

**AMENDMENT TO THE AGREEMENT
BETWEEN
CITY OF CAPITOLA AND
MID-MANAGEMENT EMPLOYEES**

WHEREAS, the City of Capitola (City) and the Mid Management Employees, (collectively, the Union) have a Memorandum of Understanding; and

WHEREAS, the City and the Union have an existing MOU with a term that began on July 1, 2012 and expires on June 30, 2018; and

WHEREAS, the positions of Environmental Program Manager and Building Official are considered professional positions; and,

WHEREAS, professional positions are considered exempt under Fair Labor Standards Act (FLSA); and,

WHEREAS, exempt employees are not entitled to overtime compensation and are therefore eligible for administrative time off.

IT IS HEREBY AGREED, SECTION 1, article 3 of the Mid-Management Employees Memorandum of Understanding shall be modified to reflect these changes.

SECTION I. WAGE SCHEDULES/HOURLY RATES/EMPLOYEE STATUS

3. Overtime

All employees within the Mid-Management unit, except for the position of Senior Planner, Senior Accountant, Environmental Projects Manager, and Building Official which are exempt from FLSA, are hourly employees and can accrue overtime subject to the laws, rules, regulations and any other MOU provisions of the City, state and federal government.

The normal regular work week commences on Sunday and consist of forty (40) hours except that the regular work week of public works department personnel engaged in maintenance activities shall be as approved by the City Manager. Except for employees exempt under the FLSA, overtime will be compensated at the rate of one and one-half times the base rate of pay for all hours worked over 40 hours per week in a workweek. Such additional compensation shall, at the employee's election, be either in cash or compensatory time off, in accordance with Labor Code section 204.3.

With regard to this section "hours worked" shall not include sick leave. Nor shall such a definition include vacation or compensated leave time off not scheduled in advance by at least ten working days. "Hours Worked" shall also not include workers compensation time off unless immediate treatment is required on the date of injury for the injury incurred, in which case overtime is allowed providing the overtime accrued is an extension of the workday and the hours worked for the week exceed 40 hours.

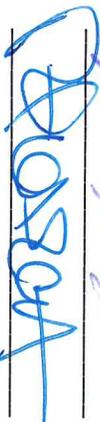
The position of Senior Planner, Senior Accountant, Environmental Projects Manager, and Building Official are professional positions exempt under FLSA, and therefore not entitled to overtime compensation. An Employee filling exempt positions are entitled to ten days per year of administrative time off. Administrative leave is non-cumulative. It may not be converted to cash. One year's worth of Administrative Leave becomes available on the first day of the calendar year. The exception is persons hired mid-year, in which case administrative leave is prorated for the applicable period. (Reso. #3486).

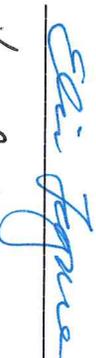
Attachment: Amendment to the Mid-Management Employees MOU (1415 : Amendment to Mid Management MOU)

Mid Management Employees











City of Capitola


Jamie Goldstein, City Manager
Dated: 6/2/16







Dated: 6-9-16

RESOLUTION NO. 4025

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA ELIMINATING THE FACILITIES MAINTENANCE SUPERVISOR, PARKS MAINTENANCE SUPERVISOR, SPORTS COORDINATOR, CLASS COORDINATOR, AND POLICE RECORDS CLERK CLASSIFICATIONS AND APPROVING THE ADDITION OF FIELD SUPERVISOR, RECREATION COORDINATOR AND POLICE RECORDS TECHNICIAN CLASSIFICATIONS AND MODIFYING JOB DESCRIPTION FOR ACCOUNT TECHNICIAN; AMENDING SALARY SCHEDULES AND JOB DESCRIPTIONS; AMENDING THE MEMORANDA OF UNDERSTANDING BETWEEN THE ASSOCIATION OF CAPITOLA EMPLOYEES (ACE), MID-MANAGEMENT EMPLOYEES AND THE CITY OF CAPITOLA TO ADD THE NEW CLASSIFICATIONS, RELATED SALARY SCHEDULES AND BENEFITS EFFECTIVE JULY 5, 2015

WHEREAS, Section 2.44.030 of the Capitola Municipal Code establishes the City Manager as the Personnel Officer, and authorizes him to prepare class specifications which shall become effective upon City Council approval; and

WHEREAS, the Department of Public Works has Facilities Maintenance Supervisor and Parks Maintenance Supervisor classifications, which will be replaced by a single Field Supervisor Classification to improve organization structure and departmental reporting; and

WHEREAS, Recreation Department has Sports Coordinator and Class Coordinator classifications, which will be replaced by a single Recreation Coordinator to allow for more flexibility with the changes in the Recreation Department; and

WHEREAS, the Police Department has a Records Clerk classification will be replaced by a Police Records Technician classification to better reflect current duties and classification titles; and

WHEREAS, new job descriptions for the classifications Field Supervisor, Recreation Coordinator, Police Records Technician, and Account Technician are attached as Exhibit "A", Exhibit "B", Exhibit "C", and Exhibit "D" herein and incorporated by reference.

