

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF GRASS VALLEY CITY COUNCIL
AND
MANAGEMENT/SUPERVISORY PROFESSIONAL & CONFIDENTIAL EMPLOYEES
IN UNIT #1

January 1, 2026 – December 31, 2026

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APPROVED BY CITY OF GRASS VALLEY CITY COUNCIL FOR AND ON BEHALF OF THE
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AGREEMENT DESCRIBING SALARIES, BENEFITS AND WORKING CONDITIONS
APPROVED BY CITY OF GRASS VALLEY CITY COUNCIL FOR AND ON BEHALF
OF THE EMPLOYMENT CLASSIFICATIONS IN THE CITY'S UNIT #1
MANAGEMENT/SUPERVISORY PROFESSIONAL & CONFIDENTIAL

PREAMBLE

This Memorandum of Understanding, hereinafter referred to as "MOU" or "Agreement", describes salaries, benefits and working conditions approved by the City of Grass Valley, hereinafter referred to as the "City", for employees in City Unit # 1 - Management/Supervisory Professional & Confidential, hereinafter referred to as "Employees".

The parties to this Memorandum of Understanding have met and conferred in good faith on matters within the scope of representation pursuant to Section 3500 et seq. of the California Government Code and the City of Grass Valley's Employer-Employee Relations Resolution (No 93-40).

ARTICLE 1- RECOGNITION

The City recognizes the employees who collectively are referred to as "Management/Supervisory, Professional and Confidential Employee Unit # 1" (Unit 1) as the sole and exclusive representatives for those employees. During the term of this Agreement, the City agrees not to meet and confer with any other organization on matters upon which the Employees is the exclusive representative and which is within its scope of representation.

The Meyers-Milias-Brown Act (MMBA) does not define either "confidential" or "management" employee, and Government Code section 3507.5 authorizes each local agency to adopt procedures for determining which of its employees will be designated confidential or managerial. The MMBA, however, does not exclude management and confidential employees from the definition of employees entitled to the organizational and representation rights of the Act. This MOU defines a "Confidential Employee" as "an employee who, in the course of his or her duties, has access to information relating to the City's administration of employer-employee relations. It defines "Management/Supervisory Professional Employee" as "an employee having responsibility for formulating, administering, or managing the implementation of City policies or programs." While employees designated as "confidential" employees may be represented by the Group, the parties acknowledge and agree that such designated employees may not represent the Group or the management employee unit, participate in the bargaining process, or share any confidential information in connection with labor relations that would undermine the respective roles of each party in the bargaining process.

It is acknowledged and agreed that the following management positions are expressly excluded from the management employee unit and from representation by the Group and from coverage under this MOU: All elected officials, the City Manager, the City Clerk, and all other At-Will employees.

It is acknowledged and agreed that the management positions listed in Appendix A are expressly covered by this MOU. Any and all future management positions below the level of Director created during the term of this MOU shall be added to the list below and considered part of the Management Bargaining Unit represented by the Unit.

ARTICLE 2- SUPPORT OF AGREEMENT AND MEET AND CONFER PROCESS

The employees agree that they shall utilize the regular meet and confer process and endeavor to reach agreement on wages, hours and conditions of employment only through that process. The City agrees to utilize the meet and consult process exclusively in a good faith attempt to reach consensus regarding wages, hours and conditions of employment. Unit representatives agree to pursue the "Open Door" policy of the City to resolve disputes that might arise concerning the interpretation or application of this Agreement. During the term of this MOU the parties agree, should the meet and confer process not be successful in addressing matters under this agreement, the parties will use the dispute resolution process as provided herein or within the Civil Service rules as a means of adjudicating disputes between them.

ARTICLE 3- EMPLOYEE ASSOCIATION RIGHTS

A. Unit #1 Member Meetings

Unit Members may meet as necessary during non-work time. The Unit members are responsible to ensure meeting spaces are properly secured and clean. Other reasonable times that impact work hours as provided herein may be authorized with the approval of the Human Resources Manager and notice to Department Heads to approve any release time for such meetings, which will not be unreasonably denied.

B. Bulletin Boards

The Unit may use bulletin boards designated for its use in appropriate places. All items to be posted shall be officially authorized by Unit #1 representative, and will include the date of posting and the date of removal.

C. Use of Facilities

The Human Resources Manager or Department Head upon request may permit Unit 1 members to use designated facilities, depending upon availability of space, for meeting purposes at no charge. No request for use of City facilities shall be unreasonably denied. City use of any facility will have priority over Unit use and may require the Unit to reschedule or relocate meetings.

D. List of Designated Representatives

Unit 1 will file with the Human Resources Manager **as needed** an updated list of Unit's Designated Representatives.

E. Regular Employees

Regular part time employees who are employed in a Unit #1 designated classification for a period of not less than thirty two (32) hours per week on a regular basis throughout the fiscal year or work at least 1660 hours per year in a Unit designated classification shall become covered under this MOU.

F. Re-opening of the MOU

If the Unit #1 members are eligible to join a labor group for the benefit of health care savings or are able to find savings in their health care by other means, the City will re-open this MOU for negotiations.

ARTICLE 4- MANAGEMENT RIGHTS AND RESPONSIBILITIES

Procedural Prerogatives - it is understood that the City retains the procedural prerogative to initiate or to refrain from initiating actions that may affect unit members' wages, hours and conditions of employment and that such actions, once initiated by the City are subject only to the express procedural limitations that may be set forth in the MOU, Civil Service Rules, Charter or other law. Such matters include, but are not limited to, the procedural rights to contract out work not performed by active unit members, to transfer, lay off, terminate or otherwise discipline Employees, to reasonably accommodate qualified disabled persons/employees, to make technological improvements, and to take necessary action to implement the terms and conditions of the Memorandum of Understanding.

