



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF LOS BANOS

AND

**PUBLIC EMPLOYEES' UNION LOCAL ONE/AFSCME
(PUBLIC WORKS UNIT)**

July 1, 2021 – June 30, 2024

MEMORANDUM OF UNDERSTANDING
City of Los Banos and
Public Employees' Union Local One/AFSCME (Public Works Unit)

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July 1, 2021 – June 30, 2024

SECTION I - Preamble

This Memorandum of Understanding (hereinafter referred to as "MOU") is entered into by the City of Los Banos (hereafter referred to as "City") and the Public Employees' Union Local One/AFSCME (hereafter referred to as "Union") (hereinafter collectively referred to as the "parties") describing the parties' agreement on wages, hours and terms and conditions of employment.

The salaries, hours, fringe benefits and working conditions set forth in this MOU have been mutually agreed upon by the designated bargaining representatives of the City and the Union, and will apply to all employees in the bargaining unit represented by the Union.

The term of the MOU will be July 1, 2021 through June 30, 2024.

Employees defined for the purpose of this MOU will mean a full-time employee in one of the following job classifications:

- Custodian
- Environmental Control Specialist Trainee
- Environmental Control Specialist I/ II/ III
- Inspector I
- Maintenance Mechanic I
- Maintenance Worker I/ II/ III
- Utilities Maintenance I/ II/ III

This MOU is subject to Sections 3500-3511 of the Government Code of the State of California otherwise known as the Meyers Miliias Brown (MMB) Act, the City of Los Banos Municipal Code, and Resolution No. 1719.

SECTION II - No Abrogation of Rights

The parties acknowledge that the City responsibilities and rights, and management responsibilities and rights as indicated in the City of Los Banos Personnel Rules and Regulations Resolution, and all applicable State or Municipal laws and rights of the City Council, are neither abrogated nor made subject to the meet and confer process by the adoption of this MOU.

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SECTION III - Past Practices

The parties agree that this MOU supersedes any past practice covered by this Memorandum, but does not affect any other written understanding agreed to by the parties not addressed in this MOU.

SECTION IV – Recognition, Dues Deduction and City Policies

A. Recognition

Pursuant to Section 3500-3511 of the Government Code of the State of California, the City has certified the Union as the recognized employee organization of the representing unit consisting of all full-time employees in the following job classifications:

- Custodian
- Environmental Control Specialist Trainee
- Environmental Control Specialist I/ II/ III
- Inspector I
- Maintenance Mechanic I
- Maintenance Worker I/ II/ III
- Utilities Maintenance I/ II/ III

B. Dues Deduction

The City will deduct Union membership dues, the amount to be designated by the Union, and any other mutually agreed upon payroll deductions from the monthly pay of member employees, upon receipt of written certification by the Union that it has and will maintain an authorization, signed by individual employees described in Section V, Subsection A of this MOU, entitled "Recognition," from whose salary or wages the deduction is to be made.

The City will remit the deducted dues and other mutually agreed payroll deduction to the Union as soon as reasonably possible after the deduction so long as the Union remains the exclusive representative for the bargaining unit, and so long as the Union continues to provide written certification of employee authorization to the City.

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The Union shall certify to the City in writing as soon as reasonably possible, any changes in the required payroll deduction, and any changes to employee authorization. The Union will not unreasonably request payroll deductions.

The Union agrees it will provide a copy of individual authorizations to the City should a dispute arise about the existence or terms of the authorization.

The Union agrees to hold the City harmless and indemnify the City against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any action taken by the City, or any department of the City, for the purpose of complying with payroll deduction provisions. This includes, but is not limited to, the City's attorney's fees and costs.

C. Policies

During the term of this Agreement, changes to City of Los Banos policies referred to in this MOU that affect wages, hours and terms and conditions of employment will be subject to the meet and confer process as required by law.

SECTION V – Public Employee Communication

A. New Employee Orientation

The parties acknowledge that the City provides a new employee orientation meeting ("orientation") to all new employees hired by the City. For new employees hired after the date of this Agreement who are appointed to a classification within the bargaining unit for which the Union is recognized as the exclusively recognized employee organization, the Union will be provided with at least ten (10) calendar days' advanced notice of the time, date and location of the orientation. The Union will be given up to thirty (30) minutes as part of, and at the end of, the new employee orientation meeting in a room designated by bargaining unit for one (1) representative to present Union membership information. Management representatives will excuse themselves during the Union portion of the orientation and the Union agrees in its portion of the orientation not to engage in speech that is opprobrious, flagrant, insulting, defamatory, insubordinate or fraught with malice as to cause substantial disruption of or material interference with City activities.

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The Union will be represented at the orientation by a City employee who is a Union officer, who shall be provided up to thirty (30) minutes of paid release time to attend the orientation, with the approval of such leave subject to any operational needs.

B. Information Provided

The City will provide the Union a digital file via email, to the email address designated by the Union, containing the following information, to the extent it is maintained on file by the City:

- Name
- Job title
- Department
- Work location
- Work, home and personal cellular telephone numbers
- Personal email addresses on file with the City
- Home address.

Such information will be provided within thirty (30) days of the date of hire for new hires, and on a quarterly basis for all bargaining unit employees.

