

LETTER OF UNDERSTANDING (LOU)

BETWEEN

CITY OF COLUSA

AND

ASSISTANT FIRE CHIEF

JULY 1, 2010 – JUNE 30, 2012

This LETTER OF UNDERSTANDING, made and entered into this 17th day of August 2010, by the designated representative of the CITY OF COLUSA, herein after referred to as City, and Buck Gonczeruk, Assistant Fire Chief, herein after referred to as AFC or employee(s). The purpose of this Letter of Understanding is to establish salary and benefits for the Fire Chief. No bargaining currently unit exists for mid-management fire personnel.

1. SALARY INCREASE

- a. Effective the first pay period in July 2010, City shall increase employees' base salaries by two percent (2%) for all classifications upon adoption by the City Council of this MOU.
- b. Effective the first pay period that reflects a deduction for the employee contribution to CalPERS pension, the City shall increase employees' base salaries by two percent (2%) for all safety classifications.

2. LABOR MARKET ADJUSTMENTS

- a. The City Agrees to meet and confer to establish salary bands based on market survey as soon as possible during the term of this MOU. These bands must be established prior to October 2011.

3. PAY DAY

Salaries shall be paid at monthly intervals on the last working day of the month.

4. Work Period

The work period for AFC may be a 24 hours shift over a twenty-seven (27) day period, or seven consecutive calendar days, Sunday through Saturday at the direction of the Fire Chief with City Manager concurrence.

5. Strike Team Pay

When the AFC is assigned by the Fire Chief to respond as part of a strike team, said AFC shall be paid at straight time normal hourly rate when working his or her regular scheduled shift and at time and a half when working during a period the AFC was scheduled to be off. The rate of pay will be determined by what capacity the employee is serving in. For example: If a Captain is serving as a Captain or Crew Leader, that Captain will be paid at his or her regular rate of pay. If the Captain serves in a higher capacity such as Strike Team Leader or Assistant Strike Team Leader, then the Captain will be paid at the rate of reimbursement to the CITY for that position. All Strike Team pay is subject to reimbursement as per the State of California Fire Service Five Party Agreement.

6. Whenever the AFC is required to remain available on an emergency standby basis and be immediately available for duty by the Fire Chief or designee; he/she shall be compensated at the rate of three dollars (\$3.00) per hour. The assignment of classifications of employees to emergency standby duty shall be approved by the City Manager. Standby duty means time in excess of the official work period during which an employee is required to immediately return to duty when called to do so.

For purpose of this section, when the AFC is required to remain available on an emergency standby basis, he must at all times leave a telephone number where AFC can be reached and can return to work immediately. The possession of a city "beeper" or "pager" shall not constitute standby duty unless the Fire Chief or his/her designated representative has specifically assigned the employee to standby duties. Employees assigned to standby shall not consume any alcohol or drug which may impair their work performance.

7. LEAVE OF ABSENCE

7.1 FUNERAL LEAVE

AFC shall be granted time off with pay to attend funerals.

7.2 BEREAVEMENT LEAVE

Employees eligible to use sick leave may use up to three (3) days accrued sick leave upon the death of the following family member: Mother, father, brother, sister, spouse, child, parent of spouse, grandparents and grandchildren. Five (5) days accrued sick leave may be used if traveling out of State. The Fire Chief can approve the use of

additional leave credits for bereavement leave subject to operational need. If the employee has no accrued sick or vacation leave, he will be granted one day off with pay.

7.3 JURY OR COURT DUTY

Employees called for jury duty or subpoenaed as a witness in a City related matter shall be granted the necessary time off for this purpose and shall be compensated in full by the CITY. The employee, however, must relinquish jury duty compensation excluding any mileage reimbursement to the CITY.

8. SICK LEAVE

8.1 ACCUMULATION

After six months of service, employees shall earn sick leave as follows:

- A. 40 hour AFC shall earn sick leave at a rate of eight (8) hours per calendar month of service or pro-rata portion.
- B. 24 hour Shift AFC shall earn sick leave at a rate of nine and one half (9 1/2) hours per calendar month of service or pro-rata portion.

There shall be no limit to the accrual of unused sick leave. Sick leave shall not be accumulated in a calendar month by any 40 hour week AFC who has been on sick leave for over ten (10) working days in that calendar month or for any 24 hour shift AFC who has been on sick leave for over six (6) working days in that calendar month.

8.2 ALLOWANCE

Sick leave shall be allowed for an absence due to a bona fide illness, off duty injury, or confinement for medical treatment. The AFC may use up to six (6) days of their accrued sick leave per illness per year to provide needed care to a member of their immediate family who is seriously ill or injured (see section 7.2 of this LOU regarding bereavement leave of absence).

8.3 DEDUCTIONS

Deductions shall be made from the AFC accrued balance on an hour for hour basis, i.e. AFC is charged an hour of sick leave for each hour absent from a scheduled shift.

8.4 BUYOUT UPON TERMINATION

For the purpose of pay off upon retirement or termination after ten (10) years of service, AFC is eligible to receive cash payment for 50% of the maximum accrual of 75 days or shift equivalent. Service retirement usage of sick leave is allowed. AFC may take

time off equivalent to 50% of accumulation to a maximum of 30 days or 15 shifts prior to the effective date of retirement with no effect on PERS.

8.5 WORKERS' COMPENSATION

If AFC is injured on the job, and is receiving benefits under Workers' Compensation, he shall be allowed to use his unused leave benefits in an amount sufficient to provide wages equal to his salary as if he was normally employed. Safety employees receive workers' compensation payments in accordance with all State and Federal laws.