Unit 1 recognizes and agrees that the City, on its own behalf and on behalf of the electors of the City, retains and reserves unto itself, limited only by the articles of this Agreement, all powers, rights, authority, duties and responsibilities conferred upon, and vested in it, expressed or implied, by the laws and the Constitution of the State of California and of the United States and the provisions of the City Charter.

Unit 1 recognizes and agrees that the exercise of the foregoing powers, rights, authority, duties and responsibilities of the City, the adoption of policies, rules, regulations, and practices in furtherance thereof, and the use of judgment and discretion in connection therewith shall be limited only by the specific and express terms of this Agreement.

Unit 1 recognizes and agrees that the City's powers, rights, authority, duties and responsibilities include, but without limiting the generality of the foregoing, the exclusive right to manage, plan, organize, staff, direct and control; to determine levels of service; to establish and change standards; to determine solely the extent to which the facilities of any department thereof shall be operated, and the outside purchases of products or services; the right to introduce new or improved methods and facilities and to otherwise take any action desired to run the entire operation efficiently, except as modified by this Agreement.

It is understood and agreed that the specific provisions contained in this Agreement shall prevail over City practices and procedures and over State Laws, and City Charter to the extent permitted by State Law, and that in the absence of specific provisions in this Agreement, such practices and procedures are discretionary with the City. Nothing contained in this Agreement shall be interpreted as to imply or permit the invocation of past practice, or tradition, or accumulation of any employee rights or privileges other than those expressly stated herein. If a conflict arises between this Agreement and a City Charter provision or resolution incorporated herein, the City's Charter provisions or resolution shall prevail.

ARTICLE 5- HOURS OF WORK AND BASIS OF COMPENSATION

A. Hours of Employment

The Hours of employment and legal holidays to be observed shall be with due regard for the convenience of the public. Employees in this Unit who are defined as exempt status employees are expected to work whatever number of hours is necessary beyond normal workdays, periods, or weeks without additional compensation to accomplish their duties and responsibilities. Leave time for exempt employees will be accounted for in full day increments. Non-exempt employees will account for time on an hourly (actual time) basis.

B. Pay Periods

The "pay period" shall be fourteen (14) calendar days from Sunday (starting at midnight Saturday) to midnight of the second Saturday thereafter, and refers to the period for computing compensation

due for all normal working days during that period. Payroll checks will be available the ensuing Friday by noon following the end of the pay period. Direct deposit pay checks will have funding available on the morning of the Friday payroll date, pending release by the employee's bank, on the Friday payroll date.

C. Work Periods

1. The normal work period shall be eighty (80) hours within each pay period for each full time employee unless established otherwise for any classification by the City Council. The work period shall coincide with the established two (2) week period (consisting of fourteen (14) days or two (2) weeks) from Saturday midnight to the second (2nd) following Saturday at midnight.
2. The normal workday generally means a day on which an employee works eight (8) hours or such other number of hours when authorized by the Department Head. Nothing in this section shall prohibit the establishment of alternative work schedules, as long as said schedules are not established for the sole intent of avoiding overtime, but may be used to manage workloads and work efficiency.
3. The City will work with representatives of Unit# 1 to establish and implement alternative work schedules. The schedules will be implemented to enhance productivity and coordination of work efforts. The normal work week designation may be modified as necessary to implement new work schedules. Alternative work schedules may be terminated by the city with a two week notice to employees. The granting or elimination of alternative work schedules is not grievable.

D. Lunch and Rest Periods

1. Non-exempt employees are provided with an uninterrupted lunch period of one (1) hour or half hour, for each eight (8) hours of work, or alternative work schedule.
2. Non-exempt employees are provided one paid fifteen (15) minute rest period for each four (4) hours of work. During rest periods, employees are considered to be under the direction and supervision of the City. Lunch and rest periods will not be taken within one (1) hour of an employee's start or end time.
3. Rest breaks will normally be taken at the assigned worksite. Employees may, with the supervisor's permission, leave the area as necessary to take care of their personal needs. Employees may be required to use the closest reasonably accessible facility for that purpose.
4. Exempt employees are required to work the necessary hours to accomplish required duties and responsibilities. Use of time is to be coordinated with their supervisor.

E. Calculation of Compensation

Compensation is based on the hourly rates and pay schedule set forth in Appendix A. Adjustments in hourly rates are rounded up to the next penny, but may not exceed the top of any pay range. Pay is based on 2,080 hours per year and twenty-six (26) equal pay periods.

ARTICLE 6- SALARY

A. Salary Schedule

1. Salaries shall remain as set forth in the Unit's salary schedules, attached hereto as Appendix A of this MOU.
2. Notwithstanding Article 5, exempt employees are paid on a fixed salary and are not compensated on an hourly basis. As needed, they may be required to report their hours for

purposes of charging appropriate budgets, grants, etc., for project or program time, or for assessing staff patterns.

B. Salary Increases

~~2.1.~~ Upon City Council approval of MOU all employees will be compensated a 2.0% Salary increase retroactively to January 1st, 2026.

