

Memorandum of Understanding

BETWEEN

THE CITY OF BREA

AND

**THE BREA MANAGEMENT
ASSOCIATION**

JULY 1, 2018 THROUGH JUNE 30, 2020



**Brea Civic & Cultural Center
Human Resources Division
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Brea, CA 92821
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**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF BREA
AND
THE BREA MANAGEMENT ASSOCIATION**

July 1, 2018 through June 30, 2020

This Memorandum of Understanding (MOU) is made and entered into by and between the duly authorized representatives of the City and the Brea Management Association.

A. Recitals

(i) The parties hereto have met and conferred in good faith pursuant to the Meyers-Milias-Brown Act, Government Code Section 3500, et seq., and have reached agreement on changes in wages, hours and terms and conditions of employment.

(ii) The parties hereto have agreed upon the wages, hours, and terms and conditions of employment as set forth herein in order to encourage effective recruitment and retention of well-qualified employees and to foster and reward employees' potential, performance, professional attitude, morale and pride in work. The Brea Management Association employees hereby acknowledge these expectations.

B. Agreement

Now, therefore, the parties hereto agree as follows:

ARTICLE I – RECOGNITION

Pursuant to the provisions of City of Brea Employer - Employee Relations Resolution No. 06-62, the City of Brea (hereinafter called the "City") has recognized the Brea Management Association (hereinafter called the "Association") as the majority representative of employees in the bargaining unit, which includes full-time employees in the classifications listed in Exhibit A. The parties agree to discuss unit modification opportunities during the term of this agreement.

ARTICLE II – NONDISCRIMINATION

The City and the Association agree that they shall not discriminate against any employee because of race, color, gender, age, national origin, marital status, sexual preference, political or religious affiliations, disability, except as may be required for compliance with

Federal or State law, or exercise of rights under the Meyers-Milias-Brown Act. The City and the Association shall re-open any provision of this Agreement for the purpose of complying with any final order of a Federal or State agency or court of competent jurisdiction requiring a modification or change in any provision or provisions of this Agreement in compliance with Federal or State anti-discrimination laws.

Americans with Disabilities Act

- A. Because the Americans with Disabilities Act (ADA) requires accommodations for individuals protected under the Act, and because these accommodations must be determined on an individual, case-by-case basis, the parties agree that the provisions of this Agreement may be disregarded in order for the City to avoid discrimination relative to hiring, promotion, granting permanency, transfer, layoff, reassignment, termination, rehire, rates of pay, job and duty classification, seniority, leaves, fringe benefits, training opportunities, hours of work or other terms and privileges of employment only to the extent necessary to reasonably accommodate an individual covered by the Act, who meets the minimum requirements (as defined under ADA) for the position, and who has notified the employer of his/her disability.

- B. The Association recognizes that the City has the legal obligation to meet with the individual employee to be accommodated before any adjustment is made in working conditions. Prior to disregarding any provision of the Agreement in order to undertake required accommodations for an individual protected by the Act, the City will provide the Association with written notice of its intent to disregard the provision, and will allow the Association the opportunity to meet and confer over modifications of the Agreement on a case-by-case basis. Failure to reach agreement shall not preclude the City from implementation.

- C. Any accommodation provided to an individual protected by the ADA shall not establish a past practice, nor shall it be cited or used as evidence of a past practice in the grievance/arbitration procedure.

ARTICLE III – SCHEDULING/HOURS OF WORK AND ASSIGNMENTS

Work Schedule Department Directors shall designate work schedules. The Department Director may alter the work schedule of an employee subsequent to the consideration of departmental workload, operational efficiency, and staffing considerations. The Department Director shall report any work schedule change in writing to the City Manager, where such change impacts a significant number of employees.

9/80 Work Schedule The City has implemented a structured, synchronized 9/80 work schedule. The structured, synchronized 9/80 work schedule shall consist of two (2) consecutive work periods containing the equivalent of nine (9) work days instead of ten (10) in a two (2) week period. Employees will work eight (8) days for nine (9) hours a day, and one (1) day for eight (8) hours, for a total of eighty (80) hours in two (2) consecutive work

periods.

Consistent with the City Rights Article, it shall be understood that the continuation of the structured, synchronized 9/80 work schedule shall be the sole responsibility of the City, consistent with the needs of the community. Concurrent with its obligations under the Meyers-Milias-Brown Act, the City and the Association will meet and confer at any time prior to any change, revision, or elimination of the structured, synchronized 9/80 work schedule. Failure to reach agreement on any change, revision or elimination of the structured synchronized 9/80 work schedule shall not preclude the City from implementation during the term of this Memorandum of Understanding.

ARTICLE IV – SALARY AND WAGE PLAN

Salaries

Salaries effective during the term of this MOU, are listed in Exhibit B and Exhibit C, attached hereto and made a part thereof.

The City will credit each Brea Management Association member in paid status the first full pay period after the City Council adopts the MOU a one-time non-PERSable lump sum in the amount of \$1,200.

Effective the first full payroll period commencing on or after July 1, 2019, the “base salary” of each classification shall be increased by two percent (2%).

If, during the term of this contract, any other bargaining unit with the City receives a higher total Cost of Living Adjustment (COLA) during Fiscal Year 2018/2019 or Fiscal Year 2019/2020 the higher COLA shall be provided to the Brea Management Association members effective the same date as made available to the other bargaining unit. For purposes of this clause, ‘total COLA’ shall be the cost of living adjustment minus any new CalPERS pick-up paid by the employee.

Employees who have not reached the top step of the assigned salary range for their classification shall be eligible for an annual merit increase.

SPECIAL PAYS

Vehicle Allowance

Employees who are not provided a City vehicle shall receive a vehicle allowance in the amount of \$400 per month for job-related usage of their personal vehicles except as noted below.

Employees appointed to the Emergency Medical Services Manager classification will be

provided the use of a City vehicle and will not receive a monthly vehicle allowance.

