

MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF DALY CITY
and
TEAMSTERS LOCAL 856 - CLERICAL/TECHNICAL BARGAINING UNIT
September 1, 2015 through August 31, 2017

The adjustments to wages, hours and conditions of employment that are set forth in this Memorandum have been negotiated by and between the bargaining representatives of the City of Daly City (hereinafter, "City") and the bargaining representatives of Teamsters Local 856, Clerical/Technical Unit (hereinafter, "Union"), and shall apply to all employees of the City working in the classifications set forth in Appendix "A", as relevant to the employee's Civil Service classified and non-classified employment status.

The adjustments to wages, hours and conditions of employment that are set forth in this memorandum have been negotiated 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 bargaining representatives of the Union represent that its members have accepted and ratified all of the adjustments 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. Effective September 12, 2015, the parties agree to eliminate the 3.7% compensation concession. The elimination of this concession shall be implemented by maintaining the current employee contribution towards the employer's share of PERS and restoring 4.44% towards salary.
- B. Effective September 12, 2015, an on-going one percent (1%) salary increase for all bargaining unit members. (See Appendix B)
- C. Effective January 2, 2016, a one percent (1%) salary increase for all bargaining unit members. (See Appendix B-1).
- D. Effective September 10, 2016, a three percent (3%) salary increase for all bargaining unit members. (See Appendix B-2)
- E. City will continue to make available the Section IRC 414(h) option to affected members. Eligibility to participate and the irrevocable conditions of one-time-only election continue to be pursuant to the regulations as set forth by the Internal Revenue Service.

ARTICLE II – BENEFITS

- A. Medical Insurance Benefits
The City will continue to 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 employee's purchase of medical insurance will be:

Employee Only	up to \$769.50
Employee + 1	up to \$721.54
Employee +Family	up to \$948.13

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 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 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 agrees to offer the Teamsters Union Local 856 Health and Welfare Packages as an option available to Union members, as an alternative to the City of Daly City's health and welfare benefits.

The City will provide each eligible 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:

No Coverage:	\$225.00
Employee Only:	\$50.00
Employee + 1:	\$394.86
Employee + Family:	\$379.70
Teamsters:	\$1327.83

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

No coverage	\$375.00
Employee Only	\$200.00
Employee +1	\$544.86
Employee + Family	\$529.70
Teamsters	\$1477.83

From the Wage Supplement Dollars, employees must purchase the following qualified benefits:

- A. City-sponsored dental/orthodontic insurance or Teamsters sponsored dental plan
- B. City-sponsored life insurance (\$50,000)

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

- Medical Insurance offered by the City through the CalPERS Health Benefits Administration
- Teamsters Union Local 856 Health and Welfare Packages
- Long Term Disability Insurance offered by the City

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 6, Section A, any difference between the City's maximum monthly contribution to CalPERS under Article 6, Section A and the actual premium cost will be added to the City's Cafeteria Plan Allowance stated above.

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.

Employees who opt out of participating in the group medical plans sponsored by the City, and who provide proof of other medical coverage in a group plan, will receive a monthly Cafeteria Plan Allowance of \$375.00.

Remaining amounts of the Cafeteria Plan Allowance, if any, not used to purchase qualified benefits, will be added to employee wages. Any such amount of Cafeteria Plan Allowance and/or the amount paid in lieu of Medical Benefits and added to wages are not compensation for retirement purposes as defined by the California Public Employees Retirement System. City agrees to provide the Teamsters Union Local 856 Health and Welfare Packages, as an option available only to Union members, as an alternative to the City of Daly City's health and welfare benefits.

Domestic partners will be afforded coverage in accordance with CalPERS or Teamsters 856 Trust Fund plan rules and regulations. (Please see the providers' plan description for details.) The Teamsters 856 Trust Fund will determine eligibility for those employees who elect to receive benefits through the Teamsters 856 Trust Fund.

C. Long Term Disability

The City agrees to continue to provide a long-term disability plan to provide sixty-six and two-thirds percent (66-2/3rd's) of salary to a maximum of \$4,000 per month after a 60-day waiting period and exhaustion of accumulated sick leave. Effective September 1, 1995, the City shall continue to contribute \$26.50 per month toward the plan. Further, the City agrees to increase its contribution by 80% of any increase in the plan during the term of this agreement.

D. Vision Reimbursement Program

Effective June 9, 2008 and each calendar year thereafter, employees and their dependents are eligible for a maximum reimbursement of \$150.00 per year for frames or lenses. The reimbursement may be requested every 12 months.

E. Section 125

During the term of this agreement, Section 125 of the Internal Revenue Code provisions shall be made available to affected employees.

F. Bilingual Pay

Effective January 2016, the City agrees to provide one hundred dollars (\$100.00) per month bilingual pay to those affected employees who become certified and eligible for such pay. The City will determine the number of positions, the shifts, the eligible languages, and the standards and procedures for certification for such pay.

