

Exhibit 'A'

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF KERMAN
AND
KERMAN MISCELLANEOUS EMPLOYEE ASSOCIATION**

EFFECTIVE JULY 1, 2024 THROUGH JUNE 30, 2027

PREAMBLE

This Memorandum of Understanding is made and entered between the City of Kerman (“City”) and Kerman Miscellaneous Employees Association (“KMEA”). The parties have met and conferred in good faith regarding employment terms and conditions of the employees in the City and have reached agreement as set forth in this Memorandum of Understanding (“MOU”).

AGREEMENT

ARTICLE I - INTENT

This MOU shall define the terms of employment between the City of Kerman and the City of Kerman Miscellaneous Employees and shall be effective per the dates set forth below. Said MOU shall be binding upon both parties per the approval of the City Council and the following action:

- A. The City Council of the City of Kerman acts by majority vote at a regular meeting to formally approve said Agreement.
- B. The City Council of the City of Kerman enacts any and all amendments to existing laws and regulations of the City necessary to implement this Agreement.
- C. The City Council of the City of Kerman takes that action necessary to annually appropriate the funds required for the implementation of the provisions of this Agreement by adopting an annual fiscal budget reflecting the expenditures provided for herein.

ARTICLE II - DURATION AND SUCCESSOR AGREEMENT

This Agreement shall be effective as of July 1, 2024 and continues through June 30, 2027. The provisions of this Agreement shall remain in force until a successor Agreement is accepted by both parties or until the City Council declares, after due and deliberate consideration, meeting and conferring, and compliance with all requirements of then existing valid law, that an impasse has occurred and protection of the public safety and welfare requires the City to adopt new terms and conditions of employment.

The City and the Association mutually agree to meet and confer in good faith promptly upon the request of one another, and mutually agree to continue to meet and confer in good faith for a reasonable time in order to exchange freely information, opinions and proposals and to endeavor to reach a mutual agreement on matters within the scope of representation at least one week prior to the last regular Council meeting at which the City's budget must be adopted for the ensuing fiscal year.

Prior to March 1, 2027, the parties will begin Meet and Confer sessions regarding consideration of a new MOU effective July 1, 2027.

ARTICLE III - GOVERNING LAWS

- A. The legal relationship between the City, and the employees shall be governed to the extent required by law by the following:
 - 1. Chapter 10 of Division 4, Title 1 of the State of California Government Code Section 3500 *ET. seq.* (Meyers-Milias-Brown Act).
 - 2. Personnel Rules and Regulations of the City of Kerman.
 - 3. The Fair Labor Standards Act, Title 29 United States Code, Chapter 8.

- B. All employees shall be governed by all existing agreements of the City of Kerman except as may be modified by or voided by this MOU including those agreements as adopted by the Kerman City Council as the condition of employment or appointment of office. However, if any provision of the Personnel Rules and Regulations conflict with this MOU, this MOU shall prevail.

ARTICLE IV - CITY RIGHTS

Nothing herein this MOU shall be construed to restrict any legal or inherent exclusive rights of the City of Kerman with respect to matters of general legislative or managerial policies, which include, but are not limited to the following rights of the City to:

- A. Determine the mission of its constituents, departments, commissions and boards.
- B. Set standards of service or determine the procedures and standards of selection for employment.
- C. Direct its employees and the work of its employees.
- D. Terminate and discipline employees in a lawful manner at the discretion of the City Manager pursuant to the rules of the personnel system.
- E. Relieve or lay-off its employees from duty for periods of time because of lack of work, inclement weather conditions, or for other reasons within the discretion and upon review of the City Council.
- F. Maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted.
- G. Take all necessary action to carry out its mission in emergencies and exercise complete control and discretion over its organization and the technology of performing its work.
- H. Hire, promote, demote, transfer, assign, and classify employees within the established Personnel guidelines and determine the content or classifications and job titles

- I. Determine the methods, means and personnel by which operations are to be carried on.
- J. Determine its budget, organization merits, and level of any activity or service provided to the public.
- K. The City of Kerman City Council reserves the right and authority to adopt rules and regulations not inconsistent with law which shall be applicable to any and all departments of the City in establishing and enforcing the employees' relations plan provided herein.

