-law, as those terms are defined under the California Family Rights Act.

Three (3) workdays will be paid. Should the employee take the additional two (2) days, the employee will be required to use accrued leave bank(s) or take the time off without pay. Bereavement leave must be used within three months of the family member's death.

The employee must provide documentation of death within 30 days of the first day of your bereavement leave. This documentation may be in the form of a death certificate, obituary, or written verification of death, burial, or memorial service from a mortuary, funeral home, burial society, crematorium, religious institution, or government agency. Additional consideration may be given in special cases as determined by the City Administrator.

19. **LEAVES OF ABSENCES**

Leaves of absence will be administered in accordance with state and federal law and City policies as set forth in the Personnel Policy Rules and Regulations, as may be amended from time to time. The City complies with California and federal law governing family and medical leaves. The provisions of this section shall be applied in conformity with the California Family Rights Act and the Federal Family Medical Leave Act.

A regular employee may request a leave of absence "without pay" up to a maximum of one year for the following reasons:

- a. Prolonged illness
- b. To attend school or college or to enter training to improve the quality of his/her service.
- c. Jury /Witness Duty. In such cases, the employee shall be paid his/her regular salary and jury/witness fees that the employee may receive from the Court shall be remitted to the City, except pay for travel and meals.
- d. Military leave will be granted in accordance with the State and Federal law.
- e. An employee who is absent from duty for any reason shall report the reason thereof to his/her supervisor or the City Administrator immediately on the day of absence, unless prevented from doing so.
- f. All unauthorized and unreported absences shall be considered as absence without leave a deduction of pay may be made for each period of such absence in accordance with the provisions of the FLSA, and any applicable state or local law. Voluntary absence without leave for five (5) consecutive days shall be considered as an automatic resignation from City service.

20. **BREAK IN SERVICE**

Any employee who is re-employed after being terminating voluntarily or being discharged by the City shall be deemed to have experienced a break in service. Thus, for purposes of computing leave accruals, benefits and any additional compensation such as longevity pay, the employee's length of employment shall then be measured from the date of his/her most recent appointment.

21. **ADDITIONAL BENEFITS**

A. MEDICAL/DENTAL/VISION INSURANCE

Medical care and prescription drug benefits shall be provided to City employees pursuant to the California Public Employees Retirement System (PERS) Public Employee Medical and Hospital Care Act (PEMHCA).

For all eligible active and retired employees enrolled in a CalPERS PEMHCA Medical Plan, the City shall contribute the required Minimum Employer Contribution (MEC) plus any adjustment by the PERS Board to reflect any change in the medical care component of the Consumer Price Index, rounded to the nearest dollar.

Each year the PERS PEMHCA MEC amount shall be adjusted by the PERS Board to reflect any change in the medical care component of the Consumer Price Index, rounded to the nearest dollar. The City will pay the required adjusted amount.

The City shall also maintain a dental and vision plan available to eligible employees.

CITY CONTRIBUTION

In the first year of the MOU, the City shall contribute up to the amount of Two Thousand Five Hundred and 00/100 Dollars (\$2,500.00) per month for each employee toward the combined premiums for medical, dental, and vision coverage for each employee and employee's dependents, if any; in the second year of the MOU, the City's contribution shall increase to Two Thousand Six Hundred Fifty and 00/100 Dollars (\$2,650.00) per month; in the third year of the MOU, the City's the contribution shall increase to Two Thousand Eight Hundred and 00/100 Dollars (\$2,800.00) per month.

Employees may allocate the City's contribution to any combination of medical, dental or vision coverage during open enrollment or pursuant to a special event as defined by the health care plan. The City's contributions shall not exceed the actual amount of the premiums. The employee shall be responsible for the balance of the premiums, if any, which is due to maintain coverage.

Alternative Insurance: Employees with proof of alternate insurance may opt out of all available City health insurance coverage and, in lieu, receive a cash payment of Three Hundred Fifty dollars (\$350.00) per month. In no event will employees who waive all coverage receive more than fifty percent (50%) of the City's required contributions per this MOU as salary.

PLAN YEAR

The new plan year is effective January 1, 2024. The City’s contributions and employee deductions, if any, shall commence in December 2024, and shall be made over the course of twenty-four (24) pay periods. Increases in the City’s contributions to premiums in years two and three of this MOU will be made in accordance with each new plan year.

B. LIFE INSURANCE/LONG TERM DISABILITY/OTHER INSURANCE

Life Insurance benefits will be provided through a City sponsored group term life insurance program administered. The City will contribute the full cost for employee only coverage as follows: group term life insurance coverage of \$15,000 natural death; \$30,000 accidental death for employee only. Employees are responsible for the payment of any costs in excess of the maximum City contribution.

