



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/07/2022

ITEM NO: 19

DATE: June 2, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the Police Officers' Association and Authorize the Town Manager to Execute the Memorandum of Understanding

RECOMMENDATION:

Staff recommends that the Town Council approve a Labor Agreement Between the Town of Los Gatos and the Police Officers' Association (POA) and authorize the Town Manager to execute the Memorandum of Understanding (Attachment 1).

BACKGROUND:

In accordance with the Town's Employer-Employee Relations Resolution No. 1974-41, representatives of the Town and POA have met and conferred in good faith and within the scope of representation in an effort to reach agreement for a successor Memorandum of Understanding (MOU). The revised agreement will be distributed and posted on June 3, 2022 as an Addendum. The MOU is a labor agreement that identifies specific terms and conditions of employment applicable to the employees represented by that agreement.

DISCUSSION:

The Town's current agreement with POA expired on September 30, 2021. On June 11, 2021, the Town and POA began negotiating for a successor agreement. A tentative agreement for a three-year term was reached in May which POA membership ratified on May 11, 2022.

Major provisions of the agreement are:

1. **Term:** October 1, 2021 to June 30, 2024

PREPARED BY: Salina Flores
Human Resources Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the Police Officers' Association and Authorize the Town Manager to Execute the Memorandum of Understanding

DATE: June 2, 2022

DISCUSSION (continued):

2. Salary:

- a. Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, all employees shall receive a one-time non-pensionable lump sum payment of \$5,000.
 - b. Effective the first full pay period after Council approval of this MOU, or as soon as practical thereafter, the salary rate for all classifications shall be increased by 2% (effective June 12, 2022) (Attachment 1).
 - c. Effective the first full pay period in July 2022 (effective July 10, 2022), the salary rate for all classifications shall be increased by 5.25% (Attachment 2).
 - d. The parties agree that the combined 2022 increases represent a 3% cost of living adjustment, a market increase of 3.15% and an additional 1.1% to address the passage of time since October 2021.
 - e. Effective in the first full pay period of July 2023, the Town will provide a 3% cost of living increase.
3. **Pandemic Related Bonus:** Effective the first full pay period of July 2022, or the first full pay period after Council approval, whichever is later, all employees who worked for the Town in 2021, who are employed at the Town as of the last day of the pay period will receive a one-time, lump sum payment of \$2,500.
4. **Juneteenth Holiday:** Effective the first pay period of July 2022 or the first pay period after Council approval of the MOU, whichever is later, in recognition of Juneteenth, holiday in lieu pay will be increased by 0.4%. to total 4.4%. Effective the first pay period of July 2022 or the first pay period after Council approval of the MOU, whichever is later, employees will receive a one-time non-pensionable lump sum payment of \$1,000.00 for foregoing the Juneteenth holiday prior to 2023.

The Town and POA have also agreed to various MOU language updates. The red-lined MOU will be distributed and posted on Friday, June 3, 2022 as an Addendum. These updates clarify existing language, delete obsolete language, and ensure compliance related to the Town's contract for retirement and medical benefits provided under the California Public Employees' Retirement System (CalPERS) and the Public Employees' Medical and Hospital Care Act (PEMHCA).

CONCLUSION:

The POA agreement has been prepared within the parameters provided to Town's negotiators by the Town Council and has been ratified by the POA membership. It is recommended that the proposal be approved, and the Town Manager be authorized to execute the MOU.

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SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the Police Officers' Association and Authorize the Town Manager to Execute the Memorandum of Understanding

DATE: June 2, 2022

FISCAL IMPACT:

The anticipated FY 2022/23 impact for the 3.00% COLA (\$252,000), 3.15% market rate adjustment (\$265,000), and the 1.1% COLA (\$85,000) for a total 7.25% salary increase is \$602,000. The anticipated fiscal impact of a \$1,000 non-pensionable one-time payment, the one-time, lump sum pandemic related bonus payment of \$2,500, and the \$5,000 non-pensionable FY 2021/22 make whole payment in FY 2022/23 is \$289,000.

The total cost impact for FY 2022/23 will be absorbed in the Town's existing operating budget. Funding to support the FY 2023/24 ongoing cost each year will be incorporated into the proposed future year budgets for Council approval

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Salary Schedule for POA effective June 12, 2022
2. Salary Schedule for POA effective July 10, 2022

Town of Los Gatos POA Classifications
Salary Schedule for Fiscal Year 2021/22
Effective June 12, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Range	Step	Hourly Rate
2520	Police Sergeant (Prior)	04-0721	1	\$66.43
	<i>Appointment before 03/01/2015</i>		2	\$69.75
			3	\$73.24
			4	\$76.90
			5	\$80.75

Class Code	Classification Title	Range	Step	Hourly Rate
2521	Police Sergeant (New)	05-0721	1	\$66.43
	<i>Appointment after 03/01/2015</i>		2	\$69.75
			3	\$73.24
			4	\$76.90

Class Code	Classification Title	Range	Step	Hourly Rate
7500	Police Corporal	03-0715	1	\$55.12
			2	\$57.88
			3	\$60.77
			4	\$63.81
			5	\$67.00

Class Code	Classification Title	Range	Step	Hourly Rate
7510	Police Officer	02-0711	1	\$52.50
			2	\$55.13
			3	\$57.89
			4	\$60.78
			5	\$63.82

Class Code	Classification Title	Range	Step	Hourly Rate
9519	Police Trainee *	01-0710	1	\$49.88
	<i>* 95% of Step 1 of Police Officer Classification (Provisional Employee with Misc PERS)</i>			

Reflects General Increase of 2%.

ATTACHMENT 1

Town of Los Gatos POA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Range	Step	Hourly Rate
2520	Police Sergeant (Prior)	04-0721	1	\$69.92
	<i>Appointment before 03/01/2015</i>		2	\$73.42
			3	\$77.09
			4	\$80.94
			5	\$84.99

Class Code	Classification Title	Range	Step	Hourly Rate
2521	Police Sergeant (New)	05-0721	1	\$69.92
	<i>Appointment after 03/01/2015</i>		2	\$73.42
			3	\$77.09
			4	\$80.94

Class Code	Classification Title	Range	Step	Hourly Rate
7500	Police Corporal	03-0715	1	\$58.01
			2	\$60.91
			3	\$63.96
			4	\$67.16
			5	\$70.52

Class Code	Classification Title	Range	Step	Hourly Rate
7510	Police Officer	02-0711	1	\$55.26
			2	\$58.02
			3	\$60.92
			4	\$63.97
			5	\$67.17

Class Code	Classification Title	Range	Step	Hourly Rate
9519	Police Trainee *	01-0710	1	\$52.50
	<i>* 95% of Step 1 of Police Officer Classification (Provisional Employee with Misc PERS)</i>			

Reflects General Increase of 5.25%.



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/07/2022

ITEM NO: 19

ADDENDUM

DATE: June 3, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the Police Officers' Association and Authorize the Town Manager to Execute the Memorandum of Understanding

REMARKS:

This Addendum transmits the draft Memorandum of Understanding (see Attachment 3).

Attachments Distributed with Staff Report:

1. Salary Schedule for POA effective June 12, 2022
2. Salary Schedule for POA effective July 10, 2022

Attachment Distributed with this Addendum:

3. Draft Memorandum of Understanding

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

TOWN OF LOS GATOS

AND

LOS GATOS POLICE OFFICERS' ASSOCIATION



MEMORANDUM OF UNDERSTANDING

October 1, 2021~~18~~ – ~~September~~ June 30, 2024~~1~~

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**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TOWN OF LOS GATOS
AND
THE LOS GATOS POLICE OFFICERS ASSOCIATION**

THIS AGREEMENT IS ENTERED INTO AS OF October 1, 2021~~18~~, BETWEEN THE TOWN OF LOS GATOS, HEREINAFTER REFERRED TO AS THE "TOWN", AND THE LOS GATOS POLICE OFFICERS ASSOCIATION, HEREINAFTER REFERRED TO AS "POA".

Pursuant to Town Resolution 1974-41 of the Town of Los Gatos and Section 3500 et. seq. of the Government Code, the duly authorized representatives of the Town and POA, having met and conferred in good faith concerning the issues of wages, hours, and terms and conditions of employment, as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

FOR THE TOWN:

FOR POA:

Laurel Prevetti, Town Manager

~~Bill Hoyt~~ Bryan Paul, President ~~Police Corporal~~

Arn Andrews, Assistant Town Manager

Kevin Elliott, Police Sergeant

~~Lisa Velasco~~ Salina Flores, Human Resources
Director

Kevin Baughn, Police Officer

~~Donna Williamson~~ Lisa S. Charbonneau,
Liebert Cassidy Whitmore

John Alldredge, Police Officer

APPROVED AS TO FORM:

Peter Hoffmann, Rains Lucia Stern St. Phalle
Silver, PC ~~Attorney for POA~~

~~Robert Schultz~~ Gabrielle Whelan
Town Attorney

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Salary Schedule Exhibit A

Town of Los Gatos and Los Gatos Police Officers Association Comprehensive Memorandum of Understanding On Salaries, Fringe Benefits and Working Conditions

Preamble

The authorized representatives of the Town of Los Gatos, hereinafter referred to as the "Town" and the authorized representatives of the Town of Los Gatos Police Officers Association hereinafter referred to as "Association" do jointly accept and agree to all the terms and conditions of employment set forth in this comprehensive memorandum of understanding pursuant to Town Resolution 1974-41 of the Town of Los Gatos.

This understanding shall apply to represented employees assigned to those classifications listed on Exhibit A when classifications are created which fall under the representation of POA, this understanding shall also apply.

The terms and conditions of employment set forth in this understanding have been discussed in good faith by the authorized representatives of the Town and the authorized representatives of the Police Officers Association. They agree to recommend acceptance by the employees of all terms and conditions set forth herein. Following said acceptance by the Association, authorized representatives of the Town agree to recommend to the Town Council that all terms and conditions set forth herein be approved by resolution. Upon adoption of said resolution, all terms and conditions so incorporated shall become effective without further action by either party.

Term

The term of this Memorandum of Understanding shall be three years, commencing on October 1, 20~~21~~¹⁸, and terminating on ~~September-June~~ June 30, 202~~4~~¹.

Section 1. Employer-Employee Relations

The Association recognizes the existence of Town Resolution 1974-41, and its successor if any, during the term of this MOU. Recognition of any amendments to this resolution does not imply POA has agreed to the changes.

Section 2. Savings Clause

If any provision or the application of any provision of this agreement as implemented should be rendered or declared invalid by any court action or decree or by reasons of any preemptive legislation, the remaining sections of this agreement shall remain in full force and effect for the duration of this agreement

Section 3. Payroll Deduction

Any employee may sign and deliver to the Association an authorization for payroll deduction of membership dues. The Town agrees to remit to the Association all monies deducted accompanied by a list of workers for whom such deductions have been made and indicating any changes in personnel from the list previously furnished.

The Association shall certify in writing to the Town any changes in the amount of membership dues. The Town shall not be obligated to put into effect any new, changed, or discontinued deduction until the pay period commencing thirty (30) days or longer after such submission.

The Association shall indemnify and hold harmless the Town against any and all suits, claims, demands, and liabilities that may arise out of, or by reason of, any action or omission of the Town in complying with this Section.

Section 4. Non-Discrimination

The Town and Association agree that all provisions of this agreement shall be applied equally to all employees covered herein without favor or discrimination because of race, religious creed, color, sex (including pregnancy, childbirth, and related medical conditions), age (over 40), gender, gender identity, gender expression, sexual orientation, national origin, ancestry, political or religious affiliation, Association membership or activity on behalf of the Association, marital status, military or veteran status, or physical disability, mental disability, medical condition, or genetic information or any other basis prohibited by applicable federal, State or Town law. Association and Town support equal employment opportunity in hiring, and will support all State and Federal regulations regarding equal employment opportunity.

4.1 General Provision regarding Americans with Disabilities Act

- A. Because the ADA requires accommodations for individuals protected under the Act, the Association recognizes the Town's obligation to comply with all provisions of the ADA on a case-by-case basis.
- B. The Association recognizes that the Town has the legal obligation to meet with the individual employee to be accommodated before any adjustment is made in working conditions. The Association will be notified of these proposed accommodations.
- C. Any accommodation provided to an individual protected by the ADA shall not establish a past practice.

Section 5. Salary

5.1 Intent

It is the intent of the Town to maintain salaries and benefits at a level that attracts and retains quality employees. The parties agree that surveys of the wages and benefits of police officers performing comparable work for comparable agencies provide information useful in ensuring that the Town continues to meet this goal.

~~5.2 Effective 2018~~

~~Effective in the first full pay period of October 2018 the Town will provide a two and a half percent (2.5%) salary adjustment for all bargaining unit members.~~

~~5.3 Effective 2019~~

~~Effective in the first full pay period of October 2019 the Town will provide a two and one half percent (2.5%) salary increase for all bargaining unit members. Effective in the first full pay period of October 2019 bargaining unit members shall receive an additional increase of 1.5%.~~

~~5.4 Effective 2020~~

~~The parties agree to re-open on the subject of wages only.~~

~~5.5 Market Equity~~

~~Effective in the first full pay period in October 2018 market equity adjustments as follows:~~

~~Police Officer—5.0%~~

~~Corporal—5.0%~~

~~Sergeant—5.5%~~

5.2 Effective Upon Approval

Effective the first full pay period after Council approval of this MOU, or as soon as practical thereafter, the salary rate for all classifications shall be increased by two percent (2%).

5.3 Effective 2022

Effective the first full pay period in July 2022, the salary rate for all classifications shall be increased by five and one-quarter percent (5.25%).

The parties agree that the combined 2022 increases represent a ~~three percent (3%)~~ cost of living adjustment, a market increase of three and fifteen hundredths ~~percent (3.15%)~~, and an additional one and one tenths percent (1.1%) to address the passage of time since October 2021.

5.4 Effective 2023

Effective the first full pay period in July 2023, the salary rate for all classifications shall be increased by three percent (3%).

~~5.56 Salary Range~~

~~Effective October 1, 2014, the Sergeant rank became a 4-step range. Any new Sergeant appointed after that date is appointed to the 4-step range. Acting Sergeant pay will be paid at the top of the new range.~~

5.65 One-Time Lump Sum

Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, all employees shall receive a one-time non-pensionable lump sum payment of five thousand dollars (\$5,000).

5.76 Pandemic Related Bonus

Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, all employees who worked for the Town in 2021 who are employed at the Town ~~through as of the~~ last day of the pay period ~~the bonus is paid~~, will receive a one-time, non-pensionable lump sum payment of \$2,500.

Section 6. PERS Benefits

~~6.1 Town Contribution~~

~~Effective December 13, 1998, the Town ceased its participation in the Public Employee Retirement System "Employer Paid Member Contributions" (EPMC) provision. Concurrently, the Town began paying in salary to the employees covered by this memorandum of understanding the equivalent dollar amount of the former EPMC (9% of salary). These employees were then responsible for making their own member contributions. The POA acknowledged that implementation of this change had a cost impact to the Town which was equivalent to approximately 1.6% of total compensation.~~

~~Substantially concurrent with the adoption of the 1998-2000 memorandum of understanding, the Town Council adopted a Resolution materially the same as that recommended by the Public Employee Retirement System to implement the provisions of 414 (h) (2) of the Internal Revenue Code (IRC). The POA accepted the terms of this Resolution and acknowledged that the Resolution will apply to all current and future members of the POA during the term of this agreement.~~

The Town contracts with the California Public Employees' Retirement System (CalPERS or PERS) to provide Town employees with retirement benefits.

6.21 PERS 3% at 50 Retirement Option Classic Members

~~For employees that are not "New Members" as defined under Government Code section 7522.04(f), commonly referred to as "Classic Members," hired with reciprocity or CalPERS membership prior to 1/1/13 without a break in CalPERS service of six months or more or hired and enrolled in CalPERS membership prior to 9/15/12, the Town provides the Effective June 24, 2001, the Town amended its contract with the California Public Employees' Retirement System to include the 3% at 50 option for members of the bargaining unit. This retirement formula is applicable to employees hired prior to January 1, 2013 or Classic Members (as defined in the California Public Employees' Pension Reform Act of 2013 (PEPRA) and CalPERS guidance) hired on or after January 1, 2013 with reciprocity in the PERS retirement system.~~

The Town's contract with CalPERS for the 3% at 50 option also includes the following optional benefits:

- Single Highest Year
- 1959 Survivor Benefit Level 4
- Conversion of Unused Sick Leave to Service Credit

~~Effective October 1, 2019 or as soon as administratively feasible following that date, Classic Members will contribute 12.3% more towards PERS (3% more than required by statute) in accordance with the requirements of Government Code section 20516(a).~~

6.3 PERS 2.7% at 57 Retirement Option for New Member Employees Hired on or After January 1, 2013

For employees hired on or after January 1, 2013, who meet the definition of New Member under Government Code 7522.04(f), the Town ~~will provide~~s the 2.7% at 57 retirement benefit.

~~The Town's contract with CalPERS for the 2.7% at 57 option also includes the following optional benefits:~~

- ~~For employees hired on or after January 1, 2013 will use the~~ 36-month final average compensation (Gov't Code 20037)-
- 1959 Survivor Benefit Level 4
- Conversion of Unused Sick Leave to Service Credit

New Members ~~contribute toward CalPERS hired on or after January 1, 2013 shall pay~~ an amount that is equal to one half (1/2) the normal cost of ~~his/her~~his/her/their CalPERS pension as determined annually by CalPERS, or the current contribution rate of similarly situated employees, whichever is greater (Government Code 7522.30(c)).

~~Employees eligible for this retirement formulae retain the option of conversion of unused sick leave to service credit.~~

Section 7. Education Incentive Pay

7.1 Four-Year Degree Incentive Pay

~~Two and one-half percent (2.5%) of base salary shall be paid for any member who possesses a four-year degree. The Town shall pay two and one-half percent (2.5%) of base salary to any member who possesses a four-year degree that enhances their ability to do their job. Employees must submit proof of the four-year degree to Human Resources in order to be eligible for the payment.~~

7.2 ~~Grandfather Clause~~ Two-Year Degree Incentive Pay

~~For employees hired prior to June 30, 2008, the Town shall pay two and one-half percent (2.5%) of base salary to any member who possesses a two-year degree or meets the minimum requirements to obtain an Associates of Arts Degree that enhances their ability to do their job. Employees must submit proof of the two-year degree or completion of the~~

minimum requirements to obtain an Associates of Arts Degree in a related field to Human Resources in order to be eligible for the payment. The incentive pay for a two-year degree does not stack with incentive pay for a four-year degree; the maximum education incentive pay any member may receive under this section 7 is two and one-half percent (2.5%) of base salary

~~7.2.1~~

~~For employees hired prior to January 1, 2008, who qualify to participate in the Town's Education Incentive program prior to July 1, 2008; served a minimum of fifteen years with the Town of Los Gatos; and possess an Associates of Arts Degree or meet the minimum requirements to obtain an Associates of Arts Degree in a related field, shall be eligible for an additional 2.5% increase in base salary effective the first full pay period following their fifteenth anniversary date from his/her hire date (members with a four year degree are not eligible for this benefit).~~

~~7.2.2~~

~~For employees who are in the process of being hired prior to January 1, 2008; who qualify to participate in the Town's Education Incentive program within six months of hire; served a minimum of fifteen years with the Town of Los Gatos; and possess an Associates of Arts Degree or meet the minimum requirements to obtain an Associates of Arts Degree in a related field, shall be eligible for an additional 2.5% increase in base salary effective the first full pay period following their fifteenth anniversary date from his/her hire date (members with a four year degree are not eligible for this benefit).~~

~~7.2.3~~

~~Eliminate Retention Incentive pay for ten and fifteen years for members hired after January 1, 2008.~~

7.3 Commencement of Educational Incentive Pay

Educational Incentive Pay is effective the first full pay period after the employee provides Human Resources with sufficient proof that the employee has obtained the requisite degree or education for Educational Incentive Pay.

7.4 Re-Opener

If the law changes on the education requirements for California police officers, the Town has the right to reopen this section 7.

Section 8. POST Certificate Pay

Qualified employees shall receive one of the following payment amounts in accordance with Exhibit A:

- A. Employees in their represented classifications who have been awarded an Intermediate POST Certificate: An additional 5% of base salary.
- B. Employees in their represented classifications who have been awarded an Advanced POST Certificate: An additional 2.5% of base salary for a total of 7.5%.

Section 9. Special Pays

Officers are limited to one special assignment pay or canine pay. Officers who qualify for bilingual pay may receive bilingual pay in addition to a special assignment pay or canine.

9.1 Special Assignment Pay

Town shall provide a 5% special assignment pay to Association represented personnel who are routinely and consistently assigned as follows:

9.1.1

Motorcycle Patrol Premium- for unit members who operate and/or patrol on motorcycle.

9.1.2

School Resource Officer Duty Pay – For unit members who are assigned to School Resource Officer duty.

9.1.3

Detective Division Premium- for unit members who are routinely assigned to a detective or investigative division.

9.1.4

Police Administrative Officer-for unit members who are assigned to police administration to provide support for the Police Chief and Command Staff in the operation of the Police Department.

Assignment for special pay purposes shall be done using Town Personnel Action Forms.

Association represented personnel removed from specialty positions on a temporary basis for departmental purposes and through no fault or request of their own shall continue to receive specialty pay for a maximum of 30 calendar days.

The parties agree that special assignment premiums are pensionable as determined by CalPERS.

9.2 Bilingual Pay

The Town will pay an additional 2.5% above base pay for employees who are routinely and consistently assigned to communicate in languages other than English. Bilingual pay will be for Spanish, Russian, Arabic, Chinese, Vietnamese and any other language designated by the Chief of Police. The Town will determine the qualifying criteria including the test and the application to the specific job assignment.

9.3 Canine Pay

Officers who are routinely and consistently assigned to handle, train and board a canine in accordance with this section are eligible for Canine Officer/Animal Premium. Officers assigned to the canine unit are required to care for, train, groom, feed, and bathe their assigned dog. The parties agree that two hours per week is a reasonable amount of time to care for the canine. The Town compensates Canine officers a total of five (5) hours per week for additional time spent caring for the canine. Two (2) hours of this additional time is outside of the regular shift. The remaining three (3) hours is provided as release time.

Call-back as defined in the MOU shall not apply for the purposes of caring for the dog. Compensation provided during the additional paid time and release time is mutually acknowledged to compensate for additional time required to care for, train, groom, feed, and bathe the assigned canine.

9.3.1 Canine Pay Premium

Compensation for the 2 hours outside of the regular shift is paid as a 5% premium on all hours worked.

9.3.2 Canine Release Time

Canine Officers on a 4-10 schedule shall be released in a paid capacity for 0.75 hours prior to the “normal” conclusion of each regularly scheduled shift (4 shifts per week equaling 3 hours per week) for the normal care of the canine, including but not limited to training, grooming, feeding, bathing, and routine veterinarian care.

Canine Officers on a 12-hour schedule shall be released in a paid capacity for 1.0 hours prior to the “normal” conclusion of each regularly scheduled shift (3 shifts per week equaling 3 hours per week) for the normal care of the canine, including but not limited to training, grooming, feeding, bathing, and routine veterinarian care.

In the event that a Canine Officer is not released in sufficient time prior to the conclusion of his or her shift, the officer will be paid for additional time after the end of shift to compensate them for 0.75 or 1.0 hours of Canine care time as appropriate. The Town recognizes that this may result in overtime.

9.3.3 Commute Time with Canine

Commute time with the canine shall not be considered working time. If there is an event requiring emergency veterinarian care, travel to the veterinarian will be compensable work time.

9.4 Field Training Officer Training Premium

In addition to the above special pays, officers assigned by the Chief of Police as Field Training Officers shall also receive the 5% incentive whenever providing training to a Department member for which a training observation report is required or when completing special assignments directly related to the Field Training Officer Program with prior approval of the Chief of Police. Attendance at FTO meetings, training provided at briefings, or other training provided in conjunction with the Department's annual Advanced Officer Training or other on-going general training to Department members does not qualify for the 5% incentive.

9.5 Trailing Canine Pay

Officers that personally own a certified and properly equipped Trailing Canine and have been identified as a Department Trailing Canine Handler will provide the Los Gatos-Monte Sereno Police Department with the use of the Trailing Canine when tracking, trailing and related canine services are required. Deployment of the Trailing Canine Team may be requested for location of missing persons, fugitive apprehension and evidence recovery. With the approval of the Chief of Police, the Trailing Canine Team may also be deployed to other jurisdictions. Trailing Canine Handlers are responsible for the maintenance and care of the canine, in addition to recurring in-service training, at no cost to the Town.

9.5.1 Trailing Canine Premium

Officers will receive a five percent (5%) specialty pay premium only during approved deployment and use of services and will submit an approved time sheet noting the specialty pay during the pay period in which the services were rendered. Special assignment premiums are pensionable as determined by CalPERS.

The Town will reimburse Officers up to, but not to exceed, \$150.00 per month premium for private pet insurance. Officers will submit receipts for payment on a quarterly basis to Finance — Accounts Payable for reimbursement. The Town will also reimburse Officers for insurance deductible payments up to \$250.00 per injury/illness incurred to canine while deployed for use on Town assignments.

9.5.2 Trailing Canine Training

Trailing Canine Handlers will maintain required recurring in-service training and associated records, within the scope of policies and procedures of the Los Gatos-Monte Sereno Police Department. Officers will be reimbursed for annual canine recertification course registration fees not to exceed \$800.00 per year. Officers are responsible for cost of travel, lodging, and per-diem related to the annual re-certification course.

Up to 40-hours of paid release time annually will be allowed to attend re-certification course. The approved re-certification course constitutes scheduled Department training for which the release time will be honored.

9.6 Posting for Special Assignments

Any opening for a special assignment shall be posted for a minimum of two weeks, unless extraordinary circumstances warrant otherwise.

Section 10. Acting Sergeant Pay

Police Officers working as acting supervisors shall be compensated at Step "4" of the Sergeant's rate of pay. Town shall periodically review the actual time use of acting supervisor designations in order to determine the necessity of additional permanent supervisory personnel.

Section 11. Reimbursement of Expenses

The Town shall pay claims for reimbursement within 30 days following the complete and accurate submission of claims as approved by the Finance Director.

Section 12. Tuition Reimbursement

Town will reimburse 100% of the cost of books, university/school fees (except parking) and tuition. Tuition and school fees shall be reimbursed up to the full-time rates of San Jose State University at applicable Undergraduate or Graduate rates per school term. The maximum reimbursement per employee per fiscal year is equivalent to two (2) semesters. The reimbursement shall be only for courses that are directly related to the employee's position as determined by the Town Manager, including general education courses that are generally related to attainment of a job-related degree or certification. General education courses not generally related to the employee's position will not be eligible for reimbursement. Reimbursement shall be taxed pursuant to the State and Federal Regulations.

Application for Tuition Reimbursement shall be made to the Town before the course begins. Prior to reimbursement of costs, all course work must be completed with a passing grade of "C" or equivalent when numerical score or pass/fail is given. Individuals requesting reimbursement must currently be employed by the Town to be eligible for reimbursement.

Any employee who terminates employment with the Town within one year from the completion of a class or classes, for which tuition reimbursement was paid, shall refund all tuition paid under this provision, unless required to attend by the appointing authority.

Section 13. Health and Welfare Benefits and Rate of Town Contribution

The Town contracts with CalPERS for the purpose of providing employees and their eligible dependents with medical insurance benefits. ~~During calendar year 2018, the Town will pay a maximum contribution of \$133 per month to CalPERS for each eligible active employee towards the purchase of medical insurance for those employees who enroll in and receive such insurance through the Town. Beginning January 1, 2019, t~~The Town's maximum monthly contribution for each eligible active employee shall be equal to the minimum employer contribution required under Public Employees' Medical and Hospital Care Act (PEMHCA), currently \$149 per month, as may be adjusted by CalPERS from year to year.

13.1 Cafeteria Plan

During the term of the MOU, the Town agrees to maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing eligible active employees with access to various health and welfare benefits. Benefits available through the Cafeteria Plan include medical insurance, dental insurance, vision insurance and life insurance benefits.

13.2 Dental

Employees choosing this option instead of Cash-in-Lieu will be provided 100% of the Delta Dental DPO Plan premium less a \$15.00 employee contribution. If the premium cost of the dental plan exceeds the Town contribution, the employee shall pay through payroll deductions the difference between the monthly premium and the amount contributed by the Town. The Town will pay 100% of the premium for employees choosing to participate in the DeltaCare USA Plan.

13.3 Medical

The Town will provide active employees with a medical allowance equal to 100% of the cost of the Kaiser Bay Area Medical Insurance Program premium offered by the Public Employees' Retirement System Health Benefit Medical Program ~~at for~~ the Employee Only level of participation. ~~for all active employees.~~ For dependents, the Town will pay 90% of the difference between Kaiser Employee Only and Kaiser level of participation (Employee Plus One or Employee Family, depending on family status). If the employee chooses medical coverage under a program more expensive than Kaiser Bay Area, the employee will pay the difference between the Town-provided medical allowance and the cost of the more expensive program through payroll deduction.

The Town's contribution towards medical insurance set forth in Section 13 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section.

13.4 Vision

The Town shall pay for employee-only coverage under the Town's Vision Service Plan (VSP). Employees may enroll eligible dependents at their own cost.