Notwithstanding the foregoing, limited to the express purpose of the requirements of Government Code section 3558 only, an employee may opt out via written request to the City (with a copy to the Union) to direct the City to withhold disclosure of the employee's home address, home telephone number, personal cellular telephone number, personal email address, and birth date.

The parties agree that this Section fully complies with and exhausts the parties' obligation to negotiate pursuant to Government Code Sections 3557 and 3558.

SECTION VI – Management Rights

The Union agrees that all of the functions, rights, powers, responsibilities and authority of the City in regard to the operation of its work and business and the direction of its work force which the City has not specifically abridged, deleted, granted or modified by the express and specific written provisions of this Agreement are, and will remain, exclusively those of the City. Accordingly, the City specifically, except as otherwise limited by this Agreement, reserves the exclusive right to:

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- A. Decide the scope of service to be performed, and the standards and method of service;
- B. Exercise complete control and discretion over its organization and the technology of performing its work; subject to statutory obligations;
- C. Train, direct, and assign its employees;
- D. Hire, rehire, fire, demote, suspend or otherwise discipline for just and proper cause, promote, layoff, and determine the qualifications of employees;
- E. Transfer employees from location to location;
- F. Determine work shift start and end times, and the number of hours and shifts to be worked, subject to the provisions of the Fair Labor Standards Act;
- G. Determine the content of job classifications; any change to the current job classifications or addition of new classifications will be subject to meet and confer when those changes fall within the scope of representation;
- H. Establish employee performance standards including, but not limited to, quality and quantity standards, and to require compliance therewith;
- I. Maintain the efficiency of City operations;
- J. Take all necessary action to carry out its mission in emergencies; and
- K. Merge, consolidate, expand or curtail or discontinue temporarily or permanently, in whole or in part, operations whenever in the sole discretion of the City, good business judgment makes such curtailment or discontinuance advisable; subject to meet and confer obligations over "effects" of the exercise of these rights in accordance with legal requirements.

SECTION VII - Pay Rates and Practices

A. Pay Rates

1. Salary Adjustments

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Effective July 1, 2021, the salary schedules for job classifications represented by the bargaining unit will be increased by two percent (2%) to reflect monthly salary ranges as follows:

<u>EMPLOYEE CLASSIFICATION</u>	<u>DATE</u>	<u>STEP</u> <u>1</u>	<u>STEP</u> <u>2</u>	<u>STEP</u> <u>3</u>	<u>STEP</u> <u>4</u>	<u>STEP</u> <u>5</u>	<u>STEP</u> <u>6</u>
Inspector I	7/1/2021	<u>4,603</u>	<u>4,833</u>	<u>5,075</u>	<u>5,329</u>	<u>5,595</u>	<u>5,875</u>
Maintenance Mechanic I	7/1/2021	<u>3,244</u>	<u>3,406</u>	<u>3,576</u>	<u>3,755</u>	<u>3,943</u>	<u>4,140</u>
Custodian	7/1/2021	<u>2,597</u>	<u>2,727</u>	<u>2,863</u>	<u>3,006</u>	<u>3,156</u>	<u>3,314</u>
Environmental Control Specialist III	7/1/2021	<u>4,232</u>	<u>4,444</u>	<u>4,666</u>	<u>4,899</u>	<u>5,144</u>	<u>5,401</u>
Environmental Control Specialist II	7/1/2021	<u>3,712</u>	<u>3,897</u>	<u>4,092</u>	<u>4,297</u>	<u>4,512</u>	<u>4,738</u>
Environmental Control Specialist I	7/1/2021	<u>3,534</u>	<u>3,711</u>	<u>3,897</u>	<u>4,092</u>	<u>4,297</u>	<u>4,512</u>
Environmental Control Specialist Trainee	7/1/2021	<u>3,365</u>	<u>3,533</u>	<u>3,710</u>	<u>3,896</u>	<u>4,091</u>	<u>4,296</u>
Utilities Maintenance III	7/1/2021	<u>3,979</u>	<u>4,178</u>	<u>4,387</u>	<u>4,606</u>	<u>4,836</u>	<u>5,078</u>
Utilities Maintenance II	7/1/2021	<u>3,617</u>	<u>3,798</u>	<u>3,988</u>	<u>4,187</u>	<u>4,396</u>	<u>4,616</u>
Utilities Maintenance I	7/1/2021	<u>3,244</u>	<u>3,406</u>	<u>3,576</u>	<u>3,755</u>	<u>3,943</u>	<u>4,140</u>
Maintenance Worker III	7/1/2021	<u>3,969</u>	<u>4,167</u>	<u>4,375</u>	<u>4,594</u>	<u>4,824</u>	<u>5,065</u>
Maintenance Worker II	7/1/2021	<u>3,594</u>	<u>3,774</u>	<u>3,963</u>	<u>4,161</u>	<u>4,369</u>	<u>4,587</u>
Maintenance Worker I	7/1/2021	<u>3,244</u>	<u>3,406</u>	<u>3,576</u>	<u>3,755</u>	<u>3,943</u>	<u>4,140</u>

Effective July 1, 2022, the salary schedules for job classifications represented by the bargaining unit will be increased by two percent (2%) to reflect monthly salary ranges as follows:

<u>EMPLOYEE CLASSIFICATION</u>	<u>DATE</u>	<u>STEP</u> <u>1</u>	<u>STEP</u> <u>2</u>	<u>STEP</u> <u>3</u>	<u>STEP</u> <u>4</u>	<u>STEP</u> <u>5</u>	<u>STEP</u> <u>6</u>
Inspector I	7/1/2022	<u>4,695</u>	<u>4,930</u>	<u>5,177</u>	<u>5,436</u>	<u>5,708</u>	<u>5,993</u>
Maintenance Mechanic I	7/1/2022	<u>3,309</u>	<u>3,474</u>	<u>3,648</u>	<u>3,830</u>	<u>4,022</u>	<u>4,223</u>
Custodian	7/1/2022	<u>2,649</u>	<u>2,781</u>	<u>2,920</u>	<u>3,066</u>	<u>3,219</u>	<u>3,380</u>
Environmental Control Specialist III	7/1/2022	<u>4,317</u>	<u>4,532</u>	<u>4,759</u>	<u>4,997</u>	<u>5,247</u>	<u>5,509</u>
Environmental Control Specialist II	7/1/2022	<u>3,786</u>	<u>3,976</u>	<u>4,175</u>	<u>4,384</u>	<u>4,603</u>	<u>4,833</u>
Environmental Control Specialist I	7/1/2022	<u>3,605</u>	<u>3,785</u>	<u>3,974</u>	<u>4,173</u>	<u>4,382</u>	<u>4,601</u>
Environmental Control Specialist Trainee	7/1/2022	<u>3,432</u>	<u>3,604</u>	<u>3,784</u>	<u>3,973</u>	<u>4,172</u>	<u>4,381</u>
Utilities Maintenance III	7/1/2022	<u>4,059</u>	<u>4,262</u>	<u>4,475</u>	<u>4,699</u>	<u>4,934</u>	<u>5,181</u>
Utilities Maintenance II	7/1/2022	<u>3,689</u>	<u>3,874</u>	<u>4,068</u>	<u>4,271</u>	<u>4,485</u>	<u>4,709</u>
Utilities Maintenance I	7/1/2022	<u>3,309</u>	<u>3,474</u>	<u>3,648</u>	<u>3,830</u>	<u>4,022</u>	<u>4,223</u>
Maintenance Worker III	7/1/2022	<u>4,048</u>	<u>4,251</u>	<u>4,464</u>	<u>4,687</u>	<u>4,921</u>	<u>5,167</u>
Maintenance Worker II	7/1/2022	<u>3,666</u>	<u>3,849</u>	<u>4,041</u>	<u>4,243</u>	<u>4,455</u>	<u>4,678</u>
Maintenance Worker I	7/1/2022	<u>3,309</u>	<u>3,474</u>	<u>3,648</u>	<u>3,830</u>	<u>4,022</u>	<u>4,223</u>

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Effective July 1, 2023, the salary schedules for job classifications represented by the bargaining unit will be increased by two percent (2%) to reflect monthly salary ranges as follows:

<u>EMPLOYEE CLASSIFICATION</u>	<u>DATE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
Inspector I	7/1/2023	<u>4,789</u>	<u>5,028</u>	<u>5,279</u>	<u>5,543</u>	<u>5,820</u>	<u>6,111</u>
Maintenance Mechanic I	7/1/2023	<u>3,375</u>	<u>3,544</u>	<u>3,721</u>	<u>3,907</u>	<u>4,102</u>	<u>4,307</u>
Custodian	7/1/2023	<u>2,702</u>	<u>2,837</u>	<u>2,979</u>	<u>3,128</u>	<u>3,284</u>	<u>3,448</u>
Environmental Control Specialist III	7/1/2023	<u>4,403</u>	<u>4,624</u>	<u>4,855</u>	<u>5,098</u>	<u>5,353</u>	<u>5,621</u>
Environmental Control Specialist II	7/1/2023	<u>3,862</u>	<u>4,055</u>	<u>4,258</u>	<u>4,471</u>	<u>4,695</u>	<u>4,930</u>
Environmental Control Specialist I	7/1/2023	<u>3,677</u>	<u>3,861</u>	<u>4,054</u>	<u>4,257</u>	<u>4,470</u>	<u>4,694</u>
Environmental Control Specialist Trainee	7/1/2023	<u>3,501</u>	<u>3,676</u>	<u>3,860</u>	<u>4,053</u>	<u>4,256</u>	<u>4,469</u>
Utilities Maintenance III	7/1/2023	<u>4,140</u>	<u>4,347</u>	<u>4,564</u>	<u>4,792</u>	<u>5,032</u>	<u>5,284</u>
Utilities Maintenance II	7/1/2023	<u>3,763</u>	<u>3,951</u>	<u>4,149</u>	<u>4,356</u>	<u>4,574</u>	<u>4,803</u>
Utilities Maintenance I	7/1/2023	<u>3,375</u>	<u>3,544</u>	<u>3,721</u>	<u>3,907</u>	<u>4,102</u>	<u>4,307</u>
Maintenance Worker III	7/1/2023	<u>4,129</u>	<u>4,335</u>	<u>4,552</u>	<u>4,780</u>	<u>5,019</u>	<u>5,270</u>
Maintenance Worker II	7/1/2023	<u>3,739</u>	<u>3,926</u>	<u>4,122</u>	<u>4,328</u>	<u>4,544</u>	<u>4,771</u>
Maintenance Worker I	7/1/2023	<u>3,375</u>	<u>3,544</u>	<u>3,721</u>	<u>3,907</u>	<u>4,102</u>	<u>4,307</u>