B.C. Rules for Use of Salary Schedule

1. Each job has an applicable salary range as identified in Appendix A. All new appointments will generally enter the probationary period at the minimum salary of the applicable range. The City Manager may, upon request of the Department Head, authorize entry at any point in the salary range to compensate for education and experience. Employee shall serve a six month probationary period during which time it may be extended an additional six months by the Department Head.
2. Each Employee will receive an annual performance evaluation based on performance objectives including initiative, job knowledge, teamwork, stewardship, ethics, customer service, leadership and, when appropriate, human resources management, process improvement and organizational development. Based upon performance, employees may be granted salary increases of 1 to 5% effective the anniversary date of appointment and up to the maximum salary range for their current job classification.
3. One Time performance bonuses may be granted to employees who have displayed outstanding performance on a project or other significant work effort. The City Manager, upon recommendation of a Department Head, may grant a performance bonus of up to 10% of an employee's annual base salary, subject to required deductions and taxes. Performance bonuses will generally be awarded as part of the annual performance evaluation process but may be considered at other times upon approval by the City Manager.
4. An employee promoted from their existing position to another with the City, outside of Unit 1 shall move to the closest salary step in the new class that gives a minimum of a five (5%) percent increase, as recommended by the Department Head to the City Manager. If the promotion is to a position within Unit 1 the employee will receive a five (5%) percent increase, but such increase will not exceed the top of the salary range.
5. Transfer- an Employee transferred from one department to another in the same classification will continue to receive the same salary and will have no change in their anniversary date.
6. Out of Class- Special Project Pay- Employees meeting this temporary classification will be paid a five percent (5%) pay differential for the hours assigned. The assignment of such pay shall not be used as a device for circumventing advancement to a higher paying civil service classification.
 - I. Department Head must appoint employee to an "Acting" status or a "Special Project".
 - II. An employee will be appointed when it is necessary to maintain proper and efficient departmental operations.
 - III. Department Head must review the need to continue the Special Project assignment every ninety (90) days.

C.D. Other Considerations

1. **Assigned Vehicles-** Employees may be assigned a City vehicle to perform their work when authorized by the City Manager. Use of such vehicle is a privilege and not a right and may be revoked at any time by the City Manager or designated Department Head. The nominal personal use of a City vehicle as a commute vehicle is allowed.

2. **Incentive Pay for Utilities Superintendent/ Chief Treatment Plant Operator and Assistant Chief Treatment Plant Operator-** The positions are eligible for license incentive pay in the amount of 5% for having a license at least one grade above the minimum requirements for water and 5% for having a license at least one grade above the minimum requirements for wastewater. Maximum incentive for water and wastewater licenses is 10%. Employees receiving water and wastewater certificate pay will use the certification to meet the needs of the City as required.
3. **Cell Phone Reimbursement –** Job duties that require the use of a cell phone and/or data service (PDA) and the request allowance is appropriate for the lever of business related requirements. Based on the defined business need and eligibility per City Policy 500.12, an employee, shall be eligible for an allowance of \$45.00 for a voice/text/data plan with a Cellphone/Personal Digital Assistant (PDA) requirement per month. In no event may the allowance exceed the contract price. It is expected that the allowance will not cover the full cost of the cellular service contract and not be subject to payroll taxes, but the parties agree to comply with applicable tax laws.

D.E. Educational Incentive

The City shall offer an academic percent educational incentive program with a maximum cumulative ceiling of seven and one-half (7-1/2%) percent of base salary. Only certificates and degrees granted by accredited institutions, which are above the minimum educational requirement of the employee's position, which enhance the employee's abilities and contributions, will be considered. College units obtained to qualify for an incentive cannot be compounded to qualify for an additional incentive. For example, units used to obtain an A.A. and then utilized to obtain a B.A. cannot yield incentives for both degrees.

The eligible degrees, certificates and corresponding incentives are as follows:

Certificate/ Degree	% of Base Salary
Certificate with a minimum of 30 semester Units	2.5 % (max 2.5%)
Associates of Arts	2.5%
Bachelor of Arts or (Not cumulative with AA or AS	5.0%
Bachelor of Science	5.0%
Master of Arts or Master of Science	2.5%

E.F. Professional Licenses

The City will provide employees required training/educational opportunity and associated funding to maintain required licenses or certificates including renewal fees.

F.G. Longevity Pay

Effective June 25th, 2023 the City shall pay two and one-half percent (2.5%) of base rate for longevity pay upon completion of ten (10) years of continuous service.

ARTICLE 7- LEAVE

A. Absence from Duty

1. The absence of an employee from duty shall be reported to the Department Head. The reason for absence shall be stated and, if unauthorized, it shall be reported as absence without leave. The return of an employee to duty shall likewise be reported.

2. Absence from duty without leave for five (5) consecutive days shall be deemed a constructive resignation from City employment.

B. Personal Leave

1. The purpose of Personal Leave is to provide Employees the ability to accrue time for vacation, sick leave, and personal leave situations.
2. Employees shall accrue Personal Leave hours at a rate of no less than 256 hours and no more than 328 hours per year based on years of service as set forth below. One twenty-sixth (1/26) of such Personal Leave amount shall accrue each pay period.
3. No Employee may carry a balance of more than 520 hours of Personal Leave. Employees who have accumulated 520 hours of Personal Leave will accrue no further usable Personal Leave until they have used Personal Leave in an amount sufficient to bring their accumulated Personal Leave balance below 520 hours. Notwithstanding the preceding sentence, Employees who have accumulated 520 hours of Personal Leave will accumulate sick leave at the same rate as Personal Leave. Sick leave accumulated pursuant to this paragraph shall be automatically placed in a banked leave account to be used as sick leave (only after all other leave banks have been depleted) in accordance with the City's personnel rules, or to be converted to PERS service credit upon retirement from the City in accordance with CalPERS regulations. Employees shall not be paid out upon separation from service for any sick leave banked under this paragraph.
4. Employees may convert up to 120 hours of accrued Personal Leave to salary compensation once each year. Personal Leave conversion must be submitted by December 20th of each year pursuant to the following:
 - I. Employees utilizing this provision will be required to submit an irrevocable election form by December 31st of the calendar year prior to the calendar year in which the Personal Leave hours to be cashed out are earned.
 - II. Employees that have submitted an irrevocable election form may submit a Personal Leave cash out request form at any time during the calendar year in which the Personal Leave hours are earned.
 - III. The actual payment of the requested hours cannot occur until the hours to be cashed out for that calendar year have accrued. Cash-outs for hours accrued in prior years are not allowed.
 - IV. Employees that submitted an irrevocable election form in the prior year but did not submit a cash out request shall receive their Personal Leave cash out in the last paycheck of the calendar year in which the Personal Leave hours are earned.
5. Employees who become subject to this Plan on or after July 1, 2020 must convert all accumulated Vacation Leave and Sick Leave to "Personal Leave". Those hours of Sick Leave or Vacation Leave combined in excess of 520 hours will be placed in a Sick Leave and Vacation Leave bank account to be utilized by the Employee or paid out upon separation from service as set forth herein and converted to banked PERS service credit in accordance with CalPERS regulations. Upon separation from service, the City shall pay employee a one-time lump sum calculated on Fifty (50%) Percent of the employee's banked unused Sick Leave and one hundred (100%) percent of the employee's banked Vacation Leave and Personal Leave accrual balance. (For example, if an employee is compensated for 450 hours of banked Sick Leave, a maximum of 50%, or 225 hours would be included in the one-time lump sum payout and the uncompensated 225 hours would be converted to PERS service credit in accordance with CalPERS regulations.)