Uniform Allowance

The City shall provide an annual lump-sum uniform allowance of \$700 to employees in the following classification:

- Emergency Medical Services Manager

Uniform allowance shall be paid directly to the employee on a regularly scheduled pay day in July of each year. In order to comply with CalPERS reporting requirements for uniform allowance for Classic employees, the allowance will be reported as earned on July 1. Earned period shall be defined to mean employed with the City on July 1. Payment for the uniform allowance will be paid in the pay period which includes July 1.

New Employees – Newly appointed employees shall receive an initial uniform allowance of \$500, and shall thereafter receive the annual allowance as described above. Those hired between January and June shall have the initial \$500 prorated according to the number of months prior to July (i.e., \$500 in January or before, \$417 in February, etc., rounded to the nearest whole dollar). The amount of the allowance will be reported on the employee's first payroll for income tax purposes as required by the Internal Revenue Service.

Upon separation from City employment, employees shall be required to turn-in the uniforms to the Fire Department for reuse/reissue.

Management Incentive Pay

A division manager who is formally assigned additional management responsibilities as Deputy Director of a department will be compensated with management incentive pay, within a range of five percent (5%) to ten percent (10%), at the discretion of the Department Director and with the approval of the City Manager. The total compensation for a Deputy Director assignment, i.e., the manager's base salary plus this assignment pay, shall not exceed 95% of the applicable Department Director's salary. The duties of an assigned Deputy Director shall be determined by the Department Director.

ARTICLE V – LEAVES

Vacation Accruals

Employees shall earn and accrue vacation leave time at the following rates:

<u>Following</u>	<u>Vacation Accrual</u>
Initial Hire	80 hours/year (Approx. 3.08 hours/payroll period)
Completion of 3 Years	120 hours/year (Approx. 4.62 hours/payroll period)

Completion of 7 Years	140 hours/year (Approx. 5.38 hours/payroll period)
Completion of 13 Years	160 hours/year (Approx. 6.16 hours/payroll period)
Completion of 16 Years	175 hours/year (Approx. 6.73 hours/payroll period)
Completion of 19 Years	200 hours/year (Approx. 7.69 hours/payroll period)

In addition to the accrual rates specified above for regular full-time service, Regular Part-time service with the City of Brea, contiguous to and preceding current full-time appointment, will also be used to calculate vacation accrual rates. For each twelve (12) months of Regular Part-time service, one half (.5) year of service will be added to determine the employee's accrual rate (i.e., qualified Regular Part-time service will be credited at 50%).

Part-time service that ended with a break in continuous service, followed by a new appointment, shall not be included.

Maximum Accrual of Vacation Leave

Employees shall be entitled to accrue a maximum of 400 hours of vacation time.

Buy-Back of Vacation Leave Hours

Upon an employee's written request, the City will buy-back unused vacation hours subject to the following provisions:

- A. An employee must have used fifty-six (56) vacation hours within one (1) year prior to the date the employee is requesting a vacation buy-back.
- B. The minimum amount of each buy-back shall be forty (40) hours.
- C. An employee must maintain a minimum balance of eighty (80) hours in his/her vacation leave bank.

HOLIDAYS

The City designates twelve holidays per year as follows:

- New Year's Day, January 1
- Martin Luther King's Birthday, 3rd Monday in January
- Presidents' Day, 3rd Monday in February
- Memorial Day, last Monday in May
- Independence Day, July 4
- Labor Day, 1st Monday in September
- Thanksgiving Day, 4th Thursday in November
- Friday after Thanksgiving
- Christmas Eve, December 24
- Christmas, December 25

New Year's Eve, December 31
Floating Holiday

A holiday is considered a maximum of nine (9) hours regardless of the employee's work schedule (such as 4-10, 6-12+8, etc.). An employee who works an alternate schedule (i.e. 4-10) will need to supplement his or her holiday with another leave bank (floating, vacation or administrative leave).

Except on those years when Christmas, Christmas Eve, New Year's and/or New Year's Eve fall on a Saturday or Sunday, where it will be more efficient to use the Holiday time to "pay" for the Holiday Closure, if a holiday falls on a Sunday, the Monday following is observed. If a holiday falls on a Saturday the proceeding Friday is observed.

If a holiday falls on a day that an employee is not scheduled to work he or she will receive the equivalent hours (maximum nine (9) hours) in his/her holiday bank. If an employee works on a holiday they will be compensated at his/her regular hourly rate of pay for hours worked. If they work fewer than nine (9) hours his/her time shall be augmented by holiday time up to nine (9) hours and they shall accrue the balance of their nine (9) hours of holiday time. Example #1: An employee works five (5) hours on a holiday. They are paid for five (5) hours of regular time, four (4) of holiday time and they accrue five (5) hours of holiday time. Example #2: An employee works nine (9) hours on a holiday. They are paid for nine (9) hours of regular time and accrue nine (9) hours of holiday time.

Employees shall be in a paid status the day prior to and immediately following the holiday in order to receive holiday pay

Time off taken during any part of the Christmas/New Year's Closure (Holiday Closure) period, as designated each year, shall be accounted for by using Holiday Bank hours to the extent that Holiday Bank hours are available in the employee's Holiday Bank. Vacation and or Administrative leave time may only be used to "pay" for days within the period designated as the Holiday Closure after the employee's Holiday Bank is exhausted.

Floating Holiday. Each employee shall be granted nine (9) hours of floating holiday leave time on July 1 of each fiscal year. This time shall not be carried over from one fiscal year to the next. Newly hired employees shall be granted nine (9) hours of floating holiday leave time if hired between July 1 and December 31 of each year and four and one half (4.5) hours of floating holiday leave time if hired between January 1 and June 30 of each year.

Holiday leave shall not be carried over from one fiscal year to the next, nor may employees convert unused holiday leave to cash except upon termination of employment.

DONATION OF LEAVE TIME

Employees may donate, on an hour-for-hour basis, vacation leave time to other City employees, with a major medical condition, who have exhausted all available accrued leave time due to their major medical condition.