ARTICLE V - EMPLOYEE RIGHTS

- A. Right to Join, Form, and Participate: As provided for by Government Code Section 3500 et seq. Employees shall have the right to form, join and participate in the activities of employee organizations of their choosing for the purpose of representation on all matters of employee relations.
- B. Right to Refuse to Join: As provided for pursuant to Government Code Section 3500 et seq. Employees shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the City.
- C. Right of Representation: Any employee shall have the right to be represented in their employment relations with the City.
- D. Right to Self-Representation: Any employee shall have the right to appear on his or her own behalf in his or her employee relations with the City.
- E. Scope of Representation:
 - 1. The scope of representation shall include matters relating to employment conditions including, but not limited to, wages, hours, and other terms and conditions of employment.
 - 2. Except, however, that the scope of representation shall not include consideration of the merits, necessity, or organization of any service or activity provided by the City or any accommodation for an individual protected under the Americans with Disabilities Act when such accommodations in compliance with City's Disability Discrimination Policy and Complaint Procedure as adopted on April 7, 1992.
- F. Discrimination by City: The City agrees not to interfere with nor discriminate in any way against any employee by reason of his or her membership in employee associations' activities. The City

agrees not to intimidate any employee, not to attempt to restrain any employee, not to in any way limit the full and free expression of any employee's rights to participate in lawful activities.

- G. Discrimination by Employees: Employees shall not interfere with, intimidate or discriminate in any manner against any employee by reason of his or her choice not to belong or be a member of any association or partake in the activities thereof.
- H. Provisions of this MOU: The provisions of this MOU shall be applied equally to all employees without favor or discrimination because of race, color, sex, age, national origin, or political or religious opinions or affiliations.
- I. Other Employees: Any form of part-time, temporary, seasonal, provisional or special circumstance employees are excluded from this MOU.

ARTICLE VI - WORK WEEK, WORK PERIOD, AND WORK SCHEDULE

A. Workweek, Period and Time Frame Definitions:

1. **REGULAR WORK WEEK**: The City workweek shall be defined as 40 hours of work during a seven (7) day calendar week but subject to call at any time. All City employees are subject to this work week except those exempt from the Fair Labor Standards Act or those who have selected a Flex work week in accordance with the City Personnel Rules and Regulations and if such provision of the Rules and Regulations is approved by KMEA.
2. **WORK PERIOD**: Is defined by a the payroll period below The City work period shall be defined as 40 hours of work in a seven (7) day period, but subject to call at any time.
3. **TIME FRAME**: A calendar week begins at 12:00 am on Sunday and ends at 11:59 p.m. on the following Saturday evening. The Work Period is a consecutive 14 day period beginning concurrently with one calendar week and ending concurrently with the next calendar week following.
4. **BREAKS**: Employees are entitled to a fifteen (15) minute break during their first four hours of work each day and a fifteen (15) minute break during the second four hours of work each day.

B. Overtime and Compensatory Time:

1. For those employees governed by the Fair Labor Standards Act or who have not selected a Flex Time Schedule, overtime eligibility shall be determined and compensated in the following manner:
 - i. Hours worked contiguous with regular work day when those hours actually worked are over 40 hours for the "regular assigned work week". Hours worked will include regularly scheduled vacation time and holidays. However, sick leave will not be calculated as hours worked for the purpose of overtime eligibility.
 - ii. Hours worked beyond the scheduled eight (8) hour workday that occur only during weekends, holidays and call back. Such time shall be at time and one half compensation of base salary (as defined by the Fair Labor Standards Act). Employees have the option of earning compensatory time or paid time at time and one-half. Overtime shall be compensated at the rate of time-and-one-half except for Sundays or City holidays when overtime shall be compensated at double time. Sunday overtime work shall not be compensated at double time if the same falls within the regular workweek schedule of an employee.
2. Authorization: the applicable Department Head or his or her designee shall approve all overtime prior to working such overtime hours.
3. Compensatory Time Carry Over:
 - i. No more than eighty (80) hours of compensation time can be accumulated at any time and no employee may carry over more than 80 hours of compensation time from one fiscal year to the next.
 - ii. When an employee uses available compensatory time credit, that credit shall be counted as time worked when determining whether overtime pay is owed in any payroll period.

C. Stand By Policy And Pay:

1. Stand-By Definition: Stand-By is defined as that period of time during which an employee is required to be available and on call for "call out" purposes. This period of time shall be in addition to the employee's normal workday. Employees who are designated by the Department Head to be on Stand-By shall be compensated in accordance with the following:
 - i. Mondays - Fridays 2 hours straight time for each 16 hour "ON-Call" stand-by shift (for the period of time from the end of the regular shift to the beginning of the next regular shift (approximately 16 hours but not to exceed 20 hours).