NOW, THEREFORE, BE IT HEREBY RESOLVED by the City Council of the City of Capitola as follows:

- 1) The Sports Coordinator, Class Coordinator and Records Clerk classifications of the Association of Capitola Employees (ACE) Memorandum of Understanding are hereby deleted;
- 2) The Parks Maintenance Supervisor and Facilities Maintenance Supervisor classifications of the Mid-Management Employees Memorandum of Understanding are hereby deleted;
- 3) The addition of Classifications of Recreation Coordinator, Police Records Clerk and Field Supervisor and the job descriptions for those classifications, Exhibits A and B and C attached hereto, are approved;
- 4) The updating of the Account Technician classification job description, Exhibit D attached hereto, is approved;

- 5) The Association of Capitola Employees (ACE) Memorandum of Understanding is amended to add Class Coordinator and Police Records Technician classifications and salary schedules as listed below to become effective July 5, 2015:
- 6) The Mid-Management Employees Memorandum of Understanding is amended to add Field Supervisor classification and salary schedule as listed below to become effective July 5, 2015:

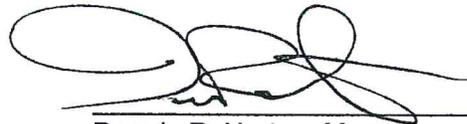
	A	B	C	D	E
FIELD SUPERVISOR	\$5120	\$5376	\$5645	\$5928	\$6224
RECREATION COORDINATOR	\$3560	\$3738	\$3925	\$4122	\$4327
POLICE RECORDS TECHNICIAN	\$3624	\$3805	\$3995	\$4195	\$4405

- 7) All existing employees working in the Maintenance Worker 3 classification in the Public Works Department shall be classified at the Field Supervisor classification;
- 8) All existing employees working in the Sports Coordinator and Class Coordinator classification shall be classified at the Recreation Coordinator classification;

All existing employees working in the Records Clerk classification shall be classified at the Police Records Technician.

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 25th day of June, 2015, by the following vote:

- AYES:** Council Members Bertrand, Harlan, Termini, Bottorff, and Mayor Norton
- NOES:** None
- ABSENT:** None
- ABSTAIN:** None



Dennis R. Norton, Mayor

ATTEST:



_____, CMC
Susan Sneddon, City Clerk

RESOLUTION NO. 4022

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CAPITOLA
 APPROVING A NEW CLASSIFICATION AND AMENDING THE JOB DESCRIPTION FOR
 THE POSITION OF SENIOR MECHANIC, AND AMENDING THE MEMORANDUM OF
 UNDERSTANDING BETWEEN THE MID-MANAGEMENT EMPLOYEES BARGAINING
 GROUP AND CITY OF CAPITOLA ADDING THE SENIOR MECHANIC POSITION AND
 RELATED SALARY SCHEDULE AND BENEFITS EFFECTIVE JULY 1, 2015**

WHEREAS, Section 2.44.030 of the Capitola Municipal Code establishes the City Manager as the personnel officer, and authorizes him to prepare class specifications which shall become effective upon Council approval; and

WHEREAS, the Capitola City Council discussed the work program and level of staff resources of the Public Works Department during the Fiscal Year 2014-2015 Budget, and authorized the creation and funding of an Senior Mechanic position; and

WHEREAS, the position and job description was approved in the Fiscal Year 2014-2015 Budget by the City Council without the accompanying required Resolution, and

WHEREAS, an amended job description for the classification of Senior Mechanic is attached as Exhibit "A" and herein incorporated by reference; and

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Capitola does hereby approve the amended job description for the classification of Senior Mechanic, which will be placed in the Mid-Management Employees Group and will be Fair Labor Standard Act (FLSA) Non-Exempt.

BE IT FURTHER RESOLVED by the City Council that the Mid-Management Employees Group Memorandum of Understanding be amended to include the Senior Mechanic classification and salary as listed below effective July 1, 2015.

	A	B	C	D	E
SENIOR MECHANIC	\$4,758	\$4,996	\$5,246	\$5,508	\$5,783

I HEREBY CERTIFY that the foregoing resolution was passed and adopted by the City Council of the City of Capitola on the 11th day of June, 2015, by the following vote:

AYES: Council Members Bertrand, Harlan, Termini, Bottorff, and Mayor Norton

NOES: None

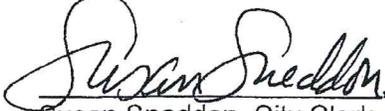
ABSENT: None

ABSTAIN: None



Dennis Norton, Mayor

ATTEST:

 CMC
Susan Sneddon, City Clerk

**SIDE LETTER
BETWEEN CITY OF CAPITOLA AND
THE CAPITOLA MID-MANAGEMENT EMPLOYEES**

WHEREAS, the City of Capitola (City) and Mid-Management employees have met and conferred in good faith regarding California Public Employees' Retirement rate increases; and

WHEREAS, the City and the Mid-Management Employees have previously agreed on an MOU with a term beginning on July 1, 2013, and expiring on June 30, 2018; and

WHEREAS, California Public Employees' Retirement System rates for City of Capitola employees are scheduled to increase much faster than previously anticipated; and

WHEREAS, It was determined that the rate increases were going to significantly impact the City's ability to retain and recruit high quality employees.

