

MEMORANDUM OF UNDERSTANDING

between



CITY OF DALY CITY

and



INTERNATIONAL UNION OF OPERATING ENGINEERS

STATIONARY ENGINEERS LOCAL 39

Plant Maintenance Unit

September 1, 2019 through August 31, 2022

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF DALY CITY
AND
INTERNATIONAL UNION OF OPERATING ENGINEERS
STATIONARY ENGINEERS LOCAL 39
PLANT MAINTENANCE UNIT**

September 1, 2019 through August 31, 2022

The adjustments to wages, hours and conditions of employment that are set forth in this Memorandum have been discussed by and between the bargaining representatives of the City of Daly City (hereinafter, "CITY") and the bargaining representatives of the International Union of Operating Engineers/Stationary Engineers Local 39 (hereinafter, "Union"), and shall apply to all employees and classifications of the City which are recognized as bargaining unit positions.

The adjustments to wages, hours and conditions of employment that are set forth in the memorandum have been discussed in good faith and agreed upon as being an equitable adjustment of present wages, hours and conditions of employment, between the bargaining representatives of the CITY and the bargaining representatives of the Union. The Union agrees to recommend to their constituents for their favorable consideration and vote, all of the salary and fringe benefit adjustments as set forth herein; and the bargaining representatives of the CITY agree to recommend to the City Council that all of the adjustments as set forth herein be adopted in full by the City Council in the same manner and procedure prescribed by law.

ARTICLE I – RECOGNITION

International Union of Operating Engineers Stationary Engineers Local 39 is recognized as exclusive representatives pursuant to the City of Daly City Employer-Employee Relations Resolution for all employees assigned to the classifications listed below:

PLANT MAINTENANCE UNIT CLASSIFICATIONS

1. Collection System Operator I/II
2. Distribution System Operator I/II
3. Instrument Technician
4. Lead Warehouse Clerk
5. Plant Maintenance Worker
6. Plant Maintenance Mechanic I
7. Plant & Equipment Maintenance Electrician
8. Plant & Equipment Maintenance Mechanic
9. Plant Operations Maintenance Worker I/II
10. Warehouse Clerk
11. Water & Wastewater Operations Technician

ARTICLE II – UNION MEMBERSHIP DUES

The Union may have the regular dues of its members within a bargaining unit deducted from employees' paychecks under procedures prescribed by the City for such deductions. Dues deduction shall be based upon written authorization from the Union, and shall continue (1) until such authorization is revoked, in writing, by the Union; or (2) until the transfer of the employee to a unit represented by another employee organization. The Human Resources Department and the Finance Department will work to provide that dues deductions are promptly terminated when an employee transfers out of union representation through a change in classification or status. The Union must indemnify the employer for any claims made by employees as the result of the payroll deductions.

ARTICLE III – UNION INFORMATION

The Union may use portions of a Department bulletin board under the following conditions:

1. All materials must be dated and must identify the Union that published them.
2. Unless special arrangements are made, materials posted will be removed thirty-one (31) days after the publication date.
3. The department reserves the right to determine where a bulletin board shall be placed and what portion of it is to be allocated to Union's materials.
4. If the Union does not abide by these rules, it will forfeit its right to have materials posted on a Department bulletin board.

The parties recognize the responsibility of the City to maintain the work space in a manner that is consistent with City rules and the law. In the event that material that violates these standards is placed on the bulletin board the City has the right to remove it. The City shall notify the Union in the event that material is removed by the City from the Union bulletin board.

ARTICLE IV - SALARIES

A. Cost of Living Increases

- Effective September 7, 2019, the parties agree to a three percent (3.0%) cost of living increase for all bargaining members. (See Appendix A)

- Effective September 5, 2020, the parties agree to a three percent (3.0%) cost of living increase for all bargaining members (See Appendix A-1)
- Effective September 4, 2021, the parties agree to a three percent (3.0%) cost of living increase for all bargaining members. (See Appendix A-2)

B. Equity Adjustments

- Effective September 7, 2019, the parties agree to a 2.5% equity adjustment for the classifications of Collection System Operator I/II, Distribution System Operator I/II and Water and Wastewater Operations Technician. (See Appendix A)
- Effective September 5, 2020, the parties agree to a 2.5% equity adjustment for the classifications of Collection System Operator I/II, Distribution System Operator I/II and Water and Wastewater Operations Technician. (See Appendix A-1)
- Effective September 4, 2021, the parties agree to a 2.5% equity adjustment for the classifications of Collection System Operator I/II, Distribution System Operator I/II and Water and Wastewater Operations Technician. (See Appendix A-2)

Section IRC 414h

The City will continue to make the Section IRC 414(h) option available to affected members during this agreement. Eligibility to participate and the irrevocable conditions of the one-time-only election continue to be pursuant to the regulations as set forth by the Internal Revenue Service.