5-6. After 2 years of City service, credit for prior public service shall be included for the purposes of calculating personal accrual. Maximum accrual under this provision shall not exceed 10 years of total service credit. The employee shall be responsible for providing verification of prior service.

6-7. Employees will accrue Personal Leave time at the following rates:

- 1 to 2 years of city service = 256 hours
- 2 plus years to 5 years = 272 hours (10.46 hours biweekly)
- 5 plus years to 10 years = 296 hours (11.38 hours biweekly)
- 10 plus years to 20 years = 316 hours (12.15 hours biweekly)
- 20 plus years = 328 hours (12.62 hours biweekly)

C. Extended Medical Leave

Those employees who have been granted an approved extended medical leave shall not be required to provide weekly verification of their medical condition. The City reserves the right to require such verification as the Department Head or Human Resource Office has reason to believe is appropriate. Failure of an employee to supply the requested verification of medical condition is sufficient cause for termination of the extended medical leave. In the event that an employee faces termination for the sole reason of exhaustion of leave, the City shall meet with the employee to endeavor to reach agreement on alternatives, such as disability retirement, etc.

D. Bereavement Leave

Employees may be granted a leave of absence with pay not to exceed a total of forty (40) hours per fiscal year, non-cumulative, for purposes of attending funeral services, making related arrangements for the family, or travel to and from the location of services on account of the death of any member of his/her immediate family. Member of the immediate family means the mother, father, grandmother, grandfather, or a grandchild of the employee or of the spouse of the employee, and the spouse, son, son-in-law, daughter, daughter-in-law, brother or sister of the employee, step-parents and father and mother-in laws or any relative living in the immediate household of the employee. It shall be the responsibility of the Department Head to account for such leaves. Leaves of more than forty (40) hours, if approved, shall be charged first against sick leave and then to other accrued leaves if no sick leave is available.

E. Holidays

1. Holidays shall mean those days or hours designated as such by or pursuant to this Agreement, City Ordinance or Resolution. Holiday time is time off from the normal work period. The Holiday will be the day as observed by the City. The value of a Holiday is 8 hours. Total Holiday hours equal 88 hours.

Recognized holidays shall include:

- | | |
|-----------------|----------------------------|
| New Year's Day | Martin Luther King Day |
| President's Day | Veterans Day |
| Memorial Day | Thanksgiving Day |
| July 4th | The Day after Thanksgiving |
| Labor Day | Christmas Eve |
| Christmas Day | |

2. Only regular and probationary employees in a current and paid status shall be eligible for holiday leave. A new employee whose first working day is the day after a paid holiday shall not be credited for that holiday. An employee terminating employment for any reason and whose last work day as a paid employee is the date before a holiday shall not be credited for that holiday day. An employee who is on a consecutive leave of absence without pay or sick leave for both the regularly scheduled working day before and after the holiday shall not be credited for the holiday.
3. If Unit 1 employees are scheduled to work by their Department Heads or the City Manager, or are called to active work on one of the eleven (11) designated holidays, employee shall schedule a corresponding day or days off, with approval of the corresponding Department Head, within two pay periods (before or after) of the actual holiday. Similarly, if employee's regularly scheduled day off occurs on one of the designated holidays, employee shall schedule corresponding time off within the two pay period timeframe, as approved by the corresponding Department Head.

F. Jury Duty Leave

An employee shall be paid his/her normal salary for each workday, or portion thereof, he/she is required to be on jury duty. Any payment for jury service will need to be signed over to the City.

G. Community Service Organization Leave

The City encourages employees to participate and be involved in community service organizations. Employees may participate and be involved as a member or officer in community service organizations, provided the involvement does not create a conflict with the City or impedes the employee from performing their required duties. The City, in consideration of such allowed participation shall not budget, nor pay, nor reimburse the employee for any expenses, costs, fees or other charges of any kind for any such participation or involvement.

H. Family and Medical Care Leave

1. A regular full time employee, with more than one year of continuous service, or who has worked more than twelve hundred fifty (1250) hours during the previous twelve (12) months may request an unpaid Family and Medical Care Leave of absence of up to twelve (12) weeks in any one continuous twelve (12) month period. This leave may be taken for the birth or adoption of a child, to care for a child, spouse or parent who has a serious health condition or for the employee's own health which make him/her unable to perform the essential functions of the job. If this leave is granted, upon return, the employee will be reinstated to the same or a comparable position as the position held before the leave unless such a position no longer exists. Available accruals must be used for such leaves. If all available accrual is depleted, then the employee may continue on unpaid leave until the 12 week maximum leave is taken. If an employee desires to take an FMLA leave not associated with the serious health condition of him or herself, or eligible family member, sick leave hours accrued may not be used.
2. Whenever possible the employee must provide at least thirty (30) days written notice that they would like to take this leave of absence. When this is not possible the employee must notify their supervisor, in writing, as soon as possible. Failure to comply with these notification rules may result in the denial or deferral of the requested leave until the employee has complied with the notice provisions.
3. The City will require the certification from the health care provider who is attending to the serious health care condition of the employee, the child, spouse or parent before allowing the leave to be granted to take care of that family member. If there is a question concerning

this certification, the City reserves the right to require additional certification(s) at City expense. Unless otherwise agreed to by the City, any Family and Medical Care Leave must be taken in segments of one (1) full work day.