ADMINISTRATIVE LEAVE

Each employee shall be granted fifty-six (56) hours of administrative leave on July 1 of each fiscal year. Administrative leave is in recognition that Brea Management Association employees who, being exempt under the FLSA, are expected to work hours in excess of their normal work schedule. Administrative leave shall not be carried over from one (1) fiscal year to the next, nor may employees convert unused administrative leave to cash. Employees who are promoted, reassigned, or are new hires to the Brea Management Association, shall be granted administrative leave on a prorated basis for the remainder of the fiscal year. The City Manager may authorize additional compensatory leave at his/her discretion. Administrative leave may only be taken subject to the prior approval of the Department Director.

SICK LEAVE AND BEREAVEMENT LEAVE

Sick Leave

Employees shall earn eight (8) hours of sick leave per month. Sick leave shall be earned, commencing on the first day of employment, and shall accrue on a bi-weekly basis.

Personal Medical and Dental Appointments

Subject to the approval of the Department Director and/or his/her designee employees may utilize sick leave for personal medical and/or dental appointments.

Sick Leave Authorization Due to Death or Illness in the Immediate Family

An employee shall be allowed to use up to a maximum of forty-eight (48) hours of sick leave per calendar year due to death or serious illness in the immediate family. Immediate family as used in this Section is limited to: the employee's parents and grandparents (natural, adoptive, foster, by marriage or legal guardians), current spouse, registered domestic partner, children and grandchildren (natural, adoptive, foster, or by marriage or domestic partnership), parents-in-law (or by domestic partnership), siblings, and siblings-in-law (or by domestic partnership). In the event of death in the immediate family, a death certificate or other acceptable evidence may be required by the Department Director before the sick leave is allowed. In the event of a serious illness in the immediate family, a medical certificate from an acceptable medical authority regarding such illness and an explanation of the need for the employee's absence may be required by the Department Director. Such

leave may take travel time into consideration. The amount of sick leave used in either of these two (2) circumstances shall be reported on the appropriate leave request form.

Notification to Supervisor

Any employee needing to be absent because of sickness or other physical disability shall notify the Department Director or immediate Supervisor at least one day prior to such absence if circumstances permit, or as soon thereafter as possible. Any employee falsifying a reason for sick leave shall be subject to discipline, up to and including termination.

Bereavement Leave

An employee shall be allowed three (3) days of bereavement leave for each incident of a death of an immediate family member as defined above. This three (3) days of bereavement leave is in addition to the annual sick leave which an employee may use for death in the immediate family.

Sick Leave Conversion

Upon an employee's written request, the City will convert twenty (20) hours of his/her accrued sick leave to administrative leave subject to the approval of the Human Resources Manager and the following provisions:

- A. The employee must have accrued a minimum balance of 875 hours of sick leave in his/her sick leave bank at the time of the request.
- B. The conversion of sick leave hours to administrative leave time may occur only one (1) time per fiscal year per employee.
- C. The use of sick leave hours converted to administrative leave shall be subject to the Administrative Leave provisions of this Agreement.

OTHER LEAVES

Leave of Absence Without Pay

The Department Head or designee may grant leaves of absence without pay for a maximum of ninety (90) working days to an employee if the circumstances of the particular case warrant such leave. An employee, not under suspension, may make application for leave without pay after all available leave benefits, including vacation, administrative leave, holiday leave time, Family Care Leave, and sick leave (subject to eligibility to use sick leave) and any other leave benefits have been completely used. No employment or fringe benefits such as sick leave, vacation, retirement, or any other benefits shall accrue to any employee on leave of absence without pay; except however, the City will continue to pay the employee's medical insurance up to the current maximum allowable under the current

Flexible Benefit Plan for a maximum of three (3) months during any one leave in any twelve (12) month period while an employee is on authorized leave.

Prior to the end of a leave of absence without pay, if the employee desires additional leave, written application must be made to the City Manager stating the reasons why the additional leave is required and why it would be in the best interest of the City to grant such additional leave of absence. If, in the City Manager's opinion, such additional leave is merited and would still preserve the best interests of the City, he/she may approve such extensions of leave of absence for a period not to exceed an additional ninety (90) working days. If the employee does not return to work prior to or at the end of such leave of absence or extension of leave of absence, the City shall consider that the employee has terminated his/her employment with the City.

An employee on leave of absence must give the City at least a seven (7)-day written notice of the employee's intent to return to work.

Any employee who engages in outside employment during said leave of absence without prior notification and approval of his/her Department Director shall be subject to discipline. Any employee who falsifies the reason for the request for said leave of absence may be subject to disciplinary action.

ARTICLE VI – FRINGE BENEFITS

Flexible Benefit Plan

The City's Flexible Benefit Plan shall include for the employee and eligible dependents, City sponsored health insurance plans including medical insurance, dental insurance, and optical insurance. The Flexible Benefit Plan shall also include, for employees only, education reimbursement as permitted under federal tax law, short-term disability insurance, optional life insurance, and deferred compensation.

Effective January 1, 2016, the maximum Flexible Benefit contribution for employees enrolled in a City sponsored medical plan shall be:

Single employee	\$750 per month
Employee plus 1 dependent	\$1,225 per month
Employee plus 2 or more dependents	\$1,450 per month

For employees hired prior to January 1, 2016, in the following classifications who have elected coverage in the employee only and employee plus 1 dependent level, the City shall contribute \$100 additional dollars per month towards their Flexible Benefit Plan coverage:

Community Services Manager, Human Resources Manager, Communications and Marketing Manager, Maintenance Services Superintendent and Financial Services

Manager.

Any changes to the Flexible Benefit Plan status of the above mentioned classifications shall result in the forfeiture of the additional \$100 monthly contribution offset.