ARTICLE III - RETIREMENT

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 the following:

- Section 21354.3 - 3% @ Age 60
- 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

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 the following:

- 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 Third Level
- Section 21024 - Military Service Credit as Public Service
- Section 21620 - \$500 Retired Death Benefit

Employees in this group will maintain the current employee contribution of 5.51% towards the employer's share of PERS

Effective September 10, 2016, bargaining unit employees shall pay point seven five percent (0.75%) towards the employer share of the PERS contribution.

Retiree Medical

The City's contribution to retiree health for qualifying annuitants will be increased annually as required under PEMHCA. The City's monthly contribution to qualifying annuitants will be:

EE	up to \$769.50
EE + 1	up to \$721.54
Family	up to \$948.13

This amount will be increased in subsequent years, pursuant to Government Code section 22892(c), until such time as the contribution for annuitants described under Article III is equal to the contribution to employees described in Article II (A).

ARTICLE IV - STATE DISABILITY INSURANCE (SDI)

The City will continue to contract with the State of California to provide for the State Disability Insurance Plan for employees covered by this Memorandum of Understanding. State Disability Insurance is a plan solely funded by employee contributions and there shall be no contributions by the City toward State Disability Insurance.

In disability cases arising outside the course of the employee's employment, State Disability Insurance benefits and sick benefit allowances shall be paid separately, but in the event State Disability Insurance payments cover all or part of the period during which sick benefit allowances are paid, the sum of the two (2) shall not exceed the sick benefit payable for said period, and the unused portion of accumulated sick leave will continue to be credited to the employee. Integration of sick leave benefits with State Disability Insurance payments is to be automatic; the City may not waive integration, and any employee entitled to State Disability Insurance payments must apply therefore (in order that the principle of integration may be applied) before sick benefits are payable.

ARTICLE V - 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:

New Year's Day	Veteran's Day
Martin Luther King, Jr. Birthday	Thanksgiving Day
President's Day	Day after Thanksgiving Day
Memorial Day	Christmas Eve (one-half day)

Independence Day
Labor Day

Christmas Day
New Year's Eve (one-half day)

Per the City of Daly City Municipal Code, affected employees shall receive the one-half day for both 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. If a holiday falls on a Sunday such holiday will be observed on the Monday directly following the holiday. If a holiday falls on a Saturday such holiday shall be observed on the Friday directly preceding the holiday.

“In the event that any of the holidays specified in Article VIII occur while an employee is on an authorized vacation, the holiday will not be charged to vacation.”

“If an employee becomes sick during his/her vacation, such employee shall charge the period of illness against sick leave, provided that a doctor’s certificate or personal affidavit is submitted prior to such charge against sick leave.”

B. City agrees 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 in lieu of the employee taking two hours of holiday time off on the Friday before Easter. Said two hours personal leave shall be taken each year pursuant to the above conditions and shall not accrue from year to year.

C. Holiday Closure

The City reserves the right to close City Hall operations from December 24th through 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. The City will provide at least ninety (90) days’ notice of the City Hall Closure to employees.

ARTICLE VI - VACATION

Effective July 15, 1994, affected classifications began accruing vacation at a rate reflecting three (3) additional days per scheduled year in exchange for eliminating the Admission Day, Columbus Day, and Birthday holidays. Affected classifications shall be eligible to accrue paid leave as vacation at a rate in accordance with the following schedule:

<u>Completed Years of Employment</u>	<u>Vacation Schedule</u>
1 through 4	13 days
5 through 12	18 days
13 through 20	23 days
21 or more	28 days

ARTICLE VII – LEAVES

A. Sick Leave

Pursuant to the Rules and Regulations of the Classified Service, Rule XVII, Leaves of Absence, Section 6, affected classified "full time employees shall accrue sick leave at the rate of twelve (12) working days* per year. Unused sick leave may be accrued for succeeding years up to a maximum of two hundred (200) working days." Also, Rule XVII Leaves of Absence, Section 6, "Sick leave shall not be considered as a right which may be used at the employee's discretion, but a privilege which should be allowed only in case of necessity, actual disability and illness as required by law." 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 section A, a workday is defined as either seven & one half (7.5) or as eight (8) hours.

B. Bereavement Leave

A maximum of five (5) working days* bereavement leave may be taken for deaths occurring in the immediate family as defined in the Rules and Regulations of the Classified Service. Payment for time off will be subject to formal request to the City Manager by the employee who shall state the relationship to the deceased.