2. Essential Worker Lump Sum Payments:

a. Effective upon City Council approval of this agreement in 2021 and the City's receipt of the first federal stimulus payment, the City will provide lump sum payments of the following amounts as non-discretionary incentive to ratify the agreement:

- Employees hired before January 1, 2021 will receive a lump sum payment of four thousand eight hundred dollars (\$4,800).
- Employees hired on or after January 1, 2021 will receive a lump sum payment of two thousand four hundred dollars (\$2,400).

b. Effective July 1, 2022 or upon the City's receipt of the second federal stimulus payment (whichever is later), the City will provide lump sum payments of the following amounts as non-discretionary incentive to ratify the agreement:

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- Employees hired before January 1, 2021 will receive a lump sum payment of three thousand six hundred dollars (\$3600).
 - Employees hired on or after January 1, 2021 will receive a lump sum payment of one thousand two hundred dollars (\$1,200).
- c. Effective July 1, 2023, the City will provide lump sum payments of the following amounts as non-discretionary incentive to ratify the agreement:
- Employees hired before January 1, 2021 will receive a lump sum payment of one thousand two hundred dollars (\$1,200).
 - Employees hired on or after January 1, 2021 will receive a lump sum payment of six hundred dollars (\$600).

It is the intent of the parties that the lump sum payments will not be treated as salary or wages, as the payments are not provided as compensation for hours of employment or longevity pay. The lump sum payments will not be included in overtime/regular rate of pay calculations, will not be treated as pensionable compensation, and there will be no roll up effect of the lump sum payments. The City will withhold taxes from lump sum payments in accordance with federal and state requirements. The lump sum payments will be paid by separate check.

B. Flexible Promotions

1. Upon an incumbent employee achieving six (6) years of City service with satisfactory performance at Level 1, with one of those years at Step 6, an employee in the following job series shall flexibly promote from Level 1 to Level 2:

Environmental Control Specialist
Maintenance Worker
Utilities Maintenance

The City reserves the right to hire directly into, and to promote employees into, the Level 2 job classes for the above referenced job series before the employee has achieved six (6) years of City service with satisfactory performance at Level 1, with one of those years at Step 6.

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2. The Public Works Director/City Engineer, with concurrence of the City Manager, may promote an employee from Level 2 to Level 3 of any of the above-referenced job series.

C. Certificate Pay for Water and Wastewater Division Employees

1. Public Works employees shall be entitled to receive the following Water Certification Premium when they have been awarded and hold the specified certificate issued by the State of California, Department of Health Services Water/Wastewater Treatment, and are routinely and consistently assigned to test local water quality for compliance with governmental health standards:

- a. Twenty-five dollars (\$25.00) per month for Grade I, and
- b. An additional fifty dollars (\$50.00) per month for Grade II, for a total of seventy-five dollars (\$75.00) per month.

2. Public Works employees shall be entitled to receive the following Water Certification Premium when they have been awarded and hold the specified certificate issued by the State of California, Department of Health Services Water Distribution, and are routinely and consistently assigned to test local water quality for compliance with governmental health standards:

- a. Twenty-five dollars (\$25.00) per month for Grade II, and
- b. An additional fifty dollars (\$50.00) per month for Grade III, for a total of seventy-five dollars (\$75.00) per month for Grade III.

3. Employees holding these certificates may be simultaneously compensated for:

- a. Water Treatment and Water Distribution Certificates, or
- b. Wastewater Treatment and Water Distribution Certificates.

Employees holding these certificates shall not be simultaneously compensated for Water Treatment and Wastewater Treatment certificates.

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4. Effective the first full pay period following the City Council approval of the initial MOU between the City and Union in 2019, compensation shall not exceed one hundred and fifty dollars (\$150.00) per month for any combination of certificates for Water Certification Premium.
 5. In order to continue to receive this benefit, certified employees will be required to submit proof of re-certification to the Human Resources Director and Department Head as soon as it is issued.
- D. Applicator Certificate Differential & License Pay for Parks & Streets Division Employees
1. Public Works employees shall be entitled to receive the following compensation when they have been awarded and hold the specified certificates or license as issued by the State of California, Department of Pesticide Regulation, and are required by a government or regulatory agency to maintain such license in order to perform their job duties;
 - a. Fifty dollars (\$50.00) per month for Pesticide License (Government Agency Required License) Pay;
 - b. Twenty-five dollars (\$25.00) per month for a Qualified Applicator Certificate Differential, and
 - c. Twenty-five dollars (\$25.00) per month for each additional category endorsement, maximum three (3) categories will be allowed and/or compensated for.
 2. Employees holding these certificates and/or licenses can be compensated for:
 - a. Qualified Applicator License, or
 - b. Qualified Applicator Certificate.