Effective the first full pay period on or after January 1, 2020, the maximum monthly Flexible Benefit contribution for employees enrolled in a City sponsored CalPERS medical plan shall be:

Single employee	\$800 per month
Employee plus 1 dependent	\$1,225 per month
Employee plus 2 or more dependents	\$1,550 per month

If, during the term of this contract, any other bargaining unit receives a net increase in the contribution to the City's Flexible Benefit Plan as defined in the MOU to an amount that is greater than the increase provided to Association members during fiscal year 2018/2019 or fiscal year 2019/2020 --the same amount and/or benefit under the same conditions provided to the other association will be made available to Brea Management Association members effective the same date as made available to the other association.

Effective January 1, 2020, any employee hired prior to January 1, 2016, in the following classifications who have elected coverage in the employee plus 1 dependent level, the City shall contribute \$100 additional dollars per month towards their Flexible Benefit Plan coverage:

Maintenance Services Superintendent and Financial Services Manager.

Effective January 1, 2020, for employees hired prior to January 1, 2016, in the following classifications who have elected coverage in the employee only level, the City shall contribute \$50 additional dollars per month towards their Flexible Benefit Plan coverage:

Community Services Manager

Any changes to the Flexible Benefit Plan status of an employee in the above mentioned classification shall result in the forfeiture of the additional \$50 monthly contribution offset.

Employees hired to full-time benefited positions with Brea on/or after April 1, 2006, who have opt out of a medical plan shall receive a \$325 contribution per month.

Employees who do not use the full amount of the Flexible Benefit contribution for optional benefits provided herein may elect to receive the remaining amount as taxable cash in the regular payroll, or to deposit the amount in a deferred compensation (457) plan.

Should the total cost of premiums for benefits selected under the Flexible Benefit Plan exceed the City's monthly contribution, the overage will be paid by the employee via payroll deductions. The City will continue to pay the one-half percent (1/2%) administrative fee for

the CalPERS Health Insurance Program medical insurance plan. If the administrative fee increases, the City shall meet and confer on the increase.

Retiree Medical Benefit

Within the monthly contribution amounts listed above, \$335 is considered to be the City's contribution toward the CalPERS Health Insurance Program for medical insurance and shall be reported to CalPERS as such. This \$335 shall be the City's contribution toward retiree medical insurance coverage. There is no opt out value for retiree medical. The parties intend that the entitlement to receive a retiree medical benefit of \$335 per month is a vested benefit for all employees hired by the City on or before June 30, 2017. The inclusion of this vesting language is to comply with the Supreme Court's decision in *M&G Polymers v. Thackett*, 135 S.Ct. 935 (2015), requiring that the intent to vest a benefit be explicitly set forth.

Effective June 30, 2017, for all new employees hired and subsequently retired from the City, the City's medical contribution towards retiree health insurance shall be the CalPERS Public Employees' Medical and Hospital Care Program (PEMHCA) minimum (as determined by CalPERS on an annual basis), not to exceed the actual cost of the plan selected. (PEMHCA minimum will be \$136 in calendar year 2019).

While participating in the CalPERS Health Plans during the term of this Agreement, should CalPERS or legislative acts redefine the designated contributions for retirees to include Flexible Benefit Plan contributions, the parties will meet and confer on an alternative method of funding active employee benefits.

Life Insurance

The City shall provide each employee with a term life insurance policy with a benefit equal to one times the individual employee's annual salary. An employee may purchase additional (optional) life insurance coverage at his/her own expense.

Long-Term Disability Insurance Plan (LTD)

The City shall provide Long-Term Disability Insurance benefits for all employees who have completed an initial probationary period and during the term of this Memorandum of Understanding.

Effective for qualifying illnesses or injuries occurring after November 1, 2008, Long-Term Disability (LTD) benefits shall equal 66-2/3% of the employee's basic monthly earnings, reduced by any deductible benefits as described in the Plan Document. For the purposes of this benefit, "basic monthly earnings" means the regular salary range step amount applicable to the affected employee (which includes certification pay and/or Bilingual compensation, if applicable), exclusive of overtime or intermittent additional compensation that may be paid in any pay period. No benefits shall be payable for the first sixty (60) calendar days of each period of total disability, or the end of the period of accumulated paid sick leave to which the employee is entitled under the City's sick leave program, whichever

is longer. After LTD benefits commence, the employee may elect to use any remaining paid leave (vacation or other accumulated leave) to supplement such benefits during the term of illness or injury leave. The amount of supplementation, in conjunction with the LTD benefit payment, shall not exceed the employee's normal payroll for the period.

Section 125 Program

The City has implemented an Internal Revenue Section 125 program which allows employees to allocate specified amounts of monthly pre-tax salary or wages for the reimbursement of health care expenses or dependent care expenses, or both. Employees who choose to participate in the program shall pay all program administration costs and/or fees.

Deferred Compensation

Employees may defer wages under the City-sponsored deferred compensation program.

Retirement Health Savings Plan (RHSP)

Contributions to an RHSP must comply with the mandatory contribution provisions provided under IRS regulations. City and Association may create or amend contribution provisions prospectively to comply.

A member of the Association who retires under CalPERS from the City of Brea with (a) ten or more years of service in Brea and (b) an accumulated vacation leave balance, at the time of separation, greater than 100 hours, shall have 100% of the accumulated vacation converted to an employer contribution to the RHSP. The amount of contribution shall be the employee's hourly rate of pay multiplied by the number of vacation hours eligible under this provision.

Employees in the following categories will contribute to their own RHSP account the amounts described below by payroll deduction:

- A. Members of the Association with less than fourteen (14) years of service to Brea shall contribute \$50 per month to the RHSP effective July 1, 2009.
- B. Members of the Association with fifteen (15) to twenty-six (26) years of service to Brea shall contribute \$100 per month to the RHSP effective May 1, 2019.
- C. Members of the Association with twenty-seven (27) or more years of service to Brea shall contribute \$150 per month to the RHSP effective July 1, 2009.

RETIREMENT

Public Employees' Retirement System (CalPERS)

All employees covered under this Memorandum of Understanding shall be members of the State of California Public Employees' Retirement System (CalPERS) and are subject to all applicable provisions of the City's contract with CalPERS, as amended.