ARTICLE V - BENEFITS

The City will contribute toward the City sponsored benefit plans during the term of this Memorandum of Understanding as follows:

A. Medical Insurance Benefits

The City will contract with the California Public Employees Retirement System (CalPERS) for the purpose of providing employees with medical insurance benefits. The City's monthly contribution to CalPERS for each eligible active employee for the purpose of medical insurance will be:

Employee Only	up to \$689.00
Employee +1	up to \$689.00
Employee + Family	up to \$689.00

B. Cafeteria Plan Allowance

The City will maintain a Cafeteria Plan, pursuant to Section 125 of the Internal Revenue Code, for the purpose of providing active employees with access to various health and welfare benefits. Benefits available through the Cafeteria Plan include, but are not limited to, medical insurance, flexible spending accounts for out-of-pocket medical expenses and dependent care, dental insurance and life insurance benefits. The City agrees to provide a Cafeteria Plan Allowance to all active employees eligible to participate in City-sponsored health benefits under Section A of this Article. Any tax consequences resulting from City contributions to the Cafeteria Plan are the sole responsibility of the employee.

The City will provide each eligible active employee with a monthly Cafeteria Plan Allowance for the purpose of participation in Section 125 Cafeteria Flexible Benefits Health and Welfare Plan. Effective September 1, 2019 through November 30, 2019 the City's monthly contribution will be:

No coverage:	\$1150.00
Employee Only:	\$611.00
Employee + 1:	\$611.00
Employee + Family:	\$611.00

Effective December 2019 and each plan year thereafter, the City shall contribute to the monthly Cafeteria Allowance for eligible employees as follows:

1. No Coverage/Waiving Coverage for employees hired on or after January 1, 2020: Cash in lieu is five hundred dollars (\$500) per month and shall be added to employee wages. This amount is not compensation for retirement purposes as defined by the California Public Employees' Retirement System. An employee who waives coverage must provide proof of acceptable coverage in compliance with the law.
2. No Coverage/Waiving Coverage for employees hired before January 1, 2020: Cash in lieu is frozen at eleven hundred-fifty dollars (\$1150) per month and shall be added to employee wages. This amount is not compensation for retirement purposes as defined by the California Public Employees' Retirement System. An employee who waives coverage must provide proof of acceptable coverage in compliance with the law. In the event that an employee in this group purchases health insurance from the City's Cafeteria Plan Allowance on or after January 1, 2020, and thereafter elects to waive health coverage in the future, the cash in lieu benefit will be reduced to five hundred dollars (\$500) per month.

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3. Cash in lieu Eligibility: Employees who opt out of the CalPERS medical plan and receive cash must provide the following: (1) proof that the employee and all individuals for whom the employee intends to claim a personal exemption deduction ("tax family"), have or will have minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year to which the opt out arrangement applies ("opt out period"); and (2) the employee must sign an attestation that the employee and his/her tax family have or will have such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year. The opt-out payment cannot be made and the City will not in fact make payment if the City knows that the employee or tax family member doesn't have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied. Employees and known dependents who do not provide the annual information required will be enrolled in the lowest cost health plan.
4. Employee Only: 100% of the Kaiser Bay Area medical premium (for employees hired before January 1, 2020, the employee only cafeteria allowance shall remain frozen at thirteen hundred dollars (\$1300) per month until it equals the employee only Kaiser rate. This shall be referenced as grandfathered cash-back.). This amount is inclusive of the City's direct health contributions in Section A above. In the event that the Kaiser Bay Area rate increases 15% or more in any year the parties shall split the cost of the rate increase above 15% for the plan year.
5. Employee +1: 95% of the Kaiser Bay Area medical premium. This amount is inclusive of the City's direct health contributions in Section A above. In the event that the Kaiser Bay Area rate increases 15% or more in any year the parties shall split the cost of the rate increase above 15% for the plan year.
6. Employee +2: 95% Kaiser Bay Area medical premium. This amount is inclusive of the City's direct health contributions in Section A above. In the event that the Kaiser Bay Area rate increases 15% or more in any year the parties shall split the cost of the rate increase above 15% for the plan year.

In the event an employee enrolls in a City healthcare plan for which the premium cost is less than the City contribution provided in Article II, Section A, any difference between the City's maximum monthly contribution to CalPERS under Article II, Section A and the actual premium cost will be added to the City's Cafeteria Plan Allowance stated above.

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From Cafeteria Plan Allowance employees must purchase the following qualified benefits:

- City-sponsored Dental/Orthodontia Insurance
- City-sponsored Term Life Insurance in the amount of \$25,000
- City-sponsored Long Term Disability Insurance. Employees must purchase Long Term Disability Insurance, but may do so with post-tax dollars.

In the event the premium for the benefits selected by the employee exceed the City's contribution indicated above, the employee will pay the remaining balance through payroll deductions.