IT IS HEREBY AGREED AS FOLLOWS: Section III.2 of the Mid-Management Employees MOU shall be amended to read:

PERS

The City participates in the California Public Employees' Retirement System (PERS). Benefits provided are detailed in separate publications, depending upon the plan. For all employees hired prior to July 1, 2012, the City provides 2.5% at 55 Retirement Plan for non-sworn employees, with the single-highest year option.

For all eligible employees hired prior to July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, Miscellaneous employees will contribute 11.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, Miscellaneous employees will contribute 11.292% of their reportable salary to PERS plus an additional percentage tied to the Wage Increase defined in Section I of the Mid-Management MOU. If the Pay Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS. For example, if the Wage Increase on July 1, 2016 was 2.8%, the Non-Sworn employees would contribute 12.292% (11.292% + 1%) starting July 1, 2016. If the Wage Increase was 3.2% the Non-Sworn employees would contribute 12.492% (11.292% + 1.2%) starting July 1, 2016.

Effective the first full pay period in July 2017, Miscellaneous employees will contribute to PERS the amount effective June 30, 2017 plus an additional percentage tied to the Wage Increase defined in Section I of the Mid-Management MOU. If the Wage Increase is 3.0% or less, employees will contribute an additional 1% of their reported salary to PERS. If the Pay Increase is greater than 3.0% and less than or equal to 3.5%, the employees will contribute an additional 1% plus the amount greater than 3.0% to PERS.

For all eligible Miscellaneous employees hired on or after July 1, 2012, the employee contribution to the PERS retirement system will be the following:

Effective June 21, 2015, eligible Non-Sworn employees hired on or after July 1, 2012, will contribute 15.292% of their reportable salary to PERS.

Effective the first full pay period in July 2016, eligible Non-Sworn employees hired on or after July 1, 2012 will contribute the same percentage of their reportable salary as those hired prior to July 1, 2012.

In 2007, the City implemented a cost-sharing benefit that consists of the City paying 8% of the normal Classic Miscellaneous member's contributions as Employer Paid Member Contributions (EPMC), with additional cost sharing contributions not to exceed a total of 16.259% through June 30, 2019. The City agrees to report the value of the Employer Paid Member Contributions as salary for retirement benefit plan purposes. Deductions made by employees on the employer rate will be made pre-taxed as provided under IRS Code Section 414(h) and as allowed under Government Code 20516.

For new Miscellaneous employees hired by the City of Capitola on or after January 1, 2013, and who do not qualify as classic members as defined by PERS, PERS has by statute implemented a 2.0% @ 62 pension formula, based on a three year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by PERS.

Mid Management Employees

City of Capitola

Mark Sullivan

[Signature]

Kate Carter

[Signature]

Eli Segura

[Signature]

Dated: 5/8/2015

[Signature]
Jamie Goldstein, City Manager

Dated: 6/1/15

**MEMORANDUM OF UNDERSTANDING
 BETWEEN
 MID-MANAGEMENT EMPLOYEES AND CITY OF CAPITOLA
 PERIOD
 7/01/2012 to 6/30/18
 AMENDED 12/12/13
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**MID-MANAGEMENT EMPLOYEES
MEMORANDUM OF UNDERSTANDING**

This Memorandum of Understanding (MOU) is made and entered into between the City of Capitola (hereinafter referred to as "City") and the Mid-Management employees. Classifications covered by this MOU are: Associate Planner, Housing and Redevelopment Project Manager, Senior Planner, Maintenance Superintendent, Parks Maintenance Supervisor, Recreation Supervisor, Streets and Facilities Maintenance Supervisor, Building Official, Environmental Programs Manager and Senior Accountant. This MOU shall be in effect for the period beginning on July 1, 2012 and ending on June 30, 2018 and shall be effective upon ratification by the bargaining unit and approval by the Capitola City Council.

In exchange for the City moving the previously agreed upon COLA up to the first full pay period of January 2014, from July 2014, the Union has agreed to extend the existing terms and conditions of the agreement an additional three years with the same salary and health care increases as the Police Officers Association's Memorandum of Understanding which expires on June 30, 2018.

SECTION I. WAGE SCHEDULES/HOURLY RATES/EMPLOYEE STATUS

The wage schedule attached to this Memorandum of Understanding sets forth the base pay, subject to such adjustments (such as longevity pay) as are specifically set forth in this MOU. Letters "A" to "E" have been used to designate the respective pay steps for each position. The rates contained in the wage schedule are base salary rates and do not include overtime or benefits.

The City will compile and average the San Francisco – Oakland – San Jose Consumer Price Index (all urban consumers) reported CPI for January 2013 through October 2013* See a below. If the resulting figure for averaged CPI is greater than 0%, that figure shall be used as the percentage for salary increase for members of the unit, effective first full pay period in July, 2014 through the pay period ending July 5th 2014.

a. Effective the first full pay period of July 2014, the salary range for each classification in this Unit shall be readjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2013.

b. Effective the first full pay period in July 2015, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2014 up to a maximum of 3.5%.

c. Effective the first full pay period in July 2016, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 =

100 for All Urban Consumers, Annual Average January - December changes for calendar year 2015 up to a maximum of 3.5%.

d. Effective the first full pay period in July 2017, the salary range for each classification in this Unit shall be adjusted based on the U.S. Department of Labor, Bureau of Labor Statistics, San Francisco-Oakland-San Jose Consumer Price Index, All Items 1982-84 = 100 for All Urban Consumers, Annual Average January - December changes for calendar year 2016 up to a maximum of 3.5%.