Classic Employees - The CalPERS plan in effect for non-safety "Classic" members is known as the 2% @ 55 formula for Local Miscellaneous Members based on the three highest consecutive years.

Effective the first full payroll period beginning on or after July 1, 2016, employees hired as "Classic" Miscellaneous employees under the CalPERS definition shall pay the entire 7% CalPERS-mandated employee retirement contribution. Effective the first full payroll period beginning on or after July 1, 2017 Classic employees shall pay an additional 1% cost sharing contribution pursuant to Government Code Section 20516 for a total CalPERS employee contribution of 8%. This cost sharing contribution shall be treated as normal member CalPERS contributions to the extent provided by statute.

New Employees or New Members - Pursuant to California Public Employees' Pension Reform Act of 2013 (PEPRA), "new employees" and/or "new members" as those terms are defined in Government Code Section 7522.04 hired on or after January 1, 2013, are enrolled in the 2% at 62 retirement formula for Local Miscellaneous Members (Government Code Section 7522.20) based on the three highest consecutive years.

Pursuant to PEPRA, new employees or new members hired on or after January 1, 2013, shall pay at least 50% of the total normal cost of pension as is determined each year by CalPERS to be the employee contribution rate. Effective the first full payroll period beginning on or after July 1, 2017 new employees or new members shall pay an additional 1% contribution pursuant to Government Code Section 20516. This cost sharing contribution shall be treated as normal member CalPERS contributions to the extent provided by statute. (PEPRA normal cost rate for FY 2018/2019 is 5.75% resulting in a total CalPERS contribution of 6.75% and PEPRA normal cost rate for FY 2019/2020 is 6.25% resulting in a total CalPERS contribution of 7.25%).

Implementation of the above funding of the employee CalPERS contributions shall be accomplished by means of each affected employee incurring a payroll deduction each payroll period in the above amounts. Said payroll deductions shall be on a pre-tax basis pursuant to IRS Code Section 414 (h) (2).

1959 Survivors Benefit. The CalPERS Retirement Plan has been amended to include the Fourth Level 1959 Survivors Benefit. The employee shall pay 100% of all monthly costs of this benefit, in addition to the \$2.00 monthly cost for the basic level 1959 Survivor Benefit.

City has amended its contract with CalPERS to provide Government Code Section 21024,

Military Service Credit.

Social Security

In the event the City and its employees are required to participate in the Federal Social Security Program, the contributions designated by law to be the responsibility of the employee shall be paid in full by the employee and the City shall not be obligated to pay or "pick up" any portion thereof.

WELLNESS PROGRAM

The City shall contribute a maximum of \$500 per fiscal year for each employee towards wellness and fitness programs for the employee, including any combination as provided hereinafter. Wellness expenses that are not pre-approved prior to incurring the expense may not be reimbursed. Pre-approval is not required for Body Scans and Chiropractic or Medical Care when all other requirements are met. For ongoing Cardiovascular & Strength Training programs, only one pre-approval is required per program, you do not have to be pre-approved each year.

- A. Fitness Training or Membership Programs Reimbursable. Expenses must be pre-approved by the Human Resources Manager prior to incurring the expense. Requests for reimbursement will be paid for the fiscal year in which they are received and approved. All requests for reimbursement must be accompanied by an itemized receipt for expenses incurred showing the employee member's name and dates of the covered enrollment period. Reimbursement will be made for the current program year only. If the employee pays for more than one program year, they will receive reimbursement for the second program year twelve (12) months after the first reimbursement.
- B. Preventive or Diagnostic Heart, Stroke and Body Scanning. The City contribution shall be available for reimbursement for the costs of preventive and diagnostic medical evaluations involving scientific scanning processes and similar non-invasive techniques, which are not reimbursable under the employee's medical insurance plan. Employees must provide an itemized receipt for expenses incurred and the "Explanation of Benefits" (EOB) statement from his/her medical insurance carrier (i.e., denial of benefits).
- C. Voluntary Annual Medical Examination. The contribution shall be available to pay for medical insurance deductibles or other non-reimbursed medical expenses for a voluntary annual medical examination. The medical examination shall be conducted by a physician in active practice licensed by California State Law and within the scope of his/her practice as defined by California State Law. Employees are required to submit the cost of the medical examination through their medical insurance carrier prior to submitting a request for reimbursement from the City. An employee's request for reimbursement must be submitted to the Human

Resources Manager , and must be accompanied by an itemized receipt for expenses incurred and the “Explanation of Benefits” (EOB) statement from his/her medical insurance carrier.

- D. Unreimbursed Medical Expenses. Employees may receive reimbursement for expenses, not including insurance premiums, related to other medical care or procedures which are not covered by medical, dental, or vision care insurance, or which exceed the limits of coverage in any year, subject to evidence that the expenses were not reimbursed or covered by insurance.
- E. Weight Reduction. The City contribution shall be available for reimbursement of registration and meeting expenses for weight reduction programs. All subsequent requests for reimbursement submitted to the Human Resources Manager must be accompanied by an itemized receipt for expenses incurred, as well as verification of continued participation/attendance. Employees will not be reimbursed for the cost of food or dietary supplements included in a weight reduction program.
- F. Fitness, Cardiovascular, and Strength Training Equipment. Employees may be reimbursed for pre-approved equipment purchases by submitting proof of purchase and a signed statement that the equipment will be used by the employee for his/her personal fitness program.

Following are some examples of items that would and would not qualify for Cardiovascular & Strength Training Programs & Equipment:

Cardio/Strength Training Program Examples:

Cardio/Strength Training Equipment Examples

Qualified expenses

Non-qualified expenses

- Gym membership
- Martial arts classes
- Personal trainer
- Yoga classes
- Dance classes
- Pool memberships
- Sports leagues(hockey, football, etc.)
- Wii Fit

Qualified expenses

Non-qualified expenses

- Exercise machines (treadmill, elliptical, stationary bike, etc)
- Weights, weight Benches
- Punching bags
- Bicycles
- Equipment floor mats
- Yoga Mats
- Gym clothes and shoes
- Pedometer
- Equipment warranties
- Exercise DVDs

The Wellness Program does not reimburse for examinations or procedures for cosmetic or non-medically necessary services.