In no case shall the employee be compensated for both. Category compensation shall be limited to the following categories, B-Landscape Maintenance, C-Right of Way, D-Plant Agriculture, F-Aquatic, K-Health Related.
 3. Effective the first full pay period following the City Council approval of the initial MOU between the City and Union in 2019, compensation shall not

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exceed one hundred and fifty dollars (\$150.00) per month for any combination of licenses/certificates.

4. In order to remain eligible for compensation, Certificated/Licensed employees shall be required to submit proof of certificate or license to the Human Resources Director and Department Head as soon as it is issued. In addition, employees shall be required to maintain their licenses and/or certificates as required by the State of California Department of Pesticide Regulation in order to be eligible for continued compensation. Proof of current valid licenses or certificates shall be submitted annually.

E. Arborist Certificate /Tree Crew Premium Pay

Certain Public Works employees shall be entitled to receive Arborist Certificate/Tree Crew Premium Pay of two hundred dollars (\$200.00) per month when they have been awarded and hold an Arborist Certificate issued by the International Society of Arboriculture and are routinely and consistently assigned to care for trees.

In order to remain eligible for compensation, Certificated/Licensed employees shall be required to submit proof of certificate or license to the Human Resources Director and department head as soon as it is issued. In addition, employees shall be required to maintain their licenses and/or certificates as required by the State of California Department of Pesticide Regulation in order to be eligible for continued compensation. Proof of current valid licenses or certificates shall be submitted annually.

F. Certification Pay

Certification pay shall begin and end on a pay period basis.

G. Sweeper Pay

Effective the first full pay period following City Council approval of an initial MOU in 2021, Maintenance Workers in the Solid Waste Division who are routinely and consistently assigned to operate the Street Sweeper will receive \$0.58 per hour as Heavy/Special Equipment Operator differential pay for time actually worked in the Sweeper assignment. Eligible employees are required to report time spent operating the Sweeper on their time cards in order to receive differential pay.

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Short term assignments will be made by the Foreman. The pay will not apply to individuals assigned to operate the Street Sweeper on an occasional and sporadic basis. This agreement will not preclude the City from occasionally assigning a Foreman to operate the Street Sweeper on an occasional and sporadic basis.

H. Compensatory Time Off (CTO)

Employees may opt to accrue compensatory time-off ("CTO") in lieu of cash payment for overtime worked if their supervisor agrees prior to overtime work being performed. CTO accrues at the rate of one and one-half (1.5) hours for each hour, or fraction thereof, worked in excess of the employee's regularly assigned work shift.

Employees will be permitted to accumulate up to eighty (80) hours of Compensatory Time Off.

Effective July 1, 2021, employees may cash out CTO under the following conditions. Annually, no later than by December 15th, employees may submit an irrevocable election form to Human Resources to receive payment of an elected amount of earned, unused CTO in payments on December 5th of the next calendar year. Employees who do not submit irrevocable election forms by the December 15th due date will have been deemed to have elected to forgo participation in the optional annual CTO cash out program.

Cash out of Compensatory Time will be paid by separate check upon request. Compensatory Time Off (CTO) will be handled in accordance with provisions outlined in the City's Compensatory Time Off (CTO) Policy, and as amended during the term of this agreement; (refer to City of Los Banos Policy & Procedures Manual).

SECTION VIII – Benefits

The City will contribute toward the City sponsored benefit plans during the life of this MOU as follows:

A. Medical Insurance Benefits

The City will contract with the California Public Employees Retirement System (CalPERS) for the purpose of providing employees with medical insurance

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benefits.

The City's maximum monthly contribution for each eligible active employee for the purchase of medical insurance will be equal to the minimum monthly employer contribution required under the Public Employees Medical and Hospital Care Act (PEMHCA).

B. Section 125 Plan

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

1. Tier One: For employees hired before April 1, 2010 and enrolled in City-offered CalPERS medical insurance, the City will provide, on a monthly basis, for the purpose of providing minimum essential coverage to employees and dependents, a Cafeteria Plan Allowance based on the employee's level of health care coverage as provided below. The City Cafeteria Plan Allowance will be capped at the amounts listed below, and will not exceed the monthly premium for the plan at the level of coverage selected by the employee, minus the PEMHCA minimum employer contribution for medical insurance; plus eighty-five dollars (\$85) per month in recognition of premiums for City's life, dental and vision insurance plans.

Employees enrolled in City-offered CalPERS medical insurance plans are not eligible to receive cash for unused portions of the cafeteria plan allowance. If the combined premiums for the employee's dental, vision and life insurance plans and level of coverage are less than eighty-five dollars (\$85) per month, the employee can apply the difference toward the employee's medical insurance premium.