A. Merit Pay

A merit pay advancement for an employee shall become effective on the first day of the pay period in which the minimum length of service has been satisfactorily completed.

When an employee has not been approved for advancement to the next higher wage step, the employee shall be reconsidered for such advancement after the completion of either three months of additional service, or after a period of three to six months of additional service if the supervisor concludes that three months will be insufficient time to evaluate whether the performance deficiencies that led to the denial of the step increase have been adequately addressed. At the time a step increase is denied, the supervisor shall identify in writing the timing of reconsideration of the step increase. An employee whose step increase is denied shall also be advised in writing (typically in a performance evaluation) of the reason(s) why the step increase was denied. Grants and denials of step increases shall be on a merit basis only.

Regardless of whether subsequent reconsideration of a denial of a step increase does or does not result in a step increase, the employee's annual review date shall be as originally designated.

1. Service

The word "service" as used in this Memorandum of Understanding means continuous full-time service in the position in which the employee is being considered for salary advancement, service in a higher position, or service in a position allocated to the same salary schedule and having generally similar duties and requirements. A lapse of service of any employee for a period of time longer than thirty days by reason of resignation or discharge shall serve to eliminate the accumulated length of service time of such employee, and any such employee re-entering the service of the City shall be considered as a new employee, unless another standard is established by the personnel rules, in which case that standard shall apply.

2. Types of Appointment: For all types of appointments refer to the personnel rules except for Acting Appointments.

Acting appointment may be either full-time or part-time, as established by the City Manager. An acting appointment occurs when an employee is temporarily assigned to, and performs all duties of a position other than the position he/she normally occupies or when an employee is assigned an acting appointment pending evaluation of the employee's ability to perform the duties of the position. While serving under an acting appointment, an employee will receive additional compensation as determined by the City Manager. Such pay will be no less than 5% above the employee's regular compensation. It may be up to, but ordinarily will not be in excess of the first step of the position occupied.

3. Overtime

All employees within the Mid-Management unit except for the position of Senior Planner and Senior Accountant which are exempt from FLSA, are hourly employees and can accrue overtime subject to the laws, rules, regulations and any other MOU provisions of the City, state and federal government.

The normal regular work week commences on Sunday and consist of forty (40) hours except that the regular work week of public works department personnel engaged in maintenance activities shall be as approved by the City Manager. Except for employees exempt under the FLSA, overtime will be compensated at the rate of one and one-half times the base rate of pay for all hours worked over 40 hours per week in a workweek. Such additional compensation shall, at the employee's election, be either in cash or compensatory time off, in accordance with Labor Code section 204.3.

With regard to this section "hours worked" shall not include sick leave. Nor shall such a definition include vacation or compensated leave time off not scheduled in advance by at least ten working days. "Hours Worked" shall also not include workers compensation time off unless immediate treatment is required on the date of injury for the injury incurred, in which case overtime is allowed providing the overtime accrued is an extension of the workday and the hours worked for the week exceed 40 hours.

The position of Senior Planner and Senior Accountant are professional positions exempt under FLSA, and therefore not entitled to overtime compensation. An Employee filling exempt positions are entitled to ten days per year of administrative time off. Administrative leave is non-cumulative. It may not be converted to cash. One year's worth of Administrative Leave becomes available on the first day of the calendar year. The exception is persons hired mid year, in which case administrative leave is prorated for the applicable period. (Reso. #3486)

4. Effective Date of Pay Increase

A merit pay advancement for an employee shall become effective on the first day of the pay period in which the minimum length of service has been satisfactorily completed.

Any other mid-pay period payroll adjustments will occur at the beginning of the pay period in which the adjustments falls for all odd numbered calendar years; and, at the beginning of the following pay period for the even number calendar years

SECTION II: LEAVE PROVISIONS

1. Vacation

a. Vacation Accrual

Vacation accrues on a prorated basis, based upon a 30-day month. The rates of accrual are as follows:

<u>Years of Employment</u>	<u>Vacation Days</u>
1 and 2	12
3 and 4	14

5 through 9	17
10 through 19	22
20 and higher	27

b. Accumulation

An employee may not accumulate more than, but instead each year must cash out pursuant to Section 12.d, below, all accumulated vacation in excess of 360 hours.

c. Vacation Cash Out On Termination

Upon termination, an employee shall be paid for all accumulated vacation to the separation date, at a rate equal to 100% of his/her current hourly pay rate. Alternatively, an employee may individually contractually establish, in writing, with the City Manager, mutually agreeable provisions regarding the timing and terms of the cash pay out.

d. Vacation- Mandatory Cash Out Before Termination

An employee who has accumulated more than 360 hours as of the last pay period in April of any year shall be paid in cash at a rate equal to 100% of his/her current hourly pay rate for all hours in excess of 360 such payment shall not exceed the employee's annual vacation accrual amount. These cash out payments will be included with the paycheck for the first full pay period in May.

e. Optional Vacation Cash Out

In any calendar year an employee may cash out up to 80 hours of accumulated vacation.