PERFORMANCE AWARD PROGRAM

Purpose and Eligibility Criteria

The City and Association have agreed to implement a Performance Award Program for qualified Association employees at top step of their salary range.

The Performance Award Program for Association employees recognizes outstanding work on a project by one or more employees, which goes beyond normal expectations of excellent job performance. The program contains various levels of recognition depending on the scope and impact of the project on the City or department.

Performance Awards should be indicative of extraordinary job performance in an employee's assigned area of responsibility or excellence in an area that is outside of the employee's normal job duties.

Eligible employees are those who are in leadership positions and who manage other employees or programs and have significant influence on the achievement of organizational objectives and City Council priorities.

The City will consider the following factors in establishing and maintaining a Performance Award Program:

1. The program gives the City the flexibility to reward exceptional managers at top step above the median of the labor market.
2. The City wants to encourage and reward exceptional performance.
3. The program is cost effective in that the Performance Award Program is not built into the base salary of the Association employee for future years and is not subject of CalPERS contributions.
4. The program improves the City's ability to recruit and retain quality Brea Management Association employees.

The goal of the Performance Award Program is to reward exceptional performance by employees in the Association. The program connects individual achievement to organizational and/or department goals and provides incentives for performance. Department Directors will consider one or more of the following traits when reviewing awards:

- Highly innovative employees
- Entrepreneurial approach to management
- Integrated into the City of Brea Community
- Ability to work across City departments (working groups)
- Demonstrates the collaborative model within their work practices
- Strong interpersonal relationships with colleagues
- Highly self-motivated and strong leadership skills
- Demonstrates creativity in management of programs

The Performance Award Program shall not change in anyway an employee's ability to meet the core expectations of their job. The program is intended to reward performance that goes far beyond what is normally expected from each employee.

Compensation

The City of Brea agrees to compensate exceptional performers in the Association up to five percent (5%) [starting at 1% minimum and increasing in increments of half a percent (0.5%) thereafter, up to a maximum of 5%] of base salary. Such compensation shall be considered a one-time bonus or incentive pay (non-PERSable) and shall occur at the end of the fiscal year. Only those employees that have reached the top step in their salary range shall be eligible for a performance award program payment provided that the employee has worked at least six (6) months at top step of the salary range.

The City and Association will meet to adjust the program schedule in order to more easily determine availability of funding for the program. The City and Association will meet no later than February 1 of each year to make a preliminary determination of the availability of fund for the program. If it is anticipated that funding will be available, an evaluation of each Association employee shall occur no later than May 1 of each year and so on from here based on the schedule described below.

It is anticipated that there will not be sufficient funding for the term of this MOU; however, the City and Association agree to meet no later than February 1, 2019, to make a final determination.

When a Department Director evaluates an employee, he/she shall obtain a self-review evaluation from the employee prior to submitting consideration for Performance Award Program recognition.

An evaluation of each Association employee shall occur no later than May 1st of each year. Once the evaluation is conducted, the Department Director of each eligible Brea Management Association employee shall notify him/her of the status of their performance award and have the Department Coordinator process a Personnel Action Form (PAF), if applicable, by May 15th of each year. A copy of the Performance Award Program evaluation shall be provided to each employee by the Department Director. Payment of the one-time performance award, if applicable, shall occur during the first full pay period on or after June 1st of each year. The performance award is subject to customary withholdings, and will be paid during a normal pay cycle. This payment shall not be subject to CalPERS contributions.

Evaluation

The Performance Award Program review cycle is aligned with the fiscal year. It shall consist of an annual performance review conducted by the Department Director in collaboration with the City Manager. The director shall evaluate each member of the Brea Management Association in their department each year in May.

A Brea Management Association Performance Award Program evaluation shall be completed for each eligible Manager by the respective Department Director and submitted to the City Manager for final review and approval. If necessary, the City Manager may decide to include other Department Directors in the evaluation process.

There shall be no limit to the number of awards given out, nor to the amount of each of the awards given up to a maximum of five percent (5%). Performance measures will be evaluated by category as follows:

1. Employee demonstrates exceptional individual performance on a project. The employee receiving this award is one who has used strong leadership skills in carrying out a major project over an extended period of time. The project had a significant impact on the City.
2. Employee demonstrates excellent individual performance on a project. The person receiving this award is one who has used strong leadership skills in carrying out a major project over an extended period of time. The project had a significant impact on the majority of City departments or the City.
3. The award recognizes the achievements of one or more individuals who have worked together to carry out a major project over an extended period of time. The project generally had a significant impact on multiple departments and often impacted the City.
4. Recognition of a larger group effort where each individual had a part in completing a major project task over an extended period of time. The project impacted the employee's department significantly and often had an impact on the City.
5. The overall performance of the employee significantly exceeded or consistently met the standards and expectations outlined by their supervisor.

ARTICLE VII - PROFESSIONAL DEVELOPMENT AND TECHNOLOGY REIMBURSEMENT

In addition to training provided by the City, each employee shall be eligible for reimbursement for college level coursework and the purchase of technology (computer-related hardware or software) compatible with City systems. Education reimbursement monies shall only be applied to the verified cost of tuition, registration, course-related books, parking and laboratory fees for the approved education program. In order to be eligible for education reimbursement for college coursework as described herein employees must have attended a college or university accredited by the Western Association of Schools and Colleges (WASC) or an equivalent accrediting organization. Tuition shall not be granted for on-line attendance or other attendances at what are referred to as "degree mills." For

purposes of this MOU only, a “degree mill” is an organization that awards academic degrees and diplomas with substandard or no academic study and without recognition by official educational accrediting bodies. These degrees are often awarded based on vaguely construed life experience. Some such organizations claim accreditation by non-recognized/unapproved accrediting bodies set up for the purposes of providing a veneer of authenticity.