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

C. On-the-Job Injury Leave

Affected employees disabled by injury or illness arising out of and in the course of duty, regardless of the period of service with the City, shall become entitled to a leave of absence in accordance with Rules and Regulations of the Classified Service Rule XVII Section 9 and Chapter 2.44 of the Daly City Municipal Code regarding temporary disability

SECTION 9 ON-THE-JOB-INJURY INJURIES LEAVE

(a) Conditions

Whenever any miscellaneous City employee who is not a temporary or recurrent employee is disabled by injury or illness arising out of and in the course of duty, the employee, regardless of the period of service with the City, shall become entitled to a leave of absence without loss of salary while so disabled in lieu of temporary disability payments under worker's compensation for a period not to exceed one year. Workers' Compensation Injury Leave as follows:

1. Up to 90 calendar days of Injury Leave, either consecutive or cumulative, while so disabled, in lieu of Temporary Disability, paid at 80% of the employee's total regular gross wages. In addition, the disabled employee shall receive any cafeteria or other City paid health care benefits to which s/he is entitled.
2. After the disabled employee has received Injury Leave at 80% of gross wages pursuant to section 1 above for a period of 90 calendar days, either consecutive or cumulative, if still disabled and eligible for Temporary Disability benefits as provided in the California Workers' Compensation Act, the employee shall be compensated at the appropriate State Temporary Disability rate. In order to continue full salary, accrued sick and vacation leave may be used to supplement temporary disability payments received under the California Workers' Compensation Act. In addition, the disabled employee shall receive any cafeteria or other City paid health care benefits to which s/he is entitled. Such compensation shall continue until the employee has received disability payments under this section and section 1 above for a maximum of 365 calendar days, either consecutive or cumulative. Such entitled The Injury Leave described in sections 1 and 2 above is "Family and Medical Care Leave" Qualifying. All temporary disability indemnity payments to which the employee is entitled during the referenced period, by virtue of the City's workers' compensation insurance, must be paid to the City.
3. If after receiving 365 calendar days of Injury Leave pay as provided above the employee remains eligible for Temporary Disability benefits as provided in the California Workers' Compensation Act, the employee shall be placed in an authorized leave without pay status and shall receive Temporary Disability benefits directly from the City's Workers' Compensation Claims Administrator or Insurer, at the State mandated rate.

ARTICLE VIII - ALTERNATE WORK SCHEDULES

The City and Teamsters Local 856 Clerical/Technical Bargaining Unit members agree to cooperatively discuss and, under direction of the department head with concurrence from the City Manager, may implement pilot programs on alternative work schedules for certain affected employees during the term of this agreement. Such programs shall be reviewed and evaluated by the department head at least every six months to determine continuation or necessary changes. Evaluation shall include discussion with affected employees.

ARTICLE IX - SUPPLEMENTAL ASSIGNMENT

It is understood by the parties that assignment of an employee to supplemental duties and supplemental compensation is at the sole discretion of the City.

ARTICLE X- EDUCATION

The City agrees that affected classified and non-classified employees may be reimbursed for educational expenses of job-related courses upon prior approval by the Department Head and upon successful completion of course work.

ARTICLE XI - LIST OF EMPLOYEES

The City shall furnish to a representative designated by the Union, the name(s), classification and date of hire of employees newly appointed to the classifications set forth in Appendix "A" and employees leaving such classifications. The City, upon request of the Union, shall provide to a representative designated by the Union a list reflecting salary range for affected classifications once per year.

ARTICLE XII – STEWARDS

The Union shall be entitled to a reasonable number of stewards, who shall restrict their activities to the handling of grievances and shall be allowed a reasonable amount of time for this purpose. The Union shall notify the City Manager in writing of the names of the stewards.

Stewards shall obtain permission from their supervisors before leaving their workstations to resolve grievances. This provision shall not be used to prevent the stewards from performing their duties or obligations set forth in this section provided, however, that the use of time for this purpose shall be reasonable and shall not interfere with the requirements of the City's services, as determined by the City.

When an employee is required to meet with a supervisor and such meeting will involve questioning leading to disciplinary action, the employee shall be entitled to have a representative present upon request of the employee.

ARTICLE XIII - UNION REPRESENTATIVE

A qualified representative of the Union shall be allowed to visit the work location for the purpose of ascertaining whether or not this Memorandum of Understanding is being observed. This right shall be exercised reasonably. A qualified representative of the Union shall report to management before proceeding to the work location. S/he shall not interfere with the normal conduct of work.

Solicitation of membership and activities concerned with the internal management of the Union, such as collecting dues, holding membership meetings, campaigning for office, conducting elections and distributing literature, shall not be conducted during working hours.

City employees, the Union, or their officially designated Union representatives may, with the prior approval of the Department Head or his/her designated representative, be granted the use of City facilities during non-work hours for meetings of City employees provided space is available. All such requests shall be in writing and shall state the purpose or purposes of the meeting.

The use of equipment other than items normally used in the conduct of business meetings, such as desks, chairs, ashtrays and blackboards is strictly prohibited, the presence of such equipment in approved City facilities notwithstanding.

ARTICLE XIV - BULLETIN BOARDS

The Union shall be provided suitable space on a bulletin board at the primary work location for posting notices concerning official Union business.

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 may forfeit its right to have materials posted on a Department bulletin board.

ARTICLE XV - ACCESS TO PERSONNEL FILES

An employee or, on presentation of written authorization executed by the employee within thirty (30) days of said review, an employee's representative shall have access to the employee's personnel file upon request and at the reasonable convenience of the Personnel Department. Documentation in the personnel file relating to the investigation of a possible criminal offense, medical records, pre-employment background information, and information or letters of reference shall be specifically excluded from the inspection and review of the employee and/or the employee's representative. Personnel files shall be reviewed by the employee or his/her representative in the presence of a designated Human Resources Department representative. An employee may request a copy of materials which are not excluded from inspection and review under this section. The City will provide employees with all copies of performance evaluations and warning letters.