From Cafeteria Plan Allowance, employees may purchase the following qualified benefits:

- a. City-sponsored Medical Insurance through the PERS Health Benefits Administration

Cash-Back

1. For employees hired before January 1, 2020, the Grandfathered cash-back as provided in paragraph B4 above, the grandfathered cash back remaining amounts of Wage Supplements, if any, not used to purchase qualified benefits shall be added to employee wages. Any such amount of Wage Supplements added to wages is not compensation for retirement purposes as defined by the California Public Employees Retirement System.
2. Cash back is not applicable to bargaining unit members hired on or after January 1, 2020 or for any employee hired before January 1, 2020 who is not in the grandfathered cash-back group referenced in paragraph B.4. above.

C. Vision Reimbursement Program

Employees and their dependents are eligible for a maximum reimbursement of \$150.00 per year for frames or lenses. Effective January 01, 2020, the maximum reimbursement shall be increased to \$200.00 per year.

D. Flexible Spending Accounts

Employees may elect to designate salary reduction amounts for these accounts as provided under IRS Sections 125, 105 and/or 129. Salary reduction amounts may not exceed those limits as set forth by the City or by applicable law.

E. Long Term Disability

All affected employees shall purchase City-sponsored Long Term Disability Insurance if they have not already purchased this insurance with Wage Supplement Dollars as described in "B." above.

F. State Disability Insurance

The City continues to contract with the State of California for employees represented by this bargaining unit for SDI coverage. Such coverage is entirely employee-paid.

G. The City reserves the right at any time during the term of the agreement to make available medical, dental, life or LTD benefits under plans offered by alternate carriers or through a program of self-insurance, self-administration or claims through a third-party administrator, or a combination of the above. In the event the City wishes to exercise this option, alternate coverage shall be substantially equivalent to or greater than the coverage in effect on the date the City makes such an election, with consultation from the Plant Maintenance Association.

H. Uniforms

For classic members as defined by CalPERS, the monetary value reported to PERS as taxable income for the purchase and maintenance of uniforms shall be based on the total the cost of uniforms and maintenance divided by the number of employees that use these uniforms. The classifications below shall receive uniforms as determined by the Department.

For new members as defined by CalPERS as of January 1, 2013, the monetary value of uniforms and maintenance of uniforms will be treated in accordance with Public Employees Pension Reform Act (PEPRA).

Classification	2013 PERS Clothing Contributions
Collection System Operator I/II	\$17.88
Distribution System Operator I/II	\$17.38
Instrument Technician	\$26.12
Lead Warehouse Clerk	\$26.12
Plant & Equipment Maintenance Mechanic	\$26.12
Plant Maintenance Mechanic I	\$26.12
Plant Maintenance Worker	\$26.12
Plant Operations Maintenance Worker I/II	\$13.68

Utility Maintenance Worker (W/WW Distribution)	\$17.38
Utility Maintenance Worker (W/WW Collections)	\$17.88
Warehouse Clerk	\$26.12
Water/Wastewater Operations Technician	\$18.76

- I. Bilingual Pay shall increase to \$100 per month effective January 2016.

ARTICLE VI – LONG TERM DISABILITY

The City agrees to provide a Long-Term Disability plan to provide sixty-six and two-thirds percent (66-2/3%) of salary to a maximum of \$4,000 per month after a 60-day waiting period and exhaustion of accumulated sick leave. The City shall continue to contribute \$26.50 per month toward the plan

ARTICLE VII – RETIREMENT

- A. Pursuant to the Public Employees' Retirement System (PERS) contract with the City of Daly City, the following provisions are provided for affected employees:
- B. Classic Members: For classic members as defined by Public Employees' Retirement System (PERS) and California Public Employees' Pension Reform Act of 2013 the contract with the Public Employees' Retirement System (PERS) provides:
- Section 21354.3 - 3% @ Age 60 Formula
 - Section 20042 - One-Year Final Compensation
 - Section 21335 - Annual Cost-Of-Living Allowance Increase (3%)
 - Section 20965 - Credit for Unused Sick Leave
 - Section 21548 - Pre-Retirement Optional Settlement 2W Death Benefit
 - Section 21573 - 1959 Survivor Benefit – Third Level
 - Section 21620 - \$500 Retired Death Benefit
 - Section 21024 – Military Service Credit as Public Service
- C. New Members: For new members hired on or after January 1, 2013, as defined by Public Employees' Retirement System (PERS) and California Public Employees' Pension Reform Act of 2013 the contract with the Public Employees' Retirement System (PERS) provides:
- Section 7522.20 - 2% @ Age 62
 - Section 20037 - Three-Year Average Final Compensation

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- Section 21335 – Annual Cost-of-Living Allowance Increase (3%)
- Section 20965 – Credit for Unused Sick Leave
- Section 21573 - 1959 Survivor Benefit Level 3
- Section 21548 - Pre-Retirement Optional Settlement 2W Death Benefits
- Section 21024 – Military Service Credit as Public Service
- Section 21620 - \$500 Retired Death Benefit

D. Retiree Medical

Effective January 1, 2008, a retiring employee shall place 100% of eligible Sick Leave Cash Out (in accordance with Rule XVII, Section 6 of the Rules and Regulations of the Classified Service) into the City-sponsored Retiree Health Savings Account. This provision does not apply to employees hired on or after January 1, 2020.

