

MEMORANDUM OF UNDERSTANDING
between
SERVICE EMPLOYEES' INTERNATIONAL
UNION Local 1021
and The City of Sausalito

July 1, 2007 through June 30, 2010

MEMORANDUM OF UNDERSTANDING
SERVICE EMPLOYEES' INTERNATIONAL UNION, Local 1021
July 1, 2007 through June 30, 2010

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MEMORANDUM OF UNDERSTANDING BETWEEN CITY OF SAUSALITO
and
SEIU, LOCAL 1021, AFL-CIO
GENERAL AND MID-MANAGEMENT UNIT
July 1, 2007 through June 30, 2010

This Memorandum of Understanding is entered into pursuant to the provisions of Section 3500, *et. seq.* of the Government Code of the State of California.

The parties have met and conferred in good faith regarding wages, hours and other terms and conditions of employment for the employees in said representation unit, and have freely exchanged information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

This Memorandum of Understanding shall be presented to the Sausalito City Council as the joint recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2007 through June 30, 2010.

The employees represented herein have traditionally been represented by two units, the General Employees' Unit and the Mid-Management Unit. Beginning with the MOU for the period of January 1, 1999 through December 31, 2000, the two units were merged.

Section 1. Recognition

1.1 Union Recognition

The SEIU, Local 1021, AFL-CIO, hereinafter referred to as the "Union," is recognized as the majority employee organization for the General and Mid-Management Employees Bargaining Unit comprised of employees as defined in Section 3.1 and employees assigned to those classifications listed in Section 5.3. Newly hired employees in the specified classifications shall be notified that the Union is the recognized bargaining representative for employees in that classification. The Union shall be notified by the City of the name and classification of all newly hired employees and terminating employees. Upon the request of the Union, the City shall forward to the Union a listing of employees in those classifications represented by the Union.

The Union may, by written notice to the City, designate certain of its members as Employee Representatives. Such Representatives shall be permitted reasonable time during working hours for Union business within the scope of representation including the right to assist members to process informal grievances. The Representative shall secure permission from his/her supervisor before leaving a work assignment. Such permission shall not be unreasonably withheld.

1.2 **Dues Deduction**

Dues deduction shall be provided in accordance with Sections 3508.5 and 3502.5 of the California Government Code. Under the authority of Section 3502.5 the City and the Union hereby establish an “agency shop,” and therefore, employees are required to do one of the following:

1. Sign up as a member of the Union, or;
2. Sign up as a fee payer.

The dues deduction shall be for a specified amount and uniform between members of the Union. The fair share fee shall be for a specified amount and uniform between fee payers. An employee who is a member of a bona fide religion, body or sect which has historically held conscientious objections to joining or financially supporting public employee organizations shall not be required to join or financially support the Union as a condition of employment but must make the in lieu payments in accordance with the provisions of Government Code Section 3502.5. The Union shall indemnify, defend, and hold the City harmless against any claims made and against any suit instituted against the City on account of dues or fees deduction. The Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

Both parties will comply with Section 3502.5 of the Government Code. The Union will provide to the City and any employee who requests an annual financial statement accounting for Union expenditures per law and list current dues calculations. The “agency shop” agreement will not apply to managers, confidential employees or supervisors. The City will provide to new employees filling represented positions an agreed upon notice summarizing these provisions and instructing the employee to decide upon being a member or fee payer in the first (thirty) 30 days of employment.

1.3 **COPE Contributions**

The City will cooperate with the Union to allow Union COPE contributions to be made through payroll deduction.

1.4 **Maintenance of Membership**

All employees who are members or become members of the Union and who are tendering periodic dues through dues deductions shall continue paying dues as Union members unless and until they resign their Union membership. Once annually, the City will provide a one (1) month period in October when Union members who have expressed a desire to become fee payers may complete a fee payer card, thereby resigning their membership from the Union. The Union will advise the City of this obligation one-month in advance.

1.5 City Recognition

The City Manager, or any management representative duly authorized by the City Manager, is the representative of the City of Sausalito, hereinafter referred to as the "City," in employer-employee relations.

Section 2. No Discrimination

There shall be no discrimination by the Union or City or by anyone employed by the City because of race, creed, color, national origin, ancestry sex, sexual orientation, marital status, political affiliation or legitimate Union activities against any employee or applicant for employment; and to the extent prohibited by applicable State and federal law, there shall be no discrimination because of age, physical or mental disability or medical condition.

Section 3. Probationary Status

3.1 Classification of Employees

A probationary or permanent full-time employee is defined as an employee in an authorized position who is required to be brought into membership in the State Public Employees Retirement System. Probationary or permanent full-time employees shall be compensated at the monthly rates described in sections of this Memorandum of Understanding and such employees are entitled to all employee benefits, in accordance with the various provisions of this Memorandum of Understanding. "Authorized Position" means a position listed in Section 5 "Salaries" that has received funding in the City's annual budget.

Employees assigned by the department head or City Manager to work out of class shall be paid 5% (five percent) of their regular rate of pay. No employee shall be assigned to work out of class for longer than one (1) year unless special circumstances exist that requires such a lengthy assignment. In the event that an employee is assigned to work out of class for more than one (1) year, the employee shall be paid 10% (ten percent) of their regular rate of pay.

3.2 Probationary Period

All appointments to positions shall be tentative and subject to a probationary period. The probationary period for original appointments shall be for a period of twelve (12) months and the period for promotional appointments shall be six (6) months.

During the original probationary period an employee may be terminated at any time without the right of appeal in any manner except as mandated by state or federal law. Notification of termination in writing shall be served on the probationer.

An employee who has previously completed the requisite probationary period and who is rejected during a subsequent probationary period for a promotional appointment shall be

reinstated to the former position from which the employee was appointed unless the employee is discharged for cause or unless the former position has been eliminated by the City.

Section 4. Disciplinary Action

4.1 Discipline

A permanent employee may be dismissed, suspended, demoted, or reduced in pay only for cause by the employee's department head. Written notice of the proposed disciplinary action shall be given to the employee and shall include a statement of the reasons for the proposed action.

4.2 Appeal Procedure

Step 1. Within ten (10) calendar days after submission of the notice of the dismissal, suspension, demotion or reduction in pay the employee may submit a written reply and/or request for hearing to the City Manager in response to the charges made against him or her. The City Manager shall investigate the issues involved and, within ten (10) working days of receipt of the written request from the employee, schedule a meeting with the employee and the Union representative. At this meeting, the City Manager shall attempt to reach a satisfactory resolution of the appeal. The City Manager shall have ten (10) working days following this meeting in which to reply in writing.