The City will provide Long-Term Disability insurance coverage equal to sixty-six and two-thirds percent (66.6%) salary per month subject to the maximum monthly benefit as described by the plan with a maximum ninety (90) calendar days wait period

The City shall pay 100% of the Worker’s Compensation Insurance Premium.

The City shall pay 50% of the Social Security retirement benefit.

The City shall pay 100% of the unemployment insurance premium.

C. RETIREE HEALTH

Eligibility: Employees hired before the effective date of this MOU shall be eligible for the Retiree Health Benefit based upon the following:

<u>Hire Date</u>	<u>Required Years Service Completed</u>
Before July 1, 2009	5 Years
On or After July 1, 2009	10 years

1. Employer Subsidy of Retiree Health Premiums: Employees who retire while meeting eligibility as set forth in this section, shall receive an employer subsidy of 50% of the premium of the lowest cost CalPERS plan premium for employee only, minus the PEMCHA MEC amount in Section 18 A, as adjusted annually, until they reach the age of eligibility for Medicare.
2. After attaining the age of Medicare eligibility, the retiree shall receive an employer subsidy of 50% of the premium of the lowest cost CalPERS Medicare plan for employee only, minus the PEMCHA MEC amount in Section 18.A, as adjusted annually.
3. A retiree’s subsidy level shall be set by the Memorandum of Understanding in effect at the time of the employee’s retirement from the City.

4. Nothing in this provision shall serve to reduce or change retiree health benefits that have commenced and are being received by any former employee as of the effective date of this MOU, pursuant to this MOU or any predecessor agreement,

Upon retirement, should the employee elect not to participate in the retiree medical benefit plan, the CITY's contribution will be zero and it will be an irrevocable election

D. Public Employees Retirement System (P.E.R.S.)

Public Safety employees hired before January 1, 2013 participate in the PERS 3% @ 50 full and modified formula for active local public safety employees. Participation requires a payment of 9% of employee's gross annual salary on a pretax basis for the 3% @ 50 benefit.

Pursuant to the Public Employees' Pension Reform Act (PEPRA), any local agency public safety employee hired on or after January 1, 2013 who is a "new member" as defined by PEPRA shall participate in the PERS 2.7% @ 57 full and modified formula for active local public safety employees. Participation requires employees to contribute one-half ($\frac{1}{2}$) of the "normal cost" of the benefit, rounded to the nearest $\frac{1}{4}$ of 1% or the current contribution rate of similarly situated employees, whichever is greater. Employee contributions will be paid on a pre-tax basis.

Local miscellaneous employees hired before January 1, 2013 participate in the PERS 2.7% at 55 full and modified formula for active local miscellaneous members. Participation requires a payment of 8% of the employee's gross salary for the 2.7@55 benefit. Effective July 1, 2013, employees will pay the required 8% on a pre-tax basis.

Pursuant to the Public Employees' Pension Reform Act (PEPRA), any employee hired on or after January 1, 2013 who is a "new member" as defined by PEPRA shall participate in the PERS 2% at 62 full and modified formula for active local miscellaneous members. Participation requires employees to contribute one-half ($\frac{1}{2}$) of the "normal cost" of the benefit, rounded to the nearest $\frac{1}{4}$ of 1% or the current contribution rate of similarly situated employees, whichever is greater. Employee contributions will be paid on a pre-tax basis.

22. **LONGEVITY**

Employees are eligible for additional compensation for longevity based on years of continuous full time employment with the City. Longevity pay shall be added to the base hourly rate in 2.5% increments as follows:

- 2.5% at 5 years of continuous service
- 2.5% at 10 continuous years of service (5% total)
- 2.5% at 15 years of continuous service (7.5% total)

- 2.5% at 20 years of service (10% total)
- 2.5% at 25 years of service (12.5% total, the maximum level of longevity pay regardless of years of service beyond 25)

23. **TUITION REIMBURSEMENT**

City shall reimburse employee’s expenses for tuition, books and materials upon the demonstration of the satisfactory completion of the course for approved courses relating to their perspective jobs.

24. **CELL PHONE ALLOWANCE**

Bargaining unit employees will receive a monthly cell phone allowance in the amount of \$40.00.

25. **SALARIES & SALARY SCHEDULES**

See Exhibit A attached.

The term of this agreement is for three (3) years beginning July 1, 2024 and ending June 30, 2027.

CITY OF ANGELS

EXEMPT EMPLOYEE ASSOCIATION

Mayor Date

Employee Representative Date

Employee Representative Date