2. Sick Leave

a. Sick Leave Accrual

Sick leave accrues on a pro-rated basis, based upon a 30-day month. Twelve days accrue each calendar year.

b. Sick Leave-Family Care

Sick leave may be used to care for members of the immediate family in accordance with the FMLA and CFRA, or as approved by the City Manager.

c. An employee who becomes ill or is hospitalized while on vacation and provides a written statement from a licensed physician or medical doctor that the illness would have resulted in the employee not being able to come to work, shall have the period of illness charged against sick leave and not vacation leave.

d. Sick Leave-Cash Out

Employees may not cash out sick leave.

3. Personal Holidays

All regular positions are entitled to three (3) personal holidays per calendar year. Unused Personal Holidays are not cumulative.

4. Bereavement Leave

Leave of absence with pay because of death in the immediate family of an employee shall be granted for a period not to exceed three days. Entitlement to leave of absence under this section shall be in addition to any other entitlement for sick leave, or any other leave. For purposes of this section, "immediate family" means mother, step-mother, father, step-father, husband, wife, domestic partner as defined by the State of California, son, step-son, daughter, step-daughter, brother, sister, foster parent, foster child, brother-in-law, sister-in-law, mother-in-law, father-in-law and grandparents, and any individual to whom an employee is serving in Loco Parentis.

5. Holiday Schedule

There shall be twelve (12) holidays granted annually for the term of the MOU. The holidays to be observed during calendar year are set forth below.

New Year's Day	1/01/
Martin Luther King Day	*
Lincoln's Birthday	*
Washington's Birthday	*
Memorial Day	*
Independence Day	7/4/
Labor Day	*
Columbus Day	10/11/
Veterans' Day	11/11/
Thanksgiving Day	*
Friday Following Thanksgiving	*
Christmas Day	12/25/

* These holidays shall be taken at the same time as the federal holidays are taken. Holidays listed above occurring on a Saturday shall be observed on Friday. Holidays occurring on a Sunday shall be observed on Monday.

In addition, City Hall will be closed for one week during the Christmas holidays during which employees affected by the closure will be permitted to use vacation, personal holidays or sick leave in order not to lose compensation.

6. Jury Duty

Leave of absence with pay shall be granted to an employee while serving on jury duty. Time spent commuting from home to and from jury duty is not compensable; time spent traveling from court to place of work is compensable. Any jury fee awarded shall be deposited with the City Treasurer.

7. Leave of Absence Without Pay

A leave of absence without pay may be granted by the City Manager upon the request of the employee seeking such leave, but such leave shall not be for longer than one year.

8. Accruals after Date of Separation

An employee's separation date is the last date actually worked, except that an employee who, as of the last day worked, has not used all of his/her yearly allotment of vacation may extend the separation date by the number of days necessary to reach the full yearly allotment. "Yearly allotment" means the amount of vacation that the employee was entitled to accrue in his/her last year of employment. Unless otherwise provided by state law, none of the following accrue after the date of separation: sick leave, vacation, personal holidays, holiday pay, administrative leave, Flex Plan contributions, or payment of the insurance premiums described in Section III.1 below.

SECTION III: BENEFITS

(Regarding benefits available to part-time employees, see Section I.2, above.)

1. Flexible Spending Arrangement Contributions

The City makes a flexible spending arrangement ("Flex Plan") contribution on behalf of each qualified employee for medical, dental & vision coverage. For those employees who have selected health coverage through PERS, from the monthly contribution set forth herein, \$112 effective January 1, 2012 and \$115 effective January 1, 2013 will be paid to PERS for what is sometimes referred to as "employer contribution". This amount is the minimum amount required by PERS, recognizing that state law may increase this minimum from time to time requiring compliance by City. *For all employees the City will no longer charge to the employee the \$1.50 per paycheck plan fee.* Effective the first full pay period in July 2012 the contribution, for full-time regular employees shall be:

Employee Only:	\$675 per month
Employee + 1	\$849 per month
Employee + 2 or more	\$1049 per month

Effective the first full pay period in July 2013 the contribution for full-time regular employees shall be as follows:

Employee Only:	\$700 per month
Employee + 1	\$899 per month
Employee + 2 or more	\$1099 per month

Effective July 1, 2014 the City will increase its contribution by 2.5% to:

Employee Only	\$718
Employee +1	\$921
Employee+2 or more	\$1,126

Effective July 1, 2015 the City will increase its contribution by 2.5% to:

Employee Only	\$735
Employee +1	\$945
Employee+2 or more	\$1,155

Effective July 1, 2016 the City will increase its contribution by 2.5% to:

Employee Only	\$754
Employee +1	\$968
Employee+2 or more	\$1,184

Effective July 1, 2017 the City will increase its contribution by 2.5% to:

Employee Only	\$773
Employee +1	\$992
Employee+2 or more	\$1,213

Employees who can verify to the City's satisfaction that: they have equivalent health coverage for medical (including dental & vision), which will remain in effect until the next enrollment date; or who purchase a CalPERS Health Plan and dental and vision coverage, but do not use their entire monthly contribution, may use the remaining funds to purchase benefits other than medical (including dental & vision) coverage or take this amount in cash for the "Employee only" contribution amount. (If a cash payment is taken, it is not included in the employee's compensation for the CalPERS retirement plan.)