Step 2. If the employee and Union are not satisfied with the City Manager's response in Step 1, the Union may, within ten (10) calendar days of the City Manager's reply, request review by a disinterested third party selected from a list of ten (10) candidates provided by the State Mediation and Conciliation Service. If the parties cannot mutually agree on the party to be selected, it shall be determined by lot which party may first strike a name from the list. The parties shall alternately strike one (1) name and the last name remaining shall be selected. Each side will bear its own costs for said mediation, and the actual cost for the service will be shared equally between the City and the Union. The report of the disinterested third party shall be advisory only and shall not be binding.

Step 3. The report of the disinterested third party shall be submitted to the Union and to the City Manager. The City Manager shall consider the report of the disinterested third party and, within ten (10) working days, notify the Union in writing whether or not his or her previous position has been modified.

Step 4. If the employee and the Union are not satisfied with the City Manager's position in response to the report of the disinterested third party, the Union may, within ten (10) calendar days submit a written request for a hearing before the City Council. Upon such a request, the City Council shall schedule a hearing within thirty (30) calendar days. The decision of the City Council shall be final.

4.3 **Other Disciplinary Action**

When the department head imposes discipline, other than what is specified in Section 4.1, the employee may submit, within ten (10) calendar days of the discipline, a written request for an administrative appeal to the City Manager. The City Manager shall review the discipline and pertinent information and then shall render a decision within 10 working days of receipt of the request for an administrative appeal. The City Manager's decision shall be final.

Section 5. Salaries

5.1 **Pay Periods**

Salaries are paid on a bi-weekly basis. Each pay period shall begin at 12:01 a.m. Sunday and continue up to and including 12:00 midnight Saturday two weeks following. Each payment shall be made not later than the Friday following the ending of each payroll period and shall include payment for all earnings during that payroll period. There are twenty-six (26) pay periods per year.

5.2 **Definition of Year**

For purposes of calculating pay and benefits, the end of the year shall be defined as the last day of the last full pay period of the fiscal year.

5.3 **Salary Schedules**

Upon the effective date of the 2.5% at 55 retirement contract on July 1, 2003, the City increased the salaries of bargaining unit members by eight percent (8%), in lieu of payment of the employee's portion of the PERS contribution, as provided under a plan which qualifies under Internal Revenue Code Section 414(h)(2). Salaries listed below include this eight percent (8%) as follows:

(a) Salaries effective July 1, 2007:

Effective July 1, 2007, there shall be a three percent (3%) across the board wage increase for all positions in the job classifications represented by the SEIU bargaining unit.

Effective July 1, 2007, employee monthly salaries shall therefore be as follows:

<u>Job Title</u>	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
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<i>Library Assistant I *</i>	2,806	2,946	3,093	3,248	3,410
Custodian	3,025	3,177	3,335	3,502	3,677
Library Assistant II	3,097	3,253	3,415	3,585	3,765
Lead Custodian	3,178	3,336	3,503	3,678	3,863
<i>Recreation Coordinator I *</i>	3,282	3,445	3,617	3,799	3,988
Landscape Worker I	3,325	3,491	3,666	3,849	4,042
Maintenance Worker I	3,325	3,491	3,666	3,849	4,042
<i>Recreation Coordinator II *</i>	3,608	3,788	3,978	4,177	4,386
Landscape Worker II	3,618	3,800	3,990	4,190	4,399
Maintenance Worker II	3,618	3,800	3,990	4,190	4,399
Administrative Aide I	3,627	3,808	3,998	4,198	4,408
Senior Library Assistant	3,860	4,053	4,256	4,469	4,693
<i>Administrative Aide II*</i>	3,912	4,108	4,313	4,528	4,754
Librarian I	3,987	4,187	4,396	4,615	4,846
Permit Technician	4,065	4,268	4,482	4,706	4,942
Public Works Foreperson	4,293	4,507	4,733	4,970	5,218
Fleet Maintenance Coordinator	4,427	4,648	4,881	5,125	5,382
Librarian II	4,435	4,657	4,889	5,134	5,390
Assistant Planner	4,637	4,869	5,112	5,367	5,636
<i>Arborist/Park Specialist*</i>	4,738	4,975	5,224	5,486	5,760
Recreation Supervisor	4,716	4,952	5,199	5,459	5,732
Recreation Events Coordinator	4,716	4,952	5,199	5,459	5,732
Sewer Systems Coordinator	5,062	5,316	5,582	5,861	6,154

Public Works Supervisor	5,316	5,582	5,861	6,154	6,462
Associate Planner	5,368	5,637	5,919	6,215	6,526
Civil Engineer II	5,731	6,017	6,318	6,634	6,966
Building Inspector	6,259	6,572	6,901	7,246	7,609
<i>Senior Civil Engineer *</i>	<i>6,379</i>	<i>6,698</i>	<i>7,033</i>	<i>7,384</i>	<i>7,754</i>
<i>Public Works Project Manager*</i>	<i>6,379</i>	<i>6,698</i>	<i>7,033</i>	<i>7,384</i>	<i>7,754</i>

** Not a currently funded position*

(b) Wage Study and Salary Adjustments:

A labor – management wage study will be conducted. The wage study will include the same cities and comparison components as was used in the Final Report of the Total Compensation Study of Senior Management Classes, dated September 27, 2006. If the study is completed by December 31, 2007, the City will adjust all unit salaries in an amount equal to one-half the difference between salaries in effect on July 1, 2007 and the market median identified in the wage study, retroactive to the pay period beginning November 18, 2007. The first pay period after September 1, 2008, the City will adjust all unit salaries in an amount equal to one-half the difference between salaries in effect on July 1, 2007 and the market median identified in the wage study. No further wage study will be conducted during the term of the MOU.

(c) Salaries effective July 1, 2008:

Effective July 1, 2008, there shall be a four percent (4%) across the board wage increase for all positions in the job classifications represented by the SEIU bargaining unit.