The City's contribution to retiree health for qualifying annuitants will be increased annually as required under PEMHCA. For calendar year 2011, the City's monthly contribution to qualifying annuitants will be:

Employee	up to \$ 689.00
Employee + 1	up to \$ 689.00
Family	up to \$ 689.00

For employees hired on or after January 1, 2020, the retiree health benefit shall be limited to the PEMHCA minimum.

ARTICLE VIII - REIMBURSEMENT for REQUIRED CERTIFICATION

- A. Affected employees required to hold certifications as a minimum requirement of their specific classification duty statements will be reimbursed by the Department of Water and Wastewater Resources for the required renewal fees. In order to be reimbursed, employees must present a copy of the fee invoice and evidence of the satisfactory renewal(s) of their certification. Represented employees who hold a higher level certificate shall be reimbursed an amount of money equal to the required certificate renewal.
- B. Affected employees required to satisfactorily complete continuing educational units (CEUs) in order to maintain required certification will be reimbursed for the fees associated with registering and completing such units upon presentation of evidence of their satisfactory completion of the units. Prior to registration for continuing educational units, employees must have the approval of the course provider and content from the Department Head or his/her designee.

- C. Upon notification that an employee has passed a new state certification test and requirements, management will sign off on the new certificate within 30 days. This does not apply to Article VIII “Certification/Educational Incentive and Supplemental Pay” or change the interpretation of that section.

**ARTICLE IX –
 CERTIFICATION/EDUCATIONAL INCENTIVE AND SUPPLEMENTAL PAY**

The Certification/Educational Incentive and Supplemental Assignment Pay program is intended to provide an incentive for City employees to increase their technical skills in a specific field related to their assigned job classification and to prepare them for advancement when the opportunity arises.

Request for supplemental pay shall be made in writing to the Department Director via the employee’s immediate supervisor.

Employees are required to provide copies of their certification and maintain current certification status. If any section/category of the certification is not current, the employee will not be entitled to supplemental or incentive pay. The status of certifications is to be reviewed annually.

Supplemental pay will become effective on the first day of the pay period following verification of the Certificate by the City Manager or his/her designee.

A. Certification/Educational Incentive

Members of this employee association will be eligible for the following certification/educational incentive pay for possession of the following:

<u>Classification</u>	Grade	Effective 9/2017 Max 16%
Plant Maintenance Mechanic I		
Plant Maintenance Worker		
Plant & Equipment Maintenance Mechanic		
CWEA Mechanical Technologist	1	4%
	2	4%
	3	4%
	4	4%

<u>Classification</u>		Effective
Distribution System Operator I/II W/WW Operations Technician	Grade	12/1/2017 Max 20%
SWRCB Distribution Certification	1	4%
	2	4%
	3	4%
	4	4%
	5	4%

<u>Classification</u>		Effective
Collection System Operator I/II	Grade	12/1/2017 Max 16%
CWEA Collection Certification	1	4%
	2	4%
	3	4%
	4	4%

<u>Classification</u>		Effective
Instrument Technician Plant & Equipment Maintenance Electrician	Grade	12/1/2017 Max 16%
CWEA Electrical/Instrument Technician Certification	1	4%
	2	4%
	3	4%
	4	4%

The SWRCB/CWEA Certification/Educational Incentive pay shall compound from one certificate grade to the next.

B. Supplemental Pay

1. Class A California Driver's License

- Employees in the classification of Collection System Operator I or II or Distribution System Operator I or II; who possess a valid Class A California driver's, and are designated by their department to operate a vehicle(s) requiring a Class A California driver's license shall receive supplemental assignment pay at the rate of \$145 per month.

- The City agrees to reimburse employees for the cost incurred from successful completion of the California Department of Motor Vehicles (DMV), Class A California driver's license testing and renewal process.

ARTICLE X - BOOT ALLOWANCE

Effective January 2016, the City agreed to provide a reimbursement amount of \$350.00 for the purchase and/or repair of safety footwear (including socks, boot laces and inserts), as needed, subject to prior approval of the supervisor and upon presentation of a valid receipt for actual purchase.

ARTICLE XI - SAFETY EYEWEAR

Effective January 1, 2006, the City agreed to provide reimbursement for up to \$200 for every 24 month period for City approved prescription safety eye wear. Employees will be responsible for submitting a receipt for such eyewear prior to receiving reimbursement.

ARTICLE XII - HOLIDAYS

- A. Regular full-time employees shall be entitled to take the following observed holidays at full pay, not to exceed eight (8) hours for any one (1) day, provided they are in a paid status on both their regularly scheduled workdays immediately preceding and following the holiday; and provided further that employees shall be eligible for the five (5) floating holidays/forty (40) hours only upon completion of their initial probationary period.

New Year's Day	Thanksgiving Day
President's Day (celebrated)	Day after Thanksgiving Day
Memorial Day (celebrated)	Christmas Eve (last 4 hours of shift)
Independence Day	Christmas Day
Labor Day	New Year's Eve (last 4 hours of shift)

Employees shall receive the one-half day for Christmas Eve and New Year's Eve on the last regularly scheduled workday preceding the day observed as a Legal holiday for Christmas Day and New Year's Day.