The City reserves the option of adding additional programs to the cafeteria plan, as they may become available. The City will enable interested employees to participate in union sponsored medical plans.

2. Retirement Benefits PERS

The City participates in the Public Employee Retirement System (PERS) operated by the State of California. Benefits provided are detailed in separate publications, depending upon the plan. The City provides 2.5% at 55 Retirement Plan for non-sworn employees, with the single-highest year option. The City's contribution toward the combined employer and employee cost of PERS retirement is capped at no more than 16.488% of reportable salary. If the actual PERS contribution rate exceeds 16.488% of reportable salary for any fiscal year, the employee will pay the difference on a pre-tax basis. Contributions will be reported in accordance with the current CalPERS contract, ie: the employee portion (8%) plus any amount above the cap is reported to PERS as paid by the employee.

In 2007, the City implemented a cost-sharing benefit that consists of the City paying 8% of the normal members contributions as Employer Paid Member Contributions (EPMC), with additional cost sharing contributions not to exceed a total of 16.259% through June 30, 2019. The City agrees to report the value of the Employer Paid Member Contributions as salary for retirement benefit plan purposes.

For all eligible employees hired on or after July 1, 2012 the City's PERS contribution rate shall be capped at no more than 11.488% of reportable salary. Once an employee hired on or after July 1, 2012 accrues five (5) years of total service, s/he shall be entitled to the same terms that apply to all other current employees. EPMC and the Value of EPMC will be the same for employees hired after July 1, 2012 as employees hired prior to that date.

All employees hired prior to July 1, 2012 the City's contribution cap shall remain as stated above at 16.488%.

Public Employees Pension Reform Act for Miscellaneous Employees hired by the City on or after January 1, 2013 and do not qualify as Classic members as determined by CalPERS: For new miscellaneous employees hired by the City of Capitola on or after January 1, 2013 and who do not qualify as classic members as defined by CalPERS, CalPERS has by statute implement a 2.0% @ 62 pension formula, based on a three year average compensation. Employees in this category shall pay 50% of the normal cost rate as determined by CALPERS.

3. Shoes, and Apparel Reimbursements:

Each calendar year the Park Maintenance Supervisor and Street Maintenance Supervisor shall receive: one pair of approved safety shoes, up to 5 city-logoed shirts, and up to 5 pairs of denims. Each calendar year the Maintenance Superintendent shall receive one pair of steel-toed boots, and a maximum of two pairs of pants. The Public Works Director shall determine replacement frequency and kind.

4. Physical Examinations

The City, for any employee receiving flex credit contributions, will provide an annual physical examination for employee. The City will pay the amount not covered by the health care program.

5. Insurance.

The City will continue to provide term life insurance in the amount of \$50,000 and long-term disability insurance.

6. Mileage Reimbursement

Employees required to use their personal vehicles while on City business will be reimbursed at the rate set by the Internal Revenue Service.

SECTION IV: INCENTIVE PROGRAMS

1. Longevity Pay Incentive

Upon completing continuous years of service with the City, an employee's base pay shall be increased as follows:

- a. 15 years' continuous service - 5%
- b. 20 years' continuous service - an additional 5%, which shall be compounded with the 15 year recognition.

2. Education Reimbursement Program

The City will reimburse employees for tuition upon the completion of courses approved in advance by the City Manager up to a maximum of \$500 per calendar year for classes completed in that same calendar year. Textbook reimbursement for courses approved in advance by the City Manger shall be at 100%.

3. Bilingual Pay

Employees proficient in the Spanish language shall receive premium pay equal to five (5%) percent of base salary in addition to their regular wage, if:

- a) Employee passes the City's bilingual competency test as administered by the Personnel Department on an annual basis to maintain the bonus pay. The City Manager may waive the annual testing requirement for individuals upon recommendation of the department head. Annual basis refers to the fiscal year; and

- b) The employee is required to serve as a translator on a regular and ongoing basis, as certified by the Department Head.

SECTION V: EMERGENCY MEALS

The City shall arrange for meals for employees assigned to work four (4) or more hours contiguous to the employee's shift when the employee is not provided notice of the need to work the overtime at least 12 hours prior to either commencing the overtime work or shift.

SECTION VI: GRIEVANCE PROCEDURE

A. Definition of a Grievance: A grievance is defined as an allegation presented in writing by an employee or group of employees that the City has failed to provide a condition of employment, which is established by law, Memorandum of Understanding, by written City or departmental rules, provided that the enjoyment of both such right is not made subject to the discretion of the Department Head or the City by the terms of law, Memorandum of Understanding, or by written City or departmental rules and, provided further, that the conditions of employment which are the subject matter within the scope of representation as defined in California Government Code Section 3504. Notwithstanding the above, excluded from this grievance procedure are employee evaluations, and any other matter that is assigned its own appeal procedure such as discipline and an alleged violation of the harassment policy.