Effective July 1, 2008, employee monthly salaries shall therefore be as follows:

<u>Job Title</u>	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
<i>Library Assistant I *</i>	<i>2,918</i>	<i>3,064</i>	<i>3,217</i>	<i>3,377</i>	<i>3,547</i>
Custodian	3,146	3,304	3,469	3,642	3,824
Library Assistant II	3,221	3,383	3,552	3,729	3,915
Lead Custodian	3,305	3,470	3,643	3,825	4,017
<i>Recreation Coordinator I *</i>	<i>3,413</i>	<i>3,583</i>	<i>3,762</i>	<i>3,951</i>	<i>4,148</i>

Landscape Worker I	3,458	3,630	3,812	4,003	4,203
Maintenance Worker I	3,458	3,630	3,812	4,003	4,203
<i>Recreation Coordinator II *</i>	<i>3,752</i>	<i>3,940</i>	<i>4,137</i>	<i>4,344</i>	<i>4,561</i>
Landscape Worker II	3,763	3,952	4,150	4,358	4,575
Maintenance Worker II	3,763	3,952	4,150	4,358	4,575
Administrative Aide I	3,772	3,960	4,158	4,366	4,585
Senior Library Assistant	4,015	4,215	4,426	4,648	4,880
<i>Administrative Aide II*</i>	<i>4,068</i>	<i>4,272</i>	<i>4,485</i>	<i>4,709</i>	<i>4,945</i>
Librarian I	4,147	4,354	4,572	4,800	5,040
Permit Technician	4,228	4,439	4,661	4,894	5,140
Public Works Foreperson	4,465	4,688	4,922	5,169	5,427
Fleet Maintenance Coordinator	4,604	4,834	5,076	5,330	5,597
Librarian II	4,613	4,843	5,085	5,339	5,606
Assistant Planner	4,823	5,064	5,316	5,582	5,862
<i>Arborist/Park Specialist*</i>	<i>4,928</i>	<i>5,174</i>	<i>5,433</i>	<i>5,705</i>	<i>5,990</i>
Recreation Supervisor	4,905	5,150	5,407	5,677	5,961
Recreation Events Coordinator	4,905	5,150	5,407	5,677	5,961
Sewer Systems Coordinator	5,265	5,528	5,805	6,095	6,400
Public Works Supervisor	5,528	5,805	6,095	6,400	6,721
Associate Planner	5,583	5,863	6,156	6,464	6,787
Civil Engineer II	5,960	6,258	6,571	6,900	7,245
Building Inspector	6,510	6,835	7,177	7,536	7,913
<i>Senior Civil Engineer *</i>	<i>6,634</i>	<i>6,966</i>	<i>7,314</i>	<i>7,679</i>	<i>8,064</i>

*Public Works Project Manager** 6,634 6,966 7,314 7,679 8,064

** Not a currently funded position*

(d) Salaries effective July 1, 2009:

Effective July 1, 2009, there shall be a five percent (5%) across the board wage increase for all positions in the job classifications represented by the SEIU bargaining unit.

Effective July 1, 2009, employee monthly salaries shall therefore be as follows:

<u>Job Title</u>	<u>Step A</u>	<u>Step B</u>	<u>Step C</u>	<u>Step D</u>	<u>Step E</u>
<i>Library Assistant I *</i>	3,064	3,217	3,378	3,546	3,724
Custodian	3,303	3,469	3,642	3,824	4,015
Library Assistant II	3,382	3,552	3,730	3,915	4,111
Lead Custodian	3,470	3,643	3,825	4,017	4,218
<i>Recreation Coordinator I *</i>	3,583	3,762	3,950	4,148	4,355
Landscape Worker I	3,631	3,812	4,003	4,203	4,414
Maintenance Worker I	3,631	3,812	4,003	4,203	4,414
<i>Recreation Coordinator II *</i>	3,940	4,137	4,344	4,561	4,789
Landscape Worker II	3,951	4,149	4,357	4,576	4,804
Maintenance Worker II	3,951	4,149	4,357	4,576	4,804
Administrative Aide I	3,960	4,158	4,366	4,585	4,814
Senior Library Assistant	4,216	4,426	4,648	4,880	5,124
<i>Administrative Aide II*</i>	4,272	4,486	4,709	4,944	5,192
Librarian I	4,354	4,572	4,800	5,040	5,292
Permit Technician	4,439	4,661	4,894	5,139	5,397
Public Works Foreperson	4,688	4,922	5,168	5,427	5,698
Fleet Maintenance Coordinator	4,834	5,076	5,330	5,597	5,877

Librarian II	4,843	5,085	5,339	5,606	5,886
Assistant Planner	5,064	5,317	5,582	5,861	6,155
<i>Arborist/Park Specialist*</i>	<i>5,174</i>	<i>5,433</i>	<i>5,705</i>	<i>5,990</i>	<i>6,290</i>
Recreation Supervisor	5,150	5,408	5,678	5,961	6,259
Recreation Events Coordinator	5,150	5,408	5,678	5,961	6,259
Sewer Systems Coordinator	5,528	5,805	6,095	6,400	6,720
Public Works Supervisor	5,805	6,095	6,400	6,720	7,057
Associate Planner	5,862	6,156	6,464	6,787	7,126
Civil Engineer II	6,258	6,571	6,899	7,245	7,607
Building Inspector	6,835	7,177	7,536	7,913	8,309
<i>Senior Civil Engineer *</i>	<i>6,966</i>	<i>7,314</i>	<i>7,680</i>	<i>8,063</i>	<i>8,467</i>
<i>Public Works Project Manager*</i>	<i>6,966</i>	<i>7,314</i>	<i>7,680</i>	<i>8,063</i>	<i>8,467</i>

** Not a currently funded position*

5.4 **Promotions**

An employee who receives a promotion from one (1) classification to a classification with a greater pay rate shall receive a promotional rate increase to a new rate which shall place the employee at the appropriate step in the new classification to provide a minimum of a five percent (5%) increase in pay.

5.5 **Y Rate**

Any employee occupying a position which is reallocated to a class, the maximum salary for which is less than the incumbent's present salary, or occupying a position in a class, the salary rate or range for which is reduced, shall continue to receive his or her present salary with no increase in pay until the salary range exceeds the incumbent's salary. Such salary shall be designated as a "Y" rate.

Section 6. Hours of Work

6.1 Normal Schedule

The normal schedule for employees occupying full-time positions shall consist of either eighty (80) hours, or seventy-five (75) hours for employees assigned to the library, to be worked within a fourteen (14) day work period.

6.2 Normal Workday

The normal workday shall not exceed ten (10) hours. Employees shall receive at least one-half (1/2) hour off without pay during the above normal workday for lunch or dinner, with the length of any given lunch or dinner period to be determined by the employee's supervisor and based on workload demands.

6.3 Overtime

All employees shall be paid overtime in accordance with the Fair Labor Standards Act. Employees assigned to work more than the number of hours per day or hours per period as specified in Sections 6.1 and 6.2 above shall be paid overtime at the rate of one and one-half (1 ½) times their regular rate of pay for each one-quarter (1/4) of an hour or portion thereof for such time worked in excess of the normal day or period. Employees may agree to work outside their normal schedule or workday in exchange for an equal amount of time off during the pay period.

6.4 Compensatory Time Off

Employees assigned to work overtime may elect to be paid in either overtime pay or compensatory time off. However in no case shall compensatory time balances exceed eighty (80) hours at any time. Compensatory time off balances may not exceed forty (40) hours at the end of each calendar year. By December 31 of each year, each employee's compensatory time off bank shall be reduced to a year-end cap of forty (40) hours, and the employee shall be paid in cash for any compensatory hours reduced to achieve the year-end cap of forty (40) hours.