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Effective January 1, 2021, the Tier One City Cafeteria Plan Allowance will be adjusted as follows:

- a. Employee Only: Up to one thousand one hundred fifty four dollars (\$1,154) per month; minus the PEMHCA minimum employer contribution for medical insurance; plus eighty five dollars (\$85) per month in recognition of the premiums for enrollment in the City's life insurance (coverage up to \$50,000), dental insurance and vision insurance plans.
 - b. Employee Plus One: Up to two thousand three hundred eight dollars (\$2,308) per month; minus the PEMHCA minimum employer contribution for medical insurance; plus eighty five dollars (\$85) per month in recognition of the premiums for enrollment in the City's life insurance (coverage up to \$50,000), dental insurance and vision insurance plans.
 - c. Employee Plus Family: Up to three thousand dollars (\$3,000) per month; minus the PEMHCA minimum employer contribution for medical insurance; plus eighty five dollars (\$85) per month in recognition of the premiums for enrollment in the City's life insurance (coverage up to \$50,000), dental insurance and vision insurance plans.
2. Tier Two: For employees hired on or after April 1, 2010 and enrolled in City-offered CalPERS medical insurance, the City will provide, on a monthly basis, for the purpose of providing minimum essential coverage to employees and dependents, a Cafeteria Plan Allowance, based on the employee's level of health care coverage as provided below. The City Cafeteria Plan Allowance will be capped at the amounts listed below, and will not exceed the monthly premium for the plan and level of coverage selected by the employee, minus the PEMHCA minimum employer contribution for medical insurance; plus eighty five dollars (\$85) per month in recognition of the premiums for enrollment in the City's life, dental and vision insurance plans.

Employees enrolled in City-offered CalPERS medical insurance plans are not eligible to receive cash for unused portions of the cafeteria plan

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allowance. If the combined premiums for the employee's dental, vision and life insurance plans and level of coverage are less than eighty-five dollars (\$85) per month, the employee can apply the difference toward the employee's medical insurance premium.

Effective January 1, 2021, the Tier Two City Cafeteria Plan Allowance will be adjusted as follows:

- a. Employee Only: Up to one thousand one hundred fifty four dollars (\$1,154) per month; minus the PEMHCA minimum employer contribution for medical insurance; plus eighty five dollars (\$85) per month in recognition of the premiums for enrollment in the City's life insurance (coverage up to \$50,000), dental insurance and vision insurance plans.
 - b. Employee Plus One: Up to two thousand seventy seven dollars (\$2,077) per month; minus the PEMHCA minimum employer contribution for medical insurance; plus eighty five dollars (\$85) per month in recognition of the premiums for enrollment in the City's life insurance (coverage up to \$50,000), dental insurance and vision insurance plans.
 - c. Employee Plus Family: Up to two thousand four hundred dollars (\$2,400) per month; minus the PEMHCA minimum employer contribution for medical insurance; plus eighty five dollars (\$85) per month in recognition of the premiums for enrollment in the City's life insurance (coverage up to \$50,000), dental insurance and vision insurance plans.
3. Employee enrollment in dental, vision and life insurance plans offered by the City is mandatory.
 4. Employees who opt out of medical plans sponsored by the City, and sign an Attestation and Release, and provide proof of Minimum Essential Coverage as defined by the ACA for the employee and members of the employee's tax family, will receive a Cafeteria Plan Allowance of four hundred eighty five dollars (\$485) per month, of which part must be used to enroll in mandatory life insurance, dental insurance and vision insurance coverage.

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5. At the City's request, the City and Union shall reopen to discuss the impact of healthcare legislation, including but not limited to the Affordable Care Act, and/ or its impacts.

C. Pension

1. Regular employees, hired before January 1, 2011 will receive a CalPERS retirement benefit based on the 2.7% @ 55 formula as set forth in CalPERS regulations. The City shall pay the full share of the employer contribution to CalPERS. The employee will be responsible to pay the employee contribution to the CalPERS 2.7% @ 55 Plan.
2. Regular employees, hired on or after January 1, 2011, who qualify as "classic" members as defined by the Public Employee Pension Reform Act (PEPRA), will receive a CalPERS retirement benefit based on the 2% @ 60 formula as set forth in CalPERS regulations. The City shall pay the full share of the employer contribution to CalPERS. The employee will be responsible to pay the employee contribution to the CalPERS 2% @ 60 Plan.
3. Qualifying employees hired on or after January 1, 2013 and considered new members of CalPERS as defined by the Public Employee Pension Reform Act (PEPRA) will receive the 2% at age 62 retirement formula, and shall be subject to the provisions of PEPRA, including provisions governing reportable compensation.

D. Retiree Medical

1. The City will provide access to medical insurance coverage for those employees who retire from employment with the City and who constitute "annuitants" as defined by the PEMHCA.

The City's maximum monthly contribution for each eligible annuitant will be equal to the minimum employer contribution required under the PEMHCA. The provisions of the PEMHCA will govern medical insurance coverage for annuitants.

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2. Employees hired by the City before October 1, 2002 and who, at the time of retirement, constitute an "annuitant" as defined by the PEMHCA, will receive the following:
 - a. From the date of retirement and until such time the retiree becomes eligible for Medicare, the City will contribute an amount equal to the health plan premium cost for the employee's elected health care plan up to the amount of the premium for the Blue Shield Health Maintenance Organization (HMO) or if the Blue Shield HMO is not offered in the area, rates are based on the lowest-cost available plan offered by CalPERS, less the City's minimum monthly employer contribution under PEMHCA.
 - b. Upon attaining Medicare eligibility, the City will contribute an amount equal to the health plan premium cost for the elected health care plan up to the amount of the lowest-cost, available supplemental Medicare plan offered by CalPERS for the level of coverage selected by the annuitant (single party, two party, or family), less the amount of the City's minimum monthly employer contribution under PEMHCA.
 - c. A qualifying annuitant who retires from the City will not be entitled to City retiree medical benefits, as specified above, while receiving health insurance contributions from another CalPERS agency; the annuitant will be required to choose between available insurance plans and employer contributions.