B. Right to Representation: An employee having a grievance shall have the right to consult with and be assisted by a representative of his/her own choice throughout the grievance process. In those cases in which an employee elects to represent him/herself or arranges for other representation, the Union shall have the right to participate in the grievance procedure to the extent necessary to protect the interest of its members in negotiated conditions of employment.

C. Limitations on Money Damages: In no event shall any grievance include a claim for money relief for more than the twenty-one day period plus such reasonable discovery period, unless otherwise provided by law.

D. Procedure: Failure of the employee to timely file a grievance and/or comply with the time limits at any step of this grievance procedure shall constitute an abandonment of the grievance. Failure of the employer to respond within the time limits at any step of this grievance procedure shall result in an automatic advancement of the grievance to the next step. The parties may mutually agree to extend the time permitted under any of the steps

Step 1

A grievance must be presented to the grievant's supervisor within twenty-one (21) calendar days from the day upon which the City allegedly failed to provide a condition of employment, or within twenty-one (21) calendar days from the time in which an employee might reasonably have been expected to have learned of such alleged failure to provide.

The written grievance shall include the following:

- a) Date of submission;
- b) Signature of employee or employees;

- c) The MOU provision, Personnel Rule, Administrative Policy or other rule or policy allegedly violated;
- d) A description of the relevant facts, including specifically how, when and by whom the grieved condition of employment was violated;
- e) The requested resolution or remedy; and
- f) The name of any representative chosen by the grievant.

The supervisor shall provide the grievant with a written response within seven (7) actual working days.

Step 2

If the grievance is not resolved at Step 1, the employee shall have seven (7) actual working days after receipt of the supervisor's Step 1 response to file an appeal with the Department Head. The Department Head may, but is not required to, meet with the grievant to discuss the grievance. The Department Head shall have seven (7) actual working days from either receipt of the appeal, or the meeting with the grievant, whichever is later, to provide the grievant with a written response.

Step 3

If the grievance is not resolved at Step 2, the employee shall have seven (7) actual working days after receipt of the Department Head's Step 2 response to file an appeal with the City Manager. The City Manager shall meet with the grievant and other persons the City Manager believes would be useful to the City Manager's consideration of the grievance within seven (7) actual working days after receipt of the grievant's appeal. The City Manager shall have seven (7) actual working days from the date of the meeting with the grievant to provide the grievant with a written decision.

The Mid-Management Group may, in its own name, file a grievance with the City Manager alleging that the City has failed to provide it some organizational right which is established by law, provided that such right is not made subject to the discretion of the City. Such Union grievance shall be filed with the City Manager and heard and determined pursuant to the provisions of this step of the grievance procedure. The City Manager shall meet with the Mid-Management Group representative and other persons the City Manager believes would be useful to the City Manager's consideration of the grievance within (7) actual working days after receipt of the Union's grievance. The City Manager shall have seven (7) actual working days from the date of the meeting with the Mid-Management Group representative to provide the Mid-Management Group with a written decision.

Step 4

An employee dissatisfied with the City Manager's decision on the employee's Step 3 grievance may appeal the grievance to the City Council within (7) seven actual working days of receipt of the City Manager's decision. The City Council will schedule a hearing within a reasonable time period after receipt of the appeal. The decision of the City Council following the hearing shall be final.

SECTION VII: LAYOFFS

Layoffs shall be governed by Personnel Rule 12. The City will make its best efforts to provide an additional 30 days of EAP benefits to employees who are laid off to assist them in their transition. If continued EAP benefits are not available, the City will meet

with the Union to discuss the possibility of the City providing laid off workers with guidance on resume writing, conducting a job search, job interviewing, coping with stress and/or unemployment insurance benefits.

SECTION VIII: MISCELLANEOUS

Nothing in this plan will preclude the incumbents of any position from negotiating individual contractual provisions, provided that: such individual negotiations arise out of situations in which the employee has, or is negotiating towards, voluntarily terminating his/her employment or temporarily working in a higher paid position; and any resulting provision does not purport to affect the rights of any other member of the unit.

1. Legal Defense

Except as provided in Government Code Section 995.2, City shall provide a defense including but not limited to legal counsel in: a) any civil action or proceeding described in Government Code Section 995; b) any administrative action or proceeding described in Section 995.6; or any criminal action or proceeding described in Government Code Section 995.8. "Proceeding" as used in this section is applicable to situations where a claim or action is threatened, but not filed, if a reasonable, prudent person would consult or retain counsel in response to the possibility of actual civil, administrative, or criminal action. If City pays for a defense, but a court or tribunal issues a final ruling that would, under Section 995.2, preclude City payments for defense, employee shall immediately reimburse City, and if he/she fails to do so, City may offset any such amounts against compensation otherwise due employee under this contract.

2. Use of Employer Facilities

Employer facilities, such as the City Hall Community Room, may be made available, upon timely application, for use by employees and the recognized entity representing the employees. Such use shall not occur during regular duty hours, other than the lunch period. Application for such use shall be made to the management person under whose control the facility is placed.

3. Bargaining Time

A reasonable number of Employee members of the entity representing the bargaining unit shall be allowed time to absent themselves from duties for a reasonable period without loss of pay, for the purpose of participating in contract negotiations. They shall be extended the same privilege to participate in any meetings mutually called by the parties during the term of this agreement for review of grievances and contract compliance questions.