- ii. Saturdays and Sundays and City Holidays 3 hours straight time for each Stand-By shift on non-work days. This applies only to Saturdays and Sundays and City Holidays.
 - iii. Two (2) hours Straight time for 16-hour shift if employee covers both Stand-By responsibilities. City's goal is to have one employee cover Stand-By (for both SCADA & Regular Stand-BY). If two (2) employees cover, the pay will be 2 hours each (see (i) above)
 - iv. Double Time is applicable for all employees called out on holiday and Sundays but not those regularly scheduled to work a regular shift. Stand-By employee is eligible for double time but not guaranteed 2-hrs.
 - v. Overtime Pay (Saturdays) for Stand-By Employee: Employee will work regular 40 hour week and regular shift on Friday (unless scheduled for a work week that includes weekend). Additional weekend work (whenever weekend is scheduled) will be at time and half on Saturdays and double time on Sundays. "City will determine the work week. With 48 hours' notice, the City may change work hours. In emergencies, no notice is required.
2. Stand-By Standards & Requirements: City will determine level of coverage for Stand-By Policy. Employee shall be available at all times when on Stand By and within 20 minutes (normal driving time) of City Corporation Yard. Employee will be required to carry a cell phone and maintain phone contact. Employee will be required to take a City vehicle home the evenings assigned on Stand-By. Employee may use the vehicle for personal use within the 20-minute response range subject to approval by the Public Works Director and the City Manager. The vehicle will not leave the 20-minute response area. The employee will observe all City driving conduct and safety rules as if on the job while utilizing the City vehicle. No other passengers will be allowed in vehicle other than on duty City employees.

An employee, on Stand-By, who cannot be reached, is unavailable, or does not report to the work site, is subject to the same disciplinary action as an unexcused absence from work. In addition, Stand-By pay for the entire week could be deducted.

- 3. Stand-By / Call-Back: Employee on Stand-By will be paid for call-back "actual time" at time and one-half pay (there is no guarantee of two hours, overtime pay).
- 4. Other Call Outs: Employee called back to duty and not on Stand-By will receive minimum of two hours pay, at time and one half, when overtime provisions apply (see above for Sunday and Holidays). Subject to standards established by the Public Works Director, the employee on Stand-By is authorized to call-out another qualified employee when the work requires additional help.

ARTICLE VII - EMPLOYEE BENEFITS

A. Mileage: No City employee shall use their privately owned automobile for City business during the course of their employment without the prior approval of the City Manager. Employee must demonstrate proof of auto liability insurance prior to such approval. In the event an employee has received approval to use his or her privately owned automobile for City business during the course of his or her employment and meet the minimum requirements established in the Personnel Rules and Regulations, said employee shall be compensated at the standard IRS rate per mile.

B. Education Reimbursement: In accordance with the City's Personnel Rules and Regulations (Employee Handbook) as amended by Resolution No. 19-47, and Resolution 24- the City has adopted the following Education Reimbursement language which is incorporated into this MOU:

The City of Kerman believes in the importance of providing career growth and development opportunities for employees. Because of this commitment to our employees, the City will reimburse its employees the cost of tuition and/or materials up to \$1,000 (one thousand dollars) maximum per fiscal year, subject to approval, for all accredited courses and seminars attended when the following criteria are met:

- The course is relevant to our business and within your city vocation
- Minimum grade of "C" or its equivalent is obtained
- A recommendation must come from the Department Head and approval be obtained from the City Manager prior to registration.

C. Holidays: Employees are eligible for a maximum of 96 hours of paid holiday time. When a holiday falls on a Sunday, the following Monday will be observed as the holiday. When a holiday falls on a Saturday, the preceding Friday will be observed as the holiday. Any employee whose regular assignment requires work on a holiday shall receive compensatory pay at straight time equal to the number of hours worked. Likewise, when the holiday falls on the employee's regularly scheduled day off, they shall receive one day of compensatory pay. The City Manager or the applicable Department Head may on occasion assign certain employees to work on a designated holiday. When this occurs the employee shall receive one hour of paid time for each hour worked on the designated holiday, unless the assigned worked hours are overtime, in which case the holiday overtime rules apply.

The City provides a maximum total of 96 hours paid holiday time per calendar year. This equals to twelve (12) regular 8-hour workdays. The current agreed upon days recognized as holidays are:

1. New Year's Day, January 1
2. Martin Luther King Day, Third Monday in January
3. Washington's Birthday, Third Monday in February
4. Caesar Chavez Birthday, March 31st of Each Year
5. Memorial Day, Fourth Monday in May
6. Independence Day, July 4
7. Labor Day, First Monday in September
8. Veterans Day, November 11
9. Thanksgiving Day, Fourth Thursday in November
10. Day After Thanksgiving Day
11. Christmas Eve Day, December 24
12. Christmas Day, December 25

Any days declared by the State or Federal government as national/state holidays may be recognized as eligible holidays only if the total holiday time in one calendar year does not exceed 96 hours. If such cases occur, the appropriate employee recognized representative or agent may meet and confer with City Manager to select the day(s) to exchange in order that total does not exceed 96 hours/calendar year.