Employees shall be granted floating holidays based upon the time period since floating holidays were last granted to the employee, and shall be calculated at the rate of forty (40) hours per twelve (12) months or a portion thereof on a pro-rated basis.

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In the event that a holiday falls within an employee's normally scheduled work week and he or she is required to work, the employee shall receive regular pay for time worked, plus Holiday Compensation at the rate of one and one-half times (1.5X) regular pay.

Unit members shall normally have the option of selecting compensatory time off or pay for hours worked on a holiday. However, for operational reasons, the City retains the discretion of requiring the unit member to take pay in lieu of compensatory time off.

B. Christmas Eve/New Year's Eve Time Off

Employees may, at the discretion of the Department Head,

1. Elect to work a full day at regular pay on Christmas Eve and receive a full day of holiday time off on New Year's Eve, or
2. Elect to work a full day at regular pay on New Year's Eve and receive a full day of holiday time off on Christmas Eve.

In the event an employee chooses to take a full day off on Christmas Eve with the intention of working a full day on New Year's Eve but does not work a full day on New Year's Eve, the time not worked on Christmas Eve shall be considered vacation or compensatory time off.

ARTICLE XIII - HOURS AND OVERTIME

The City agrees to permit affected employees to accrue at the discretion of the Director of Water and Wastewater Resources, compensatory time for overtime worked. Compensatory time off shall be taken within one hundred eighty (180) calendar days of the time accrued or an affected employee shall receive cash payment for said time. Affected employees shall receive cash payment for said time. Affected employees may take up to forty (40) hours of compensatory time off per calendar year subject to approval of the Director of Water and Wastewater Resources.

A. Work Week/Work Days

The regular workweek shall consist of forty (40) hours and the regular workday shall consist of either eight (8) hours, ten (10) hours, twelve (12) hours or 9/80 work schedule (total of eight nine-hour days, one eight-hour day, and one day off spread over a two-workweek period). Any existed regular schedule can be changed/adjusted at any time based on Department needs provided subject employee(s) are provided 30 days' notice is given by Management in writing.

B. Overtime

Employees working in excess of their regular work day shall be granted overtime pay or compensating time off for the time worked at the discretion of the Department Head, at time and one-half (1.5X) of the employee's base rate of pay. Employees subject to the requirements of the FLSA who work in excess of their scheduled 40-hour workweek shall be granted overtime pay at time and one-half (1.5X) of the employee's FLSA rate of pay.

C. Call-Back Minimum

Whenever an affected employee is called back to work for less than two (2) hours, the employee shall receive a minimum of two (2) hours at the rate of time and one-half.

D. Holiday Call-Back Minimum

However, when an affected employee is called back to work on a City-celebrated holiday, the callback minimum will be four (4) hours at the rate of time and one-half, effective July 1, 2007.

E. Standby

The City retains the sole discretion to assign employees to standby duties and/or to issue pagers and/or cellular telephone for the purposes of alerting employees of the necessity of call back. Employees in the Department of Water and Wastewater Resources, Distribution System Maintenance Unit, will not be mandated to standby status if there are at least four (4) qualified Distribution System Maintenance employees able to report for duty when called within an hour of said call.

Effective September 1, 2019, the daily reimbursement rate shall be \$80.00.

ARTICLE XIV – LEAVES

A. Vacation Accrual

The following leave provisions are established by the Rules and Regulations of the Classified Service of the City of Daly City and are applicable to employees in the unit.

Vacation time is accumulated in accordance with the following schedule:

<u>Accrual Rate</u>	<u>Years During Which Vacation is Earned</u>
13 days/year	Accrues from initial employment date
18 days/year	Accrues after 4th anniversary date
23 days/year	Accrues after 12th anniversary date
28 days/year	Accrues after 20th anniversary date

* For purposes of this section one working day is defined as eight (8) hours.

B. Two Hour Personal Leave

The City will continue to provide affected employees two hours of personal leave to be taken at any time during the calendar year that is agreeable to the employee and the employee's department head. Said two hours personal leave shall be taken each year pursuant to the above conditions and shall not accrue from year to year.

C. Bereavement Leave

"A maximum of five (5) working days bereavement leave may be taken for deaths occurring in the immediate family. Payment for time off will be subject to formal request to the City Manager by the employee who shall state in the request the relationship of the deceased." (The Rules and Regulations of the Classified Service, Rule 1, Definition of Terms, has been amended in the definition of Immediate Family for the purpose of Bereavement Leave to include live-in domestic partner.)

For the purposes of this section, a working day shall be defined as the number of non-overtime hours in the day that the employee is scheduled to work.

D. Sick Leave

Sick leave shall not be considered as a right which may be used at the employee's discretion, but a privilege which shall be allowed only in the case of necessity and personal sickness or disability or medical or dental treatment, and as required by law. Full-time employees shall accrue sick leave at the rate of twelve (12) working days* (ninety-six (96) hours) per year. For classifications represented by this bargaining unit, there is no maximum accrual.