4. An employee has the right to take maternity leave and some amount of Family and Medical Care Leave. The employee should check with the Human Resources Manager to determine the eligibility of the above mentioned leave.
5. The cost of health care coverage while on a Family and Medical Care Leave less any portion of the premium the employee is required to pay will be paid for by the City for up to twelve (12) weeks. If the employee does not return from leave, they will be responsible for reimbursing the City for the insurance premiums paid on the employees' behalf.
6. While the above provisions will apply to most employees in most circumstances, there are certain exceptions under which The City may refuse to grant a Family and Medical Care Leave.

I. Family Care School Partnership Act

Employees shall be entitled to take advantage of the Family Care School Partnership Act without loss of benefits. Time off taken under this Leave shall, at the employee's election, be either approved unpaid leave or paid by using available compensatory or vacation time.

ARTICLE 8- PROFESSIONAL AND REPRESENTATIONAL EXPENSES

A. Professional Dues and Fees

The City shall budget and pay or reimburse employees for certain professional dues, fees, and costs of the employee necessary for his/her continuation and full participation or membership in state, regional, and local associations or organizations necessary for him/her professional participation, growth and development and for the good of the City.

B. Travel

The City shall budget and pay or reimburse employees for certain travel, fees, charges, lodging and subsistence and other related expenses of the employee for attending meeting(s) necessary for him/her to properly perform his/her duties or are necessary to continue his/her professional development or to represent the City. This may include, but is not limited to, associated conferences or meetings; relevant League of California Cities' conferences or meetings; such other state, regional or local governmental related meetings; or relevant training, short courses, institutes, seminars or such other meetings or educational sessions or classes related to his/her position or responsibilities.

C. Civic and Professional Participation

There is a need for the City to be periodically represented, from time to time, by employees through their attendance at or before local civic, service, professional, business, charitable, government or other organizations. As such, the City shall budget and pay or reimburse employees for certain expenses resulting from such authorized periodic representational attendance.

D. Reimbursement

The City recognizes that to fulfill Paragraphs A, B, and C of this Article, certain expenses of a job-affiliated nature may be incurred by the employee in order to perform his/her duties or represents the City. The City shall pay or reimburse the employee for such general expenses as budgeted by the Council for costs that he/she may incur which may include, but are not limited to, costs for meals and lodging, registration fees, parking fees, bridge tolls, subscriptions, periodicals, publications, professional dues or similar charges.

E. Receipts and Billing

All expenses or costs authorized and incurred under Paragraphs A, B, and C of this Article, as budgeted by the Council, shall be reimbursed or paid by the City to or on behalf of the employee upon receipt of billings, statements, receipts, expense forms or personal affidavits as customarily required by the City for expenditure of funds.

ARTICLE 9- RETIREMENT

A. Retirement Benefits

1. Miscellaneous- Employees designated as local miscellaneous members by the City are provided retirement benefits under the Public Employees' Retirement System's Local Miscellaneous two point five percent at 55 (2.5% @ 55) formula.
2. Miscellaneous PEPRA - Employees hired January 1, 2013 or after and designated as local miscellaneous members by the City are provided retirement benefits under the Public Employee Pension Reform Act of 2013 Local Miscellaneous two percent at 62 (2% @ 62) formula, unless the employee has been employed with a CalPERS employer within the preceding six (6) months ("Classic Employee). Classic employees hired on or after January 1, 2013 shall be placed in the 2.5% @ 55 formula.
3. Social Security - Employees are also provided retirement benefits under Social Security.

B. Retirement Contributions

During the term of this agreement, Unit 1 Miscellaneous employees agree to participate with pre-tax contribution for retirement for the Employee share under CalPERS retirement plan as follows:

1. Employee will pay the full employee share of 8% (Classic) and 6.25% (PEPRA) (half the normal cost pursuant to the Pension Reform Act of 2013).
2. The City will pay the full employer contribution to PERS.
3. The City will pay the employer contribution rate for Social Security.
4. The Employee will pay the full amount of the Employee's Contribution rate to Social Security.

C. Supplemental Retirement Benefit

The City shall pay a supplemental benefit to each eligible employee covered under the terms of this MOU who attains normal retirement age. The term "minimum retirement age" is the age at which an employee elects to receive a disbursement under the terms of the employee retirement benefit plan. The term "elects" refers to employees who leave City employment for the sole reason of retiring under a PERS regular service retirement, disability retirement or industrial disability retirement and has at least ten (10) years of service with the City of Grass Valley. Those Unit 1 employees forced to retire under disability retirement or industrial disability retirements covered under the terms of this MOU are deemed to have a minimum of 10 years of service credit with the City of Grass Valley.

The benefits provided under the terms of this Section shall be a one-time lump sum payment, calculated on the basis of fifty percent (50%) of the straight time value of the retiring employee's accumulated but unused sick leave, up to 450 hours on the date that the employee retires from City employment. (For example, if an employee is compensated for 450 hours at the 50% rate, the uncompensated 225 hours would go to PERS service credit along with any other accrued hours in excess of 450 hours). The reference to sick leave days in this Section is for purposes of calculating

the benefit provided under this Section only and shall not operate to "vest" sick leave hours or otherwise create any entitlement to pay for those sick leave hours for an employee who terminates employment prior to attaining normal retirement age as defined in this sub-part. The straight-time value of the retiring employee's sick leave hours shall be computed solely and exclusively on the basis of the non-overtime normal wage rate paid to the employee, and no overtime premiums, or any other type of premium pay or pay for working out-of-class or employee benefits or other forms of non-straight time wage compensation shall be used for purposes of calculating the benefits due under this Section.