ARTICLE XVI – GENERAL PROVISIONS

A. Callback Pay for Police Clerks

Police Clerk I's & II's shall receive callback pay as per rule 16, section 9 of the Rules & Regulations of the Classified Service. When an affected Police Clerk I or Police Clerk II is called back to work on a City-celebrated holiday, the callback minimum will be increased to three and one half (3.5) hours at the rate of time and one-half.

B. Training Supplement

Police Records Clerk II's assigned to train new Police Records Clerk I's or II's shall receive five hours of compensatory time off for each five full shifts under such assignment. If

training assignments are for less than five shifts, compensatory time off shall be awarded pro-rata. The employee may elect to receive equivalent cash payment in lieu of compensatory time off.

C. Letters of Reprimand

Employees may request in writing to the Department Head with a copy to the Director of Human Resources that letters of reprimand which are four (4) or more years old be removed from the employee's personnel file provided the following conditions are met:

1. The Letter of Reprimand is more than 4 years old.
2. The file does not contain subsequent letters of reprimand or records of disciplinary action.
3. The employee has not been notified in writing of pending disciplinary action at the time the written request to remove said letters of reprimand.
4. The Union will be provided a copy of the Letter of Reprimand.

D. Labor/Management Committee

Personnel Rules Update-The City and the Union will continue to meet and confer on noneconomic changes to the Personnel Rules that are within the scope of bargaining. Changes that are within the scope of bargaining will not be made until the meet and confer process is completed.

E. Temporary Assignment

See Appendix C.

F. Disciplinary Appeal Procedure

See Appendix D.

G. Reclassification Process

See Appendix E.

H. Mandatory Direct Deposit

All employees will participate in mandatory direct deposit for payroll (including all compensation and reimbursements).

I. Furloughs

The City has the right to negotiate furloughs during the term of this Agreement. The City would be required to provide notice and an opportunity to negotiate furloughs. Furloughs would be implemented either by agreement between the parties or upon completion of negotiations and the impasse procedures.

J. Release Time - During the term of this Agreement the City agrees to permit Union stewards to attend up to one day of Union training. Paid release time will be provided on one occasion for up to one full shift for stewards only. This Union release time does not accumulate and may not

be carried over from year to year. This additional release time shall not continue past the expiration of this Agreement unless negotiated by the parties.

- K. Workers Compensation Language - Daly City Municipal Code Chapter 2.44 will be revised and amended to provide temporary disability benefits in accordance with Labor Code sections 4653 through 4657. The parties will work on updating contract language.
- L. Effective following ratification and approval a one-time payment of \$1,000 per member shall be provided to all bargaining unit members.

ARTICLE XVII – RECOGNITION

Teamsters Local 856 is recognized as the exclusive representative pursuant to the City of Daly City Employer-Employee Relations Resolution for all employees assigned to the classifications set forth in Appendix "A" which is attached and made a part hereof.

ARTICLE XVIII – AGENCY SHOP

A. Implementation of Agency Shop

- 1. The Union agrees that it has the duty to provide fair and non-discriminatory representation to all employees in all classes in the units for which this section is applicable regardless of whether they are members of the Union.
 - a. Agency shop was affirmatively adopted by a secret ballot election held for all members of this bargaining unit on September 20, 1994. Such election was held and conducted by the State Department of Industrial Relations, Mediation and Conciliation Service, in accordance with the established rules and procedures of such an election as provided by the Mediation and Conciliation Service.
- 2. All employees within this bargaining unit shall:
 - a. Become and remain a member of the Union, or
 - b. Pay to the Union an agency fee in an amount which may not always be less than but will never be more than an amount which may be lawfully collected under applicable constitutional, statutory, and case law made during the duration of this Memorandum of Understanding, it being understood that it shall be the sole responsibility of the Union to determine an agency fee which meets the above criteria, subject to the limitations set in Section 2.d. below; or
 - c. Do both of the following:
 - i. Present to the Union a written declaration that the employee is a member of a bona fide religion, body, or sect which has historically held a conscientious objection to

