

**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE CITY OF DALY CITY  
AND  
PLANT MAINTENANCE ASSOCIATION**

September 1, 2015 through August 31, 2018

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 Plant Maintenance Association (hereinafter, "ASSOCIATION") set forth in Appendix A.

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 ASSOCIATION. The ASSOCIATION 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 - SALARIES**

- A. A 3.7% total compensation restoration effective September 12, 2015 (see Appendix B)
- B. Effective September 12, 2015, the parties agree to an on-going one percent (1%) salary increase for all bargaining members.
- C. Effective January 2, 2016, the parties agree to an on-going one percent (1%) salary increase.
- D. Effective September 10, 2016, the parties agree to an on-going two point twenty-five percent (2.25%) salary increase for all bargaining members.
- E. The parties agree to re-open contract to negotiate salary in September 2017.
- F. 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 II - 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. The City's monthly contribution will be:

Employee Only:	\$311.00
Employee + 1:	\$311.00
Employee + Family:	\$311.00

The City will increase monthly Cafeteria Plan Allowance by \$150.00 per month to all eligible members effective January 15, 2016. The monthly cafeteria allowance shall be:

Employee Only:	\$461.00
Employee + 1:	\$461.00
Employee + Family:	\$461.00

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.

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

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.

Parties agree to re-open contract to negotiate medical benefits in September 2017.

C. 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.

G. 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.

H. Short Term Disability

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.

I. 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.

J. 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
Instrument Technician	\$26.12
Plant & Equipment Maintenance Mechanic	\$26.12
Plant Maintenance Mechanic I	\$26.12
Plant Maintenance Worker	\$26.12

K. Bilingual Pay shall increase to \$100 per month January 2016.

**ARTICLE III – 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
  - 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

B. 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.

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

**ARTICLE IV –  
 CERTIFICATION/EDUCATIONAL INCENTIVE**

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

<b>California Water Environment (CWEA) Mechanical Technologist Grade</b>	<b>% effective 9/2015- 8/2016 Max 8%</b>	<b>% effective 9/2016- 8/2017 Max 12%</b>	<b>% effective 9/2017 Max 16%</b>
1	2%	3%	4%
2	2%	3%	4%
3	2%	3%	4%
4	2%	3%	4%
Max	8%	12%	16%

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

**ARTICLE VI - BOOT ALLOWANCE**

Effective September 1, 2006, the City agreed to provide a reimbursement amount of \$200.00 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. Effective January 2016, the safety footwear reimbursement amount shall increase to \$350.00.

**ARTICLE VII- 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 VIII - HOLIDAYS**

- A. Affected 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 (one-half day)
Independence Day	Christmas Day
Labor Day	New Year's Eve (one-half day)

Affected 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.

Effective April 1994, 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.

- 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.

- C. 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.

D. 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.*

E. Sick Leave 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.

F. 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.

#### **ARTICLE IX - 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.

#### **ARTICLE X – GENERAL PROVISIONS**

**A. Labor Management Committee**

1. 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. Furlough**

See Side Letter in Appendix C.

**D. 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.

- E. One Time Payment –** Following ratification and City Council approval of the contract, each member will receive a one-time payment in the amount of one thousand dollars (\$1,000).

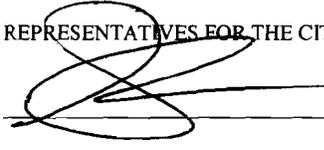
#### **ARTICLE XI - DURATION**

- A. Except as specifically provided, the effective date of this Memorandum of Understanding is upon ratification by both parties.
- B. The term of this Memorandum of Understanding shall be from September 1, 2015 through August 31, 2018.

**ARTICLE XII - SIGNATORIES**

Signatories of this Memorandum of Understanding between the City of Daly City and the Plant Maintenance Association:

REPRESENTATIVES FOR THE CITY OF DALY CITY:

  
Date 4/4/16

\_\_\_\_\_  
Date

REPRESENTATIVES FOR THE PLANT MAINTENANCE ASSOCIATION:

  
Date 03/29/2016  
03/29/2016

  
Date 5-29-16

**APPENDIX A - CLASSIFICATIONS**

PLANT MAINTENANCE ASSOCIATION CLASSIFICATIONS

1. Plant Maintenance Worker
2. Plant Maintenance Mechanic I
3. Plant & Equipment Maintenance Mechanic
4. Instrument Technician

**APPENDIX B – BIWEEKLY SALARY SCHEDULE**

Effective September 12, 2015

<b>Range</b>	<b><u>STEP 1</u></b>	<b><u>STEP 2</u></b>	<b><u>STEP 3</u></b>	<b><u>STEP 4</u></b>	<b><u>STEP 5</u></b>
<b><u>P 029</u></b>	2019.99	2120.99	2227.04	2338.39	2455.31
A - Plant Maintenance Worker					
<b><u>P 032</u></b>	2117.21	2223.07	2334.22	2450.93	2573.48
A - Plant Maintenance Mechanic I					
<b><u>P 044</u></b>	2592.50	2722.13	2858.23	3001.14	3151.20
A - Plant & Equipment Maintenance Mechanic					
<b><u>P 062</u></b>	3188.28	3347.69	3515.08	3690.83	3875.37
A - Instrument Technician					

APPENDIX C - SIDE LETTER

SIDE LETTER AGREEMENT  
BETWEEN  
THE CITY OF DALY CITY AND  
PLANT MAINTENANCE ASSOCIATION

Representatives for the City of Daly City, hereinafter "City" and representatives for the Plant Maintenance Association, hereinafter "Association" agree to the following:

The City reserves the right to implement up to two days per month of unpaid furloughs. In the event that furloughs are implemented, the City will meet and confer on the furlough impacts and effects.

If the foregoing is in accordance with your understanding, please indicate your approval and acceptance in the space provided below.

APPROVED AND ACCEPTED BY:

STAFF REPRESENTATIVES FOR  
THE CITY OF DALY CITY

Shawn Mulvaney 7/24/10

REPRESENTATIVES FOR  
PLANT MAINTENANCE ASSOCIATION

Seannet O'Leary 7-21-10  
Don Ellis 7-21-10