13.5 Cash-In-Lieu Plan

Employees have the option of choosing all available coverages or, upon providing proof of other medical coverage, may choose to opt out of the Town's coverage and be provided with cash-in-lieu.

Employees who choose to receive the cash-in-lieu must first show proof of alternative minimum essential medical coverage for the employee and employee's tax family (individuals for whom the employee expects to claim a personal exemption deduction). Individual coverage, and individual coverage from Covered California does not qualify as alternative minimum essential coverage under this section. Employees must provide reasonable evidence of alternative minimum essential coverage each plan year, during open enrollment. The Town will not make the cash payment if it knows or has reason to know that the employee or tax family does not have alternative minimum essential coverage. Any amount received in cash is taxable. Employees choosing to receive taxable cash will have the option of receiving it in two equal amounts in December and June, or the first two paychecks of each month (24 times a year).

- For employees hired before January 1, 2006, the Town contribution to the Cash-In-Lieu program will be equal to Nine Hundred and Twenty-two Dollars (\$922) per month.
- For employees hired after January 1, 2006, the Town contribution to the Cash-In-Lieu program will be Four Hundred Dollars (\$400) per month.

The parties agree to meet and confer at the Town's request on any changes that are within the mandatory scope of bargaining related to its Town sponsored Medical Insurance and Cash In-Lieu Plan that may be related to the compliance and implementation of the Affordable Care Act or the Fair Labor Standards Act as it relates to the regular rate of pay for overtime.

13.6 Supplemental Health and Welfare Benefits

- A. Life:** Coverage of \$50,000 plus \$50,000 accidental death: Town to pay for premium. Additional life insurance may be purchased by the employee equal to once or twice the employee's base salary, not to exceed \$200,000.
- B. Disability:** Short Term Disability Policy effective 8th calendar day; coverage of 60% of weekly earnings up to maximum of \$1,300/week for 13 weeks. Long Term Disability benefits begin on the 91st day of disability; coverage of 60% of monthly earnings up to a maximum of \$6,000/month.

C. **Employee Assistance Program:** Premiums shall be paid by the Town.

D. **Unemployment Insurance:** Premiums shall be paid by the Town to provide State coverage.

Section 14. Retiree Health

The Town provides retiree health benefits in accordance with the PEMHCA for employees who qualify as eligible PERS retirees who receive a PERS retirement allowance and are PEMHCA annuitants entitled to such benefits under the PEMHCA.

~~Beginning October 1, 2018, the Town will pay a maximum contribution of \$133 per month to CalPERS for each eligible annuitant towards the purchase of medical insurance. Beginning January 1, 2019, t~~The Town's maximum monthly contribution for each eligible annuitant shall be equal to the minimum employer contribution required under the PEMHCA, ~~currently \$149 per month~~, as may be adjusted by CalPERS from year to year. The provisions of PEMHCA will govern medical insurance coverage for annuitants.

14.1 ~~Retiree Health Health Reimbursement Account (HRA)~~ Benefit for Eligible Retirees Hired ~~On or before~~ **Before** October 1, 2018

An employee hired ~~on or~~ prior to October 1, 2018, or provided with a final offer confirmation of employment prior to ~~October 1, 2018 ratification and approval of the 2018-2021 Memorandum of Understanding is agreement~~, is eligible for ~~Health Reimbursement Account (HRA)~~ retiree health benefits in accordance with this Section.

14.1.12

The employee retired from the Town taking a service or disability retirement from CalPERS as a retiree receiving a PERS retirement allowance and is a PEMHCA annuitant; and,

14.1.23

The employee must actually draw a CalPERS pension within ninety (90) days of separation from the Town, provided the employee remains with the Town's health plan through COBRA.

14.41.3

The amount of the supplemental retiree health benefit allowance will be equal to 100% of the cost of the premium for Kaiser Bay Area Retiree Only ~~and 90% of the difference between the Kaiser Employee Only and Kaiser level of participation (Employee Plus One or Employee Family, depending on family status) Bay Area Retiree Plus One level of participation. For dependents, t~~The Town will pay ~~\$1,443.45 per month towards a Retiree Plus One plan and \$1,9547.16 per month towards a Retiree Plus One or More plan, as of the 2022 plan year October 1, 2018~~. This amount will increase by \$100.00 each year until it is equal to the active employee contribution.

14.51.4

The Town's contribution towards retiree health insurance set forth in Section 14 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section (14.14).

14.61.5

Employees retiring on or after February 1, 2016 and upon becoming eligible for Medicare will cease to receive any retiree health benefit allowance under this Section (14.41) and will become eligible for Supplemental Medicare equal to the cost of Kaiser Senior Advantage Bay Area Medicare rates up to a maximum of 100% Retiree Only, 90% for Retiree Plus One or 90% for Retiree Plus One or More less the amount of the employee contribution provided under Section 14 (the PEMHCA minimum). This benefit is available to the eligible retired employee only after he or she has

reached the age of 65 and is Medicare eligible or as otherwise specified by law.

14.71.6

The benefits described by this Section (14.14.4) will be provided to annuitants through CalPERS by means of a Health Reimbursement Account (HRA).

14.82 Retiree Health Benefit for Eligible Retirees Hired After October 1, 2018

~~The parties agree to add the PORAC Trust option requiring bargaining unit employees to contribute at least \$100 per month subject to reaching mutual agreement on the language. The parties agree that administrative fees required by the PORAC trust shall be split 50/50 by the Town and the POA.~~

~~The Association will establish participation in a retiree medical plan administered by the PORAC Retiree Medical Trust (PORAC RMT). This agreement to participate will apply to every employee, represented by the Association, hired by the Town after October 1, 2018. The cost of establishing and maintaining the Trust shall be at no cost to the Town, including administrative fees. The Town is not a party to the Trust, aside from transferring funds, and has no obligations to the management, regulatory compliance or performance of the trust. In the event the Trust becomes insolvent or unable to pay, the Town has no financial obligation to the Trust or the contributing members of the Association.~~

~~The Town will transfer a monthly employee contribution of one hundred dollars (\$100.00) for each Association member deducted in fifty dollars (\$50.00) increments from the first two paychecks of each month (24 times per year). These contributions shall be on a pre-tax basis if permitted by law. As each member will contribute the same predetermined dollar amount, no member election forms designating the amount will be needed, allowed or requested; and there shall be no member election available to take the member contribution amount in cash, or to determine the member contribution amount. These contributions shall be included as salary for purpose of calculating retirement benefits as determined by the California Public Employees Retirement System (CalPERS).~~

~~The Town will comply with reasonable procedures set by the Trust Office with regard to reporting and depositing the required contributions set forth above, typically involving providing the Trust Office with the name, social security number and amount paid for each Association member. In the event that the reporting requirement of the Trust requires reporting beyond that which the Town typically provides, the Town may require the Association to pay for any costs related to programing or producing such reports. Prior to engaging in any activity that could result in such an expense, the Town will secure the Association's authorization~~

~~The Association agrees to defend, indemnify, and hold the Town harmless from any liabilities of any nature which may arise as a result of the operating of the PORAC RMT, except for the obligation of the Town to make and report the non-elective transfer of Association member contributions as described above.~~

~~The monies contributed to the Trust fund shall only be used for retiree health insurance premiums or health care expenses, as allowed by law. There shall be no Association member election/option available to take such amount in unrestricted cash.~~

~~The purpose of this Trust shall be to provide for retiree health care expense reimbursement benefits. The Trust shall be and remain separate and apart from any Town health insurance funding program, unless changed by mutual written agreement of the parties. The contributions set forth above, unless otherwise dictated by law or rules set forth by CalPERS, shall be included as salary for purpose of calculating pension benefits.~~

~~The Town hereby acknowledges receipt of the Trust Agreement governing the Trust. The Town will cooperate with the Trust in allowing a payroll audit only for the purpose of ascertaining if the proper amount of contributions have been made.~~

Section 15. Uniforms

The Town will provide a full set of uniforms and equipment (per Department Uniform Policy) to each new employee. The Town will replace authorized uniform items damaged in the performance of duty as approved by the Chief of Police.

~~Effective upon ratification and approval by the Council of this Agreement, t~~The Town will pay bargaining unit employees a uniform allowance of One Hundred Fifteen Dollars (\$115) per month (paid the first two pay periods of each month) for the repair, maintenance, and replacement of uniforms.

Section 16. Mileage Reimbursement

Employees using personal vehicles on official Town business shall be reimbursed at the mileage rate established by the I.R.S. Private vehicles used for Town business shall comply with the California Vehicle Code.

Mileage reimbursement requests must be submitted within 30 days of the date accrued.

Section 17. Payroll Periods

The Town and Association agree to the continuation of a biweekly payroll period. The following conditions are in effect:

- A. Employee pay shall not be withheld more than seven (7) calendar days from the end of the payroll period, however, a maximum of two days overtime may appear on the next payroll period if it is worked following the submittal of time sheets, or during a pay period with a Town holiday which requires early submittal of time sheets and early distribution (before Friday) of pay checks. This may also occur at the end of the fiscal or calendar year.
- B. The Town shall provide an optional electronic check deposit system for use by employees.

Section 18. Paychecks

Payroll deductions and accruals shall appear on all paychecks.

Section 19. Deferred Compensation

The Town shall continue to offer a program of deferred compensation to its members in the represented classifications. The Town makes no representation on the merit of the plan nor any of the investment products or instruments which may be offered by the plan. The responsibility for evaluating the options within the plan is the responsibility of the individual participant. The Town shall not be obligated to offer more than one Deferred Compensation carrier.

Section 20. Overtime

Overtime is time worked beyond any scheduled work shift.

All overtime worked shall be compensated at time and one-half. The employee may choose whether overtime ~~worked~~ shall be paid in cash or accumulated as Compensatory Time Off (CTO), subject to a maximum accumulated CTO of one hundred and forty (140) hours.

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to 40 hours of CTO twice per year (paid at the regular rate of pay in whole hour increments) which will be earned in the following calendar year. In the first full pay period of June and December in the following year, the employee will receive cash for the amount of CTO the employee elected to cash out in the prior year. However, if the employee's CTO balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of the CTO the employee has accrued at the time of the cash out.

Annual review of the impact of those changes will occur to determine if there is any adverse impact on scheduling.

For private duty contracts, officers may only receive pay.

Overtime is to be approved by a supervisor as soon as practical. Overtime payroll sheets are the responsibility of the employee to have approved and forwarded to the division commander by the appropriate payroll deadline.

Section 21. Duty Extension

Compensation is made for actual time worked and shall be computed in minimum quarter-hour blocks.

Personnel whose work hours would normally terminate within one hour or less from the time of the scheduled court, meeting, or training commencement will be compensated from the termination of their normal work hour through the termination of the scheduled event.

Duty extension is paid at time and one half.

Section 22. Call Back

Requests that personnel return to duty, attend mandatory meetings, court appearances and training classes are call backs and compensated at a 3 hour minimum or actual time, whichever is greater. Mandatory meetings where a minimum of two weeks' notice has been given are not a call back and will be compensated at a one (1) hour minimum or actual time worked whichever is greater.

Call backs for officers assigned to Watch I (midnight shift) who have worked the night before shall receive a minimum of 4 hours.

Personnel are considered on duty for the duration of a call back.

Court appearances-hearings-depositions: Required off duty attendance at judicial or administrative hearings is compensated at a 3-hour minimum (4 hours for midnight if shift worked the night before appearance), or actual time, whichever is greater. Should there be more than one appearance, including separate court locations, within the 3 or 4 hour time period, only one minimum will be granted.

Call back is paid at time and one half.

Section 23. Vacation Schedule

The following vacation schedule shall apply to all employees:

Months of Employment	Accrual Days Per Year	Accrual Hours Per Pay Period
0 to 36	10	3.08
37 to 60	15	4.62

61 to 120	20	6.46
121 to 180	23	7.08
181 months	25	7.70

Maximum accrual of vacation hours shall be 344 hours.

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to 80 hours of vacation twice per year (in whole hour increments) which will be earned in the following calendar year. In the first full pay period of June and December in the following year, the employee will receive cash for the amount of vacation the employee irrevocably elected to cash out in the prior year. However, if the employee's vacation balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of vacation the employee has accrued at the time of the cash out.

Section 24. Vacation and ~~Overtime-Compensatory Time Off~~ Cash-out

Employees who terminate from Town service shall have all accrued vacation and compensatory time off ~~overtime~~ cashed-out. This will terminate their status as an employee of the Town.

Section 24.5. Shift and Vacation Selection Procedures

Patrol shift selection and vacation bidding shall commence approximately ten weeks prior to shift change, unless circumstances require otherwise.

The Town agrees to continue efforts to transition to an online mechanism for shift and vacation selection.

Due to the Association's concerns regarding changes to the vacation selection procedure that arose due to sworn staffing shortages and its effect on officer access to vacation, the parties agree to meet to discuss shift and vacation selection procedures during the month of July 2022. Upon request by the Union, the parties will promptly meet and confer on the limited issue of the Department's vacation selection procedure. Any changes to the existing vacation selection procedure will be by mutual agreement.

Section 26. Holidays and Holiday Pay

The following holidays will be observed by non-uniform personnel:

- January 1.
- the third Monday in January.
- the third Monday in February.
- the last Monday in May.
- Juneteenth.
- July 4.
- the first Monday in September.
- Thanksgiving Day.
- the Friday following Thanksgiving Day.
- December 25.
- Four hours on December 24 and December 31
- Every day declared a Holiday by the Mayor as a result of a national holiday declared by the President or State Governor.

Holidays which fall on Saturday shall be observed on the Friday prior and holidays which fall on Sunday shall be observed on the following Monday.

Uniform personnel assigned to shift work (Patrol and Traffic) shall receive compensation in-lieu of holiday time off equal to eighty (80) hours of base pay annually. Employees shall have the option of taking Holiday leave off equal to eighty hours (80) or receive in-lieu compensation. If the employee selects to receive in-lieu compensation, forty (40) hours of holiday pay will be received in the last payroll of November and the second forty (40) hours will be received in the last payroll of May, and will be included on the regular check. In-lieu holiday pay shall cease whenever an employee is reassigned to other than shift work. The employee shall observe holidays as described above. In the event that an additional holiday is observed by the Town during the term of this agreement, the in-lieu compensation shall be increased by the additional hours holiday time made available to non-uniform personnel (the language of this paragraph becomes null and void effective January 1, 2019).

~~Effective beginning January 1, 2019, the parties agree to pay holidays for bargaining unit employees through Holiday In-Lieu pay of 4.0%.~~

~~Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, in recognition of Juneteenth, holiday in-lieu pay will be increased by 0.4%, to total 4.4%.~~

~~Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, employees will receive a one-time, non-pensionable lump sum payment of one thousand dollars (\$1,000) for foregoing the Juneteenth holiday prior to 2023.~~

Section 276. Personal Leave

Employees shall have the option of either taking personal leave off equal to twenty-four (24) hours of base pay annually, or receiving in-lieu compensation equal to same if the personal leave is not used by the end of November. Employees may use personal leave hours during the month of December; however, employees desiring to receive compensation for those hours shall do so in conjunction with the annual cash out in November.

Section 278. Sick Leave

Accumulation rate shall be 8 hours per month (3.70 hours per pay period) with a maximum accrual of 1180 hours. The Town may require association represented employees to provide a doctor statement of proof of illness for any use of sick leave beyond one working day.

Section 298. Sick Leave Cash-Out Program

298.1 Annual Sick Leave Cash-Out for Employees Hired Prior to October 1, 2018

On or before the pay period which includes December 15 of each calendar year, employees eligible to cash out under this section may make an irrevocable election to cash out up to 40 hours of their accumulated sick leave at 50% of current salary two times per year (in whole hour increments) which will be earned in the following calendar year. In the first full pay period of June and December in the following year, the employee will receive cash for the amount of sick leave the employee irrevocably elected to cash out in the prior year. However, if the employee's sick leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of sick leave the employee has accrued at the time of the cash out.

298.2 Sick Leave Cash-Out Upon Termination for Employees Hired Prior to October 1, 2018

Employees who terminate employment with the Town for any reason other than retirement or disciplinary termination, may cash-out their accumulated sick leave as follows:

Months of Employment	
1-59 months	25%

60-119 months	37.5%
120 months or more	50%

In order to be eligible for the sick leave cash-out program, an employee must have a sick leave accrual balance of at least 200 hours at the time of termination.

298.3 Unused Sick Leave Upon Retirement

Upon retirement, eligible employees may choose from the following options:

1. Eligible employees may convert unused sick time to service credit in accordance with provisions established by CalPERS.

2. Sick Leave Cash Out for Employees Hired Prior to October 1, 2018

All eligible employees who retire with a sick leave accrual balance of at least 200 hours may elect to be paid in cash in accordance with the same provisions as Section 28.2 Sick Leave Cash-Out Upon Termination.

3. Sick Leave Conversion for Employees Hired Prior to January 1, 2009

All employees who retire with a sick leave accrual balance of at least 200 hours may convert 100% of this accumulated sick leave to a dollar equivalent at their hourly rate of pay at the time of retirement. This amount shall be held in an account. The employee's portion of the medical insurance premium payment will be withheld from their monthly retirement payment by PERS.

The Town agrees to pay the retiree quarterly in advance on the first pay period of January, April, July, and October of each year after retirement. The first payment will be pro-rated to the nearest quarter.

Retiree's (including dependents of the retiree) portion of medical payments will be paid from this account by the Town until all monies are depleted from the account.

This account will not accrue interest and will not be paid in cash to the retiree or any beneficiaries. The retirees shall be responsible for 100% of their share of future medical insurance premiums once the account is exhausted.

Section 3029. Military Leave

Military leave and benefits shall be granted in accordance with State and Federal Law, including the continuation of employee salary and benefits if applicable.

Generally, employees with more than one year service will receive up to thirty (30) calendar days of paid military leave annually while engaged in military duty ordered for purposes of active military training.

Section 310. Bereavement/Compassion Leave

Up to 40 hours available per occurrence – use limited to spouse, parent, grandparent, child, or sibling by blood or marriage. It is recognized that bereavement/compassion leave is separate from employee's accumulated sick leave, vacation or CTO.

Section 321. Leave Without Pay

Leave without pay shall be subject to approval of the Chief of Police and the Town Manager.

An employee who is on leave without pay shall not earn any employment benefits (including, but not limited to, such benefits as vacation leave, medical benefits, sick leave, retirement, credit for time employed or seniority entitlement of any kind) for the duration of such leave.

Vacation or sick leave or time worked shall not be used intermittently during an extended leave to interrupt a determination that an employee is on leave without pay.

The Town may, at its discretion, approve leave beyond the specific amount provided above.

Section 3~~3~~2. Accrual of Benefits

Benefits shall not accrue to employees on unauthorized leave, suspension without pay, or leave without pay.

Section 3~~4~~3. Workers' Compensation

Employees shall be provided benefits in compliance with State law.

Section 3~~5~~4. Jury Duty

Employee salary and benefits shall be continued during jury duty; employee turns over to the Town any compensation from the courts or other source of jury duty on regular work days.

Section 3~~6~~5. Outside Employment

Outside employment shall be subject to approval of the Chief of Police and the Town Manager, subject to the following limitations: no security work within Town limits; no use of Los Gatos uniform, badge, ID, or Los Gatos issued items; vacation or CTO to be used for court appearances resulting from private employment. Approval must be obtained prior to engaging in the outside employment and shall be renewed prior to July 1 of each year.

Section 3~~7~~6. Residency Requirement

There is no residency requirement for represented employees.

Section 3~~8~~7. Layoff Policy

Association recognizes the right of the Town to determine the resources to be made available to the police department. Although a reduction in force (layoff) is not anticipated, it is recognized that it is the sole right of the Town to determine when such reductions in force are necessary.

Reductions in force shall be by classification with the determination of affected employees by the Town based on seniority counted as total time employed by the Town. Affected employees shall be provided a minimum thirty (30) calendar days' notice of layoff.

Employees in the classification of Police Sergeant and designated for layoff shall have the right to return to positions previously held with the Town and represented by the Association.

Section 3~~9~~8. Vehicles

Town shall advise POA no later than sixty days prior to Town development of vehicle specifications for patrol vehicles. POA shall submit recommended specifications for vehicle purchase no later than thirty (30) days after receiving the notice from the Town.

Section ~~39~~40. Promotions

The Town and Association agree that it is in the best interest of both the Town and its employees to foster promotion of incumbent employees.

The Town and Association recognize the Town's sole right to determine the examination process for the selection of Town employees. Qualified employees who are invited to participate in the examination process shall be allowed up to two (2) hours of time-off from regularly scheduled work in order to participate in the examination process if the examination process is scheduled during the employee's normal work period.

To the best of its ability, the Town shall maintain a current promotional list for the positions of [Police Corporal and Police Sergeant](#).

[Any opening for Police Corporal or Police Sergeant positions shall be posted for a minimum of three weeks, unless extraordinary circumstances warrant otherwise.](#)

Section ~~41~~0. Probationary Period

The Town and the Association agree that all original appointments to the rank of Police Officer will include a probationary period of 18 months from date of hire to allow the department to fully evaluate the officer following the academy and FTO training.

Individuals hired as a lateral transfer must have a valid P.O.S.T. Basic Certificate at the time of hire and will be subject to a 12-month probationary period.

Any individual on an 18-month probationary period will be eligible to receive a step increase after 12 months.

All promotional appointments to the positions of Corporal and Sergeant shall be subject to satisfactory completion by the employee of a 12-month probationary period.

The Chief of Police may extend the probationary period of an employee for a period not to exceed an additional six (6) months.

Section ~~42~~1. Performance Evaluations

Performance evaluations shall take place at least every three (3) months for all probationary employees and shall take place at least annually thereafter on the anniversary of an employee's employment with the Town. Employees eligible for step increases shall receive their performance evaluation no later than fifteen (15) days prior to their employment anniversary date.

All performance evaluations shall be discussed with the employee prior to the evaluation being completed. Employees may sign their individual performance evaluations as evidence of discussion having taken place; employee signature does not necessarily imply agreement with the evaluation. If an employee chooses not to sign an evaluation, the supervisor will note that the employee has read the evaluation and chooses not to sign. An employee may attach separate written comments to [his/her/his/her/their](#) evaluation.

Section 423. Reinstatement

Subject to the approval of the Town Manager, a permanent employee who has resigned from employment with the Town may be reinstated within two (2) years of ~~his/her~~his/her/their resignation to ~~his/her~~his/her/their former position, if vacant. Upon reinstatement, the employee shall be considered as though ~~he/she~~they had received an original appointment, unless other conditions are made a part of the reinstatement by the Town Manager.

Section 434. Re-Employment

The names of employees affected by layoff shall be placed on appropriate re-employment lists in the order of total continuous cumulative time served in paid status. Such names shall remain thereon for a period of eighteen (18) months unless such persons are sooner re-employed. When a re-employment list is to be used to fill vacancies, the Personnel Officer shall certify from the top of such list the number of names equal to the number of vacancies to be filled, and the appointing power shall appoint such persons to fill the vacancies.

Section 445. Grievance Procedures

Grievances shall be defined as alleged violations of this agreement or disputes regarding interpretations, application, or enforcement of this agreement to Town ordinances, resolutions, and written policies related to personnel policies and working conditions. Grievances shall not include disagreements, disputes, or activities regarding or pertaining to examinations for employment or promotion, disciplinary action, performance evaluations, and probationary terminations.

No act or activity which may be grievable may be considered for resolution unless a grievance is filed in accordance with the procedure contained herein within sixty (60) calendar days of the date the grievable activity occurred or the date the employee could reasonably have known such activity occurred. The provision for the sixty (60) days "statute of limitations" shall not apply to probationary employees.

The parties agree that all grievances will be processed in accordance with the following procedure:

Any employee who has a grievance shall first try to get it settled through discussion with ~~his/her~~his/her/their immediate supervisor without undue delay. Every effort shall be made to find an acceptable solution at the lowest possible level of supervision. If after such discussion the employee does not believe the grievance has been satisfactorily resolved, ~~he/she~~they may file a formal appeal in writing to the command officer responsible for supervision of the employee's immediate supervisor within ten (10) calendar days after receiving the informal decision of ~~his/her~~his/her/their immediate supervisor. The command officer shall respond within ten (10) calendar days of the filing of the appeal.

If the employee does not believe the grievance has been satisfactorily resolved by the command officer, the employee may then file a formal appeal in writing to the Chief of Police within ten (10) calendar days after receiving the informal decision of the command officer. The Chief of Police shall render his written decision within ten (10) calendar days after receiving the appeal.

If after receipt of the written decision of the Chief of Police, the employee is still dissatisfied, ~~he/she~~they may appeal the decision of the Chief to the Town Manager. Such appeal shall be made by filing a written appeal to the Town Manager within five (5) days after the receipt of the written decision of the Chief. The Town shall render a written decision within twenty (20) working days after the appeal is made.

If after receipt of the written decision of the Town Manager the employee is still dissatisfied, ~~he/she~~they may appeal the decision of the Town Manager to the Personnel Board. Such appeal shall be made by filing a written appeal to the Chair of the Personnel Board within five (5) days after receipt of the written decision of the Town Manager.

The Personnel Board shall establish a hearing date within 30 days of receipt of the written appeal. The Personnel Board shall conduct a closed hearing giving opportunity for presentation by the employee or ~~his/her~~his/her/their representative and the Town Manager. The Personnel Board shall render a written decision within 30 days after the appeal is made. If after receipt of the written decision of the Personnel Board, the employee is still dissatisfied, ~~he/she/they~~ may appeal the decision of the Personnel Board to the Town Council. Such appeal shall be made by filing a written appeal with the Mayor. The Mayor shall schedule a closed hearing with the Town Council within 30 days after receipt of the appeal. At this hearing, the employee and the Town Manager may make presentations. The Town Council decision shall be final. The Town Council shall render a decision within 30 days after the hearing. An open hearing may be conducted by the Personnel Board or Town Council with mutual consent of the Town and person(s) filing the grievance.

The time limitations for filing and responding to grievances may be waived or extended by mutual agreement of the parties. If either party to the grievance so requests, an informal hearing shall be conducted at the Chief of Police or Town Manager appeal levels. Employees may be represented by counsel or other person at any stage in the grievance process.

Section 456. Attendance

Employees shall be in attendance at their work in accordance with the rules regarding hours of work, holidays and leave.

An employee whose absence is not authorized will not receive pay or benefits for the absent period and shall be subject to discipline. Failure on the part of an employee absent without leave to return to duty shall be grounds for discharge. It shall be the responsibility of an employee absent without leave to notify the department head of the reason the employee is absent and of the employee's availability for duty.

Section 476. Completeness of MOU

The Town and the Association acknowledge and agree to abide by the provisions of the Meyers-Milias-Brown Act.

Section 478. Association Notification or Communications

The Town and the ~~d~~Department will make every reasonable effort to keep the Association President informed on issues related to the working conditions of the Association members.

Section 49. Labor-Management Committee

As part of a continuing effort to promote healthy labor relations, the Department and the Association shall establish a Police Labor-Management Committee to meet on at least a quarterly basis to promote open communication and the sharing of information. It is the intent of the parties that the Chief or designee and the Association President or designee will attend these meetings.

Section 4850. Catastrophic Time Bank

If an employee is catastrophically ill or injured, or if the spouse or child of such employee becomes catastrophically ill or injured, the employee may request of the Town Manager that a catastrophic time bank be established. This request should be in writing. The catastrophic time bank will enable other employees to donate accrued CTO, holiday credits, or vacation credits to the requesting employee in accordance with departmental policies.

Specific procedures for the administration of the catastrophic time bank will be developed by the department.

~~Section 49. Reopener~~

~~If, for any reason, the Chief of Police decides it is in the best interest of the Department to discontinue the 4-10 Plan within the term of this agreement, the Town of Los Gatos agrees to reopen negotiations within 30 days on all provisions of the MOU.~~

Section 510. Me Too Clause

The Town shall not enter into an agreement with another bargaining unit, local union or management unit so that unit, local or bargaining unit can receive any compensation related to any salary or total compensation increase obtained by the POA.

~~Section 51. Update of Personnel Rules~~

~~The Town will be updating the Personnel Rules during the term of this agreement. The Town will provide notice and an opportunity to meet and negotiate any negotiable changes to the Personnel Rules. The parties agree to this process for this update.~~

Town of Los Gatos POA Classifications
Salary Schedule for Fiscal Year 2021/22
Effective June 12, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Range	Step	Hourly Rate
2520	Police Sergeant (Prior)	04-0721	1	\$66.43
	<i>Appointment before 03/01/2015</i>		2	\$69.75
			3	\$73.24
			4	\$76.90
			5	\$80.75

Class Code	Classification Title	Range	Step	Hourly Rate
2521	Police Sergeant (New)	05-0721	1	\$66.43
	<i>Appointment after 03/01/2015</i>		2	\$69.75
			3	\$73.24
			4	\$76.90

Class Code	Classification Title	Range	Step	Hourly Rate
7500	Police Corporal	03-0715	1	\$55.12
			2	\$57.88
			3	\$60.77
			4	\$63.81
			5	\$67.00

Class Code	Classification Title	Range	Step	Hourly Rate
7510	Police Officer	02-0711	1	\$52.50
			2	\$55.13
			3	\$57.89
			4	\$60.78
			5	\$63.82

Class Code	Classification Title	Range	Step	Hourly Rate
9519	Police Trainee *	01-0710	1	\$49.88
	<i>* 95% of Step 1 of Police Officer Classification (Provisional Employee with Misc PERS)</i>			

Reflects General Increase of 2%.