Any employee that shows an effective date of retirement into the PERS system within 120 days of separation from employment with the City shall be credited with PERS service credit for all accumulated but unused or uncompensated sick leave.

Consistent with the sick leave provisions of this MOU, any employee whose employment with the City terminates for any reason, as opposed to being reinstated, prior to attaining normal retirement age, forfeits all accumulated but unused sick leave hours, and shall not become entitled or eligible to receive any benefits under the terms of this Section even if the employee is subsequently re-employed by the City. Notwithstanding the limitations contained in the previous sentences, the City shall pay a supplemental retirement benefit consisting of all unused sick leave to the estate of any employee covered by this MOU who is killed in the line of duty. Any rehired or reinstated employee shall begin to accrue sick leave hours as if they had never worked for the City previously. The benefit provided in this Section shall not arise or vest until such time as the individual employee applying for the benefit becomes eligible for the benefit as provided in this Section and provides written notice to the City Manager of his/her intention to retire from employment with the City. The benefit provided in this Section shall not increase the City's obligations with respect to other benefits of employment, including, but not limited to, other retirement benefits, health and welfare benefits, sick leave benefits, disability benefits, or any other form of compensation or fringe benefits of whatsoever kind or nature.

D. Retiree Health Insurance Benefit

1. Any employee retiring from the City under PERS, after twenty (20) or more years of City service, is eligible for the following retiree health insurance benefit. To receive this benefit a retiree must provide ongoing evidence of health insurance coverage.
 - I. An employee retiring from the City after twenty or more years will receive five hundred (\$500.00) dollars per month, not including the statutory administrative fee for PERS coverage.
2. The City will pay the statutory administrative fee for PERS coverage.
3. To receive this benefit a retiree must provide annual evidence of health insurance.
4. Such benefit will cease upon the retiree receiving group medical insurance coverage from another employer or receiving coverage through Medicare. If a retiree covered under another employer's group medical insurance loses such coverage, this benefit will start or restart until the retiree is otherwise ineligible.

ARTICLE 10- HEALTH AND WELFARE

A. Insurance Benefits

During the term of this agreement the City will make available medical, dental, and vision insurance benefits to the employee and their dependents.

1. The City will pay a monthly flat rate contribution for health insurance (Medical, Vision, and Dental). The amount paid will be based on the employee's selection of medical coverage based on the following:
 - I. For Employees only: \$1,314
 - II. For Employees plus one dependent: \$2,122
 - III. For Employees plus two or more dependent: \$2,630
2. All benefits shall be subject to the standard provisions set forth in the policy or policies, or P.E.R.S. regulations.
3. Employees waiving medical insurance coverage shall receive two hundred fifty (\$250) dollars less the cost of any elected dental or vision insurance. Employees waiving health care coverage must produce evidence of insurance through another source. Any payment due employees for waiving medical insurance coverage shall be paid in a lump sum once per month.
4. Disputes concerning the hospital/medical, vision and life insurance provided pursuant to this MOU-including, but not limited to, questions as to the scope of benefits or disability coverage, eligibility, and premium rate shall not be subject to the Grievance Procedure.
5. The retiree health care benefit is subject to policy or policies or PERS regulations, including the payment of administrative fees, which will be paid by the City. Subject to provisions/policies of the insurance carrier, retirees and their dependents may, at their own expense, continue coverage under the City's program, which may extend beyond the COBRA period.
6. The dental and vision plans selected for Unit members shall be maintained in the Human Resource Office for reference.
7. The City agrees to supply life insurance for each employee in the amount of fifty thousand (\$50,000) for each employee, five thousand (\$5,000) dollars for the employee's spouse and fifteen hundred (\$1,500) dollars for other eligible dependents without cost to the employee.

B. Cost Containment Committee

The City shall establish a health care cost containment committee, which shall be advisory only; its purpose shall be to review alternatives, and to recommend long-term strategies. These recommendations will be made to the City Council via the City Manager for review and advisement.

C. Long Term Disability

The City shall provide without cost to the Employee an income protection insurance program that shall insure an Employee's income to a maximum of sixty-six and two thirds (66 2/3%) of monthly earnings with a ceiling of six thousand dollars (\$6,000) in calculated base. Conditions of coverage shall be controlled by the master agreement with the insurance company.

D. Short Term Disability Insurance

The members of this unit have elected to enroll in California State Disability Insurance (SDI) and all costs incurred for this plan are paid by the Employee.

ARTICLE 11- SAFETY

A. Safe Conditions, Equipment and Duties

1. The City and employees agree to maintain a safe and healthy place of work and to maintain safety as well as sanitary conditions in accordance with all applicable state laws. Unsafe working conditions or hazardous jobs which jeopardize the health and safety of the employees shall be directed to the attention of the employee's supervisor or department head.

The City shall investigate the complaint and make any and all corrective measures as deemed necessary by the City. Employees shall cooperate fully in carrying out safe practices and in using safety devices provided by the City.

2. Employees agree that the duties and tasks performed by them shall be performed in a safe and healthy manner.
3. The City agrees to purchase rain gear for employees that are required to work in the elements. All rain gear purchased shall remain the property of the City.
4. Personnel will receive an annual safety allowance of one hundred twenty-five (\$125.00) dollars per year to be used for safety equipment that assures and enhances the personal and direct safety of the employee and their job. The employee's Department Head and the City Safety Officer must approve reimbursement of this allowance. The rollover option extends to personnel to a maximum of two hundred fifty (\$250.00) dollars and if the allowance is not used in the second year, the benefit will be lost for that year.