4. Reopener

This Agreement may be reopened to upon written request to discuss only health care and/or CalPERS rates July 1, 2016 under either of the following conditions: 1) Total combined miscellaneous PERS rates exceed 30% or 2) the average of the available city sponsored health plans for an Employee plus 2 increases by 25% over the current 2014 rates. Nothing in this agreement obligates the City to commit to any increases. The parties agree that All other terms and conditions of the agreement are not subject to the reopener clause.

5. Required Meetings

Administrative staff members covered under this MOU who are required to attend meetings outside their regular work schedules will be paid at the overtime rate (1.5) for two hours, or for the hours actually worked, whichever is greater.

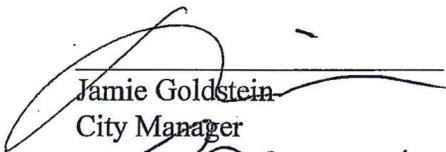
6. Emergency Call-Back Compensation

- a. "Call-back" refers to a situation where an employee has completed his/her regular work day without knowing that he/she would be called back to work, by his/her supervisor or as a result of emergency circumstances, during hours of the day not occurring during the employee's regular workday. An employee who is required to come to work not more than one hour early, but is not thereafter released from work before the start of the regular work day is not on "call-back."
- b. Employees called back to work shall be treated as having worked at least two hours, even if actual time is less.
- c. Public Works: The rate of pay for Public Works Dept. employees in the Mid-Management Group during call-back hours is as follows:
 - (1) Two and one half times the employee's hourly base rate for hours served between the hours of 10 p.m. and 6 a.m.; or
 - (2) Two times the hourly base rate for hours served during other times of the day.
- d. For all employees not covered by subsection c, call-back hours will be paid the same as overtime.
- e. Time spent traveling to and from the place of call-back work is not counted in applying the provisions of this section, or Section 8 above.
- f. Units of time that are both call-back and overtime will receive the most favorable of the two treatments, but no single unit of time will be treated as both call-back and overtime.

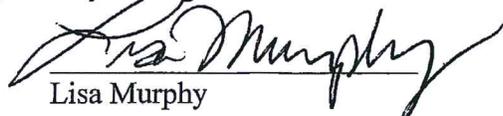
7. Me Too Clause: If during the effective time period of this agreement, the Police Officers Association receives a salary COLA or health care Flex Plan increase in an amount greater than the terms included in this agreement, the members of Mid-Manager shall receive the same COLA and/or Flex Plan increase at the same time.

CITY OF CAPITOLA

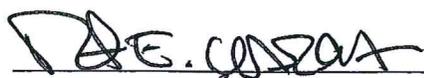
MID-MANAGEMENT EMPLOYEES



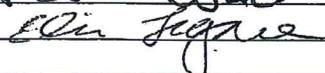
 Jamie Goldstein
 City Manager



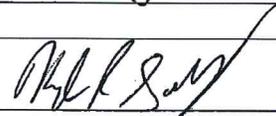
 Lisa Murphy
 Administrative Services Director



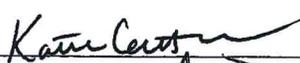
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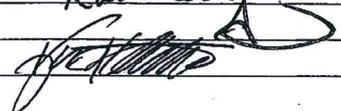
 Erin Segura



 Phil S. [unclear]



 Kaitie [unclear]



 [unclear]

Attachment: Salary Schedule
Attachment 1

MID-MANAGEMENT SALARY SCHEDULE
JULY 1, 2012 - December 31, 2013

	A	B	C	D	E
ASSOC PLANNER	\$ 5,317	\$ 5,583	\$ 5,862	\$ 6,155	\$ 6,463
BUILDING OFFICIAL	\$ 6,113	\$ 6,419	\$ 6,740	\$ 7,077	\$ 7,431
ENVIRONMENTAL PROGRAM MANAGER	\$ 5,317	\$ 5,583	\$ 5,862	\$ 6,155	\$ 6,463
HOUSING RDA PLANNER	\$ 5,823	\$ 6,114	\$ 6,420	\$ 6,741	\$ 7,078
MAINTENANCE SUPERINTENDENT	\$ 5,231	\$ 5,493	\$ 5,768	\$ 6,056	\$ 6,359
PARKS MAINTENANCE SUPERVISOR	\$ 4,872	\$ 5,116	\$ 5,372	\$ 5,641	\$ 5,923
RECREATION SUPERVISOR	\$ 4,714	\$ 4,950	\$ 5,198	\$ 5,458	\$ 5,731
SENIOR PLANNER	\$ 6,113	\$ 6,419	\$ 6,740	\$ 7,077	\$ 7,431
STREETS & FACILITIES MAINTENANCE SUPERVISOR	\$ 4,872	\$ 5,116	\$ 5,372	\$ 5,641	\$ 5,923
SUPERVISING ACCOUNTANT	\$ 5,839	\$ 6,131	\$ 6,438	\$ 6,760	\$ 7,098

MID-MANAGEMENT SALARY SCHEDULE
January 1, 2014 - JUNE 30, 2018

To be determined as per MOU