3. Employees hired by the City between October 1, 2002 and June 30, 2008 and who, at the time of retirement, constitute an "annuitant" as defined by the PEMHCA, will receive the following:
 - a. From the date of retirement and until such time that the retiree becomes eligible for Medicare, the City will contribute an amount to cover fifty percent (50%) of the Blue Shield Access HMO plan for employees with ten (10) years of service, plus an additional five percent (5%) of the cost of the Blue Shield Access HMO plan for each additional year of service beyond ten (10) years, up to one-hundred percent (100%) of the Blue Shield Access HMO plan after

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twenty (20) years of service, less the amount of the City's minimum monthly employer contribution under PEMHCA.

- b. Upon attaining Medicare eligibility, for annuitants who retired from the City with ten (10) years of service with the City, the City's contribution will equal the cost of fifty percent (50%) of the lowest-cost supplemental Medicare plan offered by CalPERS, less the amount of the City's minimum monthly employer contribution under PEMHCA. For each additional year of service with the City beyond ten (10) years, the City will contribute an additional five percent (5%) of the cost of the supplemental Medicare plan offered by CalPERS for each additional year of service beyond ten (10) years, up to one-hundred percent (100%) of the supplemental Medicare plan offered by CalPERS after twenty (20) years of service, less the amount of the City's minimum monthly employer contribution under PEMHCA.
- c. A qualifying annuitant who retires from the City will not be entitled to City retiree medical benefits, as specified above, while receiving health insurance contributions from another CalPERS agency; the annuitant will be required to choose between available insurance plans and employer contributions.

E. Retiree Health Savings Plan (RHSP)

For employees hired on or after July 1, 2008, the City of Los Banos has established a program to which the City and employees participate to save, on a tax deferred basis, money to help pay the cost of healthcare once an individual retires. The Retiree Health Savings Plan (RHSP) may be used for expenses as provided under the terms of the Plan. Any tax consequences resulting from City contributions to the RHSP are the sole responsibility of the employee. Participation is mandatory for all eligible employees.

- 1. Participation is mandatory for all employees hired on or after January 1, 2008.
- 2. For employees hired on or after January 1, 2008:
 - a. Effective the first pay period following City Council approval of a successor MOU, or July 1, 2021 (whichever is later), starting after an

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employee has successfully completed his or her initial probationary period, the City will contribute seventy-five dollars (\$75) per month to the employee's RHSP Account. Likewise, the employee will contribute seventy-five dollars (\$75) per month to his or her RHSP Account.

- b. During an employee's initial hire probationary period with the City, neither the employee nor the City will contribute to the employee's RHSP Account. Upon successful completion of the initial hire probationary period, the City will contribute a lump sum of seventy-five dollars (\$75) per month for each month served in the employee's initial probationary period.
- c. Upon cessation of employment with the City, the City will cease contributions to the individual's RHSP Account.
- d. Employees hired on or after January 1, 2008 will have no vested right to ongoing City contributions to the RHSP Account. Changes to or the elimination of the City contributions to the RHSP Account will be subject to meet and confer with the Union.

SECTION IX – Miscellaneous

A. Safety Shoe/Boot Allowance

Effective the first full pay period following City Council approval of an initial MOU in 2019, employees who are required by the City to wear steel toed and/or ankle supported safety shoes/boots, or to work with asphalt as a usual and regular job duty, will receive a shoe/boot allowance of One Hundred Ninety Dollars (\$190.00) as needed toward the cost of shoes/boots. The employee's supervisor will retain sole discretion as to replacement needs. Upon City purchase of new boots, employees shall return their old City-purchased boots/shoes to the supervisor.

B. Clothing

Effective as soon as administratively feasible following City Council approval of a new MOU in 2019, the Department will provide each employee with three (3) t-

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shirts containing the City logo, to be worn in warm weather. At the employee's request, long sleeve t-shirts shall be provided in lieu of short sleeve t-shirts.

The City's uniform services provider shall provide shirts for employees to wear on the job. As the current uniform shirts wear out, the City shall replace them with Type R, Class 3 high visibility safety apparel.

For classic CalPERS members as defined by the Public Employee Pension Reform Act (PEPRA), the City will report to CalPERS the monetary value for providing and maintaining required uniforms. The City will report the uniform costs on a semi-monthly basis. The uniform purchase and maintenance amount reported to CalPERS will be derived from the City's total annual cost for providing the employee's uniforms, not to exceed one thousand dollars (\$1,000) per fiscal year, per employee.