ATTACHMENT 1

Town of Los Gatos POA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Range	Step	Hourly Rate
2520	Police Sergeant (Prior)	04-0721	1	\$69.92
	<i>Appointment before 03/01/2015</i>		2	\$73.42
			3	\$77.09
			4	\$80.94
			5	\$84.99

Class Code	Classification Title	Range	Step	Hourly Rate
2521	Police Sergeant (New)	05-0721	1	\$69.92
	<i>Appointment after 03/01/2015</i>		2	\$73.42
			3	\$77.09
			4	\$80.94

Class Code	Classification Title	Range	Step	Hourly Rate
7500	Police Corporal	03-0715	1	\$58.01
			2	\$60.91
			3	\$63.96
			4	\$67.16
			5	\$70.52

Class Code	Classification Title	Range	Step	Hourly Rate
7510	Police Officer	02-0711	1	\$55.26
			2	\$58.02
			3	\$60.92
			4	\$63.97
			5	\$67.17

Class Code	Classification Title	Range	Step	Hourly Rate
9519	Police Trainee *	01-0710	1	\$52.50
	<i>* 95% of Step 1 of Police Officer Classification (Provisional Employee with Misc PERS)</i>			

Reflects General Increase of 5.25%.



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/07/2022

ITEM NO: 20

DATE: June 2, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the Town Employees' Association and Authorize the Town Manager to Execute the Memorandum of Understanding

RECOMMENDATION:

Staff recommends that the Town Council approve a Labor Agreement Between the Town of Los Gatos and the Town Employees' Association (TEA) and Authorize the Town Manager to Execute the Memorandum of Understanding .

BACKGROUND:

In accordance with the Town's Employer-Employee Relations Resolution No. 1974-41, representatives of the Town and TEA have met and conferred in good faith and within the scope of representation in an effort to reach agreement for a successor Memorandum of Understanding (MOU). The revised agreement will be posted as an Addendum on June 3, 2022. The MOU is a labor agreement that identifies specific terms and conditions of employment applicable to the employees represented by that agreement.

DISCUSSION:

The Town's current MOU with TEA expires on June 30, 2022. In April 2022, the Town and TEA began negotiating for a successor agreement. A tentative agreement for a two-year term was reached in April and TEA membership ratified on June 2, 2022.

Major provisions of the agreement include and are not limited to:

1. **Term:** July 1, 2022 to June 30, 2024

PREPARED BY: Salina Flores
Human Resources Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees and Authorize the Town Manager to Execute the Memorandum of Understanding

DATE: June 2, 2022

DISCUSSION (continued):

2. Salary:

- a. Effective the first full pay period of July 2022 (Effective July 10, 2022), or the first full pay period after Council approval, whichever is later, the Town will provide a 3% cost of living adjustment (COLA) and a 5% market increase for a total of 8%. The market increase is intended to bring TEA classifications to or near market median based on data in a compensation survey of the relevant labor market completed by outside consultant Bryce & Associates in April 2022 .
 - b. Effective in the first full pay period of July 2023, the Town will provide a 3% cost of living salary increase.
3. **Pandemic Related Bonus:** Effective the first full pay period of July 2022, or the first full pay period after Council approval, whichever is later, all employees who worked for the Town in 2021, who are employed at the Town as of the last day of the pay period will receive a one-time, lump sum payment of \$2,500.00.
 4. **Juneteenth Holiday:** Effective after Council approval of this MOU, June 19th (Juneteenth) shall be added to Section 29 of the MOU as an observed paid eight (8) hour holiday for employees represented by TEA.
 5. **Market Adjustments:** On one occasion during the term of the MOU, upon request by the Union, the Parties agree to meet to discuss elements of future compensation surveys for TEA and ways to collaborate to obtain the best market data for TEA classifications. The parties agree this is not a reopener and any changes to the MOU on this issue would be by mutual agreement of the parties.
 6. **Compensatory Time Off (CTO) for Non-Dispatchers:** Increase CTO accrual limit by twenty (20) hours to maximum of eight (80) hours.
 7. **Bereavement Leave:** Add Stepchildren, foster children, stepparents/parents in law, and grandchildren.

The Town and TEA have also agreed to various MOU language updates. The red-lined MOU will be posted on Friday, June 3, 2022 as an Addendum. These updates clarify existing language, delete obsolete language, and ensure compliance related to the Town's contract for retirement and medical benefits provided under the California Public Employees' Retirement System (CalPERS) and the Public Employees' Medical and Hospital Care Act (PEMHCA).

CONCLUSION:

The TEA agreement has been prepared within the parameters provided to Town's negotiators by the Town Council and has been ratified by the TEA membership. It is recommended that the proposal be approved, and the Town Manager be authorized to execute the MOU.

PAGE 3 OF 3

SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees and Authorize the Town Manager to Execute the Memorandum of Understanding

DATE: June 2, 2022

FISCAL IMPACT:

The anticipated fiscal impact for the 3% salary increase (\$215,000) and 5% market increase (\$290,000) in FY 2022/23 is \$505,000. The anticipated fiscal impact of the \$1,000 non-pensionable one-time payment and the one-time, lump sum pandemic related bonus payment of \$2,500.00 in FY 2022/23 is \$210,000.

The total cost impact for FY 2022/23 will be absorbed in the Town's existing operating budget. Funding to support the FY 2023/24 ongoing cost each year will be incorporated into the proposed future year budgets for Council approval.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:

1. Salary Schedule for TEA effective July 10, 2022

Town of Los Gatos TEA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range TE1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
4310	Account Technician	Hourly	08	\$36.88	\$38.72	\$40.66	\$42.69	\$44.82	\$47.64
3580	Administrative Assistant	Hourly	04	\$30.87	\$32.41	\$34.03	\$35.73	\$37.52	\$39.98
4620	Assistant Engineer	Hourly	25	\$49.12	\$51.58	\$54.16	\$56.87	\$59.71	\$63.28
4420	Assistant Planner	Hourly	12	\$42.71	\$44.85	\$47.09	\$49.44	\$51.91	\$55.09
4600	Associate Civil Engineer	Hourly	27	\$55.88	\$58.67	\$61.60	\$64.68	\$67.91	\$71.89
4661	Associate Engineering Technician	Hourly	14	\$43.02	\$45.17	\$47.43	\$49.80	\$52.29	\$55.48
4400	Associate Planner	Hourly	20	\$49.70	\$52.19	\$54.80	\$57.54	\$60.42	\$64.02
4410	Building Inspector	Hourly	24	\$47.82	\$50.21	\$52.72	\$55.36	\$58.13	\$61.62
4430	Code Compliance Officer	Hourly	10	\$42.76	\$44.90	\$47.15	\$49.51	\$51.99	\$55.17
4530	Communication Dispatcher	Hourly	17	\$45.31	\$47.58	\$49.96	\$52.46	\$55.08	\$58.41
4535	Communication Dispatcher Lead	Hourly	19	\$57.24	\$60.10	\$63.11	\$66.27	\$69.58	\$73.64
4540	Community Services Officer	Hourly	11	\$36.36	\$38.18	\$40.09	\$42.09	\$44.19	\$46.98
4615	Construction Project Manager	Hourly	26	\$53.61	\$56.29	\$59.10	\$62.06	\$65.16	\$69.00
4660	Engineering Technician	Hourly	13	\$39.05	\$41.00	\$43.05	\$45.20	\$47.46	\$50.41
4705	Environmental Programs Specialist	Hourly	08	\$36.88	\$38.72	\$40.66	\$42.69	\$44.82	\$47.64
4200	Events and Marketing Specialist	Hourly	06	\$32.53	\$34.16	\$35.87	\$37.66	\$39.54	\$42.10
3501	Executive Assistant	Hourly	08	\$36.88	\$38.72	\$40.66	\$42.69	\$44.82	\$47.64
4900	IT Systems Administrator	Hourly	23	\$53.24	\$55.90	\$58.70	\$61.64	\$64.72	\$68.54
4915	IT Technician	Hourly	07	\$39.91	\$41.91	\$44.01	\$46.21	\$48.52	\$51.53
4810	Librarian	Hourly	16	\$40.81	\$42.85	\$44.99	\$47.24	\$49.60	\$52.66
4830	Library Assistant	Hourly	03	\$30.13	\$31.64	\$33.22	\$34.88	\$36.62	\$39.03
4807	Library Customer Service Specialist	Hourly	01	\$28.23	\$29.64	\$31.12	\$32.68	\$34.31	\$36.61
4805	Library Customer Service Supervisor	Hourly	08	\$36.88	\$38.72	\$40.66	\$42.69	\$44.82	\$47.64
4825	Library Specialist	Hourly	06	\$32.53	\$34.16	\$35.87	\$37.66	\$39.54	\$42.10
4819	Library Tech Specialist	Hourly	15	\$39.55	\$41.53	\$43.61	\$45.79	\$48.08	\$51.06
3181	Office Assistant	Hourly	01	\$28.23	\$29.64	\$31.12	\$32.68	\$34.31	\$36.61
4640	Park Services Officer	Hourly	11	\$36.36	\$38.18	\$40.09	\$42.09	\$44.19	\$46.98
4560	Parking Control Officer	Hourly	01	\$28.23	\$29.64	\$31.12	\$32.68	\$34.31	\$36.61
4440	Permit Technician	Hourly	09	\$35.53	\$37.31	\$39.18	\$41.14	\$43.20	\$45.94

**Town of Los Gatos TEA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022**

Class Code	Classification Title	Rate Type	Range TE1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
4425	Planning Technician	Hourly	11	\$36.36	\$38.18	\$40.09	\$42.09	\$44.19	\$46.98
4550	Police Records Specialist	Hourly	05	\$31.60	\$33.18	\$34.84	\$36.58	\$38.41	\$40.91
4630	Public Works Inspector	Hourly	18	\$44.47	\$46.69	\$49.02	\$51.47	\$54.04	\$57.32
4450	Senior Building Inspector	Hourly	27	\$55.88	\$58.67	\$61.60	\$64.68	\$67.91	\$71.89
4525	Senior Communication Dispatcher	Hourly	29	\$50.76	\$53.30	\$55.97	\$58.77	\$61.71	\$65.38
4831	Senior Library Page	Hourly	02	\$19.85	\$20.84	\$21.88	\$22.97	\$24.12	\$25.91
4565	Senior Parking Control Officer	Hourly	11	\$36.36	\$38.18	\$40.09	\$42.09	\$44.19	\$46.98
4405	Senior Planner	Hourly	28	\$57.24	\$60.10	\$63.11	\$66.27	\$69.58	\$73.64
4610	Senior Public Works Inspector	Hourly	26	\$53.61	\$56.29	\$59.10	\$62.06	\$65.16	\$69.00
4662	Sr. Engineering Technician	Hourly	24	\$47.82	\$50.21	\$52.72	\$55.36	\$58.13	\$61.62

Reflects General Increase of 8%



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/07/2022

ITEM NO: 20

ADDENDUM

DATE: June 3, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the Town Employees' Association and Authorize the Town Manager to Execute the Memorandum of Understanding

REMARKS:

Attachment 2 contains the Memorandum of Understanding (redline).

Attachment Distributed with Staff Report:

1. Salary Schedule for TEA effective July 10, 2022

Attachment Distributed this Addendum:

2. Memorandum of Understanding (redline)

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

TOWN OF LOS GATOS

AND

LOS GATOS TOWN EMPLOYEES' ASSOCIATION



MEMORANDUM OF UNDERSTANDING

JULY 1, 2022 – JUNE 30, 20241

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**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TOWN OF LOS GATOS
AND
THE TOWN EMPLOYEES' ASSOCIATION (T.E.A.)**

THIS AGREEMENT IS ENTERED INTO AS OF JULY 1, 2022~~18~~, BETWEEN THE TOWN OF LOS GATOS, HEREINAFTER REFERRED TO AS THE "TOWN", AND THE LOS GATOS "TOWN EMPLOYEES' ASSOCIATION", HEREINAFTER REFERRED TO AS "T.E.A."

Pursuant to Town Resolution 1974-41 of the Town of Los Gatos and Section 3500 et. seq. of the Government Code, the duly authorized representatives of the Town and T.E.A., having met and conferred in good faith concerning the issues of wages, hours, and terms and conditions of employment, as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

FOR TOWN EMPLOYEES' ASSOCIATION:

Christine Crosson
Communications Dispatcher Lead

~~Judy Coughlin~~
~~Library Specialist~~Sean Mullin
Senior Planner

Daniel Keough~~Jennifer Armer~~

Librarian
~~Senior Planner~~

Beca Muniz
~~Network Administrator~~IT Systems Administrator

~~Mike Weisz~~
~~Associate Civil Engineer~~

TOWN OF LOS GATOS:

Laurel Prevetti
Town Manager

Arn Andrews
Assistant Town Manager

~~Lisa Velasco~~Salina Flores
Human Resources Director

~~Donna Williamson~~Lisa S. Charbonneau
Liebert Cassidy Whitmore

APPROVED AS TO FORM:

~~Robert Schultz~~ Gabrielle Whelan
Town Attorney

Catherine Gildea
Librarian

Cheryl Schiele
Employee Representation Services, Inc.

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Appendix A – T.E.A. Salary Schedule

Appendix B – Placeholder for New Resolution

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**TOWN OF LOS GATOS
AND THE TOWN OF LOS GATOS EMPLOYEES' ASSOCIATION
MEMORANDUM OF UNDERSTANDING
ON SALARIES, FRINGE BENEFITS AND WORKING CONDITIONS**

Preamble

The authorized representatives of the Town of Los Gatos hereafter referred to as the "Town" and the authorized representatives of the Town of Los Gatos Employees' Association hereafter referred to as "T.E.A." do jointly accept and agree to all the terms and conditions of employment set forth in this Memorandum of Understanding pursuant to Town Resolution 1974-41 of the Town of Los Gatos and the Meyers-Milias-Brown Act, Section 3500 et. seq. of the Government Code.

This understanding shall apply to represented employees assigned to those classifications listed on Appendix A. When classifications are created which fall under the representation of T.E.A., this understanding shall also apply. This agreement supersedes all previous agreements between the Town and T.E.A.

The terms and conditions of employment set forth in this understanding have been discussed in good faith by the authorized representatives of the Town and the authorized representatives of the [employees-T.E.A](#). T.E.A. agrees to recommend acceptance by the employees of all terms and conditions set forth herein. Following said acceptance by T.E.A., authorized representatives of the Town agree to recommend to the Town Council that all terms and conditions set forth herein be approved by resolution. Upon adoption of said resolution, all terms and conditions so incorporated shall become effective without further action by either party.

Term

This Memorandum of Understanding shall commence on July 1, 2022 and terminate on June 30, 202~~41~~.

Goal

This Memorandum of Understanding (MOU) has been prepared in a spirit of cooperation between T.E.A. and the Town. The purpose of this MOU is to define all presently known issues concerning employment, foster a sense of [team-workteamwork](#) between T.E.A. and the Town, and create conditions under which the highest quality of public service is delivered.

Section 1. Scope of Representation

Employees represented by T.E.A. are those in permanent positions in the classifications listed in Appendix A.

If it should become necessary to reduce the hours of any employee whose classification is listed in Appendix A, such employee's representation by T.E.A. will not be affected. The Town agrees to notify T.E.A. before filling a vacated represented position with an hourly employee.

Section 2. Town Employer-Employee Relations

2.1 T.E.A. Rights

The Town recognizes the employees' right to join and participate in T.E.A. T.E.A. shall provide the Town with a list of T.E.A. officers and department representatives. T.E.A. shall distribute to all new unit employees materials furnished for such purposes by T.E.A.

Upon request of any employee represented by this Agreement, a T.E.A. representative shall be present during meetings involving the individual employee in disciplinary matters. Oral reprimands and performance evaluations are not included in the above. To the extent possible, disciplinary and grievance matters shall be considered during normal working hours and with pay.

T.E.A. representatives shall have access to its members, bulletin boards, and Town mail system on Town time.

During the term of the agreement, ~~as long as~~ if there is no disruption in work, up to five (5) T.E.A. members shall be allowed up to two (2) hours of release time off each month with pay for meeting and conferring, meeting and consulting, or the processing of grievances in accordance with the grievance procedure, Section 19 of this MOU. The T.E.A. President shall be allowed up to eight (8) hours for these same purposes. T.E.A. general membership meetings will continue to be held during lunch or after work. Town initiated meetings are not subject to release time limits. Such T.E.A. members shall first obtain permission from Department Directors before leaving their work or work locations.

2.2 Town Employer-Employee Relations Resolution

T.E.A. and the Town recognize the existing language in Town Resolution 1974-41, or its successor as it governs all aspects of labor relations in the Town. Any changes in Resolution 1974-41 which apply to T.E.A. will be made after meeting and consulting with T.E.A.

2.3 Employee Rights

The Town adopts, in principle, the following rights, duties and responsibilities of its employees:

2.3.1

Organize and select leaders and representatives.

2.3.2

Employee and Town actions shall be governed by the MOU, Personnel Rules and Town policies.

2.3.3

At T.E.A.'s request the Town Manager shall meet twice during the term of this Agreement with T.E.A. to discuss matters of employee interest.

2.3.4

Utilization of the Disciplinary Procedure (see Resolution 1974-41 or its successor, if any during the term of this MOU, and Ordinance No. 1593).

2.3.5

Right to request a review of [his/her/their](#) classification and receive a response to the request.

2.4 Management Rights

The rights of the Town include, but are not limited to the exclusive right to:

2.4.1

Determine the mission of its constituent departments, commissions and boards;

2.4.2

Set the standards of service;

2.4.3

Determine the procedures and standards of selection for employment and promotion;

2.4.4

Direct its employees;

2.4.5

Take disciplinary action in accordance with adopted disciplinary procedures, recognizing the employee's right to due process;

2.4.6

Relieve its employees from duty because of lack of work or for other legitimate reasons;

2.4.7

Maintain the efficiency of governmental operations;

2.4.8

Determine the methods, means and personnel by which government operations are to be conducted;

2.4.9

Determine the content of job classifications;

2.4.10

Take all necessary action to determine when an emergency exists and to carry out its mission in emergencies including the requirement that employees work overtime. Any question regarding the existence of an emergency is determined by the Town Manager, whose decision shall be final;

2.4.11

Exercise control over its organization and the technology of performing its work;

2.4.12

Refer any question regarding implementation or interpretation of the MOU to the Town Manager or the Human Resources Director for a determination.

Section 3. Comprehensiveness of Agreement**3.1**

The Town and T.E.A. agree that this Agreement represents all wages, hours, and working conditions subject to the meet and confer process and available to employees.

3.2

In the event that a local, State or Federal law significantly impacts the terms of this MOU, the Town will meet and consult with T.E.A. regarding its implementation. In some cases, this may occur after the law or rule has been adopted.

Section 4. Savings Clause

If any provision or the application of any provision of this Agreement as implemented should be rendered or declared invalid by any final court action or decree or by reasons of any preemptive legislation, the remaining sections of this Agreement shall remain in full force and effect for the duration of this Agreement.

Section 5. Association Membership

5.1

The Town recognizes the exclusive right of T.E.A. to represent members of the bargaining unit on all matters relating to employment conditions and employer-employee relations subject to an individual employee's right to self-representation as provided by Government Code Sections 3502 and 3503.

5.1.1 Check-Off

T.E.A. shall have the sole and exclusive right to have membership dues deducted from the pay of employees covered by this MOU.

The Town will deduct from the bi-weekly ~~pay-check~~paycheck and remit to T.E.A., the normal and regular T.E.A. membership dues. Every effort will be made to remit dues to T.E.A. within two (2) weeks of deduction from members' wages. T.E.A. agrees to indemnify, ~~defend~~defend, and hold the Town harmless against any claims made of any nature and against any suit instituted against the Town arising from the check-off for the dues, ~~insurance~~insurance, or benefit programs of T.E.A.

5.1.2 Maintenance of Membership

T.E.A. membership is not a mandatory condition of employment for any employee covered by this Agreement. However, any employee covered by this Agreement who is a T.E.A. member on or after the date this Agreement is ratified by the T.E.A. membership, shall continue to pay to T.E.A. those dues regularly charged members of T.E.A. in good standing while covered by this Agreement. Employees wishing to withdraw from T.E.A. membership may do so by giving written notice to T.E.A. during the thirty (30) days ~~immediately~~ prior to the expiration of this agreement.

Upon return from leaves of absence, the Town shall reinstate the payroll deduction of T.E.A. dues.

Enforcement of this Section shall be the responsibility of T.E.A., utilizing appropriate civil procedures. T.E.A. shall indemnify and hold the Town harmless from any and all claims, demands or suits, or any other action arising from this Section.

5.1.3 Disclosure and Reporting

T.E.A. shall provide financial documents to the Town as required by law.

5.1.4 Hold Harmless

T.E.A. shall promptly refund to the Town any amounts paid to T.E.A. in error under this Section. T.E.A. expressly agrees to indemnify and hold the Town, ~~it's~~sits officers, agents, and employees harmless from any and all claims, demands, costs (including any costs incurred by the Town in defense of a lawsuit) attorneys' fees, expenses, damages, or other monetary losses arising out of or in any way connected with the administration of Section 5. This hold harmless and Indemnity Agreement shall include but not be limited to legal actions of any sort or nature against the Town based upon or related to this Section, including but not limited to actions by employees or former employees.

5.1.5 Duty of Fair Representation

T.E.A. shall accord fair representation in all matters to all employees in the unit without regard to whether the ~~particular employee~~employee is a member of T.E.A. The duty of fair representation shall include but not be limited to all matters related to collective bargaining, contract administration and contractual grievance processing.

5.1.6 Change of Law

In the event there is a change of law whereby any provision contained herein becomes invalid, or for any reason any provision of this Section is rendered unlawful by any published Appellate Court Decision, this Section shall be amended to comply with the change or decision in question.

5.1.7 Non-Discrimination Against T.E.A. Activities

Town and T.E.A. agree not to discriminate against any employee for activity on behalf of, or for membership or lack thereof in T.E.A., provided however, such activity is conducted in accordance with this MOU. This shall not affect the right of the Town to discipline employees for cause in accordance with the Town Code and this MOU. It is understood that Town employees are accountable first and foremost for their duties of employment and T.E.A. activities are not to interfere with the carrying out of those obligations.

Section 6. Non-Discrimination

The Town and T.E.A. agree that all provisions of this Agreement shall be applied equally to all employees covered herein without favor or discrimination because of any protected class including but not limited to race, creed, color, ancestry, sex (sex, gender based pregnancy/childbirth), gender identity and expression, age (over 40), national origin, political or religious affiliation, military and veteran status, marital status, sexual orientation, medical condition or physical or mental disability or any other basis prohibited by applicable federal, State or Town law.

6.1

General Provision Regarding Americans with Disabilities Act (ADA).

6.1.1

Because the ADA requires accommodations for individuals protected under the Act, T.E.A. recognizes the Town's obligation to comply with all provisions of the ADA on a case-by-case basis.

6.1.2

T.E.A. recognizes that the Town has the legal obligation to meet with the individual employee to be accommodated through the interactive process before any adjustment is made in working conditions. T.E.A. will be notified of these proposed accommodations prior to implementation by the Town.

6.1.3

Any accommodation provided to an individual protected by the ADA shall not establish a past practice.

Section 7. Employment

7.1 Step Placement for New Hires

T.E.A. recognizes the sole right of the Town to determine the salary and wage rate for new hires.

7.2 Probationary Period

7.2.1

Probation for New Hires: The probationary period shall be twelve (12) months for all newly hired employees.

7.2.2

Probation for promoted employees: Promoted employees can be considered for satisfactory completion of the probationary period after twelve (12) or six (6) months at the discretion of the Department Director. Promoted probationary employees shall have all rights under this Agreement, full and complete access to the grievance procedure, including instances of suspension, ~~demotion~~~~demotion~~, and termination. Any permanent employee not satisfactorily completing the probationary period following a promotion will be reinstated to their previous classification in accordance with the Town Personnel Rules.

7.2.3

All probationary employees will be evaluated quarterly.

7.3 Performance Evaluations

The Town-authorized employee performance evaluation document and program shall be used for all employee evaluations.

7.3.1

It is intended that performance evaluations take place at least annually as follows:

- (a) For employees below top step: no later than 15 days prior to the anniversary date of the employee's date of hire or the date the employee entered their classification.
- (b) For employees at top step: between June 1st and October 1st of each year.

7.3.2

Employee evaluation forms shall include a section to be checked indicating whether an employee agrees or disagrees with [his/her/their](#) evaluation.

7.3.3

All performance evaluations shall be discussed with the employee prior to the evaluation being completed. Employees shall sign their individual performance evaluations as evidence of discussion having taken place; employee signature does not imply agreement with the evaluation. An employee may attach separate written comments to [his/her/their](#) evaluation.

7.3.4

If an employee does not receive an evaluation on the date it is due and the supervisor subsequently finds that the employee would have been entitled to a merit increase as of the anniversary date, the merit increase will become effective as of the first day of the pay period in which the anniversary date occurs.

7.3.5

The Town will make every attempt to see that performance evaluations are completed in a timely manner.

7.4 Pay and Classification System

7.4.1

Consideration for advancement from step-to-step within a range shall occur at intervals of one (1) year in length effective on each anniversary date. Each employee shall receive an annual performance evaluation. This evaluation will be the basis for step advancement. Such advancement to the next step shall be authorized if the supervisor and Department Director finds that the employee is satisfactorily performing the duties of their position as reflected on the annual evaluation form.

7.4.2

If the employee's performance is not satisfactory as determined by the supervisor's annual evaluation, the Department Director shall deny advancement to the next step. The Department Director has the option, at their discretion, based on a recommendation by the supervisor, to recognize improving performance by granting or denying a half-step increase in lieu of denying the advancement to the next step for unsatisfactory performance.

7.4.3

If the employee's performance is exceptional as determined by the annual evaluation of the supervisor on the performance evaluation form, the Department Director, with the approval of the Town Manager, has the discretion to grant a two-step or one-and-one-half step increase. It is intended that this be used sparingly so that it can be reserved to recognize the truly exceptional employee who is achieving journey-level status in their classification (i.e., fully capable of performing all duties of the position) and can perform at the same level as an employee with the years of experience required to achieve advancement to the new step if they had advanced one step each year.

7.5 Promotions

7.5.1

The Town and T.E.A. agree that it is in the best interest of both the Town and its employees to foster promotion of incumbent employees. The Town will consider the qualifications of incumbent personnel prior to determining whether an open or promotional examination shall be used to fill a vacancy in T.E.A. represented classifications.

7.5.2

The Town and T.E.A. recognize the Town's sole right to determine the method for the selection of Town employees through either an open or promotional examination process. If a determination is made by the Town that a promotional examination will be used to fill a vacant position, ~~any~~all qualified employees who participate in the examination process shall be allowed time off from regularly scheduled work ~~in order to~~to participate in the examination process if the examination process is scheduled during the employee's normal work period. There shall be no overtime paid for participation in the examination process.

7.6 Work Day/Week

7.6.1

The normal ~~work day~~workday is defined as no more than eight (8), nine (9), ten (10), eleven (11), or twelve (12) consecutive hours of work time, with a single lunch break. A normal ~~work day~~workday shall be followed by a minimum of ten (10) hours off.

7.6.2

The work week is defined as forty (40) hours of work during any consecutive seven (7) day period. A minimum of one (1) forty-eight (48) hour period without scheduled work shall be provided to each employee during any consecutive seven (7) day period with the exception that employees employed in the Town Library shall not be scheduled less than two (2) consecutive days off within a seven (7) day period more than thirteen (13) times in a calendar year.

7.6.3

Flex-time work schedules consistent with the definitions of normal ~~work day~~workday and normal work week may be assigned by the Town at its sole discretion. Flex scheduling is defined as an occasional adjustment to an employee's work schedule which does not alter the total number of hours scheduled to be worked per week, but simply alters the time of day those hours are worked. The Town shall provide no less than fourteen (14) calendar days' notice to affected employees regarding a change in regular work schedules. Flex-days shall be identified and approved by the Department Director and Town Manager as part of the approval of a flex-time work schedule as well as the designation of the forty-eight (48) hour period without scheduled work. (For holiday refer to 7.7.5.)

7.6.4

Employees may also make requests for temporary changes to their normal work schedule. In those cases, the employee's schedule may change with the approval of the employee's Department Director (e.g. an earlier start and end of shift or a change in the number of hours per day), so long as that change does not result in overtime liability to the Town.

7.6.5

The Town has the discretionary right to alter work schedules without notice during emergency situations.

7.7 Alternative Work Schedule

As an alternative to the normal schedule described in the above section, employees may be granted the option to participate in an Alternative Work Schedule under the following terms and conditions:

7.7.1

An Alternative Work Schedule (AWS) is defined as:

- (a) 9/80 Alternate Work Schedule: An employee schedule of nine separate work days for a total of 80 hours during a Town-designated fourteen-day pay period, for which the schedule includes working four 9-hour days and one 8-hour day in one week and working four 9-hour days in the other week. For payroll purposes, the work week will begin and end between 11:00 a.m. and at 1:00 p.m. on each alternating day off in the fourteen-day pay period.
- (b) 4/10 Alternate Work Schedule: An employee schedule of eight separate work days for a total of 80 hours during a Town-designated fourteen-day pay period, for which the schedule includes working four 10-hour days in one week and working four 10-hour days in the other week. For payroll purposes, the work week will begin and end at midnight Saturday.
- (c) 3/12 Alternative Work Schedule: An employee schedule of seven separate work days for a total of 80 hours during a Town-designated fourteen-day pay period, for which the schedule includes 3 twelve-hour days and 1 four-hour day in one week and 3 twelve-hour days and 1 four-hour day in the other week. For payroll purposes, each employee has a designated start and end time to begin and end their work week.