6.5 Call Back

Call back pay shall be paid to permanent full-time employees who are called into work while off duty. Such call back pay shall be paid at one and one-half (1 ½) times the regular rate of pay. A minimum of three (3) hours of call back pay at the one and one-half (1 ½) rate shall be paid for recall. Compensation shall begin at the time initial contact is made while off duty and end when the employee has returned home. The City shall have the right to establish reasonable travel time for call back pay purposes only between employees' homes and the place of work. If call back time exceeds three (3) hours, at the beginning of the fourth hour, additional overtime shall begin being earned at the rate of each one-quarter (1/4) of an hour or each portion thereof.

6.6 Work Hours

The normal workday provided for in Section 6.2 may be adjusted on an individual employee basis to allow consideration of commute, child care or other personal matters, with the prior approval of the department head.

In the event of disagreement between the employee and the department head, the employee may appeal the department head's decision to the City Manager. In such case, the employee may have his/her employee representative present during the appeal.

6.7 Meal Allowance

The City will pay a meal allowance up to \$12.00 for employees who work four (4) or more paid hours of overtime. Employees shall be provided with a meal appropriate for the time of day for each four (4) hour period of overtime worked outside of the employee's regular work hours.

Section 7. Holidays

7.1 "5-40" and 37 ½ hour schedules

Permanent and probationary full-time employees assigned to work a "5-40" or 37.5 hour per week schedule are entitled to take the following authorized holidays off work at full pay, not to exceed the normal work schedule for any one (1) day (one day = 8 hours for employees on the "5-40" schedule; one day = 7½ hours for employees on the 37½ hour schedule):

January 1	New Years' Day
Third Monday in January	Martin Luther King, Jr.'s Birthday
Third Monday in February	Washington's Birthday
Last Monday in May	Memorial Day
July 4	Independence Day
First Monday in September	Labor Day
Fourth Thursday in November	Thanksgiving Day
Friday after the fourth Thursday in November	Day after Thanksgiving
December 24	Christmas Eve
December 25	Christmas Day
Floating Holiday Hours	Sixteen (16) Hours for employees on "5-40" schedule; fifteen (15) hours for employees on the 37½ hour schedule

7.2 “4-10” schedule

Permanent and probationary full-time employees assigned to work a “4-10” schedule are entitled to take the following nine (9) authorized ten-hour holidays off work at full pay plus six (6) hours of floating holiday time.

The floating holiday hours shall be taken on a day mutually agreeable between the individual employee and the employee's supervisor and shall be taken within the calendar year in which they are earned.

January 1	New Years' Day
Third Monday in February	Washington's Birthday
Last Monday in May	Memorial Day
July 4	Independence Day
First Monday in September	Labor Day
Fourth Thursday in November	Thanksgiving Day
Friday after the fourth Thursday in November	Day after Thanksgiving
December 24	Christmas Eve
December 25	Christmas Day
Floating Holiday Hours	Six (6) hours

7.3 “9-80” schedule

Employees assigned to work a “9-80” schedule are entitled to the following nine (9) authorized nine (9) hour holidays plus fifteen (15) hours of floating holiday time. When a holiday falls on an eight (8) hour workday, the last nine (9) hour workday before the holiday shall be an eight (8) hour work day.

January 1	New Years' Day
Third Monday in February	President's Day
Last Monday in May	Memorial Day
July 4	Independence Day
First Monday in September	Labor Day
Fourth Thursday in November	Thanksgiving Day
Friday after the fourth Thursday in November	Day after Thanksgiving

December 24	Christmas Eve
December 25	Christmas Day
Floating Holiday Hours	Fifteen (15) hours

7.4 Holidays on Saturday or Sunday

When a holiday falls on Sunday, the following Monday shall be observed. When a holiday falls on Saturday, the previous Friday shall be observed.

7.5 Holiday Compensation

- (a) If the authorized holiday falls on the employee's regular day off, and the employee is not required to work, the employee shall receive, in addition to their regular compensation, either holiday pay which shall be paid at straight time for each hour that would have been spent on duty during the holiday had the employee been required to work, or a day off in lieu of the holiday pay equal to the number of hours that would have been spent on duty during the holiday had the employee been required to work. The choice of either holiday pay or an in-lieu day off shall be made by the department head.
- (b) If the authorized holiday falls on a scheduled work day and the employee is required to work, the employee shall receive as a holiday premium, in addition to regular salary, one and one-half (1-1/2) times the regular rate of pay for the hours worked.
- (c) If the authorized holiday falls on a regular day off and the employee is required to work, the employee shall receive overtime pay at one and one-half (1-1/2) times the regular rate of pay for each hour worked plus either holiday pay at straight time for each hour worked or a day off in-lieu at straight time as provided in this section.

7.6 Floating Holiday Use and Accrual

Floating holiday hours shall be taken on a day mutually agreeable between the individual employee and the employee's supervisor and shall be taken within the calendar year in which they are earned.

Newly hired employees are eligible for accrual and usage of holiday hours as follows:

- Employees hired between January 1 and June 30 of any year shall accrue one hundred percent (100%) of floating holiday hours.
- Employees hired between July 1 and November 15 of any year shall accrue fifty percent (50%) of floating holiday hours.

- Employees hired between November 15 and December 31 shall not accrue floating holiday hours for the calendar year in which they were hired.

Section 8. Sick Leave

Employees assigned to an eighty (80) hour per fourteen (14) day work period schedule shall accrue ninety-six (96) hours of sick leave per year. Employees assigned to a thirty-seven and one-half (37-1/2) hour week schedule shall accrue ninety (90) hours of sick leave per year. Sick leave shall be accrued on a pay-period basis and recorded in the books by the number of hours accrued.

Probationary employees shall start accruing sick leave on the first (1st) day of the first (1st) full pay period following their appointment to an authorized position. On the first (1st) day of the second (2nd) calendar month following their appointment to an authorized position, probationary and permanent employees shall be entitled to receive sick leave with pay.

Sick leave may be taken for the following:

1. An employee's illness or injury. Leaves of more than five (5) working days require a doctor's certificate indicating absence from work was necessary.
2. An employee's dental, eye or other physical or medical examination or treatment by a licensed practitioner. Leaves for this purpose are limited to three (3) hours in any one (1) working day.
3. Providing necessary care for an ill or injured member of the immediate family. Absences of more than three (3) working days or shift for this reason require a doctor's statement, indicating that the employee's presence was required at home. Leaves for this purpose shall be granted in accordance with the requirements of state and federal law.