B. Uniforms

1. For all other Employees who are required to wear uniforms:
 - I. The City shall provide and launder uniform shirts and uniform pants.
 - II. The City shall provide appropriate personal protective equipment.
 - III. The City shall provide appropriate rain suits (weather related gear) that are Gore-Tex or similar in quality and that meet safety requirements.
 - IV. In addition to the above, for Maintenance and Water/Wastewater personnel, the City will purchase up to 5 T-shirts each year for each employee if the employee turns in 5 uniform shirts. After the first year, worn T-shirts may be turned in for new T-shirts.
 - V. For PERS Classic members, the cost of providing and laundering uniforms not to exceed \$500 annually shall be considered pensionable compensation and will be reported to PERS each pay period on a prorated basis.

C. Employee Alertness

1. The most effective safety equipment an employee possesses is an alert mind. Conversely, an employee whose judgment, reactions and analytical processes are impaired or influenced by alcohol or drugs poses a risk to themselves, their coworkers and to the public. The City, therefore, expressly retains the right as explained in this Article to verify that employees covered by the Agreement are alert and are not under the influence of alcohol, controlled substances, drugs or other conditions which would tend to affect or impair judgment, reactions or thought processes.
2. The parties recognize the problems associated with alcohol and drug abuse in the workplace and recognize the safety hazard, which would be presented if an employee worked while under the influence of alcohol, intoxicating drugs or controlled substances. The parties further agree that a testing procedure with both privacy and accuracy safeguards is one appropriate means of protecting the safety of Employees.
3. The employees and the City have reached complete agreement on a drug and alcohol policy reference in the Personnel Commission Compendium.

D. Drug, Alcohol and Substance Abuse Policy

A model "Chain of Custody" procedure as set forth in the Personnel Commission Compendium will be utilized in the event the City contracts for testing services.

E. Employee Assistance Program

The City has established an Employee Assistance Program. This program provides confidential counseling help for employees and their families. This benefit allows for three (3) visits per year per family member, at no cost to the employee. This program endeavors to provide counseling services for personal problems related to marital/family, relationship problems, alcohol or drug abuse, stress related problems, depression and other types of psychological problems, for employees in need of such referral and intervention.

ARTICLE 12- REDUCTION IN FORCE AND RE-EMPLOYMENT

A. Layoff/furlough Provision

1. In lieu of layoff, the City may pursue consideration of a furlough or reduction of hours on a department basis as follows:
 - I. City Council makes a finding that for reason of lack of work, lack of funds, or for reorganization that a reduction in services is needed.
2. Department Head consults with employees to explore alternatives:
 - I. Voluntary furloughs/hours reduction on an individual basis is sought first.
 - II. Involuntary furloughs or reductions in hours may be imposed on a uniform basis by class within a department, but not to exceed 40 hours per year. Management is required to meet and confer regarding the impact on unit members resulting from the involuntary furlough.
 - III. Direct cost benefit accruals shall not be reduced for employees. Insurance shall still be paid as provided for in this agreement by the City. Leave accruals will continue with no impact.

B. Treatment of Employees Laid Off

When a Department Head is instructed by the City Council to reduce the number of employees in the classified service within their department, layoff shall be made in accordance with any pertinent Civil Service Rules and Regulations.

ARTICLE 13- GRIEVANCE PROCEDURE

A. Definition

A grievance is any dispute concerning the interpretation or application of this resolution, or of rules or regulations governing personnel practices or working conditions, or of the practical consequences of a City rights' decision on wages, hours and other terms and condition of employment.

B. Process

Grievances shall be processed in accordance with procedures established by the City.

C. Procedures

1. All grievances shall be processed only in accordance with the procedures and general conditions set forth below.
2. It is the intent of these procedures to encourage resolution of complaints and grievances informally, at the nearest practical organizational level from which it emanates, and as promptly and fairly as possible to all concerned.

D. Informal Grievance

1. Informal Grievance: Within five (5) working days following an occurrence giving rise to a grievance, the employee shall orally present the grievance situation to his/her immediate supervisor. (Exception: where the grievance directly involves the working relationship with the supervisor, the grievance shall be presented to the next higher level of supervision). The employee and supervisor have a mutual responsibility to have the grievance resolved at their level whenever possible.
2. Presentation of an informal grievance shall be necessary prior to processing it further as a formal grievance.

E. Formal Grievance

Formal Grievance: A formal grievance shall only be initiated in writing to each appropriate step of the grievance procedure with a copy to the Human Resource Office.

Step 1:

1. If a mutually satisfactory solution of the grievance was not resolved informally, the employee may file a written grievance with his/her department head (or designated representative) within five (5) working days after the last meeting between the employee and supervisor. Within ten (10) working days after the formal grievance is received, the Department Head shall investigate the facts and issues at the earliest date consistent with the nature of the grievance and the normal conduct of the department's business. Within five (5) working days after concluding the investigation, the Department Head shall render a decision in writing to the employee and Human Resource Office.
2. Unless a decision of the Department Head is appealed by the employee to Step 2, in the time limits provided, the grievance shall be deemed resolved, final and binding.

Step 2:

1. If the employee finds that the grievance has not been resolved in Step 1, he/she may, within five (5) working days after the Department Head's decision is rendered, request in writing that the City Manager consider the grievance and decision as rendered by the Department Head. Within ten (10) working days after the grievance is received, the City Manager (or designated representative) shall review the facts, issues and make such further investigation as is necessary at the earliest date consistent with the nature of the grievance and normal conduct of City business. Within five (5) working days after concluding the review, the City Manager shall render a decision in writing to the employee, Department Head and Human Resource Office.
2. Unless the decision of the City Manager is appealed by the employee to Step 3, in the time provided, the grievance shall be deemed resolved, final and binding.