7.7.2

The Department Director, with the approval of the Town Manager, has the exclusive authority to designate positions eligible to participate in the AWS. The decision of the Department Director regarding designation of eligible positions is final and is not subject to any grievance procedure.

7.7.3

The Department Director and the Town Manager have the exclusive right to terminate the AWS for T.E.A represented employees, individually and/or collectively. The Town is in no way required to meet and confer with the T.E.A. prior to terminating the AWS and termination of the AWS is not subject to any grievance procedure. Participating employees will be provided written notification at least one (1) full pay period prior to termination of the AWS.

7.7.4

Employees who elect to participate in the AWS must receive authorization from their supervisor prior to working any regularly scheduled day off.

7.7.5

An employee assigned to an AWS may use accrued vacation time, accrued compensatory time off, floating holiday or personal leave to make up the difference between the provided eight (8) hours of holiday pay and the actual number of regularly scheduled working hours on a designated holiday. For example, if a holiday falls on a day the employee is scheduled to work nine (9) or ten (10) hours, ~~s/he~~the employee shall receive eight (8) hours of holiday pay and be required to use other accrued leaves to make up the extra one (1) or two (2) hours for that day to fulfill the regularly assigned schedule.

- (a) If a holiday occurs on a day that an employee is not scheduled to work, ~~s/he~~the employee shall receive eight (8) hours of floating holiday, which is not subject to cash-out.
- (b) An employee who elects to take a regularly scheduled AWS day off shall use accrued leave time (vacation time, accrued compensatory time off, floating holiday, or personal leave) for the number of hours they are regularly scheduled to work (nine (9) hours for 9/80 schedules and ten (10) hours for 4/10 schedules.)
- (c) There will be no change in the accrual schedule of maximum accrual level of any paid leaves.
- (d) Employees on an AWS will be provided 40 hours of Bereavement Leave, pursuant to the T.E.A. MOU.
- (e) A scheduled ~~work day~~workday will include an unpaid meal break of at least one-half hour.

- (f) T.E.A.-represented employees are integral to the success of the AWS and understand the ongoing need to meet the operational needs of the Town.

7.7.6

A participating employee may request that their AWS be discontinued by providing written notification to their supervisor at least one (1) full pay period in advance of the termination of the AWS. Changes to an employee's AWS will coincide with the beginning of a pay period.

7.8 Exempt Employees

7.8.1

"Exempt Employee" shall be defined as any executive, administrative, or professional employee as defined by Fair Labor Standards Act (FLSA) that are exempt from the provisions described in Section 11.3 (Overtime). Federal standards concerning exemptions from federal wage and hour laws shall be used as a guide in determining such exemptions.

7.8.2

Exempt Employees shall be designated by the Town.

7.8.3

Employees with the following job titles shall be designated Exempt Employees:

Senior Planner

7.8.4

Exempt Employees shall not be subject to the terms and conditions described in Sections 7.6 (Work Day/Week) and 7.7 (Alternative Work Schedule) or to any provisions of this MOU that are preempted by the Fair Labor Standards Act.

7.8.5

Notwithstanding this provision, exempt employees are eligible to work a flexible schedule including a 9/80 or 4/10 schedule subject to the approval of their supervisor.

7.8.6

The Fair Labor Standards Act (FLSA) allows exempt employees to track time on an hourly basis without disqualifying their exempt status. Therefore, exempt employees who work less than a minimum of 50% of their regularly scheduled hours in a given day shall utilize leave time for those hours not worked.

7.8.7

Exempt employees are expected to work whatever hours necessary in order to meet the performance expectations of their Supervisor or Department Head. With the express approval of the Department Head, employees may be permitted to flex their schedule within the same pay period when a ~~work day~~workday significantly exceeds normal working hours. Flex time is not to be considered compensatory time off. The Town shall not deduct from an exempt employee's accrued leave balances for infrequent partial day absences of less than 4 hours (other than this taken for FLSA intermittent leave purposes).

Section 8. Layoff Policy

8.1 Definitions

For the purposes of this section:

8.1.1

Layoff: Separation of employees from the active work force due to change in the duties, change in the organization or shortage of work or funds.

8.1.2

Temporary/Seasonal/Consultant Employee: An at-will non-benefitted employee who is hired on a temporary basis, usually not to exceed 180 days.

8.1.3

Hourly Employee: An at-will non-benefitted employee who works less than 20 hours per week and not more than 1,000 hours in a fiscal year.

8.1.4

Probationary Employee: Any employee tentatively appointed to a position who is continuing the testing process to determine [his/her/their](#) fitness for duty. Probationary employees are new employees of the Town or employees under probationary status because of promotion.

8.1.5

Regular Employee: Benefitted employees who successfully complete their probationary period and who regularly work a minimum of 20 to 40 hours per week.

8.1.6

Displaced Employee: A regular employee who is displaced by a more senior regular employee.

8.1.7

Service seniority: Consecutive time served (based upon number of hours worked) as a regular employee of the Town without the employee being reinstated as defined in the Town of Los Gatos Personnel Rules and Regulations, Section 10.6 "Reinstatement". Service seniority will not be earned for standby duty, overtime work, during periods of suspension without pay as a result of disciplinary action, or for non-medical leave without pay. Service Seniority for unpaid military leave will be considered in the manner prescribed by State and Federal law.

8.1.8

Classification Seniority: The length of time (based upon the number of hours worked) the employee has served as a regular employee in a classification including any time spent in a higher classification. Classification seniority will not be earned for standby duty, overtime work, during periods of suspension without pay as a result of disciplinary action, or for non-medical leave without pay. Classification Seniority for unpaid military leave will be considered in the manner prescribed by State and Federal law.

8.1.9

Higher classification: A job classification in the same classification series in which the maximum rate of pay is greater than the maximum rate of pay of the employee's current job classification.

8.2 Town - T.E.A. Cooperative Efforts**8.2.1**

When the Town determines that layoffs are imminent, it shall provide written notification to T.E.A. Further, in the spirit of cooperation, the Town or the T.E.A. may request a meeting to jointly discuss alternatives to layoff, including, but not limited to, attrition or a reduction in work hours. Every effort shall be made to fill any vacant position(s) in the Town with qualified laid-off employee(s).

8.2.2

Notwithstanding the effort to work cooperatively, the Town has the exclusive right to determine the methods, means, numbers and kinds of personnel by which services are to be provided. The Town's decision to make a reduction in force and/or layoff an employee(s) is not subject to the duty to meet and confer.

8.3 Order of Layoff & Procedure

8.3.1

Whenever it is determined that a layoff must occur within a job classification, the order of layoff shall be:

- (1) temporary/seasonal at-will
- (2) hourly at-will
- (3) probationary
- (4) regular employee

8.3.2

In each type of employment, the employee(s) with the least classification seniority in the affected job classification(s) shall be laid-off first.

8.3.3

In the event that two or more employees in a job classification have the same level of classification seniority, then the employee with the least service seniority with the Town shall be laid-off. If there is no distinction between the service seniority of two or more employees, then the employee with the lowest score on the eligibility list for the current classification shall be laid-off first.

8.4 Displacement Rights

8.4.1

An employee may displace any other employee in a lower classification which they previously occupied if they have more service seniority. For a job classification lower than that in which the employee holds regular status, seniority shall be calculated by adding: (1) classification seniority in higher classifications; (2) classification seniority in the job classification in which the employee previously worked, and (3) present time spent in the job classification in which the employee is currently working.

8.4.2

Employees who are designated for layoff or displacement may elect, in lieu of layoff or displacement, to be reassigned to a position in a lower classification. In order to displace an employee with less classification seniority, the employee noticed for layoff must have held regular status in the classification into which [he/she/they](#) is being reassigned. An employee who chooses to exercise their displacement rights must accept the salary, hours and working conditions of their new position. An employee will be allowed only one displacement.

8.4.3

An employee who exercises their displacement rights shall be paid in the new job classification the salary range step closest to the salary range step received immediately prior to displacement, providing there is no increase in salary. If the salary range step in the lower job classification is Step 5 or lower, future salary step adjustment opportunities shall be made in accordance with the Town's Personnel Rules. Time served in the job classification from which the displacement occurred shall count toward the interval required for consideration of salary step advancement.

8.4.4

If an employee with regular status is unable to displace an employee in a lower job classification in which [he/she/they](#) held a regular status, [he/she/they](#) shall be laid-off.

8.4.5

An employee may request layoff in lieu of the opportunity to displace by notifying the Human Resources Department in writing or email within ten (10) business days after receiving the Town's certified mailing of notice of layoff. If an employee requests layoff in lieu of displacement, [he/she/they](#) shall forfeit all recall rights except to a vacancy in the same classification from which the employee was laid-off. In this case, the employee shall be entitled to recall rights for a period of one (1) year from the effective date of the layoff.

8.4.6

A probationary employee who held regular status in [his/her/their](#) previous position, and is affected by a layoff or is displaced by an employee exercising [his/her/their](#) displacement rights, shall return to [his/her/their](#) former job classification where [he/she/they](#) held regular status. If a probationary employee does not have regular status in another job classification or has regular status in another job classification which no longer exists, [he/she/they](#) will be laid-off without any right of recall.

8.5 Seniority List

At least ten (10) business days prior to mailing a written notice of layoff, the Town shall provide a seniority list notice to affected employee(s) and the current President of the T.E.A. bargaining unit. The seniority list notice shall show the names, classification, classification seniority, service seniority, and the process for reporting discrepancies. The seniority list shall be deemed correct unless an employee or the T.E.A. notifies the Human Resources Director to the contrary in writing within ten (10) business days of the delivery and/or mailing of the seniority list.

8.6 Notification of Layoff

The Town shall send by certified mail, return receipt requested, written notice of layoff to all affected employee(s). Such notice shall be postmarked at least thirty (30) calendar days in advance of the effective date of layoff. The layoff notice shall be mailed to the employee's address currently on file in the Human Resources Department and shall be deemed appropriate notice. Any employee who is on a paid or unpaid leave shall be affected by the layoff in accordance with the provisions of this section and in the same manner as all other employees. With such notice, the employee shall be informed of the rights to which she/he is entitled and the procedure to be followed. A copy of the notice shall also be provided to the current President of T.E.A.

8.7 Re-Employment Following Layoff/Displacement

8.7.1

When a vacancy occurs in a job classification, the laid-off or displaced employee(s) eligible to return to that job classification shall be recalled in the inverse order of layoff. Employees with regular status who were laid-off or displaced are eligible to return to the job classification in which regular status is held, but shall have no recall rights to any job classification in which probationary status was held at the time of layoff or displacement.

8.7.2

Employee(s) shall be entitled to re-employment rights for a period of one (1) year from the effective date of layoff or displacement. To expedite re-employment, more than one (1) laid-off/displaced employee may be notified when an opening occurs. The laid-off/displaced employee(s) will be re-hired in inverse order of layoff. A laid-off/displaced employee shall be required to meet the qualifications of the classification to which [he/she/they](#) is recalled.

8.7.3

An employee who exercises their re-employment rights shall be paid the salary range step they received immediately prior to layoff/displacement. Future salary step adjustment opportunities shall be made in accordance with the Town's Personnel Rules. Time served in the job classification since the most recent step increase prior to when the layoff/displacement occurred, shall count toward the interval required for consideration of salary step advancement.

8.7.4

A laid-off/displaced employee shall lose their re-employment rights for: 1) resignation; 2) retirement; 3) failure to return to work when recalled by the Town; 4) when the Town has not recalled an employee to work for a period of one (1) year; or 5) termination for cause.

8.7.5 Laid-off Employees

The effective date of layoff shall be the employee's last day working at the Town. When a vacancy exists and employees are to be re-employed, notice of the opening(s) shall be sent by certified mail, return receipt requested, to the last known address on file in the Human Resources Department. It shall be incumbent upon the laid-off employee to advise the Human Resources Department in writing, via certified mail, return receipt requested, of any change in address. The laid-off employee shall have ten (10) business days, following the certified mailing to notify the Town in writing, via certified mail, return receipt requested, of their intent to return to work.

8.7.6

The laid-off employee shall have a reasonable period of time to return to work, not to exceed thirty (30) calendar days. If the laid-off employee fails to respond to the notice of re-employment within ten (10) business days, or fails to report to work within the reasonable time period as set forth above, [he/she/they](#) will forfeit all re-employment rights.

8.7.7 Displaced Employees

The effective date of displacement shall be the employee's last day of work in the classification from which [he/she/they](#) is displaced. When a vacancy exists and displaced employees are to be re-employed, notice of the opening(s) shall be sent by certified mail, return receipt requested, to the last known address on file in the Human Resources Department or by hand delivery. It shall be incumbent upon the displaced employee to advise the Human Resources Department in writing of any change in address. The displaced employee shall have five (5) business days, following receipt of certified mailing or hand delivery of notice, to advise the Town in writing of their intent to return to their former position. If the displaced employee fails to respond to the notice of re-employment to former position within five (5) business days of receipt of notice, [he/she/they](#) will forfeit all re-employment rights to [his/her/their](#) former position.

8.8 Fringe Benefits

Laid-off/displaced employees shall be paid accrued leaves and related benefits in accordance with this Memorandum of Understanding and applicable Town policies and rules. Employees being re-employed who received a sick leave pay off at the time of layoff/displacement, shall have the uncompensated portion of their sick leave balance restored; provided, however, that only those sick leave hours accrued after re-employment shall be applied to sick leave payoff or retiree medical related to a subsequent termination.

Section 9. Outside Employment

The Town and T.E.A. agree that outside employment of full time T.E.A.-represented employees shall be governed by California Government Code Sections 1125 -1128 and that the Town shall develop and apply regulations to assure compliance. Outside employment shall be reviewed and approved by the Department Director and Town Manager on an annual basis.

Section 10. Reclassification

T.E.A. recognizes the sole right of the Town to reclassify positions.

Section 11. Salary and Other Compensation

11.1 Equity Adjustments

[In previous contracts](#), the Town [has provided](#) equity adjustments for classifications that [were](#) still below market median after providing across-the-board [cost of living](#) increases. Eligible classifications received [a](#) market adjustment effective in the first full pay period of [the new contract term](#).

[Effective the first full pay period in July 2022, or the first full pay period after Council approval of this MOU, whichever is later, all classifications will receive an across-the-board market increase of five percent \(5.0%\), in addition to the cost of living increase described below in Section 11.3.](#)

11.2 Town Compensation Policies

Town and T.E.A. agree that ~~this Agreement has been negotiated to provide equity increases to bring positions that were below market median to the market median. Prior~~ contracts were negotiated consistent with ~~Town compensation policies. The~~ the following specific Town compensation policies are:

11.2.1

Total compensation to be utilized in the analysis of all Town compensation.

11.2.2

Marketplace consideration in establishing compensation.

11.2.3

Average or above-average total compensation for all Town classifications.

11.2.4

No reduction in individual employee total compensation levels.

11.2.5

On one occasion during the term of this MOU, upon request by the Union T.E.A., the Parties agree to meet to discuss elements of future compensation surveys for T.E.A. and ways to collaborate to obtain the best market data for T.E.A. classifications. The parties agree this is not a reopener and any changes to the MOU on this issue would be by mutual agreement of the parties.

11.3 Compensation

T.E.A. salaries are reflected in the salary schedules listed in Appendix A.

Effective the first full pay period in July 2022, or the first full pay period after Council approval of this MOU, whichever is later, the salary rate for all classifications shall be increased by a three percent (3%) cost of living adjustment (COLA).

Effective the first full pay period in July 2023, the salary rate for all classifications shall be increased by three percent (3%).

11.3.1 Contract Ratification Bonus

Effective the first full pay period in July 2022, or the first full pay period after Council approval of this MOU, whichever is later, all employees shall receive a one-time, non-pensionable lump sum payment of one thousand dollars (\$1,000).

11.3.2 Pandemic Related Bonus

Effective the first full pay period of July 2022 or the first full pay period after Council approval of the MOU, whichever is later, all employees who worked for the Town in 2021 who are employed at the Town as of last day the pay period will receive a one-time, lump sum payment of \$2,500.

11.4 Overtime

11.4.1

When necessary to perform essential work, a Department Director may require an employee to work at any time other than during regular working hours until such work is completed. Overtime is scheduled solely at the discretion of the Town.

11.4.2

An employee directed by [his/her/their](#) Department Director or the Town Manager to work in excess of forty (40) hours in a designated work week, shall be compensated at the rate of one and one-half times the employee's regular hourly rate. Hours charged to available paid leave, shall be counted as time worked for computation of overtime payments. Compensatory time cannot be used in the pay period in which it is earned. Compensatory time off shall not be regarded as hours worked for the purposes of overtime calculation.

11.4.3

The Department Director may permit an employee to take compensatory time in lieu of paid overtime. With Department Director approval, employees shall be permitted to accumulate compensatory time only to a maximum of eighty (80) hours. The maximum accumulated compensatory time for Communication Dispatchers only shall be one hundred (100) hours. When the maximum level of compensatory time is reached, overtime shall be paid.

11.4.4

The Town will attempt to avoid scheduling overtime that conflict with an employee's personal plans unless it cannot be avoided.

11.4.5

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to 40 hours of CTO (in whole hour increments) which will be earned in the following calendar year at one and one half times (1.5) the employee's base rate of pay. On the pay day for the pay period which includes Thanksgiving in the following year, the employee will receive cash for the amount of CTO the employee irrevocably elected to cash out in the prior year. However, if the employee's CTO balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of CTO the employee has accrued at the time of the cash out.

11.5 Call Back

11.5.1

A minimum of three (3) hours pay or its equivalent in compensatory time off, at the rate of time and one-half, shall be guaranteed for every employee, who, after leaving [his/her/their](#) place of duty, is required to return to duty without advance notice of at least fourteen (14) calendar days.

11.5.2

There will be a three (3) hour minimum at the call back overtime rate for Town commission/council meetings which begin (2) two hours or more than either the start of or end of the employee's regularly scheduled shift. At the employee's option but with Department Director's approval, employees may flex their schedule at the straight-time rate in-lieu of the call back provision of this paragraph.

11.6 Deferred Compensation

A Town program of deferred compensation shall be available to T.E.A. represented employees. The Town makes no representation on the merit of the plan or any of the investment products or instruments which may be offered by the plan. The responsibility for evaluating the investment options within the plan is the responsibility of the individual participant. The Town shall not be obligated to offer more than one Deferred Compensation carrier.

11.7 Out-of-Classification Pay

11.7.1

The Town and T.E.A. agree that it is the intent of Town management, whenever possible, to avoid working an employee out of classification for a prolonged period of time. Compensation for out-of-classification work shall be an additional 5% of the regular pay of the employee's permanent classification or the first step of the higher classification, whichever is greater. Out-of-Classification Pay applies only to actual time worked and does not apply to paid leaves.

11.7.2

Employees appointed to work out-of-class will receive out-of-classification pay beginning the first day of the out-of-classification assignment. Performance of duties as a vacation relief does not automatically qualify as out-of-classification.

11.7.3

For purposes of this section, an out-of-classification assignment is defined as the full time performance of the essential functions of an authorized, funded, permanent position in another classification by a qualified employee. "Essential functions" shall be as defined in the Essential Functions section of the appropriate job specification.

11.7.4

Any employee who believes they are working out-of-class may request a review of their classification.

11.7.5

Training programs mutually agreed to by the Town and T.E.A. which are designed to enhance and/or provide career development opportunities shall not be subject to this provision.

11.8 Tuition Reimbursement Program

11.8.1

The Town will reimburse T.E.A. employees up to \$3,000 per fiscal year toward the cost of books, university/school fees (except parking) and tuition.

11.8.2

The reimbursement shall be only for courses that are directly related to the employee's position as determined by the Town Manager, including general education courses that are generally related to attainment of a job-related degree or certification. General education courses not generally related to the employee's position will not be eligible for reimbursement. Reimbursement shall be taxed pursuant to State and Federal regulations.

11.8.3

Application for tuition reimbursement shall be made to the Town before the course begins. Prior to reimbursement of costs, all course work must be completed with a passing grade of "C" or equivalent when numerical score or pass/fail is given.

11.8.4

Any employee who terminates employment with the Town within one (1) year from the completion of a class or classes, for which tuition reimbursement was paid shall refund all tuition paid under this provision, unless required to attend by the appointing authority. This section shall not apply in cases involving disability, layoff, or death of the employee, or other unforeseen circumstances as approved by the Appointing Authority on a case-by-case basis.

11.9 Bilingual Incentive Pay

11.9.1

Employees filling classifications specifically requiring bilingual ability and passing the Town's certified examination shall be compensated at 2.5% above the normal compensation range for the regular classification.

11.9.2

The provision of bilingual pay will be evaluated annually in a manner prescribed by the Town, and continued or discontinued based on operational need. The decision as to whether bilingual pay will continue or be discontinued shall be made by the Town Manager, is final and is not subject to grievance or appeal. If bilingual pay is discontinued, the effective date shall be the beginning of the first full pay period in January.

11.10 Uniform Allowance

11.10.1

An initial uniform consisting of all items on the Town-approved list shall be supplied by the Town to new Park Services Officer and Town-designated Community Services Officer and Parking Control Officer employees; thereafter the Town shall provide incumbent Park Services Officer employees with a uniform allowance of \$500 per year and designated Community Service Officer and Parking Control Officer employees with a uniform allowance of \$400 per year to be paid in the payroll check during January of each year.

The Town shall provide the Building Inspectors and Code Compliance Officers with five (5) polo style shirts bearing an approved Town logo in a brand and color approved by the Town. The Building Inspectors and Code Compliance Officers shall wear the supplied shirts each day at work with pants such as khakis or appropriate jeans.

11.10.2

The uniform allowance will be prorated for new employees, except that new employees shall receive a minimum of one-half (1/2) of the year's uniform allowance if hired after July 1.

In the event that the Police Department requires Communication Dispatchers to wear a uniform, the parties agree to meet and confer over the impacts and effects of this decision.

11.10.3

T.E.A. recognizes the Town's right to specify uniform and demand that employees be in proper uniform at all times.

11.10.4

In the event that an employee who does not receive a uniform allowance damages his/her/their clothing in the performance of his/her/their duties, the employee may submit a claim for reimbursement to his/her/their Department Director for the repair/replacement of damaged articles to the Town.

11.11 POST Certificate

Effective beginning in the first full pay period following ratification and approval, Dispatchers who attain the Dispatcher Advanced POST certification shall be eligible for five percent (5%) POST certificate pay. This certificate pay shall be PERSable or not PERSable as determined by PERS.

Section 12. Payroll/Pay Checks

12.1 Payroll Periods

The Town and T.E.A. agree that a biweekly payroll period shall be utilized subject to the following conditions:

12.1.1

Employee pay shall not be withheld more than seven (7) calendar days following the end of the payroll period; however, overtime may appear on the next payroll period if it is worked following the submittal of time sheets, or during a pay period with a Town holiday which requires early submittal of time sheets and early distribution (before Friday) of pay checks.

12.1.2

All Town employees shall be compensated on a biweekly basis.

12.2 Pay Checks

- (a) The Town shall provide an optional direct deposit system for use by employees.

- (b) Every effort will be made to make pay checks available to employees as soon as checks are signed and ready for distribution.

Section 13. Holidays

13.1

The following shall be observed as eight (8) hour holidays for members of the unit:

January 1st (New Year's Day)
The 3rd Monday in January (Martin Luther King's Birthday)
The 3rd Monday in February (President's Day)
The last Monday in May (Memorial Day)
July 19 (Juneteenth)*
July 4th (Independence Day)
The first Monday in September (Labor Day)
Thanksgiving Day
The Friday following Thanksgiving Day
December 25th (Christmas Day)
Four (4) hours each on December 24 and 31

Every day declared a holiday by the President or Governor, subject to the Mayor also proclaiming the day as a holiday.

*The Juneteenth holiday will go into effect in calendar year 2023. In recognition of Juneteenth 2022, employees in all classifications except Communications Dispatchers and Park Services Officers will receive a one-time, non-pensionable \$500 lump sum payment in the first full pay period in July 2022, or the first full pay period after Council approval of this MOU, whichever is later.

13.2

Holidays which fall on Saturday shall be observed on the Friday prior, and holidays which fall on Sunday shall be observed on the following Monday.

13.3 Holiday Compensation

13.3.1

Employees will receive eight (8) hours of regular pay on a Town-recognized holiday. If the employee's scheduled day off occurs on a Town-recognized holiday, the employee will receive eight (8) hours of straight-time holiday pay. In lieu of receiving eight (8) hours of straight-time holiday pay, an employee may elect to receive eight (8) hours of floating holiday hours. This provision will apply to the Juneteenth holiday beginning in calendar year 2023.

13.3.2 Employees Assigned to Work on a Holiday

Employees who are required to work on a Town-recognized holiday will receive their regular salary, plus compensation of one and one-half (1.5) times their regular rate of pay. Employees shall have the option of accepting salary or compensatory time off. This provision will apply to the Juneteenth holiday beginning in calendar year 2023.

13.3.3 Communications Dispatchers and Park Services Officers

Effective the first full pay period of July 2022 or the first full pay period after Council approval of this MOU, whichever is later, Communications Dispatchers and Park Services Officers shall receive compensation in-lieu of holiday time off equal to four and six tenths percent (4.6%) of base salary.

Section 14. Insurance Programs

14.1 Life Insurance

Town to pay premiums on minimum coverage of \$50,000 Life and \$50,000 Accidental Death benefit. Additional life insurance may be purchased by the employee.

14.2 Disability Insurance

The Town will provide a Short Term Disability policy effective the 8th calendar day unless hospitalized; coverage of 60% of weekly earning up to maximum of \$1,300/week for 12 weeks. Long Term Disability benefits begin on the 91st day of disability; coverage of 60% of monthly earnings up to a maximum of \$6,000/month.

14.3 Workers' Compensation

Workers' Compensation benefits shall be provided in accordance with State and Federal law. Effective the 31st day of disability, the employee may elect to supplement the State mandated benefits with the Town's Short Term/Long Term Disability Insurance (STD/LTD). STD/LTD benefits will be reduced by the amount of periodic payments the employee is entitled to through Worker's Compensation.

14.4 Liability Insurance

The Town shall continue to maintain a public officials' liability insurance policy covering all Town employees in the execution of their official duties.

14.5 Employee Assistance Program

Premium shall be paid by the Town.

14.6 Unemployment Insurance

The Town will provide State mandated benefits as required by law.

Section 15. Family Medical Insurance and Cash In Lieu Plan

Employees may participate in either the Family Medical Insurance Plan or the Cash In Lieu Plan. Employees shall select either the Family Medical Insurance Plan or the Cash In Lieu Plan annually during the Town's open enrollment period, or at any other time permitted by the Public Employees' Medical and Hospital Care Act (PEMHCA), such as a qualifying event (e.g., birth of a child, marriage, spouse losing medical insurance, etc.).

15.1 Health and Welfare Benefits and Rate of Town Contribution

The Town contracts with CalPERS for the purpose of providing employees and their eligible dependents with medical insurance benefits. The Town's maximum monthly contribution for each eligible active employee shall be equal to the minimum employer contribution required under PEMHCA, currently \$149 per month, as may be adjusted by CalPERS from year to year.

15.2 Cafeteria Plan

During the term of the MOU, the Town agrees to maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing eligible active employees with access to various health and welfare benefits. Benefits

available through the Cafeteria Plan include medical insurance, dental insurance, and vision insurance.

15.3 Town Contribution to Medical Insurance

The Town will provide active employees with a medical allowance equal to 100% of the cost of the "Employee Only" Kaiser ~~Bay Area~~Region 1 Medical Insurance Program premium offered by PEMHCA. For dependents, Town will pay 90% of the difference between Kaiser Employee Only and Kaiser level of participation (Employee ~~Plus & One~~ Dependent or Employee ~~& Two+ Dependents~~Family, depending on family status). If the employee chooses medical coverage under a program more expensive than Kaiser ~~Region 1 Bay Area~~, the employee will pay the difference between the Town-provided medical allowance and the cost of the more expensive program through payroll deduction.

The Town's contribution towards medical insurance set forth in Section 15.1 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section (15.3).

15.4 Dental Insurance

For employees choosing this option in lieu of the cash in lieu plan, the Town will pay 100% of the Delta Dental ~~DPO-PPO~~ Plan premium less a \$15.00 employee contribution. If the premium cost of the dental plan exceeds the Town contribution, the employee shall pay through payroll deduction the difference between the monthly premium and the amount contributed by the Town. The Town will pay 100% of the premium for employees choosing to participate in the DeltaCare USA Plan.

15.5 Vision Insurance

Vision insurance is available through Vision Service Plan (VSP). Employees shall be enrolled in the Town's vision care health plan. The Town shall pay for employee-only coverage. At their own cost, employees may enroll eligible dependents upon hire, during open enrollment and/or when a qualifying event occurs.

15.6 Cash In Lieu Plan

Employees have the option of choosing all available coverages or, upon providing proof of other medical coverage, may choose to opt out of the Town's coverage and be provided with cash in lieu.