Sick leave accrual is unlimited and can be carried forward to subsequent years. Sick leave cannot be "cashed out" except as set forth in Section 15.3 of this Memorandum of Understanding.

Section 9. Non-Paid Status

When a permanent employee is on non-workers' compensation disability leave (non-paid status from the City of Sausalito having used up all vacation, sick-leave, compensatory time and catastrophic leave) no benefits will accrue, including vacation time, sick leave time and PERS service credit; however, an employee on non-workers' compensation disability leave may exchange his or her disability check dollar for dollar for a sick leave check to insure continuation of benefits.

The dollar amount of the endorsed disability check shall be divided by the employee's hourly equivalent wage rate to determine the number of hours of sick leave to be reimbursed to the employee computed to the nearest one-quarter (1/4) of an hour or portion thereof.

Section 10. Vacations

Employees shall earn vacation in accordance with the following schedules dependent upon years of service:

Employees on a 75 Hour per Fourteen Day Work Period Schedule	Working Hours Earned/ Bi-weekly pay period	Working Hours Earned/Year
Prior to completing 5 years	4.33	112.5
After completing 5 years	4.90	127.5
After completing 10 years	5.77	150
After completing 20 years	6.35	165

Employees on an 80 Hour per Fourteen Day Work Period Schedule	Working Hours Earned/ bi-weekly pay period	Working Hours Earned/Year
Prior to completing 5 years	4.62	120
After completing 5 years	5.23	136
After completing 10 years	6.15	160
After completing 20 years	6.77	176

Probationary employees shall start earning vacation leave on the first (1st) day of the first (1st) full pay period following their appointment to an authorized position. On the first (1st) day of the seventh (7th) calendar month following their appointment to an authorized position, vacation shall be available in increments of not less than two (2) hours at a time. Vacation leave shall be accrued on a pay-period basis and recorded in the books by the number of hours accrued.

The times during which an employee may take vacations shall be determined by the department head, provided that if the requirements of City service are such that part or all of an employee's

vacation must be deferred beyond a particular fiscal year, the employee may take the vacation during the following fiscal year.

It is the policy of the City that employees take their normal vacation each year; provided, however, that for reasons deemed sufficient by the department head an employee may take less than the normal vacation one (1) year with a correspondingly longer vacation the following year.

In the event an employee is not able to take all of the vacation to which he/she is entitled in a fiscal year, the employee shall be permitted to accumulate the unused portion to his/her credit, provided that on June 30th of any fiscal year, he/she shall not have a total credit of more than two hundred forty (240) hours of vacation time accrued. Any vacation time in excess of the maximum shall be paid to the employee on the last payroll in June.

Holidays specified in Section 7 of this Memorandum of Understanding which fall during the employee's vacation shall not be charged as a day of vacation.

Upon termination of an employee's service with the City, he/she shall be paid a lump sum for all accrued vacation that has been earned in accordance with this Memorandum of Understanding prior to the termination.

Section 11. Miscellaneous Leaves

- 11.1 A probationary or permanent employee shall be granted leave of absence with full pay for (1) jury service, (2) appearance legally required of them as a witness on behalf of the City, or (3) attendance in court resulting from their official duties. In the event an employee receives extra compensation in the form of an appearance allowance or a salary or wage allowance for such duty, any such allowance shall be endorsed over to the City. Reimbursements to the employee from outside sources for travel and meal expenses incurred while on such duty shall be kept by the employee.

Upon written request of a permanent employee, the City Manager may approve in writing a leave of absence without pay for a period not to exceed six (6) months.

11.2 Personal Necessity Leave

An employee shall be entitled to use up to three (3) days of accrued vacation when unanticipated events require that the employee be absent from work. Personal Necessity Leave may also be used for pre-scheduled purposes not covered by the provisions of Section 8, "Sick Leave". Such time off shall be in increments of not less than one (1) hour. Personal Necessity Leave shall be prorated for employees working less than a forty (40) hour week. An employee desiring to use Personal Necessity Leave shall so inform his/her department head as far in advance as possible. The City has the right, after July 1, 1989, to meet and confer with the

Union for the purpose of redesign of this Personal Necessity Leave benefit in the event unanticipated problems have arisen.

11.3 **Family Leave**

Eligible employees are entitled to take up to twelve (12) weeks of unpaid Family Medical Leave during any twelve (12) month period in accordance with the provisions of the Family and Medical Leave Act of 1993 (federal) and the California Family Rights Act of 1991.

11.4 **Bereavement Leave**

In the case of death within the immediate family of an employee, such employee shall be entitled to remain absent from duty with pay in order to attend the funeral or memorial service for a period not to exceed the following:

Death of spouse or child	Five (5) work days
Death of a parent of sibling	Three (3) work days
Death of grandparent, aunt, uncle, niece, nephew	One (1) work day

For purposes of this section registered domestic partners shall be equivalent to a spouse and step and foster parent/child relationships which have been equivalent to natural relationships will be treated the same as parents/children. Additional days may be approved by the department head if warranted by special circumstances.

Leave of absence with pay because of death in an employee's immediate family is allowed solely for the purpose of arranging and/or attending funeral and memorial services and attending to legal issues relating to the death. Such leave shall not be charged against vacation or sick leave which an employee may be entitled to but shall be in addition thereto.

11.5 **Catastrophic Leave**

The City has established a Catastrophic Leave Bank to allow employees to transfer earned compensatory time or vacation leave to another employee. Such transfer of time shall be limited to situations where the recipient of the transfer is, by reason of illness or injury, threatened with the loss of earnings due to his/her exhaustion of employment benefits. Such time transfer request must be in writing, and subject to the approval of the City Manager or designee. Such approval shall not be unreasonably denied. Such transfer shall be credited to the recipient at the donor's rate of pay. The use or receipt of time so transferred shall not preclude possible medical separation of the recipient employee. The City reserves the right to require medical verification by a qualified medical practitioner of the recipient employee's medical condition. While on catastrophic leave the employee shall continue to accrue benefits.

Section 12. Reduction in Force and Re-Employment

12.1 Layoff Procedure

Whenever in the judgment of the City Council it becomes necessary in the interest of economy or efficiency or in the interest or mandate of the public, the City Council may abolish any position or employment in the competitive service, and the employee holding such position or employment may be laid off.

Layoffs shall be by job classification according to reverse order of seniority as determined by total full-time employment with the City and ability to perform the remaining duties or job. The City shall prepare a seniority list prior to the notice of an employee to be reduced-in-force. A copy of the seniority list shall be provided to the Union.

An employee occupying a higher classification, whose position is eliminated, may elect to displace an employee in a lower classification provided that the two (2) classifications are in the same general family of jobs and responsibilities, that the basic qualifications of the lower position are met by the employee electing to fill the lower classification and that the employee has more total City service than the displaced employee.