Step 3:

1. If the employee finds that the grievance has not been resolved in Step 2, he/she may, within five (5) working days after the City Manager's decision is rendered, request in writing to the Personnel Commission that they consider the grievance and decision rendered by the City Manager. Within fifteen (15) working days after the grievance is received, the Personnel Commission shall commence conducting the review. The Personnel Commission shall determine the best

means to conduct the review of the facts, issues and such further investigation as is necessary at the earliest date consistent with the nature of the grievance and normal conduct of City business. Within five (5) working days after concluding the review, the Personnel Commission shall render a decision in writing to the employee, City Manager, Human Resource Office and Department Head.

2. Unless the decision of the Personnel Commission is appealed by the employee to Step 4, in the time provided, the grievance shall be deemed resolved, final and binding.

Step 4:

1. If the employee finds that the grievance has not been resolved in Step 3, he/she may, within five (5) working days after the Personnel Commission decision is rendered, request in writing to the City Council that they consider the grievance and decision rendered by the Personnel Commission. Within fifteen (15) working days after the grievance is received, the City Council shall commence conducting the review. The City Council shall determine the best means to conduct the review of the facts, issues and such further investigation as is necessary at the earliest date consistent with the nature of the grievance and normal conduct of City business. Within five (5) working days after concluding the review, the City Council shall render a decision in writing to the employee, Personnel Commission, City Manager, Human Resource Office and Department Head.
2. The decision rendered by the City Council shall be final and binding.

F. General Conditions

1. Review and determination of a grievance is applicable to certain interpretations and applications as set forth under Definitions and, as such, cannot change any City adopted salary schedules/ranges or such other benefits subject to the meet and confer process.
2. Performance Appraisals and merit step determinations are not grievable matters except as provided below. Performance Appraisals and merit increase concerns should be brought forward to the Human Resource Office, with a final determination to be made by the City Manager. If an employee does not receive a due evaluation within a month after the due date, the employee may file a grievance.
3. Grievances regarding termination of employment may be made only on behalf of an employee who has successfully completed the required probationary period and attained permanent status.
4. An employee may choose to represent himself/herself or select a representative of his/her choice. The employee shall be personally present at any meeting which may be held, unless he/she specifically waives that right in writing.
5. In the event that more than one (1) employee is directly involved in a grievance, they shall select one (1) person from among them to carry the grievance forward on their behalf. This person may also select a representative of his/her choice. The employee shall be present at any meeting held on their behalf, unless he/she specifically waives that right in writing.
6. Any time limit of these procedures may be extended by mutual consent of the parties.
7. During the grievance process, there shall be no interruption of scheduled work of a department or the City.
8. It is understood that the City is currently in the process of revising the Personnel Rules and Regulations, including the Grievance Procedure, and Unit # 1 will review and have input to

the Grievance Procedures prior to finalization. It is agreed once the Grievance Procedures have been finalized, they will be incorporated into this MOU.

ARTICLE 14- MAINTENANCE OF NEGOTIABLE BENEFITS

It is understood and agreed by the parties that there exist within the City certain negotiable past practices, policies, or procedures which pertain to wages, hours, and conditions of employment. Such matters shall not be modified or rescinded during the term of this MOU except by the giving of notice to the Employees and providing the opportunity to meet and confer on the matter.

ARTICLE 15- NOTICE

Whenever provision is made in this MOU for the giving, service, or delivery of any notice, statement, or other instrument, the same shall have been deemed as delivered, duly served or given upon personal delivery or upon mailing the same by United States registered or certified mail, proof of service, to the party entitled thereto at the address set forth below:

Employer:

City Manager
City of Grass Valley 125 E. Main Street
Grass Valley, Ca. 95945

Bargaining Unit:

Unit 1 Representative
City of Grass Valley 125 E. Main Street
Grass Valley, Ca. 95945

ARTICLE 16- SEVERABILITY SAVINGS CLAUSE

- A. If, during the life of this Agreement, any law or any order issued by a Court or other tribunal of Competent Jurisdiction shall render invalid or restrain compliance with or enforcement of any provision of this Agreement, such provision shall be inoperative so long as such law or order shall remain in effect, but all other provisions of this Agreement shall not be affected thereby and shall continue in full force and effect.
- B. In the event of suspension or invalidation of any Article or Section of this Agreement, the parties mutually agree to meet and negotiate within ninety (90) days after such determination for the purpose of arriving at a mutually satisfactory replacement for such Article or Section.

ARTICLE 17- TERMS OF AGREEMENT

- A. This Agreement shall be effective upon the approval by the City Council and shall continue in full force and effect until **December 31, 2026**.
- B. This Agreement may be extended; provided that either party notifies the other within thirty (30) days prior to the expiration date of this Agreement of its desire, and both parties mutually agree in writing to the extension.

RECOMMENDATION OF REPRESENTATIVES

The City and representatives of the employees for Unit #1 have held meetings and discussed the above, and representatives of the employees have caused this Agreement to be signed and the representative of the City has caused this Agreement to be signed to signify their mutual recommendation for approval by the City Council as follows:

Timothy Kiser, City Manager

Catharine Dykes, Unit #1 Representative

Michael Colantuono, City Attorney

Miranda Bacon, Unit #1 Representative

APPROVAL OF AGREEMENT

Approval and adoption of this Memorandum of Understanding is made this 22nd day of August 2024 and is effective from January 1, 2026 through December 31, 2026 by the Grass Valley City Council.

Hillary Hodge, Mayor

Attest:

Taylor Whittingslow, City Clerk

APPENDIX A – SALARY SCHEDULE