Any bargaining unit employee having accumulated unused sick leave credit who is separated from employment by retiring as set forth in the Public Employees' Retirement System contract or, for reason of death or abolishment of position, shall be paid fifty percent (50%) of said employee's daily rate of pay for each day of accumulated and unused sick leave credit as of the date of said retirement, death, or abolishment of

position. The sick leave maximum accrual of 200 days shall not apply to affected classifications. However, the maximum pay out of 50% of accumulated, unused sick leave at the time of retirement, death or abolishment of position remains at a cash value not to exceed 100 days of pay.

For purposes of this section, a workday is defined as eight (8) hours.

Sick leave cash out shall be eliminated for all employees hired on or after January 1, 2020.

E. Retiree Health Savings Account

A retiring employee may place 100% of eligible Sick Leave Accrual Pay Out (in accordance with Leaves of Absence Rule XX, Section 6 of the Rules and Regulations of the Classified Service) into the City-sponsored Retiree Health Savings Account. "Sick Leave Accrual Pay Out" consists of 50 percent (50%) of said employee's daily rate of pay for each day of accumulated and unused Sick Leave credit as of the date of retirement, death, or abolishment of position.

This provision does not apply to employees hired on or after January 1, 2020.

ARTICLE XV- GRIEVANCE PROCEDURE

A grievance is defined as a condition that exists as a result of an unsatisfactory adjustment or failure to adjust a claim or dispute by an employee or employee's relative to the application or interpretation of the Rules and Regulations of the Classified Service, Departmental Rules and Regulations, Memorandum of Understanding, established policies and procedures of the City or department (whether written or oral), or a dispute or disagreement as to the facts pertaining to a disciplinary matter.

The means, manner, method or merit of any service or activity provided by law or executive order; collective issues of salary, fringe benefits, working condition subject to meeting and conferring; any disciplinary action shall not be a subject of the grievance procedure. All grievances shall be processed in accordance with the following procedure:

Step 1: No matter shall be considered a grievance until it is first taken up orally by the employee and/or the Steward with the Division Head who will attempt to settle the matter. Employee shall file said grievance within thirty (30) calendar days of the date of the incident/event or direct knowledge of the incident/event.

Step 2: If any such grievance or complaint is not settled by the procedure above described, it shall within five (5) business days be set forth in writing by the Union and submitted to the

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Division Head. Within the ten (10) business days thereafter if necessary, there shall be a meeting between the aggrieved employee, the Union Steward, and the Division Head in an attempt to settle the matter. Within five (5) business days following such meeting, the employer shall give a written reply to the Union and aggrieved employee.

Step 3: If any such grievance has not been settled by the procedure described above, it shall within ten (10) business days be set forth in writing by the Union and submitted to the Department Head. Within ten (10) business days thereafter, there shall be a meeting between the aggrieved employee, the Union Steward and the Division Head in an attempt to settle the matter. Within five (5) business days following such meeting, the employer shall give a written reply to the Union and aggrieved employee.

Step 4: If any such grievance or complaint is not settled by the procedure described above, it shall within five (5) business days be set forth in writing by the Union and submitted to the City Manager. Within ten (10) business days thereafter, there shall be a meeting between the Union Business Agent, and the City Manager in an attempt to settle the matter. Within five (5) business days following such meeting, the Employer shall give a written reply to the Union.

Step 5: If any such grievance has not been settled by the procedure described above, the grievance may within five (5) business days be submitted to the Personnel Board, if eligible as an appeal. A grievance submitted to the Personnel Board shall be processed in accordance with the Civil Service Rules. Alternatively, if both parties agree, the matter shall be submitted to fact finding as provided below in steps 6 and 7.

Step 6: Within five (5) business days following such request, the Employer, the Union Steward and the Union Business Agent shall agree on a fact finder and arrange for the time and place of fact finding. In case of disagreement on a fact finder, application shall be made to the State Mediation and Conciliation Service. The Employer and the Union shall each pay one-half (1/2) of the costs of fact finding, including the fees of the fact finder and other expenses of the fact finding proceedings, but not including compensation or cost of representation, advocacy or witness for either party.

Step 7: Power of Fact Finder. The Finding of the Fact finder shall be submitted with a recommendation to the Personnel Board or the City Council for final action. The Personnel Board or the City Council shall act on the recommendation of the fact finder within thirty (30) days following submission of the recommendation.

Business days are described above and defined as Monday through Friday and exclude defined holidays within this contract under Article XII.

At anytime the time frames listed in this section may be extended on a case by case basis by written mutual agreement of the City and the Union.

ARTICLE XVI – GENERAL PROVISIONS

A. Labor Management Committee

Immediately following the conclusion of labor negotiations the City and the Union will designate a subcommittee to meet and confer on changes to the Personnel Rules that are within the scope of bargaining. Changes to subjects that are within the scope of bargaining will not be made until the meet and confer process is completed.