12.2 Notice of Layoff

Employees to be laid off shall be given at least fourteen (14) calendar days' prior notice. A copy of the notice shall be forwarded to the Union.

12.3 Re-employment

The names of permanent and probationary employees who are laid off or demoted in lieu of layoff shall be placed upon reemployment lists for one (1) year for those classes requiring basically the same qualifications, duties and responsibilities of the class from which layoff or demotion in lieu of layoff was made. Placement on the reemployment list for a given class shall be in the reverse order of layoff from the classes, i.e., the last person laid off shall be first on the list, the second-to-last person laid off shall be second, and so on. Such reemployment list(s) shall take precedence over all other employment lists for the same classifications when vacancies are to be filled. Persons appointed to permanent positions of the same or similar classifications as that from which laid off or demoted shall, upon such appointment, be dropped from the list. The City shall notify the person in writing of the offer for reemployment and the date by which he or she must respond. Such notice shall be sent to the last address provided to the City by the employee.

Should the person not accept the reappointment within seven (7) calendar days after the date of the offer or should the person decline or be unable to begin work within two (2) weeks after the date of the acceptance of the offer, the person shall be considered unavailable for employment,

shall forfeit the right to reemployment and be removed from the reemployment list. Whenever a person is unavailable for reemployment, the next person who is eligible on the reemployment list shall be offered reemployment in the same manner and under the same conditions as above.

Permanent employees re-appointed to the class from which laid off or demoted will not be required to undergo a new probationary period. Employees who had not completed their probationary period in the class from which laid off or demoted shall, upon reappointment to such class, start a new probationary period if at the time of layoff or demotion the employee completed less than six (6) months (three (3) months on a promotional probation) of the probationary period. All offers of re-employment following layoff of more than thirty days shall be contingent upon the employee establishing that he/she remains physically qualified to perform the physical requirements of the position by submitting to a physical examination by the City to determine that the employee remains physically qualified for the position.

Former employees appointed from a reemployment list shall receive a rate of pay at least equal to the rate received at the time of layoff (provided such rate does not exceed the maximum rate established for the class) and shall be restored all rights accorded prior to being laid off such as credit for years of service, for vacation, and for sick leave. However, such re-employed employees shall not be eligible for benefits for which they received compensation at the time of or subsequent to the date they were laid off.

Section 13. Grievance Procedure

13.1 Definition

A grievance is any dispute that involves the interpretation or application of any provision of this Memorandum of Understanding or any addenda or supplementary letter attached to this Memorandum of Understanding.

13.2 Procedure

A grievance shall be filed according to the following procedures:

Step 1. The Union, on behalf of any employee who believes that he/she has a grievance, may within sixty (60) calendar days of the event giving rise to the grievance, present the grievance informally either orally or in writing to the immediate supervisor directly involved in the event. Grievances not presented within the time period shall be deemed to be waived and the event giving rise to the grievance shall remain unaltered in any respect. If the grievance is not resolved orally, the supervisor shall give a written answer to the Union within ten (10) calendar days from the receipt of the grievance by the supervisor. When the immediate supervisor is also the department head, the grievance shall be presented directly as provided in paragraph (3).

Step 2. If the grievance is not resolved with the immediate supervisor, the Union may, within five (5) calendar days from receipt of the supervisor's answer forward the grievance in writing to the department head for consideration. If the grievance is not submitted within five (5) calendar days from the date of receiving the decision from the immediate supervisor, the immediate supervisor's decision shall be final and binding. Answer to the grievance shall be made in writing by the department head, after conferring with the Union, within fifteen (15) working days from receipt of the Union.

Step 3. If the department head does not resolve the grievance, the grievance may be forwarded within ten (10) calendar days to the City Manager for final disposition, OR

At the Union's request, the matter may be referred to a disinterested third party selected from a list of ten (10) candidates provided by the State Mediation and Conciliation Service. If the parties cannot mutually agree on the party to be selected, it shall be determined by lot which party may first strike a name from the list. The parties shall alternately strike one (1) name and the last name remaining shall be selected. Each side will bear its own costs for said mediation, and the actual cost for the service will be shared equally between the City and the Union. The report of the disinterested third party shall be advisory only and shall not be binding.

Step 4. The report of the disinterested third party shall be submitted to the Union and to the City Manager. The City Manager shall consider the report of the disinterested third party and, within ten (10) working days, notify the Union in writing whether or not his or her previous position has been modified.

Step 5. If the Union is not satisfied with the City Manager's position in response to the report of the disinterested third party, the Union may, within ten (10) calendar days submit a written request for a hearing before the City Council. Upon such a request, the City Council shall schedule a hearing within thirty (30) calendar days. The decision of the City Council shall be final.

13.3 **Extension of Time Limits**

The above-specified time limits may be extended by mutual agreement between the parties. Failure of the employee or the Union to act within the specified time limits, unless extended, shall dismiss and nullify the grievance. Failure by the City to observe such time limits, unless extended, shall cause the grievance to be moved to the next level of the grievance procedure.

13.4 **Compensation Complaints**

All complaints involving or concerning the payment of compensation after the effective date of this Memorandum of Understanding shall be initially filed in writing with the department head. Only complaints which allege that employees are not being compensated in accordance with the

provisions of this Memorandum of Understanding shall be considered as grievances. Any other matters of compensation are to be resolved in the meet and confer process and, if not detailed in the Agreement which results from such meet and confer process, shall be deemed withdrawn until the meet and confer process is next opened for such discussion. No adjustment shall be retroactive for more than sixty (60) days from the date upon which the complaint was filed.

Section 14. Health and Welfare Benefits

14.1 Cafeteria Plan of Benefits

The City shall maintain a Cafeteria Plan of Benefits account for each employee.

Effective the first full pay period in July 2007 through the last pay period in December 2007, the City shall credit the benefits account of each employee, based upon their eligible and elected coverage, each pay period, in the amounts as listed below:

CATEGORY	AMOUNT PAID PER PAY PERIOD July 1, 2007 – December 30, 2007
Single Employee	\$239.03
Employee + One Dependent	\$438.03
Employee + More than One Dependent	\$557.43

Effective the first full pay period in January 2008 through the last pay period in December 2008, the City shall increase each category of the Cafeteria Plan listed above by the entire sum of the premium rate increase for the year 2008 for the CalPERS Kaiser Medical Plan and will credit the benefits account of each employee, based upon their eligible and elected coverage, each pay period, in those amounts as listed below:

CATEGORY	AMOUNT PAID PER PAY PERIOD January 1, 2008-December 31, 2008
Single Employee	\$258.31
Employee + One Dependent	\$476.60
Employee + More than One Dependent	\$607.57

Effective the first full pay period in January 2009 through the last pay period in December 2009, the City shall increase each category of the Cafeteria Plan listed above by the entire sum of the premium rate increase for the year 2009 for the CalPERS Kaiser Medical Plan and will credit the benefits account of each employee, based upon their eligible and elected coverage, each pay period, in those amounts.