Employees who choose to receive the cash in lieu must first show proof of alternative minimum essential medical coverage for the employee and employee's tax family (individuals for whom the employee expects to claim a personal exemption deduction). Individual coverage, and individual coverage from Covered California does not qualify as alternative minimum essential coverage under this section. Employees must provide reasonable evidence of alternative minimum essential coverage each plan year, during open enrollment. The Town will not make the cash payment if it knows or has reason to know that the employee or tax family does not have alternative minimum essential coverage. Any amount received in cash is taxable. Employees choosing to receive taxable cash will have the option of receiving it in two equal amounts in December and June, or the first two paychecks of each month (24 times a year).

15.6.1 Amounts

- (a) Employees hired prior to November 15, 2004 shall be provided cash in lieu of medical benefits in the amount of \$800 per month (\$9,600 annually).
- (b) Employees hired on November 15, 2004 or later shall be provided cash in lieu of medical benefits in the amount of \$400 per month (\$4,800 annually).

15.7 Retiree Health

The Town provides retiree health benefits in accordance with the PEMHCA for employees who qualify as eligible PERS retirees who receive a PERS retirement allowance and are PEMHCA annuitants entitled to such benefits under the PEMHCA.

The Town's maximum monthly contribution for each eligible annuitant shall be equal to the minimum employer contribution required under the PEMHCA, currently \$149 per month, as may be adjusted by CalPERS from year to year. The provisions of PEMHCA will govern medical insurance coverage for annuitants.

15.8 ~~Health Reimbursement Account (HRA)~~ Retiree Health Benefit for Eligible Retirees Hired before August 22, 2018

An employee hired prior to August 22, 2018 ~~(this includes employees, or~~ provided with a final offer ~~and~~ confirmation of employment prior to ~~August 22, 2018)~~ ~~ratification and approval of this agreement~~, is eligible for HRA retiree health benefits in accordance with this Section.

15.8.1

The employee completed at least five years of continuous service with the Town; and

15.8.2

The employee retired from the Town taking a service or disability retirement from CalPERS as a retiree receiving a PERS retirement allowance and is a PEMHCA annuitant; and,

15.8.3

The employee must actually draw a CalPERS pension within ninety (90) days of separation from the Town, provided the employee remains with the Town's health plan through COBRA.

15.8.4

The amount of the supplemental retiree health benefit allowance will be equal to 100% of the cost of the premium for Kaiser ~~Bay Area~~ Region 1 Retiree Only ~~and 90% of the difference between the Kaiser Bay Area~~ and 90% of the difference between the Kaiser Bay Area Region 1 Retiree Only and Kaiser Bay Area Region 1 Retiree & Plus-One Dependent level of participation.. For the Retiree & Two Plus Dependents ~~One or More Plan, the Town will pay \$1,947.16 per month, as of the 2022 plan year. This amount will increase by \$100.00 each year until it is equal to the active employee contribution. dependents, the Town will pay \$1,443.45 per month towards a Retiree Plus One plan and \$1,547.16 per month towards a Retiree Plus One or More plan, as of August 22, 2018. This amount will increase by \$100.00 each year until it is equal to the active employee contribution.~~

15.8.5

The Town's contribution towards retiree health insurance set forth in Section 15.7 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section (15.8.4).

15.8.6

Employees retiring on or after February 1, 2016 and upon becoming eligible for Medicare will cease to receive any retiree health benefit allowance under this Section (15.8.4) and will become eligible for Supplemental Medicare equal to the cost of Kaiser Senior Advantage ~~Bay Area~~ Region 1 Medicare rates up to a maximum of 100% Retiree Only, 90% for Retiree ~~& Plus-One Dependent~~ or 90% for Retiree ~~& Two Plus One or More Dependents~~ & Plus-One Dependent less the amount of the employee contribution provided under Section 15.7 (the PEMHCA minimum). This benefit is available to the eligible retired employee only after he or she has reached the age of 65 and is Medicare eligible or as otherwise specified by law.

15.8.7

The benefits described by this Section (15.8) will be provided to annuitants through CalPERS by means of a Health reimbursement Account (HRA).

Section 16. Public Employees' Retirement System (PERS)

16.1 Retirement Formulas

16.1.1

Effective December 16, 1992, the Town's contract with the Public Employees' Retirement System (PERS) provided the 2% at 55 retirement formula for eligible Miscellaneous Town employees (regular employees).

16.1.2 Tier 1

Effective July 1, 2008, the Town amended its contract with PERS to include a 2.5% at 55 PERS retirement benefit (Gov't Code 21354.4).

Employees in Tier 1 shall:

Contribute 8% towards the employee share of the PERS retirement benefit.

Use PERS single highest year compensation.

- Be eligible for PERS Fourth Level 1959 Survivor Benefits.

16.1.3 Tier 2

For employees hired on or after September 15, 2012, including employees hired after January 1, 2013 who do not meet the definition of "new member" under Gov't Code 7522.04(f) the Town will provide Tier 2 retirement benefits to include the 2% at 60 retirement benefit (Gov't Code 21353).

Employees in Tier 2 shall:

Contribute 7% towards the employee share of the PERS retirement benefit.

- Use PERS 36-month final average compensation.
- Be eligible for PERS Fourth Level of 1959 Survivor benefits.

16.1.4 Tier 3

For employees hired on or after January 1, 2013, who meet the definition of new member under Gov't Code 7522.04(f), the Town will provide Tier 3 benefits to include the 2% at 62 retirement benefit.

Employees in Tier 3 shall:

Contribute an amount that is equal to one half (1/2) the normal cost of ~~his/her~~his/her/their CalPERS pension, or the current contribution rate of similarly situated employees, whichever is greater (Gov't Code 7522.30(c)).

- Use the 36-month final average compensation (Gov't Code 20037).
- Be eligible for PERS Fourth Level of 1959 Survivor benefits.

16.2

The Town has adopted a Resolution materially the same as that recommended by the Public Employees' Retirement System to implement the provisions of 414 (h)(2) of the Internal Revenue Code (IRC). T.E.A. accepts the terms of this Resolution and acknowledges that this Resolution will apply to all current and future members of T.E.A.

Section 17. Benefits Accrual/Payment

There shall be no accrual or payment of benefits during unauthorized leave, suspension without pay, or leave without pay except as mandated by the state or federal law.

Section 18. Vacation and Leaves

18.1 Vacation Scheduling

All vacation scheduling is subject to the approval of the Town. Employees are required to request time off in advance. The earlier requests are submitted, the greater likelihood the request will be honored.

Every attempt will be made by the Town to honor pre-approved vacations. If a pre-approved vacation is canceled due to the scheduling needs of the Town, the Town will reimburse the employee for verified deposits for non-reimbursable reservations. All verifications must be submitted prior to the vacation formally being canceled.

18.2 Vacation Accrual

All employees hired by the Town and represented by T.E.A. during the term of this agreement shall accrue vacation hours as follows:

0 to 36 months	10 days per year (3.08 hours per pay period)
37 to 60 months	16 days per year (4.92 hours per pay period)
61 to 120 months	21 days per year (6.46 hours per pay period)
121 to 180 months	23 days per year (7.08 hours per pay period)
181 months & over	25 days per year (7.70 hours per pay period)

18.2.1

Maximum accrual shall be 310 hours. If an employee has reached the maximum accrual level, no more vacation will be accrued until the accrual level is reduced below the maximum amount.

18.2.2 Vacation Cash-Out

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to one hundred and sixty (160) hours of accrued vacation (in whole hour increments) which will be earned in the following calendar year at the employee's base rate of pay. On the pay day for the pay period which includes Thanksgiving in the following year, the employee will receive cash for the amount of the vacation the employee irrevocably elected to cash out in the prior year. However, if the employee's vacation leave balance is less than the amount the employee elected to cash out in the prior calendar year the employee will receive cash for the amount of vacation leave the employee has accrued at the time of the cash out.

18.3 Sick Leave

Sick leave shall accumulate at the rate of eight (8) hours per month (3.70 hours per pay period); to a maximum of one-thousand (1,000) hours. The Town may require T.E.A. represented employees to provide a doctor's statement as proof of illness for any use of sick leave beyond one (1) working day.

18.4 Sick Leave Cash-Out Program

This program applies only to employees hired before August 22, 2018 or provided with a final offer confirmation of employment prior to ratification and approval of this agreement.

18.4.1

Employees who terminate employment with the Town, or once a year in the first payroll check of December, following compliance with this contract and the cash-out process for active employees may cash-out their accumulated sick leave as follows:

1 - 59 months of service at 25%
60 - 119 months of service at 37.5%
120 months or more of service at 50%

Cash out process for active employees: On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out sick leave in accordance with the above amounts and the requirements of section 18.4.2 below. Eligible cash out hours will be cashed out in whole hour increments which will be earned in the following calendar year at the employee's base rate of pay. In the first payroll check of December in the following year, the employee will receive cash for the amount of the eligible sick leave the employee irrevocably elected to cash out in the prior year. However, if the employee's sick leave balance is less than the amount the employee elected to cash out in the prior calendar year the employee will receive cash for the amount of sick leave the employee has accrued at the time of the cash out contingent upon compliance with 18.4.2.

18.4.2

In order to be eligible for the sick leave cash-out program, an employee must have a sick leave accrual balance of at least 150 hours after the annual cash-out. Employees working less than full-time shall have the 150 hour balance pro-rated, based on hours worked. Employees who terminate with a sick leave balance of at least 150 hours may cash-out their entire balance pursuant to the schedule above.

18.4.3

All employees hired prior to November 15, 2004 who retire may convert up to 100% of this accumulated sick leave to a dollar equivalent at their hourly rate of pay at the time of retirement. This amount shall be held in an account. The employee's portion of medical payment will be withheld from their monthly retirement payment by PERS. The Town agrees to pay the retiree quarterly on the first pay period of January, April, July, and October of each year after retirement. The first payment will be prorated to the nearest quarter. The retiree's portion of medical payments will be paid from this account by the Town until all monies are depleted from the account or the retiree dies, whichever occurs first.

18.4.4

This account will not accrue interest and will not be paid in cash to the retiree or any beneficiaries. The retiree shall be responsible for 100% of their share of future medical insurance payments once the account is exhausted.

18.5 Personal Leave

Twenty-four (24) hours will be available per calendar year. Personal leave may not be accumulated from year-to-year nor is it subject to cash-out at any time.

Exempt employees are eligible for an additional twenty-four (24) hours of personal leave for (a maximum of forty-eight (48) hours) each calendar year.

18.6 Medical/Maternity/FMLA/CFRA

The Town recognizes that State Government Code 12945 requires the recognition of maternity as a bona fide non-job-related disability with applicable leave benefits. The Town also recognizes State Government Code 12945.2 and Federal Government Code 29 regarding the Family and Medical Leave Act. The Town may, at its discretion, approve leave beyond the specific amount provided by the law.

18.7 Bereavement Leave

A maximum of forty (40) hours is available for death of each member of the immediate family. Immediate family is defined as parent, [step-parent](#), [parent in law](#), spouse/domestic partner, child, [step-child](#), [foster child](#), dependent, sibling, grandparent, [step-grandparent](#), and [grandchild](#).

18.8 Disaster Leave

Leave will be available for employees for disasters declared by Federal, State, County, or Town officials if those disasters affect all or a portion of the area within twenty (20) miles of Town Hall. Leave is subject to scheduling by the Town. Employees shall be allowed to charge time off to any accrued leaves.

18.9 Military Leave

Military leave and benefits shall be granted in accordance with State and Federal law, including the continuation of employee salary and benefits.

18.10 Jury Duty

Employee salary and benefits are to be continued during periods of Court-assigned jury duty. If an employee receives compensation from the Courts, the employee shall return to the Town all compensation received for jury duty, except mileage or travel related compensation.

18.11 Leave Without Pay

18.11.1

Leave without pay shall be subject to approval of the Department Director.

18.11.2

An employee who is on leave without pay for more than two (2) pay periods shall not earn any employment benefits (including, but not limited to such benefits as vacation leaves, medical benefits, sick leaves, retirement credits for time employed or seniority entitlement of any kind) for the duration of such leave. An employee who is on leave without pay for more than (2) pay periods will have the ability to continue medical, dental and vision coverage at their own expense in accordance with the Town's Administrative Policy on benefit retention.

18.11.3

Vacation, sick leave or time worked shall not be used intermittently during an extended leave to interrupt a determination that an employee is on leave with no pay. In accordance with State Government Code 12945 and 12945.2 and Federal Government Code 29, Section 26.01, 26.54, no employee on maternity or family leave will be disadvantaged with respect to seniority entitlement.

18.12 Leave Balances

18.12.1

Vacation, and compensatory time off will be paid ~~off~~ upon resignation, retirement, or dismissal at 100% value effective the last full work-day with the Town. This will terminate the employee's status as an employee of the Town. Sick leave shall be cashed out per Section 18.4.1.

18.12.2

In the event of an employee's death, accrued vacation and compensatory time leave balances shall be paid to the employee's estate. Sick leave shall be paid to the estate per Section 18.4.1.

18.13 Catastrophic Time Bank

If an employee, or an employee's spouse/domestic partner, or child becomes catastrophically ill or injured, the employee may request that a catastrophic time bank be established. If the employee is not capable, a Department Director, after consulting with and receiving approval from an employee's family member, may request that a catastrophic time bank be established. The request shall be in writing and shall be directed to the Human Resources Director. The bank will enable other employees to donate accrued CTO or vacation to the requesting employee. All donations must be made in writing on a form prescribed by the Town and shall be limited to no more than four (4) hours per donation, in one (1) hour increments. Time donated will be calculated at the donor's hourly rate of pay. Donations to an established catastrophic time bank are final and shall not be returned to the donor.

Section 19. Grievance Procedure

Grievances shall be defined as alleged violations of this Agreement or disputes regarding interpretations, application, or enforcement of this Agreement.

No act or activity which may be grievable may be considered for resolution unless a grievance is filed in accordance with the procedure contained herein within thirty (30) calendar days of the date the grievable activity occurred or the date the employee could reasonably have known such activity occurred.

19.1

The parties agree that all grievances will be processed in accordance with the following procedure:

Step 1

Any employee who has a grievance shall first try to get it settled informally through discussion with his/her/their immediate supervisor without undue delay. Every effort shall be made to find an acceptable solution at the lowest possible level of supervision. If the employee is not satisfied with the informal resolution, then a formal grievance must be filed within thirty (30) calendar days of the date the grievable activity occurred or the date the employee could reasonably have known such activity occurred.

Step 2

If, after such discussion the employee does not believe the grievance has been satisfactorily resolved, [he/she/they](#) may file a formal appeal in writing to [his/her/their](#) Department Director within ten (10) calendar days after receiving the informal decision of [his/her/their](#) immediate supervisor.

The Department Director receiving the formal appeal shall enter [his/her/their](#) written decision within ten (10) calendar days after receiving the appeal.

Step 3

If, after receipt of the written decision of the Department Director the employee is still dissatisfied, [he/she/they](#) may appeal the decision of the Department Director to the Town Manager. Such appeal shall be made by filing a written appeal to the Town Manager within fourteen (14) calendar days after receipt of the written decision of the Department Director. The Town Manager shall review the decision of the Department Director, and render [his/her/their](#) decision within thirty (30) calendar days after the appeal is made.

Step 4

If, after receipt of the written decision of the Town Manager the employee is still dissatisfied, [he/she/they](#) may appeal the decision of the Town Manager to the Personnel Board. Such appeal shall be made by filing a written appeal to the Chair of the Personnel Board within fourteen (14) calendar days after receipt of the written decision of the Town Manager.

The Personnel Board shall establish a hearing date within thirty (30) calendar days of receipt of the written appeal. The Personnel Board shall conduct a closed hearing giving opportunity for presentation by the employee or [his/her/their](#) representative and the Town Manager. The Personnel Board shall render a written decision within thirty (30) calendar days after the appeal is made. If, after receipt of the written decision of the Personnel Board, the employee is still dissatisfied, [he/she/they](#) may appeal the decision of the Personnel Board to the Town Council. Such appeal shall be made by filing a written appeal with the Mayor. The Mayor shall schedule a closed hearing with the Town Council within thirty (30) calendar days after receipt of the appeal. At this hearing, the employee and the Town Manager may make presentations. The Town Council decision shall be final. The Town Council shall render a decision within thirty (30) calendar days after the hearing. An open hearing may be conducted by the Personnel Board or Town Council with mutual consent of the Town and person(s) filing the grievance.

19.2

The time limitations for filing and responding to grievances may be waived or extended by written mutual agreement of the parties. If either party to the grievance so requests, an informal hearing shall be conducted at the Department Director or Town Manager appeal levels. Employees may be represented by counsel or other person at any stage in the grievance process.

19.3

If the employee does not receive a response from the supervisor or Department Director within the time limits specified in steps 1 and 2 above, the grievance will proceed for review to the next level in the grievance procedure.

Section 20. Miscellaneous Issues

20.1 Benefit Application

Employee benefits shall be prorated to a level equal to the regularly scheduled hours. For example, an employee working a regular schedule of 32 hours per week will earn 80% of the benefits provided to an employee working a regular schedule of 40 hours per week.

20.2 Personnel Rules

It is the Town's intent to make the Personnel Rules readily available. In this regard the Rules will be available on line and in the Town Clerk's Office.

20.3 Disciplinary Rules

In regard to Disciplinary Rules, refer to Sections 12 and 13 of the Town's Personnel Rules.

20.4 Mileage Reimbursement

Employees using personal vehicles on official Town business shall be reimbursed at the mileage rate established by the I.R.S. Private vehicles used for Town business shall comply with all applicable California Vehicle Code Sections commencing with Section 16430 through 16484 pertaining to "Insurance or Proof of Ability to Respond to Damages."

Section 21. Terms Specific to Communications Dispatcher

Training pay: Communication Dispatchers assigned to train and evaluate newly hired Communication Dispatchers will receive a premium pay of 5% for the actual hours worked while providing authorized training.

In addition, sections in the agreement specific to Communications Dispatchers include (1) Overtime section 11.4.3 and (2) Holiday Compensation section 13.3.3.

Section 22. Town Vehicles

Town vehicles are not to be taken home.

Section 23. Closure Days with Paid Leave Allowed

T.E.A. understands that the Town Manager, for budgetary constraints or for operational efficiency, may close all nonessential services and permit employees to use paid leaves. For example, the Town Manager may institute the closure of nonessential services between the Christmas and New Years' holidays. [The Town Manager shall provide at least six-months advance notice prior to making the decision to institute closure of non-essential services between the Christmas and New Years' holidays. However, nothing in this section shall restrict the Town Manager's right to make the decision to institute the closure of non-essential services between Christmas and New Year's with less notice where unforeseen circumstances occur.](#)

In regards to these closure days:

23.1

Employees performing essential services and scheduled to work on the Closure Days will receive straight-time pay for hours worked, unless the hours worked represent overtime (more than forty [40] hours per week).

23.2

At their election, employees who are not scheduled to work may utilize accrued paid vacation, compensatory time off, or personal leave to cover the closure hours. Leave must be requested in the manner provided in the MOU. Employees who use paid leave will accrue sick leave, vacation and CalPERS credit while on leave.

23.3

While employees have the option to utilize paid vacation, compensatory time off, or personal leave, they are also permitted to take leave without pay (LWOP). Employees who take LWOP will maintain their health, life and disability insurance, as well as any medical cash allocations. Employees who utilize LWOP will not accrue sick leave, vacation or CalPERS credit while on LWOP.

23.4

If an employee requests to work during the closure days due to hardship (e.g., the employee is out of leave and is financially unable to take time without pay), the Department Director will first try to assign the employee in their own department. If a suitable assignment is not available in the employee's own department, the Town Manager maintains the management right to place the employee in an alternative assignment for the closure period.

If an employee requests to work during the closure days the Department Director will approve the request to work in their regular assignment unless there is a concern about the safety of the employee that cannot be adequately addressed. However, the Town Manager maintains the management right to place the employee in an alternative assignment for the closure period.

23.5

The Town Manager maintains the management right to determine essential and nonessential services.

Section 24. Complete Agreement

The parties acknowledge that during the negotiations that resulted in this MOU, each had the unlimited right and opportunity to make proposals with regard to the terms and conditions of employment, and that the understandings and agreements contained in this MOU were arrived at after that full opportunity. This MOU may only be amended during its term by the parties' mutual agreement in writing unless compelled by State or Federal law. This MOU is intended to encompass all matters subject to meeting and conferring between the Town and T.E.A., and it supersedes and replaces any and all past practices, whether directly referred to or otherwise addressed in any way in this MOU.

Section 25. Successor MOU

The Town and T.E.A. agree that an initial meet and confer regarding the negotiations for a successor MOU shall take place no later than 120 days prior to the termination date of the current Memorandum of Understanding.

The Town will pay for training in interest-based bargaining for the negotiating teams and to provide a neutral third-party facilitator, mutually agreed to by the parties.

Town of Los Gatos TEA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range TE1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
4310	Account Technician	Hourly	08	\$36.88	\$38.72	\$40.66	\$42.69	\$44.82	\$47.64
3580	Administrative Assistant	Hourly	04	\$30.87	\$32.41	\$34.03	\$35.73	\$37.52	\$39.98
4620	Assistant Engineer	Hourly	25	\$49.12	\$51.58	\$54.16	\$56.87	\$59.71	\$63.28
4420	Assistant Planner	Hourly	12	\$42.71	\$44.85	\$47.09	\$49.44	\$51.91	\$55.09
4600	Associate Civil Engineer	Hourly	27	\$55.88	\$58.67	\$61.60	\$64.68	\$67.91	\$71.89
4661	Associate Engineering Technician	Hourly	14	\$43.02	\$45.17	\$47.43	\$49.80	\$52.29	\$55.48
4400	Associate Planner	Hourly	20	\$49.70	\$52.19	\$54.80	\$57.54	\$60.42	\$64.02
4410	Building Inspector	Hourly	24	\$47.82	\$50.21	\$52.72	\$55.36	\$58.13	\$61.62
4430	Code Compliance Officer	Hourly	10	\$42.76	\$44.90	\$47.15	\$49.51	\$51.99	\$55.17
4530	Communication Dispatcher	Hourly	17	\$45.31	\$47.58	\$49.96	\$52.46	\$55.08	\$58.41
4535	Communication Dispatcher Lead	Hourly	19	\$57.24	\$60.10	\$63.11	\$66.27	\$69.58	\$73.64
4540	Community Services Officer	Hourly	11	\$36.36	\$38.18	\$40.09	\$42.09	\$44.19	\$46.98
4615	Construction Project Manager	Hourly	26	\$53.61	\$56.29	\$59.10	\$62.06	\$65.16	\$69.00
4660	Engineering Technician	Hourly	13	\$39.05	\$41.00	\$43.05	\$45.20	\$47.46	\$50.41
4705	Environmental Programs Specialist	Hourly	08	\$36.88	\$38.72	\$40.66	\$42.69	\$44.82	\$47.64
4200	Events and Marketing Specialist	Hourly	06	\$32.53	\$34.16	\$35.87	\$37.66	\$39.54	\$42.10
3501	Executive Assistant	Hourly	08	\$36.88	\$38.72	\$40.66	\$42.69	\$44.82	\$47.64
4900	IT Systems Administrator	Hourly	23	\$53.24	\$55.90	\$58.70	\$61.64	\$64.72	\$68.54
4915	IT Technician	Hourly	07	\$39.91	\$41.91	\$44.01	\$46.21	\$48.52	\$51.53
4810	Librarian	Hourly	16	\$40.81	\$42.85	\$44.99	\$47.24	\$49.60	\$52.66
4830	Library Assistant	Hourly	03	\$30.13	\$31.64	\$33.22	\$34.88	\$36.62	\$39.03
4807	Library Customer Service Specialist	Hourly	01	\$28.23	\$29.64	\$31.12	\$32.68	\$34.31	\$36.61
4805	Library Customer Service Supervisor	Hourly	08	\$36.88	\$38.72	\$40.66	\$42.69	\$44.82	\$47.64
4825	Library Specialist	Hourly	06	\$32.53	\$34.16	\$35.87	\$37.66	\$39.54	\$42.10
4819	Library Tech Specialist	Hourly	15	\$39.55	\$41.53	\$43.61	\$45.79	\$48.08	\$51.06
3181	Office Assistant	Hourly	01	\$28.23	\$29.64	\$31.12	\$32.68	\$34.31	\$36.61
4640	Park Services Officer	Hourly	11	\$36.36	\$38.18	\$40.09	\$42.09	\$44.19	\$46.98
4560	Parking Control Officer	Hourly	01	\$28.23	\$29.64	\$31.12	\$32.68	\$34.31	\$36.61
4440	Permit Technician	Hourly	09	\$35.53	\$37.31	\$39.18	\$41.14	\$43.20	\$45.94

**Town of Los Gatos TEA Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022**

Class Code	Classification Title	Rate Type	Range TE1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
4425	Planning Technician	Hourly	11	\$36.36	\$38.18	\$40.09	\$42.09	\$44.19	\$46.98
4550	Police Records Specialist	Hourly	05	\$31.60	\$33.18	\$34.84	\$36.58	\$38.41	\$40.91
4630	Public Works Inspector	Hourly	18	\$44.47	\$46.69	\$49.02	\$51.47	\$54.04	\$57.32
4450	Senior Building Inspector	Hourly	27	\$55.88	\$58.67	\$61.60	\$64.68	\$67.91	\$71.89
4525	Senior Communication Dispatcher	Hourly	29	\$50.76	\$53.30	\$55.97	\$58.77	\$61.71	\$65.38
4831	Senior Library Page	Hourly	02	\$19.85	\$20.84	\$21.88	\$22.97	\$24.12	\$25.91
4565	Senior Parking Control Officer	Hourly	11	\$36.36	\$38.18	\$40.09	\$42.09	\$44.19	\$46.98
4405	Senior Planner	Hourly	28	\$57.24	\$60.10	\$63.11	\$66.27	\$69.58	\$73.64
4610	Senior Public Works Inspector	Hourly	26	\$53.61	\$56.29	\$59.10	\$62.06	\$65.16	\$69.00
4662	Sr. Engineering Technician	Hourly	24	\$47.82	\$50.21	\$52.72	\$55.36	\$58.13	\$61.62

Reflects General Increase of 8%



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/07/2022

ITEM NO: 21

DATE: June 2, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees and Authorize the Town Manager to Execute the Memorandum of Understanding

RECOMMENDATION:

Staff recommends that the Town Council approve a Labor Agreement between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees (AFSCME) and authorize the Town Manager to execute the Memorandum of Understanding.

BACKGROUND:

In accordance with the Town's Employer-Employee Relations Resolution No. 1974-41, representatives of the Town and AFSCME have met and conferred in good faith and within the scope of representation in an effort to reach agreement for a successor Memorandum of Understanding (MOU). The revised agreement will be distributed and posted on June 3, 2022 as an Addendum to this report. The MOU is a labor agreement that identifies specific terms and conditions of employment applicable to the employees represented by that agreement.

DISCUSSION:

The Town's current MOU with AFSCME expires on June 30, 2022. In March 2022, the Town and AFSCME began negotiating for a successor agreement. A tentative agreement for a two-year term was reached in April and AFSCME membership ratified on April 29, 2022.

PREPARED BY: Salina Flores
Human Resources Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees and Authorize the Town Manager to Execute the Memorandum of Understanding

DATE: June 2, 2022

DISCUSSION (continued):

Major provisions of the agreement include and are not limited to:

1. **Term:** July 1, 2022 to June 30, 2024
2. **Salary:**
 - a. Effective the first full pay period of July 2022 (effective July 10, 2022), or the first full pay period after Council approval, whichever is later, the Town will provide a 3% cost of living adjustment (COLA) and a 4.5% market increase for a total of 7.5%. The market increase is intended to bring AFSCME classifications to or near market median.
 - b. Effective in the first full pay period of July 2023, the Town will provide a 3% salary increase.
3. **Pandemic Related Bonus:** Effective the first full pay period of July 2022, or the first full pay period after Council approval, whichever is later, all employees who worked for the Town in 2021, who are employed at the Town as of the last day of the pay period will receive a one-time, lump sum payment of \$2,500.
4. **Juneteenth Holiday:** Effective after Council approval of this MOU, June 19th (Juneteenth) shall be added to Section 29 of the MOU as an observed paid eight (8) hour holiday for employees represented by AFSCME.
5. **Tuition Reimbursement:** The Town will reimburse AFSCME employees up to \$3,000 per fiscal year toward the cost of books, university/school fees (except parking) and tuition for courses directly related to the employee's position as determined by the Town Manager. Prior to reimbursement, all course work must be completed with a passing grade of "C" or equivalent

The Town and AFSCME have also agreed to various MOU language updates. The MOU will be distributed and posted on June 3, 2022 as an Addendum to this report. These updates clarify existing language, delete obsolete language, and ensure compliance related to the Town's contract for retirement and medical benefits provided under the California Public Employees' Retirement System (CalPERS) and the Public Employees' Medical and Hospital Care Act (PEMHCA).

CONCLUSION:

The AFSCME agreement has been prepared within the parameters provided to Town's negotiators by the Town Council and has been ratified by the AFSCME membership. It is recommended that the proposal be approved, and the Town Manager be authorized to execute the MOU.

PAGE 3 OF 3

SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees and Authorize the Town Manager to Execute the Memorandum of Understanding

DATE: June 2, 2022

FISCAL IMPACT:

The anticipated fiscal impact for the 3% cost of living increase (\$46,000) and, 4.5% market increase (\$133,000) in FY 2022/23 is \$179,000. The anticipated fiscal impact of \$1,000 non-pensionable one-time payment and the one-time, lump sum pandemic related bonus payment of \$2,500 in FY 2022/23 is \$38,500.