- joining or financially supporting any public employee organization, or presents a declaration that the employee registers a deep philosophical objection to joining or financially supporting a public employee organization; and
- ii. Pay a sum equal to the agency fee described above to one of three negotiated non-religious, non-labor, charitable funds that are exempt from taxation under Section 501(c)(3) of the Internal Revenue Code.
 - d. This agreement applies only to the collection of agency fees, union dues and/or authorized alternative charitable donations, and does not apply to the collection of fines, special assessments, penalties, labor action contributions, legislative support contributions, or other such charges.
3. All new employees who are hired into classifications covered by this Memorandum of Understanding on or after September 20, 1994, shall at the time of hire execute an authorization for the payroll deduction of one of the options specified in Section 2. a, b., and c. above.
 4. It shall be the duty and responsibility of the Union to notify all members of the bargaining unit, to and including new employees and re-assigned members who become members of this bargaining unit, of their agency shop participation, financial obligations, and religious, conscientious and/or philosophical options.
 5. The City shall, in all appropriate cases, implement a mandatory deduction from pay for all employees within this bargaining unit for Union dues, agency fees or exemption donations; however the City shall not be required to dismiss or otherwise discipline any bargaining unit member for failure to fulfill their obligations under agency shop.
 6. The Union shall provide the City with a copy of the Union's administrative procedure and appeal process for the determination and protest of its agency fees. The Union shall provide a copy of said administrative procedure and appeal process to every agency fee payor covered by this Memorandum of Understanding as provided in Sections C.2 and D.2.c., and annually thereafter, and as a condition to any percentage change in the agency fee, or upon request by any agency fee payor in this bargaining unit.
 7. If after all other involuntary and insurance premium deductions are made in any pay period, including medical insurance, Medicare, tax withholding, garnishment, judgment or governmental levy, and the balance is not sufficient to pay the deduction of Union dues, agency fee, or charity fee required by this Section, no such deduction shall be made for the current pay period. The City shall not hold over or accrue insufficient agency fee payments to other pay periods.
 8. The provisions of this Section shall not apply during periods that an employee is separated from the bargaining unit, but shall be reinstated upon the return of the employee to the bargaining unit. For the purpose of this Section, the term separation includes transfer out of the bargaining unit, layoff, and leave of absence without pay. All other legal and required deductions have priority over agency fee deductions.

9. Annually, the Union shall provide the Director of Human Resources with copies of the financial report which the Union annually files with the California Employee Relations Board, the United States Department of Labor (Form LM-2), or the Union's balance and operating statement for the prior year. Failure to file such a report within sixty (60) days after the end of its fiscal year shall result in the termination of all agency fee deductions without jeopardy to any employee, until such report is filed.

M. Compliance

1. New Employees

Upon request, the City shall furnish the Union with copies of "Employee Authorization for Payroll Deductions" documents related to Agency Shop or Union Dues Deductions executed by new employees. Within ten (10) workdays of hiring, the City shall provide the name of the new employees in this bargaining unit to the Union, the Union shall then promptly furnish all agency fee payors with copies of the Union's administrative procedure and appeal process, and shall provide to the City confirmation of such notification to the new employees.

2. Current Employees

- a. An employee employed in a bargaining unit that has been granted Agency Shop in accordance with Section B. above in a job class or position covered by this Memorandum of Understanding shall be provided by the City with an "Employee Authorization for Payroll Deduction" form.
- b. If the form authorizing payroll deduction is not returned to the Director of Finance within thirty (30) calendar days after receipt of notice of the Agency Shop provision and the "Employee Authorization for Payroll Deduction", the Director of Finance shall so notify the Union, providing the employee's name, address, classification, and department. The Union may then, in writing, direct that the City withhold the agency fee from the employee's salary, in which case the employee's biweekly salary shall be reduced by an amount equal to the agency fee and the City shall pay that amount withheld to the Union.
- c. Within ten (10) working days of the date current employees submit their Employee Authorization for Payroll Deduction, the Union shall provide to the City confirmation that it has furnished each agency fee payor with a copy of the Union's administrative procedure and appeal process.

3. New and Current Employees

The Union shall inform the members of this bargaining unit that the Agency Shop provisions of this Section may be revoked by the bargaining unit membership in the manner provided under Section 3502.5(b) of the California Government Code.

- N. The Union shall indemnify, defend, and save the City of Daly City, its officers, agents and employees, harmless against any and all claims, demands, suits, orders, or judgments, or other forms of liability that arise out of or by reason of this Section, or action taken or not taken by the City under this Section, and shall promptly reimburse the City for reasonable legal fees and

costs incurred by the City in responding to or defending against any claims, disputes or challenges. This includes, but is not limited to, the City's attorney fees and costs; to and including the reserved right of the City to select counsel of its own choice.

- O. The City shall use its best efforts to hand out agreed upon Union materials addressing agency shop along with the agency shop forms.

ARTICLE XIX – DUES DEDUCTIONS

Payroll deductions for membership dues shall be granted by the City Manager. The following procedures shall be observed in the withholding of employee earnings:

- A. Payroll deductions shall be for a specific amount and uniform as between employee members of the Union and shall not include fines, fees and/or assessments. Dues deduction shall be made only upon the employee's written authorization on a payroll deduction form provided by the City.
- B. Authorization, cancellation or modification of payroll deduction shall be made upon forms provided or approved by the City Manager. The voluntary payroll deduction authorization shall remain in effect until employment with the City is terminated or until cancelled or modified by the employee by written notice to the City Manager. Employees may authorize dues deductions only for the Union certified as the recognized representative of the unit to which such employees are assigned.
- C. Amounts deducted and withheld by the City shall be transmitted to the officer designated in writing by the Union as the person authorized to receive such funds at the address specified.
- D. The employee's earnings must be sufficient, after all other required deductions are made to cover the amount of the deductions herein authorized. When an employee is in an unpaid status for an entire pay period, no withholdings will be made to cover that pay period from future earnings nor will the employee deposit the amount with the City which would have been withheld if the employee had been in a paid status during that period. In the case of an employee who is in an unpaid status during a part of the pay period and the salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other required deductions have priority over the Union dues deduction.
- E. The Union shall file with the City Manager an indemnity statement wherein the Union shall indemnify, defend and hold the City harmless against any claim made and against any suit initiated against the City on account of withholding of Union dues or premiums for benefits. In addition, the Union shall refund to the City any amounts paid to it in error upon presentation of supporting evidence.