D. Vacation: Employees earn vacation hours per outline in next paragraph.

Vacation Earned: All vacation time shall be earned and credited to the employee on a per pay period basis.

Miscellaneous employees covered by this Agreement shall earn annual vacation per the following:

1. Up to and including five years of service -ten (10) working days. Mid-Management 15 days
2. Six years through fifteen years of service -fifteen (15) working days. Mid-Management 20 days
3. Sixteen years of service or more -twenty (20) working days. Mid-Management 25 days

Vacation Carryover Allowances:

An employee may accrue no more than the maximum vacation hours shown in the following schedule as of his or her anniversary date:

1. 1-5 years 112 hours
2. 6-15 years 150 hours
3. 16 or more years 200 hours

The above schedule is applicable only to completed years of full time regular service. Partial years, or part time service, or types of employment other than full time regular service will not be considered in calculating maximum vacation hours.

When maximum vacation hours have been accrued, no additional vacation hours will be earned until the accrued hours have been reduced below the allowed maximum. The employee will not be given retroactive credit for any period of time when vacation did not accrue. An employee may make a written request for permission to accrue hours in excess of the maximum to permit a scheduled surgery, extended vacation or leave, or other extraordinary circumstance. Such requests may be granted only if the City Manager determine that such accrual will not have a detrimental effect upon the operations of the City

Vacation Leave Cash Out: Miscellaneous employees who submit a written request to receive the cash value of accrued vacation leave before June 30th of each fiscal year will be paid the cash value of up to 40 hours of accrued vacation leave per year, provided that after receiving the cash value, the employee will have at least 80 hours of accrued vacation leave. An employee may make only two requests to cash out eligible vacation leave in any fiscal year.

E. Sick Leave: Sick Leave is earned at the rate of 6.66 hour per service month or 10 days per year. Rules regarding the use of sick leave are contained with the City of Kerman Personnel Rules and Regulations.

Upon termination, sick leave earned will be paid to the employee based upon the following schedule:

1. Employee must complete -five (5) years of employment prior to any sick leave cash-out eligibility.
2. Employee serves total of -6 to-15 years cash-out -40% of sick leave hours at up to date rate of pay.
3. Employee retires or terminates after -16 to -20 years of service -75% cash-out.
4. Employee retires or terminates after 20 years of service -- 100% cash-out.

Sick Leave Cash Out: Miscellaneous employees who submit a written request to receive the cash value of accrued sick leave before June 30th of each fiscal year will be paid the cash value of up to 40 hours of accrued sick leave per year, provided that after receiving the cash value, the employee will have at least 80 hours of accrued sick leave. An employee may make only two requests to cash out eligible sick leave in any fiscal year.

The cash value of an hour of sick leave will be calculated at the employee's current rate of pay, exclusive of the values of any benefits, and will be paid after deducting required tax withholding and other customary voluntary or involuntary deductions.

- F. Personal Leave: Each employee is entitled to three (3) personal leave days each fiscal year Except that each Mid-Management employee is entitled to four (4) personal days each fiscal year. This does not accumulate from year to year. Hours paid to reflect hours worked for those who have a flex schedule.

- G. Health Insurance: The City Council shall determine the group health and life insurance provider. Effective July 1, 2013, the City shall provide health insurance coverage through Anthem Blue Cross. All employees covered by the MOU are eligible for coverage. The City shall cover 100% percent of the premium for health, vision, dental and life insurance (\$25,000) for the eligible employee and 70% of the premium for health, vision, and dental insurance for dependent coverage. The eligible employee shall be responsible to pay 30% of the premium for dependent coverage plus \$30 per month for employee with one dependent and \$60 per month for employee with two or more dependents.

Employee may select to include premium payment for his or her share of dependent coverage in the City's Section 125 Program for tax credit purposes.

The group health insurance plan renewal is provided annually on or about May with renewal effective on July 1.