Effective the first full pay period in January 2010 through the last pay period in June 2010, the City shall increase each category of the Cafeteria Plan listed above by the entire sum of the premium rate increase for the year 2010 for the CalPERS Kaiser Medical Plan and will credit the benefits account of each employee, based upon their eligible and elected coverage, each pay period, in those amounts.

Following the ratification of the MOU, the City shall increase the maximum annual dental benefit for enrollees from \$1,000 per year to \$1,500 per year, at the soonest time allowed by the contract between the City of Sausalito and its dental insurance provider. The City shall increase each category of the Cafeteria Plan listed above in the first year of the change in dental benefit by an amount equal to the difference between the premium for a \$1,000 maximum annual benefit and a \$1,500 maximum annual benefit.

The Cafeteria Plan shall include the following benefits options (and includes the PERS Minimum Employer Contribution for health care):

1. Health Care insurance (employee must select this option unless evidence of comparable coverage from another source is provided)
2. Dental insurance
3. Vision care
4. Life insurance and Accidental Death and Dismemberment insurance
5. Long-term disability
6. Dependent care (Child Care, etc.) assistance reimbursement of costs: Dependent care expenses must qualify in accordance with the regulations set forth in Internal Revenue Code paragraph 129. The amount designated for dependent care assistance by an individual employee may not exceed the maximum amount established by the Internal Revenue Code during each taxable year.

An employee may select more benefits than covered by the amount credited to their account by the City. The additional cost for such benefits shall be deducted from the employee's check in pre-tax dollars.

Any unused cafeteria plan benefit will be cashed out to the employee through payroll and reported as additional compensation for income tax purposes.

Probationary employees shall be placed on the rolls of the various insurance plans as soon as possible pursuant to insurance company policies.

Employees shall be eligible to receive flu shots and poison oak shots, and the City shall pay the cost of such shots. The City shall choose the medical clinic at which such immunizations will be administered.

14.2 **Medical Waiver and Health in Lieu**

Eligible employees who are able to secure health insurance coverage through their spouse or other source with benefits comparable to those provided through City sponsored plans may waive coverage under the City sponsored plans and may, in lieu of receiving medical insurance, elect to receive a biweekly payment equal to the Cafeteria Plan of Benefits single employee credit amount shown in Section 14.1. The employee will sign a waiver form provided by the Finance Department. Employees choosing coverage at a later time by one of the City sponsored plans will be subject to the requirements of the health insurance provider chosen by the employee(s).

Employees selecting a medical waiver shall also continue to have the option of selecting benefits other than medical insurance under the cafeteria plan as outlined above in Section 14.1.

Any unused Cafeteria Plan benefit will be cashed out to the employee through payroll and reported as additional compensation for income tax purposes.

Section 15. Retirement Benefits

15.1 **PERS Retirement**

On July 1, 2003, the City implemented an increase in the retirement benefits for eligible employees through the California Public Employees Retirement System (PERS) to a 2.5% at 55 with single highest year and survivor continuance plan and shall maintain said plan for the duration of this Memorandum of Understanding.

As set forth in Section 5.3 of this MOU, on the effective date of the 2.5% at 55 retirement plan, the City increased salaries of bargaining unit members by eight percent (8%) in-lieu of payment of the employee's portion of the PERS contribution as provided under a plan which qualifies under Internal Revenue Code Section 414(h)(2). The employee shall pay the eight percent (8%) employees' required contribution towards the PERS retirement.

15.2 **Retiree Medical Benefit**

Employees who retire from City service under the provisions of the California Public Employees Retirement System may continue receiving health insurance under the City's Health Insurance Plans if they so elect. If there are any payments due to the City under this Section, such payments must be received by the Finance Department no later than the 10th of the month for the month so covered.

Employees who have been members of the California Public Employees Retirement System through the City of Sausalito for twenty (20) or more years, and who are of the age of fifty-five

(55) years or more upon retirement, shall continue to have the cost of Kaiser, employee-only monthly health insurance premium provided by the City and paid in full by the City until death. Should the retiree select a more expensive plan, the retiree shall pay the difference. However, the retired employee shall be required to pay one hundred percent (100%) of the cost for his/her spouse and eligible dependent children if he/she desires to continue them on the policy. The spouse and eligible dependent children may continue on the policy after the death of the employee, providing the spouse pays for such continuance. All retiree medical benefits will be coordinated with Medicare and Medicaid to achieve the greatest cost savings to the City with no diminishment in the quality of medical service provided to the retiree and with no increase in cost to the retiree.

Alternatively, employees who have been members of the California Public Employees Retirement System through the City of Sausalito for twenty (20) or more years, and who are of the age of fifty-five (55) years or more upon retirement, may, in lieu of City-paid medical coverage, opt to receive a cash payment equal to the lesser of \$175 per month or the PERS Kaiser rate applicable to the retiree.

15.3 Retiree Sick Leave Conversion

Employees who retire with a PERS retirement may convert unused accumulated sick leave to additional service credit at the rate of .004 years for each day of sick leave or be paid in cash for maximum of sixty (60) days (480 hours for employees working the "5-80" schedule, or four hundred fifty (450) hours for employees working the 37½ hour schedule) of sick leave and convert the remaining unused balance (excluding the number of days paid in cash) to additional service credit as specified immediately above.

15.4 457 Deferred Compensation Plan

Employees may elect to contribute to the City's 457 plan through a salary reduction over twenty-six (26) pay periods. The maximum amount contribution shall be governed by the Internal Revenue Service regulations related to 457 plans.

Section 16. Reclassifications

At any time an employee believes the duties of his/her position have changed materially, the employee may submit a reclassification request, in writing, to the City Manager. The reclassification request shall be in narrative form, comparing the employee's current duties with the duties specified in the position job specification, a copy of which shall be attached. The reclassification request should also contain the employee's recommended classification. The employee should provide a copy of the reclassification request for the department head.

After considering the reclassification request, if the City Manager believes the request is appropriate, the City Manager will reallocate the position to a different class, provided the reclassification can be accomplished within budget limitations. If the City Manager does not believe the reclassification request is appropriate, or in the event there are budget limitations, the employee will be so informed, in writing. The employee, through the Union, may request a meeting with the City Manager to discuss the reasons for rejecting the request.

Nothing in this Section shall preclude a department head from recommending a reclassification for a department position.

In order to be considered as part of the budget process, reclassification requests should be submitted during the months of January and February.