ARTICLE XX- 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, or 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 immediate supervisor who will attempt to settle the matter, and the immediate supervisor shall render a decision within three (3) working days.
- Step 2: If any such grievance or complaint is not settled by the procedure above described, it shall within three (3) working days be set forth in writing by the Union and submitted to the Division Head. Within three (3) working days thereafter, there shall be a meeting between the aggrieved employee, the Union Steward, the Union Representative, and the Division Head in an attempt to settle the matter. Within three (3) working days following such meeting, the employer shall give a written reply to the grievance.
- Step 3: If any such grievance or complaint is not settled by the procedure above described, it shall within thirty (30) working days be set forth in writing by the Union and submitted to the Department Head. Within three (3) working days thereafter, there shall be a meeting between the aggrieved employee, the Union Steward, the Union Representative, and the Department Head in an attempt to settle the matter. Within three working (3) days following such meeting, the Employer shall give a written reply to the grievance.
- Step 4: If any such grievance or complaint is not settled by the procedure above described, it shall within three (3) working days be set forth in writing by the Union and submitted to the City Manager. Within three (3) working days thereafter, there shall be a meeting between the aggrieved employee, the Union Steward, the Union Representative, and the City Manager in an attempt to settle the matter. Within three (3) working days following such meeting, the Employer shall give a written reply to the grievant.
- Step 5: If any such grievance has not been settled by the procedure described, the grievance may within seven (7) working days be submitted to the Personnel Board, if eligible under the Rules and Regulations then in effect and in accordance with Step 6 below, or to advisory arbitration in accordance with Step 7 below. The grievant has the right to select the Personnel Board process or advisory arbitration for the appeal, but may not do both.
- Step 6: The City Council shall act upon the recommendation of the Personnel Board within thirty (30) calendar days following the date of their receipt of the recommendation.
- Step 7: Advisory Arbitration. If the grievant is dissatisfied with the decision of the City Manager in Step 4, the grievant may appeal the grievance to advisory arbitration.

The request for advisory arbitration must be given in writing to the City Manager by the grievant within ten (10) working days from the date of the Step 4 answer.

An arbitrator may be selected by mutual agreement between the grievant's representative and the City's representative. Should the representatives fail to mutually agree on an arbitrator, they shall make a joint request to the California State Conciliation and Mediation Service, the American Arbitration Association, or some other source mutually agreed upon, for a list of five (5) qualified arbitrators. The parties shall each strike two (2) names from the list and the remaining person shall be accepted as the arbitrator. The first party to strike shall be determined by the flip of a coin.

The jurisdiction and authority of the arbitrator so selected and the opinions the arbitrator expresses will be confined exclusively to the interpretation of the express provision or provisions of the MOU or Rules and Regulations of the Classified Service at issue between the parties. The arbitrator shall have no authority to add to, subtract from, alter, amend, or modify any provisions of the MOU or Rules and Regulations of the Classified Service or impose any limitations or obligations not specifically provided for under the terms of the MOU or Rules and Regulations of the Classified Service.

The arbitrator shall be without power or authority to recommend any decision that would require the City or the administration to do an act prohibited by law.

The fees of the arbitrator will be born equally by the employee or employee association and the City. However, the City will reimburse up to \$15,000 towards the Teamsters Local 856 Clerical Technical Unit cost of arbitration in cases where the City Council goes against the advisory recommendation to the detriment of the employee or Association.

ARTICLE XXI - COOPERATION BETWEEN PARTIES

The Union agrees to jointly cooperate with the City in increasing communications between the employees and the supervisors and to improve performance and productivity. The City and the Union recognize the importance of employee involvement in the operations of the City.

ARTICLE XXII - SEPARABILITY 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, 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.