B. Mandatory Direct Deposit

The parties agree that all employees will participate in mandatory direct deposit for payroll (including all compensation and vision reimbursements).

C. Layoffs

In the event that another bargaining unit receives a no layoff clause in their Memorandum of Understanding during the term of this agreement the Union has the right to reopen negotiations on this subject.

D. Notice of New Employee Information and New Employee Orientation

1. Employee Information

The following provisions will apply regarding notice of new employees:

The City shall provide the Union with an electronic list of the following information for new employees within thirty (30) days of hire:

- a. employee's full name;
- b. employee status;
- c. hire date;
- d. department;
- e. job title;
- f. hourly rate;
- g. assigned work location;
- h. work phone number
- i. personal and cell phone number if available
- j. work email address
- k. personal email address, if available; and
- l. address (home and mailing).

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In addition, the City agrees to provide an electronic list to the Union of the employee information above for all bargaining unit employees at least every one hundred twenty (120) days. In the event an employee prohibits the City from sharing an employee's information items i, k, and l, above shall not be provided.

2. New Employee Orientation

The City shall provide the Union written notice of new employee orientations (no matter how few participants, and whether in person or online) at least ten (10) business days prior to the event. Representatives of the Union shall be permitted to make a presentation of up to thirty (30) minutes, and present written materials, during a portion of the orientation for which attendance is mandatory. No representative of management shall be present during the Union's presentation. Paid release time shall be granted for stewards to participate in the new employee orientations. The Employer shall distribute at the new employee orientations a copy of this Agreement, the current salary schedule, a list of all job classifications represented by the Union.

E. Holiday Closure

The City reserves the right to close City Hall operations between December 24th and December 31st. During City Hall closure, employees will be required to use available accrued vacation, comp time, floating holidays or other applicable leave (not sick leave) or take unpaid time if accrued leave is not available.

ARTICLE XVII – COOPERATION BETWEEN PARTIES

It is hereby agreed between the parties that this Memorandum of Understanding provides for the amicable adjustment of wages, hours and conditions of employment. The Stationary Engineers, Local 39 agrees that during the term of the Memorandum of Understanding there shall be no strike, no picketing, stoppages of work for any cause, no work slow-downs, interruption of the normal conduct of the City's business, or any other job action by any of its members. The City agrees that during the term of this Memorandum of Understanding it will not engage in any lockout of its employees.

The Union agrees to jointly cooperate with the City in increasing communications between the employees and the supervisors and to improve performance and productivity.

ARTICLE XVIII– SEVERABILITY OF PROVISIONS

Should any section, clause, or provision of this Memorandum of Understanding be declared illegal by final judgment of a court of competent jurisdiction, such invalidation of such section,

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clause, or provisions shall not invalidate the remaining portions hereof, and such remaining portions shall remain in full force and effect for the duration of this Memorandum of Understanding.

In the event of such invalidation, the parties agree to meet and confer concerning substitute provisions for the provisions rendered or declared illegal.

ARTICLE XIX – FULL UNDERSTANDING

This Memorandum of Understanding constitutes a full and complete agreement by the parties on all subjects presented in negotiations for this successor agreement.

There will be no alteration or modification of any provision contained in this Memorandum without the written consent of all parties hereto.

ARTICLE XX - DURATION

Except as specifically provided, the effective date of this Memorandum of Understanding is upon ratification by both parties.

The term of this Memorandum of Understanding shall be from September 1, 2019 through August 31, 2022.

ARTICLE XXI - SIGNATORIES

Signatories of this Memorandum of Understanding between the City of Daly City and the International Union of Operating Engineers/Stationary Engineers Local 39:

REPRESENTATIVES FOR THE CITY
OF DALY CITY:



Natalie Sakkal
Director of Human Resources

11/06/20
Date

REPRESENTATIVES FOR THE
INTERNATIONAL UNION OF
OPERATING ENGINEERS -
STATIONARY ENGINEERS LOCAL 39:



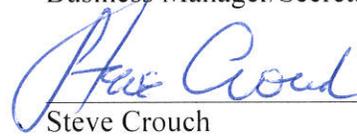
Stahly Robert Aldrich
President

Date



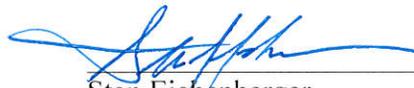
Bart Florence
Business Manager/Secretary

12/9/19
Date



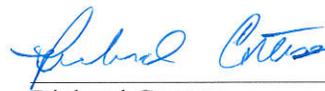
Steve Crouch
Director of Public Employees

12-9-19
Date



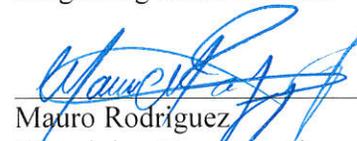
Stan Eichenberger
Business Representative/Chief Negotiator