Employees shall submit a request for Education Reimbursement to Human Resources a minimum of ten (10) days prior to the scheduled program start date and obtain written approval from Human Resources prior to enrolling for the desired course(s) or program. Proof of completion of the approved education program or college course work shall consist of a certificate of completion, or other verification of participation, or a college transcript showing a letter grade of "C" or better, or in cases where no letter grade is given, a certificate of completion or written proof that the college course work was completed in a satisfactory manner. Upon completion of the approved program, requests for reimbursement must be submitted to Human Resources and must be accompanied by a receipt for all eligible expenses incurred.

Reimbursements from Other Sources

If an employee receives tuition payments or refunds for college-level course work from other sources, the City will contribute the difference between the amount the employee receives from the other source and the authorized costs incurred by the employee to the maximum amount cited below.

Reimbursement Schedule

The amount of education reimbursement available annually to each employee shall be \$3,000 for the twelve (12) month period from September 1 through August 31. Up to 20% of the annual amount (i.e., \$500) may be used for non-college education, training and professional development programs. Up to \$250 of the \$500 allotted for annual professional development amount may be used for technology reimbursement. Requests for reimbursement for completed education programs will be paid for the twelve (12) month period (September 1 through August 31) in which the requests receive final approval by the Human Resources Manager.

If the amount incurred *and* submitted for reimbursement for eligible college coursework in any year exceeds the \$3,000 annual maximum, the employee may elect to carry-over the excess amount to be reimbursed in the next eligible year and paid as part of that succeeding year’s annual maximum reimbursement of \$3,000.

Each employee shall also be eligible to participate in an intensive or condensed degree program on a one-time basis in lieu of the annual course reimbursement described above. Such program, which is designed to achieve approximately two years of classroom education within a one-year time frame, may result in expenses exceeding the annual reimbursement amount. An approved course of study in an intensive or condensed

semester or degree-achievement format shall be eligible for reimbursement up to the annual maximum \$3,000, paid over a four-year period to a maximum of the actual eligible costs, or \$12,000, whichever is less. The employee must submit proof of successful course completion, and proof of payment of tuition and costs, to be eligible for reimbursement under this provision before the annual reimbursement payments will be made.

Association members currently in progress of obtaining a degree under the terms and conditions of the 2017-2018 MOU shall be grandfathered in and continue with the reimbursement provisions contained in the above mentioned reimbursement schedule.

Successor Tuition Reimbursement Program. Effective July 1, 2019 the maximum lifetime amount of education reimbursement available to each non-grandfathered employee shall be \$12,000 for a bachelor's degree and \$12,000 for master's degree (or a total of \$24,000) obtainable on a reimbursable basis with proof of completion of the degree(s) and eligible expenses. An eligible employee who had previously obtained a bachelor's degree prior to being employed with the City, shall be allowed to access the lifetime maximum of \$24,000 for use in obtaining a master's degree.

An employee may submit for a partial payment in January after the completion of 50% of the units required for the bachelor's or master's degree or with the attainment of an associate of arts or associate of science degree. The maximum available for the partial payment shall be no more than \$5,000 based on reimbursement of eligible expenses. In January after completion of the bachelors' degree or master's degree, an employee may submit for reimbursement of eligible expenses for an additional \$5,000. The employee may request reimbursement of the remaining \$2,000 for eligible expenses in the month of January a minimum of one (1) year after completion of degree. If the request for reimbursement of the remaining amount exceeds \$5,000 for a master's degree under the lifetime maximum provision, then the final amount will be reimbursed at an amount not to exceed \$5,000 per year.

Any Association employee who voluntarily elects to separate from the City shall be required to reimburse the City for all tuition reimbursements received in the 24 months preceding such separation, at the rate of 1/24th for each full month he/she separates prior to 24 months.

Up to \$750 per academic year (September 1 through August 31) of the total eligible tuition reimbursement amount may be used towards certification non-college education, training and professional development. Up to \$250 of the \$750 allotted per academic year for professional development may be used for technology reimbursement.

Professional Membership

The City may allow for the payment of membership dues in professional organizations when such membership is of mutual benefit to the employee and the City.

ARTICLE VIII – OTHER PROVISIONS

Substance Abuse Policy

It is the responsibility of all affected employees to cooperate to protect the lives, personal safety and property of co-workers and fellow citizens. The parties hereto and all affected employees shall take all reasonable steps to accomplish these goals and to minimize potential dangers.

It is in the best interest of the City, the Association, employees and the public to ensure that employees do not appear for work under the influence of drugs or alcohol, or possess illegal substances or alcohol while at work, because such conduct is likely to result in reduced productivity, an unsafe working environment, poor morale and increased potential liability to the City. "Under the influence of drugs" means the knowing use of any illegal substances or knowing misuse of a prescribed drug in a manner and to a degree that substantially impairs the employee's work performance or the ability to use City property or equipment safely.

The City pays for a counseling service for employees who have problems with drugs and/or alcohol. The City and the Association agree that every effort shall be made by the City to refer employees who have such problems to this counseling service for assistance.

The City shall, upon showing of reasonable suspicion that this policy is being violated, compel an employee who appears to be unable to perform any portion of his/her job to submit to a medical examination on City time and at the City's expense, which includes drug or alcohol screening. Refusal to submit to the test may be deemed insubordination and may subject the employee to discipline, up to and including termination. Nothing contained herein shall limit the City's right to discipline or discharge any employee.

The City shall provide training to employees and supervisors to assist them in detecting employees with possible drug or alcohol problems.

Emergency Medical Services Manager City Designation

It is understood that the classification of Emergency Medical Services Manager will be a Brea City employee but will coordinate Emergency Medical Services for both the City of Brea and the City of Fullerton.

ARTICLE IX – LABOR MANAGEMENT RELATIONSHIP

The City agrees to work with the Association to establish a labor management committee to discuss issues of mutual concern as needed.