SECTION X – Grievance Procedure

- A. Purpose: The purpose of the Grievance Procedure is to provide for fair and prompt review and resolution of issues affecting labor relations.
- B. Grievance Defined: A grievance will be defined as an alleged violation of the MOU.
- C. Step 1 Informal Grievance: Within fourteen (14) calendar days of the occurrence of the act(s) that constitute the grievance, an employee will discuss the grievance with the employee's immediate supervisor, who will investigate and attempt to resolve the matter. The supervisor will give the employee a verbal reply within fourteen (14) calendar days after the discussion. If the employee is not satisfied with the reply, he or she may proceed to Step 2.
- D. Step 2 Formal Grievance: Any grievance not resolved at Step 1 may be submitted in writing to the Department Head no later than fourteen (14) calendar days after the date of the supervisor's verbal reply. Formal Employee Grievances will be submitted on the prescribed form (Employee Grievance Report).

Upon receipt of the Employee Grievance Report, the Department Head will conduct a thorough review of the circumstances giving rise to the Grievance, including a meeting with the employee who initiated the Grievance.

At the time of such meeting, which will be scheduled no later than seven (7) calendar days from the date the Department Head received the Employee Grievance Report,

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the employee may bring with him/her one (1) advisor of his/her choice to assist in presentation of his/her concerns. Electronic or mechanical recording of the hearing is permitted by any participant.

Within ten (10) calendar days after the date of the Grievance Hearing the employee initiating the Grievance will be provided with a written response (Finding on Employee Grievance) which sets forth the Department Head's findings on the Grievance and specifies what, if any, action will be taken to correct the problem. Exception: In those situations where additional review is required, the employee will be given written notice of this fact within the normal ten (10) day response time and follow-up notices of delay by the conclusion of each subsequent ten (10) day period thereafter until such time as the Findings are completed.

- E. **Step 2.5 Voluntary Mediation:** If an employee is dissatisfied with the initial Finding on Employee Grievance, the City and Union may mutually agree to hold the grievance in abeyance pending mediation of the grievance with a mediator from the California State Mediation and Conciliation Service. A settlement reached in mediation will be final and binding upon the parties.
- F. **Step 3 Grievance Appeal:** If an employee is dissatisfied with the initial Finding on Employee Grievance, and if the parties agreed to mediate the grievance and failed to reach an agreement, the employee may appeal the decision to the City Manager.

To exercise their right to appeal a Finding on Employee Grievance, employees must file a written request with the City Manager by no later than five (5) calendar days from the date of receipt of the Step 2 Findings on Employee Grievance. Such time limits may be extended per mutual agreement if the parties agree to mediate the agreement.

The request for Appeal will include: copies of the original Employee Grievance Report, Findings on Employee Grievance, and a cover letter setting forth the specific reasons the employee disagrees with the decision reached with regard to his/her Grievance. Failure to submit the required material within the specified time period will be considered as a waiver of the employee's right to Appeal.

Upon receipt of a Grievance Appeal, the City Manager will conduct a thorough review of circumstances giving rise to the Grievance, including a meeting with the employee initiating the Grievance within no later than ten (10) calendar days from the date the City Manager received the employee's Grievance Appeal.

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The decision of the City Manager will be final and binding. The City Manager's decision will be limited as follows:

- The decision will neither add to, detract from, nor modify the language of the MOU.
- The decision will be confined to the precise issue(s) the grievance has raised at Step 1.
- Any monetary award in favor of the grievant may not exceed wages or benefits that the grievant has actually lost as a result of the matters alleged in the grievance. In no event will any grievance award include any compensatory damages or attorneys' fees.

G. Time Limits: Any grievance will be deemed settled when it is not appealed to the next step within the specified time limit, unless an extension of time to a definite date has been mutually agreed upon in writing. Any grievance that the grievant fails to timely move to the next step will be deemed resolved on the basis of the last disposition.

SECTION XI - Provision of the Law

This MOU is subject to all applicable current and future Federal and State laws, State regulations, the Municipal Code of the City of Los Banos and the Constitution of the State of California.

Should any of the provisions herein contained be rendered or declared invalid by reason of the State or Federal legislation or court action, such invalidations of such part of portions hereof will not invalidate the remaining portions hereof and they will remain in full force and effect, insofar as such remaining portions are severable.

SECTION XII - No Strike

The Union, its members and representatives, agree that it and they will not engage in, authorize, sanction or support any strike, slowdown, stoppage of work, curtailment of production, refusal to operate designated equipment (provided such equipment is safe and sound) or to perform customary duties; and neither the Union nor any representatives thereof shall engage in job action for the purpose of effecting changes in the directives or decisions of management of the City, nor to effect a change of personnel or operations of management or of employees not covered by this Memorandum of Understanding. No lockout of employees shall be instituted by the City during the term of this MOU.

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SECTION XIII – Right to Representative in Investigatory Meeting

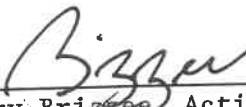
Upon an employee's request, an employee is entitled to have a Union Representative present during any investigatory interview that may result in discipline, or when the employee has a reasonable belief that discipline will result from the meeting.

SECTION XIV – Term

The term of this MOU will commence July 1, 2021 and will expire June 30, 2024, except as otherwise provided in this MOU.

SIGNATURES


FOR THE CITY OF LOS BANOS:



Gary Brizze, Acting City Manager

Date: 7/12/2021

FOR PEU LOCAL ONE/AFSCME:



Jeff Apkarian, Union Representative
Council 57/AFSCME

Date: 7/1/2021