FISCAL IMPACT (continued):

The total cost impact for FY 2022/23 will be absorbed in the Town's existing operating budget. Funding to support the FY 2023/24 ongoing cost each year will be incorporated into the proposed future year budgets for Council approval.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachment:

1. Salary Schedule for AFSCME effective July 10, 2022

Town of Los Gatos AFSCME Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range AF1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
6619	Assistant Equipment Mechanic	Hourly	09	\$33.37	\$35.04	\$36.79	\$38.63	\$40.56	\$42.59
6620	Equipment Mechanic	Hourly	03	\$38.38	\$40.30	\$42.32	\$44.44	\$46.66	\$48.99
6618	Supervising Equipment Mechanic	Hourly	08	\$44.14	\$46.35	\$48.67	\$51.10	\$53.66	\$56.34
6670	Facility Technician	Hourly	02	\$35.71	\$37.50	\$39.38	\$41.35	\$43.42	\$45.59
6600	Lead Parks & Maintenance Worker	Hourly	07	\$40.75	\$42.79	\$44.93	\$47.18	\$49.54	\$52.02
6650	Parks & Maintenance Worker	Hourly	05	\$32.79	\$34.43	\$36.15	\$37.96	\$39.86	\$41.85
6660	Parks & Maintenance Worker Trainee	Hourly	04	\$26.78	\$28.12	\$29.53	\$31.01	\$32.56	\$34.19
6605	Senior Parks & Maintenance Worker	Hourly	06	\$35.68	\$37.46	\$39.33	\$41.30	\$43.37	\$45.54
6610	Town Arborist	Hourly	03	\$38.92	\$40.87	\$42.91	\$45.06	\$47.31	\$49.68

Reflects General Increase of 7.5%.



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/07/2022

ITEM NO: 21

ADDENDUM

DATE: June 3, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve a Labor Agreement Between the Town of Los Gatos and the American Federation of State, County, and Municipal Employees and Authorize the Town Manager to Execute the Memorandum of Understanding

REMARKS:

Attachment 3 contains the draft Memorandum of Understanding.

Attachment Distributed with the Staff Report:

1. Salary Schedule for AFSCME effective July 10, 2022

Attachment Distributed with this Addendum:

2. Memorandum of Understanding (redline)

PREPARED BY: Salina Flores
Human Resources Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

TOWN OF LOS GATOS

AND

**AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES
(AFSCME)**



MEMORANDUM OF UNDERSTANDING

JULY 1, 2022 - JUNE 30, 2024

ATTACHMENT 2

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**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TOWN OF LOS GATOS
AND
AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFSCME)**

THIS AGREEMENT IS ENTERED INTO AS OF JULY 1, 2022, BETWEEN THE TOWN OF LOS GATOS, HEREINAFTER REFERRED TO AS THE "TOWN", AND THE LOS GATOS "AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES", HEREINAFTER REFERRED TO AS "AFSCME".

Pursuant to Town Resolution 1974-41 of the Town of Los Gatos and Section 3500 et. seq. of the Government Code, the duly authorized representatives of the Town and AFSCME, having met and conferred in good faith concerning the issues of wages, hours, and terms and conditions of employment, as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

FOR AFSCME:

Carol McEwan
Business Agent

Sherrie Olsen
Parks & Maintenance Worker
AFSCME President

Thomas Lettiere
AFSCME Secretary Treasurer

TOWN OF LOS GATOS:

Laurel Prevetti
Town Manager

Arn Andrews
Assistant Town Manager

Salina Flores
Human Resources Director

Lisa S. Charbonneau
Liebert Cassidy Whitmore

APPROVED AS TO FORM:

Gabrielle Whelan
Town Attorney

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(to be updated with correct sections and page numbers after Town Council consideration)

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Appendix A – AFSCME Salary Schedule

TOWN OF LOS GATOS
AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES
MEMORANDUM OF UNDERSTANDING
ON SALARIES, FRINGE BENEFITS AND WORKING CONDITIONS

Section 1. Purpose

The Town and the Union agree that the purpose of this Memorandum of Understanding is to promote and provide harmonious relations, cooperation, and understanding between the Town and the employees represented by the Union; to provide an orderly and equitable means of resolving disputes that may arise concerning this Agreement; and to set forth the full agreements of the parties reached as a result of meeting and conferring in good faith regarding matters within the scope of representation pursuant to the State Government Code and the Town Employer-Employee Relations Resolution.

Section 2. Term

This Memorandum of Understanding shall commence on July 1, 2022 and terminate on June 30, 2024.

Section 3. Union Rights**3.1 Advance Notice**

Except in cases of emergency as provided in this subsection the Union, if affected, shall be given reasonable advance written notice, normally thirty (30) calendar days of any ordinance, policy resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted or amended by the Town and shall be given the opportunity to meet and confer as required by the Meyers Milias Brown Act with the appropriate management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the Town may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter the Union shall be provided with the notice described in the preceding paragraph and be given an opportunity to meet with the appropriate management representatives. The Union shall timely raise any issues arising under this subsection

3.2 No Discrimination

The Town and Union agree that neither will discriminate in any way against employees covered by this Agreement because of their membership and/or activities on behalf of the Union.

3.3 Stewards

The Town agrees to recognize two (2) duly appointed Union Stewards and two (2) duly appointed alternate Stewards for purposes of Union representation. The Union shall provide the Town with a list of those duly appointed individuals. The Steward or Union Officer shall distribute to all new unit employees material(s) furnished for such purpose by the Union.

3.4 Representation

Upon request of an employee covered by this Agreement, the Steward and/or Union representative shall be present during meetings which the employee reasonably anticipates will involve that individual employee in disciplinary matters. To the extent possible, disciplinary and grievance matters affecting employees shall be considered during normal working hours and with pay.

3.5 Access to Premises

The designated Union business representative, for performance of official duties, shall not be denied access to Town premises subject to that representative first advising Town management that he/she/they/they is on the premises and subject to not interfering with the work duties of Town employees. The Union will be allowed reasonable use of Town facilities with advance notice and approval from the Town for meetings in accordance with Town policies and procedures.

3.6 Bulletin Boards and Union Literature

The Union shall have the right to use the Corporation Yard Bulletin Board and employee mailboxes for posting and distribution of Union materials.

3.7 Release Time

As long as there is no disruption of work, the Town shall provide two (2) AFSCME-authorized union representatives with up to 20 hours of release time each year for the purpose of attending Union conventions, conferences and union-sponsored training programs. The use of release time will have no impact on accrual of paid leave, seniority, completion of probation and eligibility for health and welfare benefits, or pension benefits.

3.8 New Hire Information

The Town will notify the Union of the name, classification, unit and work location of all new hires into the positions in the classifications represented by AFSCME within the first full pay period of the new hire's starting date.

3.9 Orientation

An AFSCME Union representative will be allowed 15 minutes of release time for the purpose of providing new member information to individuals newly-hired into classifications represented by AFSCME.

Section 4. Savings Clause

If any provision or the application of any provision of this agreement as implemented should be rendered or declared invalid by any final court action or decree or by reasons of any preemptive legislation, the remaining sections of this agreement shall remain in full force and effect for the duration of this agreement.

Section 5. Union Dues

5.1 Certification

The Town shall withhold Union dues from employees' salary transmit such dues to the Union, provided the Union certifies in writing to the City that the Union has and will maintain each employee's voluntary authorization for such deductions.

5.2 Payroll Deduction

The Town shall not be obligated to put into effect any new, changed, or discontinued deduction until the pay period commencing thirty (30) days or longer after the Union certifies such new, changed or discontinued deduction.

5.3 Indemnification and Hold Harmless

The Union shall indemnify and hold harmless the Town against any and all suits, claims, demands, and liabilities that may arise out of, or by reason of, any action or omission of the Town in complying with this Section.

Section 6. Management Rights

The Union recognizes that the rights of the Town include, but are not limited to, the exclusive right to determine the mission of its constituent departments, commissions and boards; set the standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means, and personnel by which government operations are to be conducted; determine the content of job classifications; take all necessary action to determine when an emergency exists and to carry out its mission in emergencies including the requirement that employees work overtime; and exercise complete control and discretion over its organization and the technology of performing its work.

Section 7. Town Employer-Employee Relations Resolution

The Union and the Town recognize the existing language in Town Resolution 1974-41 as it governs all aspects of labor relations in the Town. Any changes in Resolution 1974-41 which apply to AFSCME Local 101 will be made after meeting and conferring when required by the Meyers Milius Brown Act with the Union.

Section 8. Equal Employment Opportunity

The Union and Town support equal employment opportunity programs.

Section 9. Non-Discrimination

The Town and Union agree that all provisions of this Agreement shall be applied equally to all employees covered herein without favor or discrimination because of any protected class including but not limited to race, color, national origin, ancestry, religion, religious creed, physical disability, mental disability, medical condition, genetic information, marital status, sex, sexual orientation, gender, gender based pregnancy/childbirth, gender identity, gender expression, age (over 40), or political affiliation or any other basis prohibited by applicable Federal, State or Town law. The parties further agree that Section 9 and 9.1 shall not be subject to the Grievance Procedure provided in this Agreement.

9.1 General Provisions Regarding Americans with Disabilities Act

Because the ADA requires accommodations for individuals protected under the Act, the Union recognizes the Town's obligation to comply with all provisions of the ADA on a case by case basis.

9.1.1

The Union recognizes that the Town has the legal obligation to meet with the individual employee to be accommodated through the interactive process before any adjustment is made in working conditions. The Union will be notified of these proposed accommodations prior to implementation by the Town.

9.1.2

Any accommodation provided to an individual protected by the ADA shall not establish a past practice.

9.2 Non-Discrimination for Union Activity

The Town and Union agree that they, and each of them, shall not discriminate against any employee because of membership or lack of membership in the Union, or because of any authorized activity on behalf of the Union. The parties further agree that this Section 9.2 may be subject to the Grievance Procedure provided in this Agreement.

Section 10. Salary

10.1

Employees will receive pay adjustments as follows:

10.1.1

Effective the first full pay period in July 2022, or the first full pay period after Council approval of this MOU, whichever is later, the Town will provide a three percent (3%) cost of living adjustment (COLA) and a four and one half (4.5%) market increase, totaling a seven and one half percent (7.5%) salary adjustment for all bargaining unit members. The market increase is intended to bring AFSCME classifications to or near the market median based on data in a compensation survey of the relevant labor market completed by outside consultant Bryce & Associates in April 2022.

In addition, effective in the first full pay period of July 2022, or the first full pay period after Council approval of this MOU, whichever is later, bargaining unit employees shall receive a one-time (non-PERSable) payment of one thousand dollars (\$1000).

10.1.2

Effective the first full pay period of July 2023, the Town will provide a three percent (3%) salary increase for all bargaining unit members.

10.2 Pandemic Related Bonus

Effective the first full pay period of July 2022, or the first full pay period after Council approval of this MOU, whichever is later, the Town will provide a one-time, non-pensionable, lump sum payment of \$2,500 to all employees who worked for the Town in 2021 who are employed at the Town as of the last day of the pay period the payment is issued.

Section 11. Other Compensation**11.1 Out-of-Classification Pay**

Out-of-Classification pay is defined as employees who by written assignment perform the essential functions of a position with a higher salary classification than in which they are regularly employed shall receive higher compensation as set forth below. The Town and the Union agree that it is the intent of Town management, whenever possible, to avoid working an employee out of classification for a prolonged period of time.

An employee assigned to work out-of-classification shall be compensated from the first day of the out-of-classification assignment. Out-of-classification pay shall be a minimum of five percent (5%), above the employee's regular salary; or the lowest rate of the higher classification, whichever is greater.

Training programs mutually agreed to by the Town and the Union which are designed to enhance and/or provide career development opportunities shall not be subject to this provision.

Any employee who believes they are working out of classification may request a review of their classification.

11.2 Street-Sweeper Specialty Pay

Employees assigned to operate the street sweeper shall be paid a \$5 per hour differential above their base hourly rate. This special assignment pay shall be paid for actual time worked and does not apply to non-worked hours such as vacation, holidays, personal or sick leave.

In accordance with CalPERS regulations, this special assignment pay is reported as PERSable income for those employees who are assigned to operate the street sweeper on a routine and consistent basis. Thus, employees who operate the street sweeper on back-up basis shall be paid the premium in accordance with this agreement but the premium will not be reported as PERSable income.

The Department Director retains the right to determine street sweeper assignments in accordance with the needs of the department. Employees assigned to operate the street sweeper must meet the qualifications of the job and demonstrate proficiency to operate the equipment.

11.3 Class A Driver's License Pay and Tanker Endorsement Pay

Employees who maintain a valid California Commercial Class A Driver's License shall be paid \$30 per month.

Employees who maintain both a valid California Commercial Class A Driver's License and a Tanker Endorsement shall be paid \$75 per month.

11.4 Certificate Pay

Employees in the classifications of Parks and Maintenance Worker and Lead Parks and Maintenance Worker who possess a current Certified Pest Control Applicator Certificate shall receive \$50 per month in certificate pay. Employees in the classifications of Parks and Maintenance Worker and Lead Parks and Maintenance Worker who possess a current Backflow Tester Certification Certificate shall receive \$50 per month in certificate pay.

11.5 Cellphones

The Town's cellphone stipend program applies to AFSCME bargaining unit employees.

Section 12. Payroll Practices

12.1 Payroll Periods and Availability of Checks

Employees shall be compensated on a biweekly basis.

Employee pay shall not be withheld more than seven (7) days following end of payroll period; however, overtime may appear on the next payroll period if it is worked following the submittal of time sheets, or during a pay period with a Town holiday which requires early submittal of time sheets and early distribution (before Friday) of paychecks. This may also occur at the end of the fiscal and calendar year.

Every effort will be made to make paychecks available to employees as soon as checks are signed and ready for distribution.

12.2 Automatic Deposit

The Town shall provide an optional direct deposit system for use by employees.

12.3 Deduction and Accrual Information

Payroll deductions and leave balances shall appear on paychecks and be current to the latest payroll period.

Section 13. Retirement Benefits

The Town contracts with the California Public Employees' Retirement System (CalPERS or PERS) to provide Town employees with retirement benefits.

13.1 2.5% at 55 (Classic Tier One Retirement)

For employees hired with reciprocity or CalPERS membership prior to 1/1/13 without a break in CalPERS service of six months or more or hired and enrolled in CalPERS membership prior to 9/15/12, the Town provides the 2.5% at 55 PERS retirement benefit (Gov't Code 21354.4).

Employees in this tier shall contribute 8% towards the retirement benefit.

Employees in this tier are subject to the CalPERS Single Highest Year compensation formula (Gov't Code 20042).

13.2 2% at 60 (Classic Tier Two Retirement)

For employees hired and enrolled on or after 9/15/12 with reciprocity or membership prior to 1/1/13 without a break in CalPERS service of six months or more, the Town provides the 2% at 60 retirement benefit (Gov't Code 21353).

Employees in this tier shall contribute 7% towards the retirement benefit.

Employees in this tier are subject to the CalPERS 36-month final average compensation (Gov't Code 20037).

13.3 2% at 62 (Public Employees' Pension Reform Act of 2013 [PEPRA])

For employees hired on or after January 1, 2013, who meet the definition of new member under Gov't Code 7522.04(f), the Town provides the 2% at 62 retirement benefit.

For new members hired on or after January 1, 2013, the Town will use the 36-month final average compensation (Gov't Code 7522.32(a)).

New members hired on or after January 1, 2013 shall pay an amount that is equal to one half (1/2) the normal cost of his/her/their CalPERS pension, or the current contribution rate of similarly situated employees, whichever is greater. (Gov't Code 7522.30(c)).

13.4 EPMC, 414(h)(2) IRC

Effective June 24, 2001, the Town ceased its participation in the Public Employees' Retirement System "Employer Paid Member Contribution" (EPMC) provision. Concurrently, the Town began paying in salary to the employees covered by this MOU the equivalent dollar amount of the former EPMC (7% of salary).

The Town has adopted a Resolution materially the same as that recommended by the Public Employees' Retirement System to implement the provisions of 414 (h) (2) of the Internal Revenue Code (IRC). AFSCME accepts the terms of this Resolution and acknowledges that this Resolution will apply to all current and future members of AFSCME.

13.5 Military Service Purchase

The Town shall permit employees to purchase PERS credit for military service time.

13.6 Retiree Health Benefit for Eligible Retirees Hired on or after July 1, 2018

The Town provides retiree health benefits in accordance with the Public Employees' Medical and Hospital Care Act (PEMHCA) for employees who qualify as eligible PERS retirees who receive a PERS retirement allowance and are PEMHCA annuitants entitled to such benefits under the PEMCHA.

The Town's maximum monthly contribution for each eligible annuitant shall be equal to the minimum employer contribution required under the PEMHCA, currently \$149 per month, as may be adjusted by CalPERS from year to year. The provisions of the PEMHCA will govern medical insurance coverage for annuitants.

13.7 Retiree Health Benefit For Eligible Retirees Hired before July 1, 2018.

An employee hired prior to July 1, 2018 is eligible for Health Reimbursement Account (HRA) retiree health benefits in accordance with this Section.

13.7.1

The employee completed at least five years of continuous service with the Town; and

13.7.2

The employee retired from the Town taking a service or disability retirement from CalPERS as a retiree receiving a PERS retirement allowance and is a PEMHCA annuitant; and

13.7.3

The employee must actually draw a CalPERS pension within ninety (90) days of separation from the Town, provided the employee remains with the Town's health plan through COBRA.

13.7.4

The amount of the supplemental retiree health benefit allowance will be equal to 100% of the cost of the premium for Kaiser Bay Area Retiree Only and 90% of the difference between the Kaiser Bay Area Retiree Only Plus One levels of participation. The Town will pay up to \$1,947.16 per month as of the 2022 plan year. This amount will increase by \$100.00 each year until it is equal to the active employee contribution.

13.7.5

The Town's contribution towards retiree health insurance set forth in Section 13.6 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section (13.7.)

13.7.6

Employees retiring on or after February 1, 2016 and upon becoming eligible for Medicare will cease to receive any retiree health benefit allowance under this Section (13.7) and will become eligible for Supplemental Medicare equal to the cost of Kaiser Senior Advantage Bay Area Medicare rates up to a maximum of 100% Retiree Only, 90% for Retiree Plus One or 90% for Retiree Plus One or More, less the amount of the employer contribution provided under section 13.6 above (the PEMHCA minimum). This benefit is available to the eligible retired employee only after he or she has reached the age of 65 and is Medicare eligible or as otherwise specified by law.

13.7.7

The benefits described by this Section (13.7) will be provided to annuitants through CalPERS by means of a Health Reimbursement Account (HRA).

13.7.8

Employees hired on and after July 1, 2018, who retire from the Town are not eligible to receive an HRA retiree health benefit allowance from the Town.

Section 14. Health and Welfare Benefits and Rate of Town Contribution

The Town contracts with CalPERS for the purpose of providing employees and their eligible dependents with medical insurance benefits. The Town's maximum monthly contribution for each eligible active employee shall be equal to the minimum employer contribution required under PEMHCA, currently \$149 per month, as may be adjusted by CalPERS from year to year.

14.1 Cafeteria Plan

During the term of the MOU, the Town agrees to maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing eligible active employees with access to various health and welfare benefits. Benefits available through the Cafeteria Plan include medical insurance, dental insurance, vision insurance and life insurance benefits.

14.1.1 Dental

Employees choosing this option instead of Cash In Lieu will be provided 100% of the Delta Dental PPO Plan premium less a \$15.00 employee contribution. If the premium cost of the dental plan exceeds the Town contribution, the employee shall pay through payroll deduction the difference between the monthly premium and the amount contributed by the Town. The Town will pay 100% of the premium for employees choosing to participate in the DeltaCare USA Plan.

14.1.2 Medical

The Town will provide active employees with a medical allowance equal to 100% of the cost of Kaiser Bay Area Medical Insurance Program premium at the Employee Only level of participation, offered by the Public Employees' Retirement System Health Benefit Medical Program. For dependents, Town will pay 90% of the cost for dependents at the level of Kaiser Bay Area and employee will pay 10% of the dependent cost.

As such, Town will pay 90% of the difference between Kaiser Bay Area Employee Only and Kaiser level of participation (Employee Plus One or Employee Plus One/More, depending on family status.)

Example: Employee Only Premium is \$800; and Employee Plus One Premium is \$1,400

Employee Plus One Premium (\$1400) minus Employee Only Premium (\$800) = \$600

Town pays 90% of \$600 = \$540

Employee pays 10% of \$600 = \$60

If the employee chooses medical coverage under a program more expensive than Kaiser Bay Area, the employee will pay the difference between the Town-provided medical allowance and the cost of the more expensive program through payroll deduction.

The Town's contribution towards medical insurance set forth in Section 13.6 (the PEMHCA minimum) will be deducted from the amount of contribution provided by this Section (14).

14.1.3 Vision

The Town shall pay for employee-only coverage under the Town's Vision Service Plan (VSP). Employees may enroll eligible dependents at their own cost.

14.1.4 Cash In Lieu

Employees have the option of choosing all available coverages or, upon providing proof of other medical coverage, may choose to opt out of the Town's coverage and be provided with a cash allocation equal to Four Hundred Twenty Dollars (\$420) per month.

Employees who choose to receive the cash must first show proof of alternative minimum essential medical coverage for the employee and employee's tax family (individuals for whom the employee expects to claim a personal exemption deduction). Individual coverage, and individual coverage from Covered California does not qualify as alternative minimum essential coverage under this section. Employees must provide reasonable evidence of alternative minimum essential coverage each plan year, during open enrollment. The Town will not make the cash payment if it knows or has reason to know that the employee or tax family does not have alternative minimum essential coverage. Any amount received in cash is taxable. Employees choosing to receive taxable cash will have the option of receiving it in two equal amounts in December and June, or the first two paychecks of each month (24 times a year).

14.2 ACA Reopener

The union agrees at the Town's request, to meet and confer on any changes that are within the mandatory scope of bargaining related to the Town's sponsored Family Medical Insurance and Cash In Lieu benefits that may be related to the compliance and implementation of the Affordable Care Act (ACA).

14.3 Supplemental Health and Welfare Benefits

14.3.1 Life Insurance

Coverage of \$50,000 plus \$50,000 accidental death: Town to pay for premium. Additional life insurance may be purchased by the employee equal to one to five times the employee's base salary, not to exceed \$300,000. Dependent life insurance is available at the employee's cost.

14.3.2 Disability Insurance

Short Term Disability Policy effective 8th calendar day; coverage of 60% of weekly earnings up to maximum of \$1,300 per week for 12 weeks. Long Term Disability benefits begin on the 91st day of disability; coverage of 60% of monthly earnings up to a maximum of \$6,000/month.

14.3.3 Employee Assistance Program

Premiums shall be paid by the Town.

14.3.4 Unemployment Insurance

The Town will provide State-mandated benefits as required by law.

Section 15. Workers' Compensation

The Town and Union agree that employees who sustain illness or injury arising out of and in the course of their Town employment shall receive benefits equal to those mandated by the State of California, and the California Labor Code. Any difference between State mandated benefits and the individual's regular Town salary, if any, shall be charged to the employee's accrued sick leave balance. If sick leave is not available, other accrued leave balances shall be charged. If an employee does not have accrued leave balances, the employee shall receive only the State-mandated benefits.

The policies and procedures affecting the use of workers compensation will be developed and administered by the Town Personnel Officer in accordance with State law. There is a three day (calendar) waiting period to receive benefits, unless the employee is hospitalized or out for more than two weeks. In the event of a non-hospitalized on-the-job injury verified as such and eligible for worker's compensation disability payments, the Town will compensate employees for the first three day waiting period.

Section 16. Deferred Compensation

The Town shall continue to make a Deferred Compensation program available to employees. The Town makes no representation on the merit of the plan or any of the investment products or instruments which may be offered by the plan. The responsibility for evaluating the investment options within the plan is the responsibility of the individual participant. The Town shall not be obligated to offer more than one Deferred Compensation carrier.

Section 17. Uniforms

Uniform shirts shall be provided to employees at the expense of the Town and shall be required to be worn during working hours. The Town shall determine appropriate shirt colors. Employees shall wear denim jeans as part of their uniform. Employees shall purchase jeans at their own expense. Employees are to report to work in uniforms that are neat, clean, and in good repair. In the event an employee's uniform is damaged or in need of replacement as determined by the supervisor, the item may be replaced in advance of the annual schedule.

17.1 Uniform Items for All Employees

On an annual basis, the Town will supply each employee with seven (7) shirts, one standard rain jacket, rain pants, rain boots and cold-weather jackets. Cold weather jackets will be replaced if needed as determined by the employee's supervisor. Uniform items will be provided annually by November 1. Employees shall be responsible to launder uniform items.

17.1.1 Optional Shorts

Upon employee request and supervisor approval, the Town will furnish each employee up to (2) pairs of shorts per year. Employees are permitted to wear shorts only when shorts do not pose a safety hazard. The supervisor has the authority to determine when shorts are acceptable.

17.1.2 Optional Weather-Protective Headwear

Upon request by the employee, the Town will supply up to two (2) approved caps or hats per year. No other type of headwear is permitted to be worn during work hours.

17.2 Uniform Items for Mechanics

In addition to the items listed above, the Town will provide coveralls to each mechanic. The coveralls will be laundered by the Town.

Section 18. Safety Equipment

The Town shall retain the right to establish minimum safety and quality standards for safety equipment, clothing and steel-toed safety shoes to be used while performing assigned tasks. If an employee is at work without the required clothing or safety equipment, that employee will not be paid until s/he is at the worksite with the required clothing and safety equipment.

18.1 Steel-Toed Safety Shoes

On an annual basis, the Town will provide one pair of steel-toed safety shoes per employee. The steel-toed safety shoes must be worn at all times except for classroom training or administrative assignments. In the event an employee's safety shoes are damaged, worn, or unsafe as determined by the supervisor, the shoes may be replaced in advance of the annual schedule. The not-to-exceed amount will be \$350 for AFSCME employees. If the safety shoe selected by the employee is less than the amount provided by the Town, the employee may apply the difference toward shoelaces, socks, ergonomic insoles, or other safety-shoe related accessories at the time of purchase.

Section 19. Mileage

Employees using personal vehicles on official Town business shall be reimbursed at the mileage rate established by the I.R.S. Private vehicles used for Town business shall comply with the California Vehicle Code.

Section 20. Work Schedule

20.1 Standard Work Day

The standard workday shall be 8.5 consecutive hours including a 15-minute morning and a 15-minute afternoon work break, and a forty (40) minute lunch break, which shall include any wash-up time. The standard workday shall begin at 7:00 AM and end at 3:30 PM, the last ten (10) minutes of which shall be available for wash-up time. Minimum seventy-two (72) hours' notice will be provided by the Town for non-emergency changes in schedule.

20.2 Use of Town Vehicle

An employee whose lunch or break period begins at a work location other than the Corporation Yard may use the job site Town vehicle to go to lunch or obtain food. Travel time in connection with this privilege shall not extend the lunch period beyond the forty (40) minutes including wash-up time, nor extend a break period beyond fifteen (15) minutes.

20.3 Early Start Pay

Non-overtime work begun prior to 7:00 AM shall receive additional compensation of 5% above the employee's base hourly rate for the entire shift.

The Early Start premium will not apply if the employee's start time is adjusted at the request of the employee under a flexible work arrangement authorized by the department.

20.4 Work Week

The Town has no intention of changing existing work weeks at the present time.

The Town's decision to change existing work weeks will involve but not be limited to the following considerations:

- (a) Failure to meet the performance objectives of the work unit.
- (b) Change in service level.

Prior to a change in work week (except in the event of an emergency) the Town will give a minimum two weeks' notice to affected employees. Further, the Town agrees to meet in good faith to attempt to resolve any hardships caused by a change in work week.

20.5 4-10 Schedule for Vehicle Maintenance Shop

The Town agrees to maintain a 4/10 (4 day per week/10 hours per day) plan for the vehicle maintenance shop as long as Monday and Friday in each workweek can be covered by a mechanic. In addition, this program shall be evaluated quarterly to determine if productivity and coverage meet the Town's repair needs. This will determine if the program will continue.

20.6 Work Schedule and Holidays

Represented employees are entitled to eight (8) hours of paid time off in observation of each holiday listed in Section 29.

20.6.1 Hours Worked on an Observed Holiday

Employees assigned to work on an observed holiday shall be paid time-and-a-half for hours worked.

20.6.2 Hours Worked on the Actual Holiday

Employees assigned to work on an actual holiday that is different than the observed holiday shall be paid double time for the hours worked.

20.7 Flex Schedule

As an alternative to the normal schedule described in the above section, employees may be granted the option to participate in a Flex Schedule under the following terms and conditions:

The Department Director, with the approval of the Town Manager, has the exclusive authority to approve an employee's request for a flex schedule. The decision to implement or terminate a flex schedule is final and is not subject to meet and confer or any grievance procedure. Participating employees will be provided notification at least one (1) full pay period prior to termination of a flex schedule.

Employees on a flex schedule will receive no more than eight (8) hours of pay on a City observed holiday and will be required to use other accrued leaves or to re-arrange their schedule to maintain 80-hours of pay per pay period.