ARTICLE X – MOU CONTRACT PROVISIONS

ENTIRE MEMORANDUM OF UNDERSTANDING

It is the intent of the parties hereto that the provisions of this Memorandum of Understanding shall supersede all prior agreements and memoranda of agreement, or memoranda of understanding, or contrary salary and/or personnel resolutions or Administrative Codes, provisions of the City, oral or written, expressed or implied, between the parties, and shall govern the entire relationship, and shall be the sole source of any and all rights which may be asserted hereunder. This Memorandum of Understanding is not intended to conflict with Federal or State Law.

FISCAL CRISIS PROVISION

The City and the Association will each have the right to request to reopen negotiations regarding wages, hours, and terms and conditions of employment and modifications that may be necessary to offset budget revenue shortfalls or increased expenditures, and each party agrees to meet and confer in good faith prior to any modifications that impact the standing provisions of this MOU. The City reserves the right to determine if, when and where layoffs may occur, but will meet and confer regarding the impact of such layoffs and bargaining unit members.

SEVERABILITY

Should any provision of this Memorandum of Understanding be found to be inoperative, void or invalid by a court of competent jurisdiction, all other provisions of this Memorandum of Understanding shall remain in full force and effect for the duration of this Memorandum of Understanding.

TERM OF MEMORANDUM OF UNDERSTANDING

This agreement shall become effective July 1, 2018, and shall remain in full force and effect through June 30, 2020.


RATIFICATION AND EXECUTION

The City and the Association acknowledge that this Amended Memorandum of Understanding shall not be in full force and effect until adopted by the City Council of the City of Brea. Subject to the foregoing, this Memorandum of Understanding is hereby executed by the authorized representatives of the City and the Association and entered into on this 7th day of May 2019.

CITY OF BREA


BREA MANAGEMENT ASSOCIATION



Mayor


Gabriel Linares, Representative

Dated: 5/9/19

Dated: 5/2/2019


Attest: City Clerk


Sean Matlock, Representative

Dated: 5/9/19

Dated: 5/2/2019

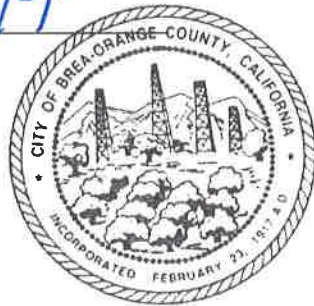


EXHIBIT A

List of Represented Classifications

EXHIBIT A

Brea Management Association

List of Represented Classifications

Building and Safety Manager

City Clerk

City Engineer

City Planner

Communications and Marketing Manager

Community Services Manager

Economic Development Manager

Emergency Medical Services Manager

Financial Services Manager

Human Resources Manager

Information Technology Manager

Maintenance Services Superintendent

Purchasing Agent

Revenue and Budget Manager

Water Distribution Superintendent

EXHIBIT B

Salary Tables
Effective July 1, 2018 – July 12, 2019

EXHIBIT B

Salary Tables Effective 07/01/2018 – 07/12/2019

<u>JOB CLASS TITLE</u>	<u>(MONTHLY)</u>	
	<u>MINIMUM</u>	<u>MAXIMUM</u>
BUILDING & SAFETY MANAGER	\$10,713.24	\$13,715.58
CITY CLERK	\$8,760.12	\$11,215.10
CITY ENGINEER	\$10,242.91	\$13,113.45
CITY PLANNER	\$10,682.57	\$13,676.32
COMMUNICATIONS & MARKETING MANAGER	\$8,960.58	\$11,471.15
COMMUNITY SERVICES MANAGER	\$8,401.20	\$10,755.60
ECONOMIC DEVELOPMENT MANAGER	\$9,494.55	\$12,155.36
EMERGENCY MEDICAL SERVICES MANAGER	\$7,499.16	\$9,600.77
FINANCIAL SERVICES MANAGER	\$8,928.87	\$11,431.15
HUMAN RESOURCES MANAGER	\$10,338.74	\$13,236.13
INFORMATION TECHNOLOGY MANAGER	\$10,345.74	\$13,245.09
MAINTENANCE SERVICES SUPERINTENDENT	\$8,145.16	\$10,427.80
PURCHASING AGENT	\$8,401.20	\$10,755.60
REVENUE AND BUDGET MANAGER	\$8,401.20	\$10,755.60
WATER DISTRIBUTION SUPERINTENDENT	\$8,958.94	\$11,469.65

EXHIBIT C

Salary Tables
Effective July 13, 2019 – June 30, 2020

EXHIBIT C

Salary Tables Effective 07/13/2019 – 06/30/2020

<u>JOB CLASS TITLE</u>	<u>(MONTHLY)</u>	
	<u>MINIMUM</u>	<u>MAXIMUM</u>
BUILDING & SAFETY MANAGER	\$10,927.51	\$13,989.89
CITY CLERK	\$8,935.32	\$11,439.41
CITY ENGINEER	\$10,447.77	\$13,375.71
CITY PLANNER	\$10,896.22	\$13,949.85
COMMUNICATIONS & MARKETING MANAGER	\$9,139.79	\$11,701.18
COMMUNITY SERVICES MANAGER	\$8,569.22	\$10,970.71
ECONOMIC DEVELOPMENT MANAGER	\$9,684.44	\$12,398.47
EMERGENCY MEDICAL SERVICES MANAGER	\$7,649.15	\$9,792.79
FINANCIAL SERVICES MANAGER	\$9,107.44	\$11,659.77
HUMAN RESOURCES MANAGER	\$10,545.51	\$13,500.85
INFORMATION TECHNOLOGY MANAGER	\$10,552.65	\$13,509.99
MAINTENANCE SERVICES SUPERINTENDENT	\$8,308.06	\$10,636.36
PURCHASING AGENT	\$8,569.22	\$10,970.71
REVENUE & BUDGET MANAGER	\$8,569.22	\$10,970.71
WATER DISTRIBUTION SUPERINTENDENT	\$9,138.12	\$11,699.04

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