**APPENDIX A - TEAMSTERS, LOCAL 856 - CLERICAL/TECHNICAL UNIT
CLASSIFICATIONS**

CLASSIFIED EMPLOYEES

Office Assistant I
Office Assistant II
Office Assistant III
Cashier
Account Clerk I
Account Clerk II
Account Clerk III
Accounting Technician
Community Development Assistant
Registration Clerk
Senior Accounting Technician
Police Records Clerk I
Police Records Clerk II
Permit Assistant

NON-CLASSIFIED EMPLOYEES

Senior Center Office Assistant
Community Service Center Senior Office Assistant

APPENDIX B - BIWEEKLY SALARY SCHEDULE Z

**TEAMSTERS LOCAL 856
 CLERICAL/TECHNICAL UNIT**

Effective September 12, 2015

Range	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
<u>Z 016</u>	1844.35	1936.57	2033.40	2135.07	2241.82
A- Registration Clerk					
A- Senior Center Office Assistant					
A- Office Assistant I					
<u>Z 018</u>	1851.93	1944.52	2041.75	2143.84	2251.03
C - Police Records Clerk I					
<u>Z 022</u>	1926.18	2022.48	2123.61	2229.79	2341.28
<u>Z 023</u>	1959.80	2057.80	2160.68	2268.72	2382.16
<u>Z 024</u>	1993.59	2093.27	2197.94	2307.83	2423.22
<u>Z 025</u>	2028.93	2130.38	2236.90	2348.74	2466.18
A - Account Clerk I					
<u>Z 125</u>	2054.59	2157.32	2265.19	2378.45	2497.37
A- Community Service Center Senior Office Assistant					
A - Office Assistant II					
<u>Z 026</u>	2064.43	2167.65	2276.03	2389.83	2509.32
C - Police Records Clerk II					
<u>Z 029</u>	2166.25	2274.56	2388.29	2507.70	2633.09
A - Account Clerk II					
A - Cashier					
<u>Z 030</u>	2203.39	2313.56	2429.24	2550.70	2678.24
A - Permit Assistant					

APPENDIX B-1 - BIWEEKLY SALARY SCHEDULE Z

**TEAMSTERS LOCAL 856
 CLERICAL/TECHNICAL UNIT**

Effective January 2, 2016

Range	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
<u>Z 016</u>	1862.80	1955.94	2053.73	2156.42	2264.24
A- Registration Clerk					
A- Senior Center Office Assistant					
A- Office Assistant I					
<u>Z 018</u>	1870.45	1963.97	2062.17	2165.27	2273.54
C - Police Records Clerk I					
<u>Z 022</u>	1945.44	2042.71	2144.85	2252.09	2364.69
<u>Z 023</u>	1979.40	2078.37	2182.29	2291.41	2405.98
<u>Z 024</u>	2013.53	2114.20	2219.91	2330.91	2447.46
<u>Z 025</u>	2049.22	2151.68	2259.26	2372.23	2490.84
A - Account Clerk I					
<u>Z 125</u>	2075.14	2178.90	2287.84	2402.23	2522.34
A- Community Service Center Senior Office Assistant					
A - Office Assistant II					
<u>Z 026</u>	2085.07	2189.33	2298.79	2413.73	2534.42
C - Police Records Clerk II					
<u>Z 029</u>	2187.91	2297.31	2412.17	2532.78	2659.42
A - Account Clerk II					
A - Cashier					
<u>Z 030</u>	2225.43	2336.70	2453.53	2576.21	2705.02
A - Permit Assistant					
A - Office Assistant III					

APPENDIX B-2 - BIWEEKLY SALARY SCHEDULE Z

**TEAMSTERS LOCAL 856
 CLERICAL/TECHNICAL UNIT**

Effective September 10, 2016

Range	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>
<u>Z 016</u>	1918.68	2014.61	2115.34	2221.11	2332.17
A- Registration Clerk					
A- Senior Center Office Assistant					
A- Office Assistant I					
<u>Z 018</u>	1926.56	2022.89	2124.03	2230.23	2341.74
C - Police Records Clerk I					
<u>Z 022</u>	2003.80	2103.99	2209.19	2319.65	2435.63
<u>Z 023</u>	2038.78	2140.72	2247.76	2360.15	2478.16
<u>Z 024</u>	2073.93	2177.63	2286.51	2400.84	2520.88
<u>Z 025</u>	2110.70	2216.23	2327.04	2443.39	2565.56
A - Account Clerk I					
<u>Z 125</u>	2137.39	2244.26	2356.48	2474.30	2598.02
A- Community Service Center Senior Office Assistant					
A - Office Assistant II					
<u>Z 026</u>	2147.62	2255.01	2367.76	2486.14	2610.45
C - Police Records Clerk II					
<u>Z 029</u>	2253.55	2366.22	2484.54	2608.76	2739.20
A - Account Clerk II					
A - Cashier					
<u>Z 030</u>	2292.19	2406.80	2527.14	2653.50	2786.17
A - Permit Assistant					
A - Office Assistant III					

APPENDIX C - DISCIPLINARY APPEAL PROCEDURE

The City's disciplinary appeal procedure provides for an evidentiary hearing before the Personnel Board. The Board has the authority to make an advisory recommendation to the City Council. The City Council has final authority.