Section 21. Overtime

21.1 Scheduling

All overtime will be scheduled pursuant to the needs of the Town. Overtime shall be scheduled provided the individual is capable of performing the assignment. In the absence of volunteers, the Town shall assign overtime in rotation based on reverse seniority. Seniority for the purpose of this section is defined by total continuous service to the Town.

21.1.1

Overtime for work in progress shall be assigned to the employee(s) responsible for the assignment.

21.1.2

Overtime for special events shall be offered on a rotational basis in accordance with seniority.

21.2 Compensation

Overtime shall be compensated at the rate of time and one-half based upon either hours in excess of eight (8) per day or hours in excess of forty (40) per week. Overtime compensation shall accumulated as Compensatory Time Off or be paid in cash at the employee's option, subject to the scheduling needs of the Town. If an employee elects to receive compensatory time off in lieu of overtime pay, for each hour of overtime work they will receive one and one-half hour of compensatory time credit.

21.3 Use of Compensatory Time Off

Use of compensatory time off will be at the Town's discretion based on scheduling needs. The Town shall, to the best of its ability and subject to scheduling needs of the Town, make every effort to accommodate employee requests for compensatory time off.

21.4 Compensatory Time Off Cap

The maximum accrued compensatory time accumulation shall be eighty (80) hours. When an employee has reached the eighty (80) hour maximum accrual of compensatory time off, all overtime must be paid in cash until the employee's compensatory time off bank is reduced below the maximum cap.

Section 22. Call Back

Call back overtime is defined as Town-required return to work after an employee has completed his/her/their normal work shift and before his/her/their next scheduled normal workday. An employee notified of call back overtime that is not contiguous to his/her/their shift less than 72 hours in advance will be paid at the call back rate. An employee called back to work shall be reimbursed for mileage.

22.1

A subsequent call-back shall be considered to be within the initial call-back if the employee is notified within the original three-hour period. If two hours and forty-five minutes of the original three-hour period expires before the employee is notified, then a new three-hour minimum shall go into effect. This section also applies to employees on stand-by duty as provided in Sec. 23.

22.2

When additional assistance is needed on a call-back event, supervisor approval is required to call back in more than one additional employee.

Section 23. Standby

23.1 Assignment and Scheduling

The Union recognizes the Town right to schedule standby assignments for employees at Town discretion. Standby assignments shall be made in order to provide services outside the regular work schedule. Standby shall be assigned for the months of November through March, with additional standby periods to be determined on an as-needed basis at the discretion of the Department Director.

Standby assignments shall be scheduled on a volunteer basis, using a list of all employees and offered by rotation based on seniority. Each rotation will last for seven (7) days. Seniority for the purpose of this section is defined as total continuous service to the Town. In the absence of volunteers, the Town shall schedule standby. To the best of its ability, the Town shall schedule standby assignments as far in advance as possible. The Union recognizes the need for standby provision of services and further recognizes that employee failure to respond when assigned standby duty may be cause for disciplinary action including termination.

23.2 Compensation

Standby assignments shall be compensated at the rate of four (4) hours straight time pay for every twenty-four (24) hours of assignment. Assignments of standby duty for more or less than twenty-four (24) hours shall be compensated on a pro-rated basis (4 hours for each 24 hours). Specific call out of employees on standby assignments shall be compensated at the regular overtime rate. Town shall provide a cell phone to employees or those employees electing to receive a stipend may use their own cellphone while on standby assignment.

23.3

For an employee on standby: Minimum call-back pay shall be three (3) hours at the overtime rate with such three-hour period defined beginning with the time of the initial call and concluding thirty (30) minutes after the employee calls in to the Police Department dispatcher that the assignment has been completed.

23.4

For an employee not on standby: Minimum call-back pay shall be four (4) hours at the overtime rate with such three-hour period defined beginning with the time of the initial call and concluding thirty (30) minutes after the employee calls in to the Police Department dispatcher that the assignment has been completed.

23.5 Eligibility

Employees who can respond within a reasonable time period (i.e., 40 minutes on average) shall be eligible for standby duty regardless of where they reside. The Department Director shall qualify employees for standby duty by ascertaining that travel to standby assignments can be accomplished safely.

An employee who meets the above requirement, and whose work would not normally involve assignment to standby duty, may volunteer for such duty and will be assigned to the list of volunteer employees from which standby duty is assigned, at such time as he/she/they has received the necessary training in standby duties and skills. It is the intent of the parties that employees be notified by the Department as soon as possible after the execution of this Agreement that new volunteers will be accepted for training together with information for potential volunteers. If there are volunteers, the Labor-Management Committee shall be convened to discuss implementation of the appropriate training at the earliest practicable date.

23.6 Stand-By Training

The Town will provide additional training in stand-by duties for newly hired employees. Duration of training shall be evaluated by the employee's supervisor during the first year.

Section 24. Emergency Work

If an emergency work situation (as defined by the Supervisor) does not permit an employee to take their meal period and/or breaks, the missed meal period and/or breaks will be credited as compensatory time at time-and-a-half.

Section 25. Work Furlough Program

25.1 Town Participation

AFSCME recognizes the right of the Town to participate in the Work Furlough Program coordinated by the County of Santa Clara. The purpose of the program is to provide public service for local government through a sentencing alternative program for individuals to perform clean-up and maintenance-type duties.

25.2 Responsibilities

25.2.1

A regular Town employee at the level of Maintenance Worker or higher will be responsible to oversee work related to the Work Furlough Program.

25.2.2

An hourly employee at the level of Maintenance Assistant or higher will be assigned to assist the regular Town employee as necessary, at the discretion of the Department Director or designee.

25.3 Assignment and Scheduling

25.3.1

AFSCME employees will be provided ten (10) calendar days' notice prior to a Work Furlough Program assignment except when a fill-in is necessary due to an emergency or unusual circumstance.

25.3.2

Work Furlough Program assignments shall be first made on a voluntary basis. In the absence of volunteers, the Town will assign employees with the least seniority from employees hired on or after July 1, 2007.

25.4 Compensation

Maintenance Workers will receive a 5% out-of-class premium for supervision duties when assigned to the Work Furlough Program. This premium will be applied to the entire shift and is in addition to any overtime compensation.

25.5 Evaluation

Work performed by Town employees related to the Work Furlough Program is subject to inclusion in the employees' annual review.

25.6 Liability

Town employees assigned to the Work Furlough Program are covered for liability purposes by the Town of Los Gatos while performing duties within the scope of his/her/their job.

Section 26. Vacation Schedule

The following vacation schedule shall apply to all employees:

0 to 36 months	10 days per year - 3.08 hours per pay period
37 to 60 months	16 days per year - 4.92 hours per pay period
61 to 120 months	21 days per year - 6.46 hours per pay period
121 to 180 months	23 days per year - 7.08 hours per pay period
181 months and over	25 days per year - 7.70 hours per pay period

Maximum accrual of vacation hours shall be 320 hours.

Section 27. Vacation Cash-Out

27.1

Employees who terminate from Town service shall have all accrued vacation leave and compensatory time cashed out effective the last full work-day with the Town. This will terminate the employee's status as an employee of the Town.

27.2

On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to eighty (80) hours of accrued vacation (in whole hour increments) earned in the following calendar year at the employee's base rate of pay. On the pay day for the pay period which includes Thanksgiving in the following year, the employee will receive cash for the amount of vacation the employee irrevocably elected to cash out in the prior year. However, if the employee's vacation leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of leave the employee has accrued that year that is remaining at the time of the cash out.

27.3

All employees may apply vacation time cash-out to deferred compensation, so long as applicable law permits.

Section 28. Sick Leave

28.1 Accrual Rate

Accumulation rate shall be eight (8) hours per month (3.70 hours per pay period). Maximum accrual of sick leave hours shall be 1200 hours.

28.2 Sick Leave and Other Accrued Leaves

When an employee is absent for any of the purposes for which sick leave may be used, he/she/they may use other accrued leaves when sick leave has been exhausted, unless he/she/they has received a second consecutive written notice of counseling within an eighteen (18) month period regarding excessive or abusive use of sick leave with the exception of protected leave situations.

28.3 Sick Leave Cash-Out Program For Employees Hired Before July 1, 2018

Employees hired before July 1, 2018 who terminate employment with the Town for any reason other than retirement may cash out their accumulated sick leave as follows:

Months of Employment
1- 59 months at 25%
60 - 119 months at 37.5%
120 months or more at 50%

If an employee is terminated due to a layoff, the employee shall be eligible to cash out 100% of accrued sick leave at time of layoff. In order to be eligible for the terminating sick leave cash-out program, an employee must have a sick leave accrual balance of at least 150 hours at the time of termination. Employees who terminate employment with the Town after a prolonged period of illness or injury, may apply to the Town Manager for a waiver of the 150 hours requirement.

Employees hired on or after July 1, 2018 may not participate in the sick leave cash out program and are not eligible to cash out sick leave.

28.4 Sick Leave Conversion at Retirement to Town Trust

All employees hired prior to July 1, 2007 who retire may convert 100% of their accumulated sick leave to a dollar equivalent at their hourly rate of pay at the time of retirement. Employees hired after July 1, 2007 are not eligible for this Sick Leave Conversion option under this provision.

This amount shall be held in an account. The employee's portion of medical insurance premium payment will be withheld from their monthly retirement payment by PERS. The Town agrees to pay the retiree quarterly in advance on the first pay period of January, April, July, and October of each year after retirement. The first payment will be prorated to the nearest quarter. The retiree's portion of medical payments will be paid from this account by the Town until all monies are depleted from the account or the retiree dies, whichever occurs first.

This account will not accrue interest and will not be paid in cash to the retiree or any beneficiaries, except that upon the death of a retiree whose sick leave account has not been exhausted, the retiree's spousal survivor shall be paid the full cash value of the remaining sick leave in the retiree's account.

The retiree shall be responsible for 100% of their share of future medical insurance payments once the account is exhausted, exclusive of the PEMCHA minimum.

Section 29. Holidays

The following shall be observed as paid eight (8) hour holidays:

- January 1st (New Year's Day)
- 3rd Monday in January (Martin Luther King's Birthday)
- the 3rd Monday in February (President's Birthday)
- the last Monday in May (Memorial Day)
- Juneteenth*
- July 4th (Independence Day)
- the first Monday in September (Labor Day)
- Thanksgiving Day
- the Friday following Thanksgiving Day.
- December 25th (Christmas Day)
- four (4) hours each on December 24 and December 31.
- every day declared a holiday by the President or Governor, subject to the Mayor also proclaiming the day as a holiday.

Holidays which fall on Saturday shall be observed on the Friday prior, and holidays which fall on Sunday shall be observed on the following Monday.

*The Juneteenth holiday will go into effect in calendar year 2023. In recognition of Juneteenth 2022, all employees will receive a one-time, non-pensionable \$500 lump sum payment in the first full pay period in July 2022, or the first full pay period after Council approval of this MOU, whichever is later.

Section 30. Personal Leave

The employee shall be entitled to twenty-four (24) hours of personal leave per calendar year; such leave shall be non-cumulative with no cash value. Of the twenty-four (24) hours annually, the employee may take twelve (12) hours without prior notice and twelve (12) hours with prior notice. If an employee's use of Personal Leave without prior notice results in the Town having to change another employee's schedule without 72 hours' notice, the situation will be considered an emergency under Section 20 (Work Schedule) and will not result in penalty to the Town.

Section 31. Maternity Leave/Family Leave/Medical Leave

The Town recognizes State and Federal law regarding Maternity Leave and Family and Medical Leave. The Town will take action to inform employees of the current provisions of laws affecting these leaves. The Town may, at its discretion, approve leave beyond the specific amount provided above.

Section 32. Catastrophic Time Bank

If an employee, spouse or significant other, or child becomes catastrophically ill or injured, the employee may request in writing of the Town Manager that a catastrophic time bank be established. The bank will enable employees to donate accrued CTO or vacation to the requesting employee in accordance with Departmental policies to be developed.

Section 33. Bereavement Leave

A maximum of 40 hours of bereavement leave shall be provided to each employee for a death in his/her/their immediate family or the immediate family of their spouse/registered domestic partner. Immediate family for the purpose of this section includes spouse/registered domestic partner, parent, grandparent, child, or sibling.

Section 34. Military Leave

Military leave and benefits shall be granted in accordance with State and Federal Law, including the continuation of employee salary and benefits and employees will receive up to thirty (30) calendar days of pay.

Section 35. Personal Emergency Leave

Leave will be available for employees for disasters declared by Federal, State, County, or Town officials if those disasters affect all or a portion of the Town "urban service area". Leave is subject to scheduling by the Town. Employees shall be allowed to charge time off to accumulated Personal Leave, CTO, vacation hours, and sick leave hours (in that order). In the event of a Town emergency (e.g., flood, earthquake) employees are required to remain at work until released by their Supervisor.

Section 36. Jury Duty

An employee required to serve as a trial juror or an expert witness (expertise related to Town employment) shall have his/her/their salary and benefits continue; the employee shall turn over to the Town any compensation (other than travel related) from the courts or other source for jury duty.

Section 37. Leave Without Pay

Leave without pay shall be subject to approval of the Town Manager or designee.

An employee who is on leave without pay shall not earn any employment benefits (including, but not limited to such benefits as vacation sick leave, medical benefits, dental and other insurance benefits, retirement credits for time employed or seniority entitlements of any kind) for the duration of such leave. An employee who is on leave without pay will have the ability to continue all eligible COBRA benefits at their own expense in accordance with the Town's administrative policy on benefit retention.

Vacation, sick leave, or time worked shall not be used intermittently during an extended leave to interrupt a determination that an employee is on leave with no pay.

37.1 Voluntary Unpaid Time Off

Employee participation in this plan is contingent on the Town's agreement and understanding that employee participation cannot be interpreted as anything other than a temporary and limited good faith effort being made by the employee to do his/her/their part to help ease the Town's budget shortfall. This is not to be construed as a representation of employee commitment to a permanent program or an admission of any kind that the employee would not become harmed by such a plan becoming mandatory.

Employees may request voluntary unpaid time off under the following circumstances:

- A. No impact on accrual of paid leave, seniority, and completion of probation.
- B. No impact on benefit eligibility and Town contributions.
- C. Employees may cancel participation in the program at any time.

Section 38. Accrual of Benefits

There shall be no accrual of benefits during unauthorized leave, suspension, or leave without pay.

Section 39. Notice of Vacancies

Town job vacancies shall be posted on the Corporation Yard Bulletin Board for the duration of the recruitment period.

Section 40. Promotions

Subject to the needs of the Town, promotional examinations shall be used whenever possible to fill vacancies in the Town service.

Employees promoted to higher paying classifications shall receive a minimum five (5%) percent increase in salary or an amount which shall not exceed the highest step in the range of the higher classification.

Section 41. Probationary Period

The probationary period shall be twelve (12) months for all newly hired employees and six (6) months for employees receiving promotions. If at the end of a six month probationary period a promoted employee who has been routinely evaluated, trained and counseled is not meeting required performance standards, then the Town may extend the probationary period in three month increments, for a total maximum probationary period of 12 months.

An employee who is rejected during a promotional probation period shall have the right to return to his/her/their former classification, and the same right shall apply to an employee who is displaced as a result of such return, provided, however, that no such right shall apply - and no additional right shall be conferred hereby - to an employee who is serving his/her/their initial probationary period with the Town unit.

Section 42. Outside Employment

No full-time paid employee in the classified service shall hold any job other than employment by the Town without the written recommendation of his/her/their department manager and the written approval of the Town Manager. A copy of such approval shall be filed with the Personnel Officer. No employee, whether in the classified service or not, shall engage in other employment or activity which in any way involves a conflict with the interests of the Town or his/her/their responsibilities or duties as an employee.

Outside employment shall be reviewed and re-approved by the Department Director and Town Manager on a yearly basis.

Section 43. Attendance

Employees shall be in attendance at their work in accordance with the rules regarding hours of work, holidays and leaves.

An employee whose absence is not authorized will not receive pay or benefits for the absent period and shall be subject to discipline. Failure on the part of an employee absent without leave to return to duty shall be grounds for discharge. It shall be the responsibility of an employee absent without leave to notify the Department Director of the reason the employee is absent and of the employee's availability for duty.

Section 44. Personnel Files

Employees shall have the right to review materials in their individual personnel files in accordance with State law.

Section 45. Performance Evaluations

45.1 Evaluations

Performance evaluations shall take place at least every three (3) months for all probationary employees and shall take place at least annually thereafter on the anniversary of an employee's employment with the Town. Employees eligible for step increases shall receive their performance evaluation no later than fifteen (15) days prior to their employment anniversary date. Employee evaluation forms shall include a section with a box to be checked indicating whether an employee agrees or disagrees with his/her/their evaluation. Employees granted step increases shall receive those increases effective the closest pay period in which they are eligible.

All performance evaluations shall be discussed with the employee prior to the evaluation being completed. Employees shall sign their individual performance evaluations as evidence of discussion having taken place; employee signature does not necessarily imply agreement with the evaluation. An employee may attach separate written comments to his/her/their evaluation.

Performance evaluations shall be conducted annually from the employee's (1) date of hire, (2) date of last merit increase, or (3) date the employee entered his/her/their classification. The classification date shall supersede the hire date, and the date of the last merit increase shall supersede both the hire date and the classification date.

Performance evaluations shall be completed by an employee's immediate supervisor (i.e., PW Maintenance Supervisor or Parks Maintenance Supervisor). Written comments made by any other supervisor, superintendent or management personnel shall not change the numerical rating of the immediate supervisor.

The Town agrees to provide employees with a copy of both the initial and final versions of their quarterly and annual performance evaluations.

Sick leave usage shall not be directly evaluated on the performance evaluation. Performance categories that are affected by excessive or abusive use of sick leave shall be evaluated.

45.2 Counseling

In the event that a worker's performance or conduct appears to be unsatisfactory or needing improvement, informal verbal or written counseling shall be provided by the worker's immediate supervisor. Counseling should be separate from ongoing work site dialogue and should address performance or conduct which, if not improved, may eventually result in a negative evaluation or disciplinary action. Documentation of such counseling shall be given to the worker at the time of the counseling and will not be placed in a worker's personnel file. When the situation allows counseling, counseling shall be used prior to any unfavorable reports being issued. Counseling should normally take place between the worker and the immediate supervisor.

45.3 Unfavorable Reports On Performance Or Conduct

If upon such counseling a worker's performance or conduct does not improve and a negative evaluation or disciplinary action could result, the supervisor shall prepare a written report that includes specific suggestions for corrective action, if appropriate. A copy shall be given to the worker and a copy filed in his/her/their personnel file. Workers shall have the right to attach a written rebuttal to the report for inclusion in their personnel file.

Section 46. Seniority

Unpaid leaves of absence and breaks in continuous service shall not be credited to employee seniority.

Seniority will be a factor in determining vacation use.

Section 47. Layoff Policy

47.1 Definitions

As used in this Section, the following words and phrases shall be defined as follows:

47.1.1

Service Seniority shall be defined as the length of time an employee has served as a regular employee of the Town. Service seniority shall not be earned for standby duty, overtime work, during periods of suspension without pay as a result of disciplinary action, or for non-medical leave without pay. Service Seniority for unpaid military leave will be considered in the manner prescribed by State and Federal law.

47.1.2

Classification Seniority shall be defined as the length of time the employee has served as a regular employee in a classification including anytime spent in a higher classification. A higher classification shall mean a job classification with a higher salary range.

47.1.3

A lower class shall mean a job classification with a lower salary range.

47.2 Order of Layoff

When one or more employees in the same class are to be laid off for lack of work, purposes of economy, curtailment of positions or other reason, the order of layoff shall be as follows:

- (1) Temporary employees in the order to be determined by the appointing authority.
- (2) Probationary employees in the order to be determined by the appointing authority.
- (3) Permanent employees in inverse order of classification seniority.

47.3 Notice of Layoff

Employees subject to the provisions of this Section shall be given a minimum 30 calendar day notice in writing prior to the effective date of layoff. The Union shall receive concurrent notice, and upon written request within seven calendar days after the notice is given shall be afforded an opportunity to meet with the appropriate Town representatives to discuss the circumstances necessitating the layoff and any proposed alternatives to such layoff. Notwithstanding the effort to work cooperatively, the Town has the exclusive right to determine the methods, means, numbers and kinds of personnel by which by services are to be provided. The Town's decision to make a reduction in force or layoff an employee(s) is not subject to the duty to meet and confer.

47.4 Reassignment in Lieu of Layoff

In the event of layoff, any employee so affected may elect to:

- (1) Accept a position in a lower class in which the employee has attained permanent status, provided the employee is otherwise qualified and has more service seniority than other employee(s) in such lower class.
- (2) Accept a vacant position in a lower class for which the employee has the necessary education, experience, and training as determined by the Director of Human Resources or designee.
- (3) Any employee entitled to the options noted above, which involve assignment to a lower classification, may elect to be placed on layoff in lieu of accepting such assignment to the lower class. In the event the employee elects to be placed on layoff, such employee will only be recalled to the classification from which the employee elected to be placed on layoff.

Section 48. Layoff Reinstatement

48.1

The names of such persons who are laid off or who elect reassignment in lieu of layoff in accordance with the provisions of Section 47 of this Memorandum of Understanding shall be placed upon a Reinstatement Eligible List in inverse order of Service Seniority, i.e., the person with the greatest Service Seniority on the Reinstatement Eligible List for the classes affected shall be offered reinstatement when a vacancy exists in the affected class. Prior to reinstatement, an employee shall be required to meet the qualifications of the positions to which he/she/they is reinstated.

48.2

In the event an employee accepts reinstatement to a lower class to which the employee is entitled, such person's name shall remain on the Reinstatement Eligible List for reinstatement to higher class, provided such a person, except for lack of seniority, would have been otherwise entitled to such higher class at the time of the most recent layoff.

48.3

Any person who is reinstated to a class which is the highest class to which they would have been entitled at the time of the layoff shall have the employee's name removed from the Reinstatement Eligible List.

48.4

In the event a laid off employee cannot be contacted by the Town through usual and customary channels within 10 working days, such person's name shall be removed from the Reinstatement List, providing, however, that such person within the twenty-four month period specified herein may request that his/her/their name be returned to the Reinstatement Eligible List and such person's name may at the sole discretion of the Personnel Officer, or designee, be returned to the Reinstatement Eligible List. In this case, the decision of the Personnel Officer or designee shall be final and not subject to any grievance procedure contained herein.

48.5

In no event shall the names of any person laid off pursuant to the provisions of this Section remain on Reinstatement Eligible List for a period longer than twenty-four months from the effective date of such person's most recent layoff.

48.6

Upon reinstatement to any classification to which the employee is entitled pursuant to the provision of this Section, all benefits acquired by the employee prior to layoff shall also be reinstated. An employee shall not receive credit for time spent on layoff in computing time for any benefit entitlement.

48.7

A laid-off employee shall lose their reinstatement rights for: (1) failure to return to work within 30 days of notice of reinstatement; (2) retirement; and (3) termination for cause.

48.8

Laid-off/displaced employees shall be paid accrued leaves and related benefits in accordance with this Memorandum of Understanding and applicable Town policies and rules. Employees being re-employed who received a sick leave pay off at the time of layoff/displacement, shall have the uncompensated portion of their sick leave balance restored; provided, however, that only those sick leave hours accrued after re-employment shall be applied to sick leave payoff or retiree medical related to a subsequent termination.

Section 49. Contracting Out

No bargaining unit employees shall be laid off as a result of the Town entering into a contract with any outside party.

Section 50. Safety Committee

Union shall encourage its member's participation in the Town-wide Safety Committee.

Section 51. Safety

The Town shall continue to comply with all applicable State rules and regulations relative to safety. The Town and Union agree to maintain a joint committee to investigate and make recommendations on safety issues identified by the Union and the Town.

Section 52. Physical Examinations and Tests

The Town agrees to provide full cost reimbursement for physical examinations and job-related tests that may be required of employees as a condition of continued employment with the Town.

Section 53. Grievance Procedure

Grievances shall be defined as alleged violations of this agreement or disputes regarding interpretations, application, or enforcement of this agreement or Town ordinances, resolutions, and written policies related to personnel policies and working conditions. Grievances shall not include disagreements, disputes, or activities regarding or pertaining to examinations for employment or promotion, disciplinary action, performance evaluations, probationary terminations and items subject to meet and confer. Nothing in these definitions shall be construed to limit "permanent" employees from appealing decisions affecting their employment to the Town Personnel Board.

No act or activity which may be grievable may be considered for resolution unless a grievance is submitted in accordance with the procedure contained herein within thirty (30) calendar days of the date the grievable activity occurred or the date the grievant could reasonably have known such activity occurred. This statute of limitations shall not apply to probationary employees.

The parties agree that all grievances will be processed in accordance with the following procedure:

Step 1

Any employee who has a grievance shall first try to get it settled through discussion with his/her/their immediate supervisor without undue delay. Every effort shall be made to find an acceptable solution at the lowest possible level of supervision. If after such discussion the employee does not believe the grievance has been satisfactorily resolved, he/she/they may file a formal appeal in writing to his/her/their Department Director within ten (10) calendar days after receiving the informal decision of his/her/their immediate supervisor.

Step 2

The Department Director receiving the formal appeal shall render his/her/their written decision within ten (10) calendar days after receiving the appeal. If after receipt of the written decision of the Department Director the employee is still dissatisfied, he/she/they may appeal the decision of the Department Director to the Town Manager. Such appeal shall be made by filing a written appeal to the Town Manager within five (5) days after receipt of the written decision of the Department Director. The Town Manager shall review the decision of the Department Director and render a decision within twenty (20) working days after the appeal is made. The Town Manager's decision shall be final unless appealed to the Personnel Board by either the employee or the Department Director.

Step 3

The appealing party may file a written appeal of the decision, findings and conclusions of the Town Manager to the Personnel Board within ten (10) working days of the Town Manager's decision. Within sixty (60) calendar days of the filing of the appeal, the Personnel Board shall review the decision of the Town Manager and the appeal filed. The Personnel Board may ratify, modify or reverse the Town Manager's decision. The decision of the Personnel Board shall be final.

The time limitations for filing and responding to grievances may be waived or extended by mutual agreement of the parties. If either party to the grievance so requests, an informal hearing shall be conducted at the Department Director or Town Manager appeal levels. Employees may be represented by counsel, Union representative, Union steward or other person at any stage in the grievance process

Section 54. Disciplinary Procedure

54.1 Suspension

Suspension shall be a temporary separation (without pay) from Town service without pay for disciplinary purposes. The Department Director, with notice to the Personnel Officer, may suspend an employee without pay for disciplinary purposes.

54.2 Reduction in Pay

Reduction in pay is a decrease in compensation paid to an employee for a fixed period of time for disciplinary purposes. The Department Director, with notice to the Personnel Officer, may impose a reduction in pay to an employee for disciplinary purposes.

54.3 Demotion

The Department Director, with notice to the Personnel Officer, may demote an employee whose performance of his/her/their required duties is below standard, or for other disciplinary purposes. Demotion may be made to vacant position, if approved by the Personnel Officer, in lieu of layoff. No employee shall be demoted to a position for which he/she/they does not possess the minimum qualifications. Written notice of the demotion shall be given by the Department Director to the employee no less than three (3) days prior to the effective date of the demotion, and a copy filled with the Personnel Officer within the same period.

54.4 Termination

The Department Director, with notice to the Personnel Officer, may terminate an employee whose performance of his/her/their required duties is below standard, or for other disciplinary purposes. Written notice of the termination shall be given by the Department Director to the employee no less than ten (10) days prior the effective date of the termination, and a copy filed with the Personnel Officer within the same period.

54.5 Grounds for Discipline

Employees may be disciplined for, including but not limited to, any of the following grounds for discipline:

1. Fraud in securing employment or making a false statement on an application for employment.
2. Incompetency, i.e. inability to comply with the minimum standard of an employee's position for a significant period of time.
3. Inefficiency or inexcusable neglect of duty, i.e., failure to perform duties required of an employee within his/her/their position.
4. Willful disobedience and insubordination, a willful failure to submit to duly appointed and acting supervision or to conform to duly established orders or directions of persons in a supervisory position.
5. Dishonesty, involving employment.
6. Being under the influence of alcohol or dangerous drugs or narcotics while on duty.
7. Excessive absenteeism.
8. In excusable absence without leave.
9. Abuse of sick leave, i.e., taking sick leave without a doctor's certificate when one is required, or misuse of sick leave.
10. The conviction of either a misdemeanor or a felony involving moral turpitude shall constitute grounds for dismissal of any employee. The record of conviction shall be conclusive evidence only of the fact that the conviction occurred. The Personnel Officer may inquire into the circumstances surrounding the commission of the crime in order to fix the degree of discipline, or the determination if such conviction is an offense involving moral turpitude. A plea or verdict of guilty, of a conviction showing a plea of nolo contendere made to charge a felony or any offense involving moral turpitude, is deemed to be a conviction within the meaning of this Section. The Personnel Officer may suspend or dismiss said employee when the time for appeal has elapsed or the judgment of the conviction has been affirmed on appeal, or when an order granting probation is made suspending the imposition of sentence, irrespective of a subsequent order under the provisions of Section 1203.4 of the Penal Code of the State of California allowing such person to withdraw his plea of guilty and enter a plea of not guilty, or setting aside a verdict of guilty, or dismissing the accusation or indictment.
11. Discourteous treatment of the public or other employees.
12. Improper or unauthorized use of agency property.
13. Refusal to subscribe to any oath or affirmation which is required by law in connection with agency employment.
14. Any willful act of conduct undertaken in bad faith, either during or outside of duty hours which is of such a nature that it causes discredit to the agency, the employee's department or division.
15. Inattention to duty, tardiness, indolence, carelessness or negligence in the care and handling of agency property.
16. Violation of the rules and regulations published by the employee's department.
17. Outside employment not specifically authorized by the appointing authority in accordance with Town procedures.
18. Acceptance from any source of a reward, gift, or other form of remuneration in addition to regular compensation to an employee for the performance of official duties in accordance with policy on Gifts, "Gratuities Or Rewards".
19. The refusal of any officer or employee of the agency to testify under oath before any Grand Jury having jurisdiction over any then pending cause of inquiry in which the investigation of government bribery or misconduct in agency office is involved shall constitute of itself sufficient ground for the immediate discharge of such officer or employee.
20. Willful violation of any of the provisions of the ordinances, resolutions or any rules, regulations or policies which may be prescribed by the agency.