- 1. Cash for Termination of Health Insurance Coverage: If employee provides satisfactory evidence of health insurance coverage from another source and elects to drop all City-provided Health Insurance, City will pay employee as compensation an additional \$100/month. If dental and vision are declined as well, the compensation will be a total of \$150/month. As permitted by the Insurer, employee may elect to re-enter the City's Health Insurance to obtain insurance for employee and eligible family members.

- 2. Life Insurance Optional Increase: If permitted by the insurance plan, employee may elect to pay additional premiums to obtain additional life insurance coverage.

H. Retirement: The City and KMEA agree with the following Cost Share contributions:

- 1. CalPERS Classic Member (hired prior to July 1, 2012) - retirement benefit formula is 2% @ 60 retirement benefit formula, three year average, with employee paying three percent (3%) of their salary as a contribution toward CalPERS retirement (City pays four percent (4%).

- 2. CalPERS Classic Member (hired after July 1, 2012) - retirement benefit formula is 2% @ 60% retirement benefit formula, three year average and employee pays seven percent (7%) contribution amount of their salary as a contribution toward CalPERS retirement.

3. CalPERS New Members (hired after January 1, 2013 –Post PEPRA) - retirement benefit formula is 2% @ 62% retirement benefit formula, three year average and employee pays current 6.75% employee contribution amount.

Note: Pension formulas are determined based on provisions of the California Public Employees' Pension Reform Act of 2013 (PEPRA) and the contribution amount is subject to adjustment annually by CalPERS.

- J. Long Term Disability (LTD) Plan: City will provide an LTD plan for all employees covered by Health Plan in group. The cost of the plan per employee will be split equally between the City & employee through payroll deduction. The premium rate is based upon \$100 per payroll of the covered individual. City will select the Plan carrier.
- K. Certification: When City requires a specialized certificate not already held by the employee, Certification Pay will apply. This pay will be at a minimum of 1% over base pay and not exceed 2.5% unless otherwise negotiated.
- L. Bilingual Pay: Employees who pass a bilingual test for Spanish or Punjabi shall be entitled to receive \$150 per month. Employees who pass the test in both languages are entitled to receive \$150.00.
- M. Working Out-of-Class: Employees assigned by supervisors to work in a higher job classification will be paid a five percent (5%) differential or Step A of the higher classification working in that higher classification for a period of ten (10) calendar days whichever is greater. All out-of-class work assignments including the length of the assignment shall be in accordance with CalPERS rules and regulations.

ARTICLE VIII - SALARIES

Salaries for miscellaneous employees shall be adjusted as follows:

- A. Effective July 1, 2024, miscellaneous employees shall receive a four percent (4%) cost of living adjustment.
- B. Effective July 1, 2024, miscellaneous employees shall receive a four percent (4%) cost of living adjustment.
- C. Effective July 1, 2024, miscellaneous employees shall receive a four percent (4%) cost of living adjustment

ARTICLE IX - LONGEVITY PAY

Miscellaneous employees who have been employed on a full-time basis with the City for a continuous period of ten (10) or more years and whose most recent performance evaluation was satisfactory or better shall receive a 2.5% salary increase which shall be effective on the pay period following the employee's qualifying anniversary date.

Miscellaneous employees who have been employed on a full-time basis with the City for a continuous period of fifteen (15) or more years and whose most recent performance evaluation was satisfactory or better shall receive a second 2.5% salary increase (a total of 5%) which shall be effective on the pay period following the employee's qualifying anniversary date.

Miscellaneous employees who have been employed on a full-time basis with the City for a continuous period of twenty (20) or more years and whose most recent performance evaluation was satisfactory or better shall receive a third 2.5% salary increase (a total of 7.5%) which shall be effective on the pay period following the employee's qualifying anniversary date.

ARTICLE X - GENERAL PROVISIONS

- A. Nothing in this MOU shall abrogate any portion of any existing agreement hiring or appointing or establishing conditions of employment for the employees of the City of Kerman. However, when in conflict this MOU supersedes the City of Kerman Personnel Rules and Regulations.
- B. Nothing in this MOU shall be construed to deny any person or employee the rights granted by Federal and State law and/or City ordinances. The provisions of this Agreement shall be subject to all current and future applicable Federal and State laws and existing City ordinances, rules and regulations.
- C. The rights, powers and authority of the City Council in all matters, including the right to maintain any legal action, shall not be modified or restricted by this Agreement.
- D. The enactment of this MOU shall not be construed as making the provisions of Section 923 of the California labor Code applicable to employees of the City.
- E. The provisions of this MOU are not intended to conflict with the provisions of Chapter 10, Division 4, Title 1 of the Government Code of the State of California (Sections 3500 *et. seq.*) as amended.