A. Personnel Board Appeal Hearing

1. If, within the five (5) day appeal period, the employee involved does not file an appeal, unless good cause for failure is shown, the action of the City Manager or Department Head shall be considered final and binding.
2. If, within the five (5) day appeal period the employee files an appeal as specified in the Letter of Disciplinary Action by sending a letter to the City Manager and copy to the Director of Human Resources, the City Manager shall instruct the Director of Human Resources to request the Personnel Board set an appeal hearing.
3. At its next regular or special meeting, the Personnel Board shall set a hearing date which shall not be more than sixty (60) days from the date of the filing of the employee's appeal. All interested parties shall be notified in writing of the date, time and place of the hearing at least ten (10) days prior to the date of the hearing.
4. All hearings shall be open unless the employee requests a closed hearing.
5. The Chairperson of the Personnel Board shall issue subpoenas at the request of either the City or the appealing employee prior to the commencement of the hearing. Subpoenas must be served at least twenty-four (24) hours prior to the time attendance is compelled.
6. The hearing need not be conducted according to technical rules relating to evidence and witnesses, except hereinafter provided. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rules which might make improper the admission of the evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence, but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing, and irrelevant and unduly repetitious evidence shall be excluded.
7. The Chairperson of the Personnel Board shall rule on the admission or exclusion of evidence.
8. Each party shall have these rights:
 - a. To be represented by legal counsel or other person of the party's choice
 - b. To call and examine witnesses
 - c. To introduce evidence
 - d. To cross examine opposing witnesses on any matter relevant to the issues
 - e. To impeach any witness regardless of which party first called the witness to testify

- f. To rebut the evidence against them
9. Oral evidence shall be taken only under Oath.
10. The hearing shall proceed in the following order unless the Chairperson, for special reason, otherwise directs:
 - a. The City shall be permitted to make an opening statement.
 - b. The employee shall be permitted to make an opening statement.
 - c. The City shall present its case in chief.
 - d. The employee may then present a defense and offer evidence in support.
 - e. The parties may then, in order respectively, offer rebutting evidence, unless the Chairperson of the Board for good reason permits them to offer evidence upon their original case
 - f. Closing arguments or briefs shall be permitted at the discretion of the Chairperson of the Personnel Board.
11. The Personnel Board shall determine the relevance, weight and credibility of testimony and evidence and shall base their findings on the preponderance of evidence.
12. The Personnel Board shall render its “Findings, Recommendations and Conclusions” as soon as possible after the conclusion of the hearing and no later than ten (10) days after conducting the hearing unless otherwise stipulated by the parties. The Board’s Decision shall set forth the recommendations as to each of the charges and the reasons therefore.
13. The Personnel Board may recommend to the City Council the sustaining or rejecting of any or all of the charges filed against the employee. The Board may recommend sustaining, rejecting, or modifying the disciplinary action invoked against the employee.

B. City Council Appeal Hearing

The decision of the Personnel Board is advisory only. The proposed decision shall be filed with City Council and served on the employee. If a suspension, dismissal or demotion is not sustained by the City Council, they shall set forth the recommended effective date the employee is to be reinstated, which may be any time on or after the date the disciplinary action went into effect. If the Council does not sustain or modifies a suspension, they shall set forth the effective dates of the modification, which may be any time on or after the date the suspension went into effect.

The matter is set before City Council at the next scheduled meeting that falls more than five days from the filing of the proposed decision. The City Council hearing shall be open unless the employee requests a closed hearing. The hearing shall consist of summary arguments by the City’s representative and the employee’s representative.

The City Council may recess to Closed Session to deliberate after the presentation of the summary arguments. The City Council announces in Public Session its determination; it may affirm, deny, or modify the Personnel Board’s recommendation. The determination of the City Council is final and binding.

APPENDIX D - PROCESS FOR RECLASSIFICATIONS

1- During November, December and January of each year, an employee may request once every thirty-six (36) months, a reevaluation of his/her job based on:

- significant changes in job content and/or
- significant discrepancies between job content and classification description, and/or
- a pay range that is significantly below labor market rates or below internal equity for the job title and/or responsibilities assigned.

The request must contain justification, and shall be made to Human Resources, who will acknowledge the request within ten (10) day of receipt.

2- Depending on the nature of the request and the information submitted, the job analysis may include such techniques as:

- Comparison of information supplied in the classification analysis to current job description
- Salary and job description survey of other cities that may have matching classifications
- Interview with incumbent, immediate supervisor, and/or department head
- Physical desk/job audit
- Analysis of similar classifications or positions in the City for equity purposes

It is the City's expectation that the job analysis will be completed within 90 days. If the City is unable to complete the job analysis within this time frame, the Union will be contacted and provided an updated date of completion.

At the City's discretion, an outside consultant may be retained to complete the reclassification analysis and make a recommendation to the City.

3- If an employee does not agree with Human Resources' draft recommendation, they can request a meeting with Human Resources within ten (10) days of receiving the determination. The Human Resources Director will respond in writing with the final recommendation no later than ten (10) days after this meeting.

4- The final recommendation will be communicated via a memo with any supporting documentation from Human Resources to the City Manager. All recommendations are subject to the City Manager's approval. In addition to the City Manager's approval, reclassifications may be subject to approval by the Personnel Board and/or City Council.

Employees in the reclassification process may have a representative present at the meeting with Human Resources regarding the reclassification results.