Section 17. Educational Reimbursement

The City will reimburse employee receipted costs for tuition, fees and books incurred by attending educational programs/classes which are directly related to the present or known future needs of the City. In order to be reimbursed for such costs, the employee must submit the written request for reimbursement at least ten (10) working days prior to beginning the program/class, to the employee's department head for approval by the City Manager, and the employee must attain a passing grade of "C" or better, or a "pass" in a pass/fail program. For programs where a passing grade is not provided, presentation of a certificate of completion will be required.

Reimbursement shall be made for each employee up to two thousand dollars (\$2,000) per fiscal year. Educational reimbursement shall be prorated for employees working fewer than forty (40) hours, per week. The educational reimbursement benefit is not available to employees working fewer than twenty (20) hours per week.

An employee who has already exhausted his/her \$2,000 per fiscal year educational reimbursement benefit may request additional funding authorization from the City Manager. Provided that the City Manager is assured that sufficient educational funds are available for the remainder of the fiscal year for all other employees in the unit, and the educational activity is an appropriate expenditure for the requesting employee, the City Manager may authorize some or all of the additional educational reimbursement funding requested by the employee.

Section 18. Clothing, Uniform and Boot Allowances

18.1 Clothing and Uniform Allowance

The City shall reimburse newly appointed employees to the Public Works Department in the position classifications of Public Works Supervisor, Public Works Foreperson, Fleet

Maintenance Coordinator, Maintenance Worker II, Maintenance Worker I, Lead Custodian, Custodian, Landscape Worker II and Landscape Worker I for the full cost of a uniform consisting of one (1) jacket, four (4) shirts, and four (4) trousers upon presentation of the new uniforms and accompanying receipt. Commencing the fiscal year after issuance of the initial uniform allowance, the City shall reimburse employees in these position classifications for the full cost of not more than one (1) new jacket, four (4) new shirts, and four (4) new trousers per year for those worn out in service upon presentation of the unserviceable uniforms, new uniforms and accompanying receipt.

18.2 Boot Allowance

Employees in the above classifications, as well as the Building Inspector, Civil Engineer II and the Sewer Systems Coordinator shall receive a protective footwear benefit. The protective footwear shall be:

1. Provided to each eligible employee at no cost to the employee through a retailer of the City's choice;
2. At least American National Safety Institute approved steel-toed safety footwear; however, depending on the job/function performed by the employee, the City may require an employee to wear other types of protective footwear which may include: metatarsal guards, electrostatic dissipative footwear, conductive footwear, electrical hazard footwear, or sole puncture resistant footwear;
3. The employee's choice of "Red Wing" brand, or a comparable brand quality;
4. Replaced at the direction of the City and may be replaced at the request of the employee to his/her department head. A department head denial of replacement of protective footwear may be appealed to the City Manager; and
5. Worn only when performing work for the City: i.e., the City shall not be required to purchase or replace protective footwear when such footwear is damaged or worn out by an activity that is not associated with City employment.

Section 19. Commuter Check Program

The City is enrolled in the Commuter Check program and pays fifty percent (50%) of the cost of vouchers used for commuting (not to exceed forty dollars \$40 per month per employee).

Section 20. Miscellaneous Provisions

20.1 Job Announcements

The City agrees to timely post announcements of jobs for which the City is recruiting on bulletin boards located in City Hall and the Corporation Yard.

20.2 Part-time Pro-ration

All employees working a regular work schedule of twenty (20) or more hours per week, but less than forty (40) hours, shall be entitled to prorated benefits provided herein, computed on the ratio of each such employee's hour of work compared to forty (40) hours per week.

20.3 Class B Driver's License

If an employee is required by state law to obtain and/or maintain a current Class B driver's license in order to perform his or her duties, when necessary to obtain or renew the Class B license, the City shall pay the cost of a physical exam required for the employee to obtain and/or maintain the Class B driver's license and the City shall also pay the difference in cost imposed by the DMV between a Class B Driver's License and a Class C driver's license. The employee shall make his or her best good faith efforts to have the physical exam administered by his or her health insurance plan or such other provider so that the cost to the City is as low as possible.

20.4 DOT Drug Testing

Effective January 1, 1996, the City has instituted the Drug Testing Policy set forth as Exhibit A to this Agreement.

20.5 Employee Eyeglasses

Employee eyeglasses required to be worn on the job which are destroyed while on duty and as a result of the proper and appropriate use of the eyeglasses will be replaced by the City up to a maximum cost of three hundred fifty dollars (\$350) to the City per set of eyeglasses.

Section 21. Affordable Housing

A labor – management committee will be formed to develop and present to the City Manager and City Council a report outlining employee concerns about the cost of housing and commuting. The committee may present information to the City Manager and City Council about how other jurisdictions address these issues.

Section 22. Separability of Provisions

In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable, that provision of the Memorandum of Understanding shall be null and void, but such nullification shall not affect any other provisions of this Memorandum of Understanding, all of which other provisions shall remain in full force and

effect. Should any provision be declared null and void, the parties shall meet and confer on the effect of such decision and the parties agree to seek alternative language and/or benefits.

Section 23. Scope of Memorandum of Understanding

Except as otherwise specifically provided herein, this Memorandum of Understanding fully and completely incorporates the understanding of the parties hereto and constitutes the sole and entire understanding between the parties on any and all matters contained herein; provided, however, that nothing herein shall prohibit the parties from changing the terms of this Memorandum by mutual written agreement.

It is understood and agreed that any benefits and/or working conditions within the scope of representation presently in effect and not modified by this Memorandum of Understanding shall remain unchanged until the City and the Union meet and confer.

This Memorandum of Understanding shall supersede all existing memoranda of understanding between the City and the Union.

Section 24. Duration

This Memorandum of Understanding shall not take effect unless and until it is approved by the City Council of the City of Sausalito. Following such approval, this Memorandum of Understanding shall be effective July 1, 2007 except for those provisions of the Memorandum of Understanding which have been assigned other effective dates as hereinabove set forth, and shall remain in full force and effect to and including June 30, 2010, and shall continue thereafter from year to year unless at least ninety (90) days prior to the first (1st) day of July, 2010 or to the first (1st) day of July of any subsequent year, either party shall file written notice with the other of its desire to amend, modify, or terminate this Memorandum of Understanding.

IN WITNESS WHEREOF, the parties hereby have executed this Memorandum of Understanding this 12th day of December, 2007.

SEIU, LOCAL 1021, AFL-CIO

CITY OF SAUSALITO

Yvonne Martinez, SEIU Representative

Adam Politzer, City Manager

Denis D. Brown, SEIU Member

John C. Busch, SEIU Member

Peggy C. Gill, SEIU Member