12/3/19
Date



Richard Cortese
Bargaining Team Member

12/3/19
Date



Mauro Rodriguez
Bargaining Team Member

12/3/19
Date

APPENDIX A – BIWEEKLY SALARY SCHEDULE
 Effective September 7, 2019

Range	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
<u>P 025</u>	2178.10	2287.01	2401.36	2521.43	2647.50
A - Plant Operations Maintenance Worker I					
<u>P 028</u>	2230.97	2342.52	2459.64	2582.62	2711.76
A - Collection System Operator I					
A - Distribution System Operator I					
<u>P 029</u>	2279.53	2393.51	2513.18	2638.84	2770.78
A - Plant Maintenance Worker					
<u>P 030</u>	2367.31	2485.67	2609.96	2740.45	2877.48
A - Plant Operations Maintenance Worker II					
<u>P 032</u>	2389.24	2508.70	2634.14	2765.85	2904.14
A - Plant Maintenance Mechanic I					
<u>P 032P</u>	2424.77	2546.00	2673.31	2806.97	2947.32
A - Collection System Operator II					
A - Distribution System Operator II					
<u>P 033</u>	2472.17	2595.78	2725.56	2861.84	3004.94
A - Warehouse Clerk					
<u>P 038</u>	2656.80	2789.64	2929.13	3075.58	3229.36
A - Lead Warehouse Clerk					
<u>P 044</u>	2925.60	3071.88	3225.48	3386.75	3556.09
A - Plant & Equipment Maintenance Mechanic					
<u>P 052</u>	3248.98	3411.42	3582.00	3761.10	3949.15
A - Water & Wastewater Operations Technician					
<u>P 062</u>	3597.93	3777.82	3966.72	4165.05	4373.30
A - Instrument Technician					
A - Plant & Equipment Maintenance Electrician					

APPENDIX A-1 – BIWEEKLY SALARY SCHEDULE
 Effective September 5, 2020

Range	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
<u>P 025</u>	2243.44	2355.62	2473.40	2597.07	2726.92
A - Plant Operations Maintenance Worker I					
<u>P 029</u>	2347.92	2465.31	2588.58	2718.01	2853.91
A - Plant Maintenance Worker					
<u>P 029P</u>	2353.67	2471.36	2594.92	2724.67	2860.90
A- Collection System Operator I					
A- Distribution System Operator I					
<u>P 030</u>	2438.33	2560.24	2688.26	2822.67	2963.80
A - Plant Operations Maintenance Worker II					
<u>P 032</u>	2460.92	2583.96	2713.16	2848.82	2991.26
A - Plant Maintenance Mechanic I					
<u>P 033</u>	2546.33	2673.65	2807.33	2947.70	3095.08
A - Warehouse Clerk					
<u>P 034</u>	2558.13	2686.04	2820.34	2961.35	3109.42
A- Collection System Operator II					
A- Distribution System Operator II					
<u>P 038</u>	2736.51	2873.33	3017.00	3167.85	3326.24
A - Lead Warehouse Clerk					
<u>P 044</u>	3013.37	3164.04	3322.24	3488.35	3662.77
A - Plant & Equipment Maintenance Mechanic					
<u>P 052</u>	3427.67	3599.05	3779.01	3967.96	4166.35
A - Water & Wastewater Operations Technician					
<u>P 062</u>	3705.87	3891.16	4085.72	4290.00	4504.50
A - Instrument Technician					
A - Plant & Equipment Maintenance Electrician					

APPENDIX A-2 – BIWEEKLY SALARY SCHEDULE
 Effective September 4, 2021

Range	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
<u>P 025</u>	2310.75	2426.29	2547.60	2674.98	2808.73
A - Plant Operations Maintenance Worker I					
<u>P 029</u>	2418.35	2539.27	2666.24	2799.55	2939.53
A - Plant Maintenance Worker					
<u>P 029P</u>	2483.12	2607.28	2737.64	2874.53	3018.25
A- Collection System Operator I					
A- Distribution System Operator I					
<u>P 030</u>	2511.48	2637.05	2768.90	2907.35	3052.72
A - Plant Operations Maintenance Worker II					
<u>P 032</u>	2534.75	2661.48	2794.56	2934.29	3081.00
A - Plant Maintenance Mechanic I					
<u>P 033</u>	2622.72	2753.86	2891.55	3036.13	3187.94
A - Warehouse Clerk					
<u>P 034</u>	2698.83	2833.77	2975.46	3124.23	3280.44
A- Collection System Operator II					
A- Distribution System Operator II					
<u>P 038</u>	2818.60	2959.53	3107.51	3262.89	3426.03
A - Lead Warehouse Clerk					
<u>P 044</u>	3103.77	3258.96	3421.91	3593.00	3772.65
A - Plant & Equipment Maintenance Mechanic					
<u>P 052</u>	3616.19	3797.00	3986.85	4186.19	4395.50
A - Water & Wastewater Operations Technician					
<u>P 062</u>	3817.04	4007.89	4208.29	4418.70	4639.64
A - Instrument Technician					
A - Plant & Equipment Maintenance Electrician					