21. Improper political activity. Example: Those campaigning for or espousing the election or non-election of any candidate in national, state, county or municipal elections while on duty and/or during working hours or in an agency uniform on or off duty; or the dissemination of political material of any kind while on duty and/or working hours or in uniform.

54.6 Procedures for Taking Disciplinary Action

Disciplinary action shall be taken in compliance with the following procedures:

54.6.1 Notice of Intent

Whenever the Department Director intends to suspend an employee, demote the employee, reduce employee pay, or dismiss the employee, the Department Director shall give the employee a written notice of discipline which sets forth the following:

- a. The disciplinary action intended;
- b. The specific charges upon which the action is based;
- c. A factual summary of the grounds upon which the charges are based;
- d. A copy of all written materials, reports, or documents upon which the discipline is based;
- e. Notice of the employee's right to respond to the charges either orally or in writing to the appropriate authority;
- f. The date, time and person before whom the employee may respond in no less than (3) working days;
- g. Notice that failure to respond at the time specified shall constitute a waiver of right to respond prior to final discipline being imposed.

54.6.2 Response by Employee

The employee shall have the right to respond to the Department Director orally or in writing. The employee shall have a right to be represented at any meeting set by the appropriate authority to hear the employee's response. Such meeting will only be permitted once and continued for no more than two days. In cases of suspensions for three (3) days or more, demotions, reductions in pay or dismissal, the employee's response will be considered before final action is taken.

54.6.3 Final Notice

After the response or the expiration of the employee's time to respond to the notice of intent, the appropriate authority shall: (1) dismiss the notice of intent and take no disciplinary action against the employee, (2) modify the intended disciplinary action, or (3) implement the intended disciplinary action. If discipline is to be issued, the appropriate authority shall prepare and serve upon the employee a final notice of disciplinary action. The final notice of disciplinary action shall include the following:

- a. The disciplinary action taken;
- b. The effect of the disciplinary action taken;
- c. Specific charges upon which the action is based;
- d. A factual summary of the grounds upon which the charges are based;
- e. The written materials, reports and documents upon which the disciplinary action is based;
- f. The employee's right to appeal if any.

54.6.4 Termination

The Department Director, with permission from the Personnel Officer, may terminate an employee immediately if it is found that the employee is guilty of gross misconduct.

54.7 Disciplinary Appeals Hearing Procedure

The appeal procedure described herein shall apply only to cases of disciplinary suspensions, reductions-in pay, demotions and dismissals affecting regular part-time and full-time classified service employees.

1. An employee has five (5) working days after receipt of the Final Notice of Discipline, to appeal the decision by filing a written request for an appeal hearing with the Personnel Officer.
2. If, within the five-day (5) appeal period, the employee involved does not file said appeal, unless good cause for the failure is shown, the action of the Department Head shall take effect as prescribed.
3. If, within the five-day (5) appeal period, the employee involved requests an appeal hearing by filing a written request with the Personnel Officer, the Personnel Officer shall submit the appeal to the Town Manager.

4. A time for an appeal hearing shall be established which shall not be less than twenty (20) working days, from the date of the filing of the appeal. All interest parties shall be notified in writing of the date, time, and place of the hearing at least ten (10) working days prior to the hearing.
5. All hearings shall be private; provided, however, that the appellant may request a hearing open to the public. Any request for an open hearing shall be submitted (5) days prior to the hearing date or the hearing will be closed.
6. Five (5) working days prior to the date set for the hearing each party shall serve upon the other party and submit to the Town Manager list of all witnesses and all exhibits to the Personnel Officer.
7. The employer's exhibits shall be designated by number. The employee's exhibits shall be designated by alphabetical letter. Neither party will be permitted to call during the hearing a witness not identified pursuant to this section nor use any exhibit not provided pursuant to this section unless that party can show that they could no reasonably have anticipated the prior need for such witness or exhibit.
8. The hearing will not be conducted in accordance with technical rules related to evidence and witnesses but hearings hall be conducted in a manner most conducive to determination of the truth. Any relevant evidence may be admitted if it is the type of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rules which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explain any direct evidence but shall not be sufficient in itself to support a finding unless it would be admissible over the objection in civil actions. The rules dealing with privileges shall be effective to the same extent that they are now or hereafter may be recognized in civil actions, and irrelevant and unduly repetitious evidence may be excluded. Decisions made by the Town Manager shall not be invalidated by any informality in the proceedings.
9. The Town Manager shall rule on the admission or exclusion of evidence.
10. Each party shall have these rights: To be represented by legal counsel or other person of his or her choice; to call and examine witnesses; to introduce evidence; to cross-examine opposing witnesses on any matter relevant to the issues; to impeach any witness regardless of which party first called him or her to testify; and to rebut the evidence against him/her. If the employee does not testify in his or her own behalf, he/she/they may be called and examined as if under cross-examination.
11. Oral evidence shall be taken only on oath or affirmation.
12. The hearing shall proceed in the following order, unless the Town Manager for special reason, otherwise directs:
13. The Town shall be permitted to make an opening statement.
14. The employee shall be permitted to make an opening statement.
15. The Town shall present its case in chief and offer evidence in support thereof.
16. The employee may then present his or her defense and offer his or her evidence in support thereof.
17. The parties may then, in order, respectively offer rebutting evidence only, unless the Town Manager for good reason, permits them to offer evidence upon their original case.
18. Closing arguments shall be permitted at the discretion of the Town Manager. If the Town Manager permits closing arguments, the party with the burden of proof shall have the right to close the hearing by making the last closing argument.
19. The Town Manager shall determine relevancy, weight, and credibility of testimony and evidence, and shall base its findings on the preponderance of evidence.
20. During the examination of a witness, all other witnesses, except the parties, shall be excluded from the hearing upon motion of either party.
21. No still photographs, moving pictures, or television pictures hall be taken in the hearing chamber during a hearing.
22. The Town Manager, prior to or during a hearing, may grant a continuance for any reason he/she/they believes to be important to his/her/their reaching a fair and proper decision.
23. The Town Manager shall render his/her/their findings and decision as soon after the conclusion of the hearing as possible, and in no event, later than ten (10) working days after conducting the hearing unless otherwise stipulated by the parties. The Town Manager's decision shall set forth the recommendations as to each of the charges and the reasons therefore.
24. The Town Manager may recommend the sustaining or rejecting of any or all of the charges filed against the employee. The Town Manager may recommend sustaining, rejecting, or modifying the disciplinary action invoked against the employee.
25. The Town Manager's proposed decision shall be filled with the charged employee and the Personnel Officer, and if the proposed decision is to reinstate, the decision shall set forth the recommended effective date the employee is to be reinstated, which may be any time on or after the date the disciplinary action went into effect. The decision of the Town Manager is final unless appealed to the Personnel Board.
26. Either party may appeal the Town Manager's decision by filing a written appeal with the Personnel Officer within ten (10) working days of the Town Manager's decision.

27. The party desiring to contest the decision of the Town Manager may request a transcript for review by the Personnel Board within ten (10) working days of the Town Manager's decision. If the appealing party requests a transcript, that party shall pay the cost of the transcript.
28. Within ten (10) working days of the filing of the appeal, the Personnel Board shall review the decision of the Town Manager, the appeal filed and the record. The Personnel Board shall review the decision of the Town Manager, the appeal filed and the record. The Personnel Board may ratify, modify or reverse the Town Manager's decision; the Personnel Board shall first obtain a transcript of the hearing. The decision of the Personnel Board shall be final.

Section 55. Unpaid Furloughs

AFSCME understands that the Town Manager has the unilateral authority to implement unpaid furloughs. Time will be tracked on timesheets and monitored to ensure that all employees meet the unpaid furlough requirement.

55.1

Town-wide Closures: The Town Manager will close Town services on designated days for which employees will take unpaid time. The closure schedule will be published for employees and the public in advance. In the event that the Town requires an employee to work on a designated furlough day, the employee shall not be furloughed on that day but shall take a different unpaid furlough day on a date mutually agreeable to the employee and his or her supervisor. Rescheduled furlough days must be pre-approved by a supervisor in advance and in accordance with standard operating and staffing requirements.

55.1.1

Rolling Furloughs: As an alternative to taking unpaid furlough on a Town-wide Closure day, employees may request to schedule unpaid furlough on a regularly scheduled workday. The request is subject to supervisory approval and subject to meeting operational needs. Furlough hours may be scheduled as a minimum of four (4) hours.

55.2

Supervisory Authority: The parties recognize the supervisor's authority to approve or deny paid or unpaid time off based upon the operational needs of the department. Time off will be granted in a manner that minimizes operational hardship.

55.3

Incomplete Furloughs: If an employee does not complete their unpaid furloughs by the last pay period of the fiscal year, the employee's accrued vacation hours will be forfeited for the balance of the unpaid furlough. The parties understand that furlough hours have no cash value.

55.4

Effect on Paychecks: To minimize fluctuations in paychecks, the furlough pay reduction will be taken in equal increments over the fiscal year, regardless of when the actual furlough day is taken.

55.5

No Limitation: The parties understand that paragraphs in this section are intended to provide a structure for unpaid furloughs and are not a limitation on the Town Manager's authority to implement unpaid furloughs.

Section 56. Closure Days with Paid Leave Allowed

AFSCME understands that the Town Manager, for budgetary constraints or for operational efficiency, may close all nonessential services and permit employees to use paid leaves. For example, the Town Manager may institute the closure of nonessential services between the Christmas and New Years' holidays. Where not in conflict with the provisions of Section 54 (Unpaid Furloughs), in regard to these closure days:

56. 1

Employees performing essential services and scheduled to work on the Closure Days will receive straight-time pay for hours worked up to forty per week, and overtime pay for hours worked in excess of forty per week.

56.2

At their election, employees who are not scheduled to work may utilize accrued paid vacation, compensatory time off, or personal leave to cover the Closure Days. Leave must be requested in the manner provided in the MOU. Employees who use paid leave will accrue sick leave, vacation and CalPERS credit while on leave.

56.3

While employees have the option to utilize paid vacation, compensatory time off, or personal leave, they are also permitted to take leave without pay (LWOP) to cover Closure Days. Employees who take LWOP will maintain their health, life and disability insurance, as well as any medical cash in lieu. Employees who utilize LWOP will not accrue sick leave, vacation or CalPERS credit while on LWOP.

56.4

If an employee requests to work during the closure days due to hardship (e.g., the employee is out of leave and is financially unable to take time without pay), the Department Director will first try to assign the employee in their own department. If a suitable assignment is not available in the employee's own department, the Town Manager maintains the management right to place the employee in an alternative assignment for the furlough period.

56.5

The Town Manager maintains the management right to determine essential and nonessential services.

57 Tuition Reimbursement Program**57.1**

The Town will reimburse employees up to \$3,000 per fiscal year toward the cost of books, university/school fees (except parking) and tuition.

57.2

The reimbursement shall be only for courses that are directly related to the employee's position as determined by the Town Manager, including general education courses that are generally related to attainment of a job-related degree or certification. General education courses not generally related to the employee's position will not be eligible for reimbursement. Reimbursement shall be taxed pursuant to State and Federal regulations.

57.3

Application for tuition reimbursement shall be made to the Town before the course begins. Prior to reimbursement of costs, all course work must be completed with a passing grade of "C" or equivalent when numerical score or pass/fail is given.

57.4

Any employee who terminates employment with the Town within one (1) year from the completion of a class or classes, for which tuition reimbursement was paid shall refund all tuition paid under this provision, unless required to attend by the appointing authority. This section shall not apply in cases involving disability, layoff, or death of the employee, or other unforeseen circumstances as approved by the Appointing Authority on a case-by-case basis.

Section 58. Comprehensiveness of Agreement

Town and Union agree that this agreement represents all salary, wages, and fringe benefits subject to negotiation and available to employees.

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AFSCME MOU Exhibit A

For Fiscal year 2022/2023 – 7.5% Increase Effective First Full Pay Period in July

Town of Los Gatos AFSCME Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range AF1	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
6619	Assistant Equipment Mechanic	Hourly	09	\$33.37	\$35.04	\$36.79	\$38.63	\$40.56	\$42.59
6620	Equipment Mechanic	Hourly	03	\$38.38	\$40.30	\$42.32	\$44.44	\$46.66	\$48.99
6618	Supervising Equipment Mechanic	Hourly	08	\$44.14	\$46.35	\$48.67	\$51.10	\$53.66	\$56.34
6670	Facility Technician	Hourly	02	\$35.71	\$37.50	\$39.38	\$41.35	\$43.42	\$45.59
6600	Lead Parks & Maintenance Worker	Hourly	07	\$40.75	\$42.79	\$44.93	\$47.18	\$49.54	\$52.02
6650	Parks & Maintenance Worker	Hourly	05	\$32.79	\$34.43	\$36.15	\$37.96	\$39.86	\$41.85
6660	Parks & Maintenance Worker Trainee	Hourly	04	\$26.78	\$28.12	\$29.53	\$31.01	\$32.56	\$34.19
6605	Senior Parks & Maintenance Worker	Hourly	06	\$35.68	\$37.46	\$39.33	\$41.30	\$43.37	\$45.54
6610	Town Arborist	Hourly	03	\$38.92	\$40.87	\$42.91	\$45.06	\$47.31	\$49.68

Reflects General Increase of 7.5%.



**TOWN OF LOS GATOS
COUNCIL AGENDA REPORT**

MEETING DATE: 06/07/2022

ITEM NO: 22

DATE: June 2, 2022
TO: Mayor and Town Council
FROM: Laurel Prevetti, Town Manager
SUBJECT: Approve Cost of Living Increases for Unrepresented Management, Confidential, and Temporary/Hourly Employees; One-Time Non-PERSable Bonuses for Confidential and Management; and a 5% Market Adjustment for Confidential and Temporary/Hourly Employees

RECOMMENDATION:

Approve cost of living increases for unrepresented Management, Confidential, and Temporary/Hourly Employees; one-time non-PERSable bonuses for Confidential and Management; and a 5% market adjustment for Confidential and Temporary/Hourly Employees.

BACKGROUND:

On June 7, 2022, Council will consider labor agreements with the Association of Federal, State, County and Municipal Employees (AFSCME), Town Employee's Association (TEA), and the Police Officers' Association (POA).

Unrepresented employees are those that are salaried Management, hourly Confidential, and Council Appointees'. Temporary/Hourly employees that work fewer than 20 hours per week are also in the unrepresented group and serve in an unbenefited capacity. All serve as at-will employees. Compensation and benefit changes for unrepresented employees are approved by Council and typically align with changes resulting from negotiations of successor agreements with the Town's represented bargaining groups to retain general parity with the exception of the Council Appointee positions of Town Manager and Town Attorney. Council Appointee compensation and benefit changes are determined directly by Council and are contained in individual Employment Agreements. Staff is not recommending a salary change for Council Appointee employees.

PREPARED BY: Salina Flores
Human Resources Director

Reviewed by: Town Manager, Assistant Town Manager, Town Attorney, and Finance Director

SUBJECT: Unrepresented Management, Confidential, and Temporary/Hourly Employees

DATE: June 2, 2022

DISCUSSION:

The bargaining units settled with two-year agreements (see separate agenda items for each). Staff is recommending a 3% cost of living increase for FY 2022/23 and FY 2023/24 for unrepresented Management and Confidential employees and a one-time, non-PERSable bonus of \$2,500 for unrepresented Management and Confidential employees. In addition, Confidential employees would also receive a 5% market adjustment. A market adjustment for Management may be considered at a later date, once potential compaction issues have been analyzed.

Temporary/Hourly classification rates are generally benchmarked to the full-time counterpart positions and as such, staff is recommending a 3% cost of living increase for FY 2022/23 and FY 2023/24 and a 5% market adjustment. All parameters are effective with the first full pay period in July. These recommendations maintain parity with TEA.

CONCLUSION:

The recommendations contained in this report bring the unrepresented groups to general parity with the represented employees.

FISCAL IMPACT:

The anticipated fiscal impact for the 3.0% COLA increases in FY 2022/23 is \$65,000 for Confidential, \$216,000 for Management, and \$22,000 for Temporary classifications. The anticipated fiscal impact for FY 2022/23 market adjustments for Confidential is \$108,840 and \$37,000 for Temporary classifications. \$. In addition, the anticipated fiscal impact of onetime non-pensionable payments for Management and Confidential is \$108,500 for FY 2022/23. The total cost impact will be absorbed in the Town's existing operating budget.

ENVIRONMENTAL ASSESSMENT:

This is not a project defined under CEQA, and no further action is required.

Attachments:

1. Salary Schedule for Management Effective July 10, 2022
2. Salary Schedule for Confidential Classifications Effective July 10, 2022
3. Salary Schedule for Temporary/Hourly Classifications Effective July 10, 2022

Town of Los Gatos Town Council and Management Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Annual Salary Minimum	Annual Salary Maximum
2615	Assistant Parks & Public Works Director/Town Engineer	\$ 146,041	\$ 197,155
2110	Assistant Town Manager	\$ 173,596	\$ 234,355
2420	Chief Building Official	\$ 132,307	\$ 178,614
2400	Community Development Director	\$ 169,358	\$ 228,633
2180	Community Outreach Coordinator	\$ 91,353	\$ 123,326
2130	Economic Vitality Manager	\$ 125,930	\$ 170,005
2310	Finance and Budget Manager	\$ 132,307	\$ 178,614
2300	Finance Director	\$ 165,232	\$ 223,063
2200	Human Resources Director	\$ 153,434	\$ 207,136
2900	Information Technology Manager	\$ 132,307	\$ 178,614
2800	Library Director	\$ 153,434	\$ 207,136
2820	Library Division Manager	\$ 100,836	\$ 136,129
2600	Parks & Public Works Director	\$ 169,358	\$ 228,633
2645	Parks & Public Works Operations Manager	\$ 114,087	\$ 154,017
2630	Parks & Public Works Superintendent	\$ 132,307	\$ 178,614
2412	Planning Manager	\$ 132,307	\$ 178,614
2510	Police Captain	\$ 157,270	\$ 212,314
2500	Police Chief	\$ 177,936	\$ 240,213
2545	Police Records & Communication Manager	\$ 122,858	\$ 165,859
2140	Senior Administrative Analyst	\$ 98,376	\$ 132,808
2650	Senior Civil Engineer	\$ 125,930	\$ 170,005
2000	Town Attorney - Council Appointed (<i>Effective 9/19/21, Adopted by Town Council 11/16/21</i>)		\$ 249,900
2190	Town Clerk	\$ 132,307	\$ 178,614
2100	Town Manager - Council Appointed (<i>Effective 8/22/21, Adopted by Town Council 11/16/21</i>)		\$ 267,750
2655	Transportation & Mobility Manager	\$ 122,858	\$ 165,859
2905	Urban Forest Manager	\$ 114,087	\$ 154,017
1000	Town Council (<i>Effective 1/1/19 Pursuant to Ordinance Adopted by Town Council on 2/6/18</i>)	\$570 Stipend per month, for a total compensation of \$6,840 per year	

Management salaries reflect a spread of 35% to the top of the range.

Reflects a General Increase of 3%

ATTACHMENT 1

Town of Los Gatos Confidential Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range CF1	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
3300	Accountant/Finance Analyst	Hourly	07	\$47.14	\$49.50	\$51.98	\$54.58	\$57.31	\$60.76
3000	Administrative Analyst	Hourly	07	\$47.14	\$49.50	\$51.98	\$54.58	\$57.31	\$60.76
3518	Administrative Assistant	Hourly	09	\$32.41	\$34.03	\$35.73	\$37.52	\$39.40	\$41.95
3115	Administrative Technician	Hourly	04	\$40.65	\$42.68	\$44.81	\$47.05	\$49.40	\$52.45
3190	Deputy Clerk	Hourly	08	\$38.69	\$40.62	\$42.65	\$44.78	\$47.02	\$49.95
3500	Executive Assistant to Chief of Police	Hourly	03	\$38.69	\$40.62	\$42.65	\$44.78	\$47.02	\$49.95
3100	Executive Assistant to Town Manager	Hourly	05	\$40.65	\$42.68	\$44.81	\$47.05	\$49.40	\$52.45
3015	Human Resources Technician	Hourly	02	\$36.83	\$38.67	\$40.60	\$42.63	\$44.76	\$47.58
3200	Legal Administrative Assistant	Hourly	02	\$36.83	\$38.67	\$40.60	\$42.63	\$44.76	\$47.58
3180	Office Assistant	Hourly	01	\$29.65	\$31.13	\$32.69	\$34.32	\$36.04	\$38.42
3301	Payroll Technician	Hourly	06	\$40.65	\$42.68	\$44.81	\$47.05	\$49.40	\$52.45

Reflects General Increase of 8% and includes 5% Confidential Premium

Town of Los Gatos Temporary Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022

Class Code	Classification Title	Rate Type	Range	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
9305	Account Clerk Temp/Hourly	Hourly	TE2-04	\$26.75	\$28.09	\$29.49	\$30.96	\$32.51	\$34.14
9310	Account Technician Temp/Hourly	Hourly	TE2-10	\$32.14	\$33.75	\$35.44	\$37.21	\$39.07	\$41.02
9300	Accountant Temp/Hourly	Hourly	TE2-17	\$38.82	\$40.76	\$42.80	\$44.94	\$47.19	\$49.55
9010	Admin Analyst Temp/Hourly	Hourly	TE2-17	\$38.82	\$40.76	\$42.80	\$44.94	\$47.19	\$49.55
9100	Admin Specialist Temp/Hourly	Hourly	TE2-10	\$32.14	\$33.75	\$35.44	\$37.21	\$39.07	\$41.02
9580	Administrative Assistant Temp/Hourly	Hourly	TE2-05	\$29.22	\$30.68	\$32.21	\$33.82	\$35.51	\$37.29
9105	Administrative Secretary Temp/Hourly	Hourly	TE2-09	\$30.70	\$32.24	\$33.85	\$35.54	\$37.32	\$39.19
9656	Assistant Engineer Temp/Hourly	Hourly	TE2-23	\$43.99	\$46.19	\$48.50	\$50.93	\$53.48	\$56.15
9655	Associate Civil Engineer Temp/Hourly	Hourly	TE2-24	\$50.65	\$53.18	\$55.84	\$58.63	\$61.56	\$64.64
9400	Associate Planner Temp/Hourly	Hourly	TE2-22	\$43.82	\$46.01	\$48.31	\$50.73	\$53.27	\$55.93
9410	Building Inspector Temp/Hrly	Hourly	TE2-23	\$43.99	\$46.19	\$48.50	\$50.93	\$53.48	\$56.15
9112	Clerical Aide Temp/Hourly	Hourly	TE2-01	\$16.20	\$17.01	\$17.86	\$18.75	\$19.69	\$20.67
9430	Code Compliance Officer Temp/Hourly	Hourly	TE2-16	\$37.82	\$39.71	\$41.70	\$43.79	\$45.98	\$48.28
9530	Communication Dispatcher Temp/Hourly	Hourly	TE2-19						
9545	Crime Analyst Temp/Hourly	Hourly	TE2-18	\$39.29	\$41.25	\$43.31	\$45.48	\$47.75	\$50.14
9540	CSO Intern Temp/Hourly	Hourly	TE2-03	\$24.02	\$25.22	\$26.48	\$27.80	\$29.19	\$30.65
9532	CSO Temp/Hrly	Hourly	TE2-12	\$34.43	\$36.15	\$37.96	\$39.86	\$41.85	\$43.94
9190	Deputy Clerk Temp/Hourly	Hourly	TE2-04	\$26.75	\$28.09	\$29.49	\$30.96	\$32.51	\$34.14
9660	Engineering Technician Temp/Hourly	Hourly	TE2-13	\$35.31	\$37.08	\$38.93	\$40.88	\$42.92	\$45.07
9621	Equipment Mechanic Temp	Hourly	AF2-01	\$35.68	\$37.46	\$39.33	\$41.30	\$43.37	\$45.54
9720	Facility Attendant Temp/Hourly	Hourly	TE2-01	\$16.20	\$17.01	\$17.86	\$18.75	\$19.69	\$20.67
9109	Human Resources Specialist Temp/Hourly	Hourly	TE2-09	\$30.70	\$32.24	\$33.85	\$35.54	\$37.32	\$39.19
9041	Intern I Temp/Hourly	Hourly	TE2-02	\$18.80	\$19.74	\$20.73	\$21.77	\$22.86	\$24.00
9040	Intern II Temp/Hourly	Hourly	TE2-03	\$24.02	\$25.22	\$26.48	\$27.80	\$29.19	\$30.65
9200	IT Technician Temp/Hrly	Hourly	TE2-14	\$35.37	\$37.14	\$39.00	\$40.95	\$43.00	\$45.15
9605	Lead Parks & Maint Worker	Hourly	AF2-06	\$37.37	\$39.24	\$41.20	\$43.26	\$45.42	\$47.69
9015	Legal Assistant Temp/Hrly	Hourly	TE2-17	\$38.82	\$40.76	\$42.80	\$44.94	\$47.19	\$49.55
9810	Librarian Temp/Hourly	Hourly	TE2-15	\$37.44	\$39.31	\$41.28	\$43.34	\$45.51	\$47.79
9820	Library Assistant Temp/Hourly	Hourly	TE2-06	\$28.54	\$29.97	\$31.47	\$33.04	\$34.69	\$36.42

**Town of Los Gatos Temporary Classifications
Salary Schedule for Fiscal Year 2022/23
Effective July 10, 2022
Adopted by Town Council June 7, 2022**

Class Code	Classification Title	Rate Type	Range	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	STEP 6
9840	Library Clerk Temp/Hourly	Hourly	TE2-04	\$26.75	\$28.09	\$29.49	\$30.96	\$32.51	\$34.14
9850	Library Page Temp/Hourly	Hourly	TE2-01	\$16.20	\$17.01	\$17.86	\$18.75	\$19.69	\$20.67
9830	Library Teen Services Specialist	Hourly	TE2-03	\$24.02	\$25.22	\$26.48	\$27.80	\$29.19	\$30.65
9600	Maintenance Assistant	Hourly	AF2-02	\$17.96	\$18.86	\$19.80	\$20.79	\$21.83	\$22.92
9900	Network Administrator	Hourly	TE2-21	\$41.89	\$43.98	\$46.18	\$48.49	\$50.91	\$53.46
9180	Office Assistant Temp/Hourly	Hourly	TE2-04	\$26.75	\$28.09	\$29.49	\$30.96	\$32.51	\$34.14
9645	Park Service Officer Aide Temp/Hourly	Hourly	TE2-03	\$24.02	\$25.22	\$26.48	\$27.80	\$29.19	\$30.65
9640	Park Service Officer Temp/Hourly	Hourly	TE2-12	\$34.43	\$36.15	\$37.96	\$39.86	\$41.85	\$43.94
9560	Parking Control Officer Temp/Hourly	Hourly	TE2-04	\$26.75	\$28.09	\$29.49	\$30.96	\$32.51	\$34.14
9620	Parks & Main Worker Temp	Hourly	AF2-04	\$30.06	\$31.56	\$33.14	\$34.80	\$36.54	\$38.37
9630	Parks & Main Worker Trainee Temp	Hourly	AF2-03	\$24.57	\$25.80	\$27.09	\$28.44	\$29.86	\$31.35
9440	Permit Technician	Hourly	TE2-11	\$33.12	\$34.78	\$36.52	\$38.35	\$40.27	\$42.28
9590	Police Officer Reserve (Top Step of Officer)	Hourly	TE2-25						
9520	Police Officer Temp/Hourly	Hourly	TE2-25						
9550	Police Records Specialist Temp/Hourly	Hourly	TE2-08	\$29.94	\$31.44	\$33.01	\$34.66	\$36.39	\$38.21
9000	Project Manager	Hourly	Mgmt						\$115.56
9650	Public Works Inspector Temp/Hourly	Hourly	TE2-20	\$41.57	\$43.65	\$45.83	\$48.12	\$50.53	\$53.06
9670	Senior Electrician Temp/Hourly	Hourly	TE2-23	\$43.99	\$46.19	\$48.50	\$50.93	\$53.48	\$56.15
9831	Senior Library Page	Hourly	TE2-02	\$18.80	\$19.74	\$20.73	\$21.77	\$22.86	\$24.00
9725	Special Event Attendant	Hourly	TE2-07	\$17.96	\$18.86	\$19.80	\$20.79	\$21.83	\$22.92
9610	Ticket Booth Attendant	Hourly	AF2-05	\$16.20	\$17.01	\$17.86	\$18.75	\$19.69	\$20.67

Reflects General Increase of 8%