9. HOLIDAYS

9.1 HOLIDAY ENTITLEMENT

The following are holidays for which all employees will be entitled to time off with pay:

1. New Year's Day*
2. Martin Luther King's Birthday
3. President's Day
4. Memorial Day
5. Independence Day
6. Labor Day *
7. Veterans Day
8. Thanksgiving Day *
9. Day after Thanksgiving Day
10. Christmas Day *
11. Personal Floating Holiday (1)

* 24 hour shift AFC shall observe these Holidays on the actual day that they fall on. 24 hour Shift AFC working on a holiday shall receive pay at one and one-half times the regular rate in addition to regular days pay; 24 hour shift AFC whose scheduled day off falls upon a holiday will receive an additional eight (8) hours pay.

Beginning January 1, 2011 the AFC shall be credited with eight (8) hours of personal holiday benefit as of January 1 of each year. The personal holiday benefit must be used annually, cannot be accumulated, and is not subject to buyback at any time.

9.2 SATURDAY AND SUNDAY HOLIDAY

When any of the above holidays fall on a Sunday; the Monday following shall be observed as the Holiday. When any of the above Holidays falls on a Saturday, the preceding Friday shall be observed as the Holiday.

10. VACATION

10.1 VACATION ALLOWANCE

A. shall be entitled to earn vacation at the following rate:

<u>Years of Service</u>	<u>Annual Leave Credits</u>	<u>Per Month</u>
Less than 5	10 days annually	6.7 hours
5 years but less than 15	15 days annually	10 hours
15 years or more	20 days annually	13.36 hours

Shift Personnel		
<u>Years of Service</u>	<u>Annual Leave Credits</u>	<u>Per Month</u>
Less than 5	Six (6) shifts	12 hours
5 years and over	Nine (9) shifts	18 hours

Employees are eligible to use accrued vacation leave after serving a minimum of six months.

10.2 DEDUCTIONS

Deductions shall be made from the employees accrued balance on an hour for hour basis, i.e. employee is charged an hour of vacation leave for each hour absent from a scheduled shift.

10.3 UNUSED VACATION

Subject to the limitations and conditions set forth in paragraphs 10.5, 10.6, 10.7, and 10.8 employees who have served a minimum of one year whose employment with the City is terminated for any reason shall, at the time of termination, receive pay for any unused vacation and any Past Vacation Credits.

10.4 TERMINAL VACATION

Terminal vacation is defined as time after an employee has given notice of termination/retirement, and is utilizing vacation time before their actual date of termination. Employees shall not earn additional vacation credit while on terminal leave.

10.5 MAXIMUM ACCRUAL

Effective January 1, 2001 AFC will be allowed to earn vacation credits to a maximum accrual equal to one and a half (1 1/2) times AFC annual vacation leave credits. AFC will not be allowed to earn more than the maximum accrual. Should AFC vacation leave credits reach the maximum AFC shall cease to earn any additional vacation credits until his leave balance is reduced sufficiently to allow additional credits to be added without exceeding the maximum accrual.

10.6 VACATION SELL BACK

40 hour AFC who earn fifteen (15) days of annual vacation (or shift equivalent) per year and have used at least ten (10) days during the previous twelve months will be allowed to sell back up to five (5) days of vacation credits per calendar year. Employees who earn twenty (20) days of annual vacation (or shift equivalent) per year and have used at least ten (10) days during the previous twelve months will be allowed to sell back up to ten (10) days of vacation credits per calendar year. The CITY will buy back vacation credits based upon the employee's current hourly rate of pay.

24 hour Shift AFC who earn nine (9) shifts per year and have used at least four and one half (4.5) shifts during the previous twelve months will be allowed to sell back up to four and one half (4.5) shifts of vacation credits per calendar year. The CITY will buy back vacation credits based upon the current hourly rate of pay.

10.7 PAST VACATION CREDITS

Effective December 31, 2000 all vacation credits accrued by an employee shall be considered the employee's past vacation credits. Vacation credits earned prior to December 31, 2000 are not subject to the maximum accrual set forth in Section 10.5 and will not be considered in determining the employee's eligibility to earn additional vacation credits.

10.8 BUY BACK OF PAST VACATION CREDITS

Regular employees who have Past Vacation Credits may sell back up to ten (10) days worth of credits per fiscal year. The CITY will buy back Past Vacation Credits based upon the employee's current hourly rate of pay.

Shift employees who have Past Vacation Credits may sell back up to five (5) shifts worth of credits per fiscal year. The CITY will buy back past vacation credits based upon the employee's current hourly rate of pay.

10.9 Administrative Leave

The Assistant Fire Chief is entitled to take one day off per month as needed to conduct personal business. No accumulation is allowed.

11. BENEFITS

TITLE 11. BENEFITS

11.1 HEALTH INSURANCE PLAN MINIMUM EMPLOYER CONTRIBUTION

Currently the City participates in the California Public Employees Retirement System (PERS) for medical insurance under its Public Employees Medical and Hospital Care Act (PEMHCA), and will pay the Minimum Employer Contribution (MEC) for each employee or retiree enrolling himself/herself, and where applicable, his/her eligible dependents in one of the medical plans offered by CalPERS.

Minimum Contribution as of July 1, 2010	\$105.00
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11.1.1 The City will issue an addendum annually with the updated Minimum Contribution amount pursuant to PEMCHA.

11.1.2 In the event the City leaves the CalPERS PEMCHA program this provision, the Health Insurance Plan Minimum Contribution, will become null and void.

11.2 CITY SUPPLEMENTAL BENEFIT STIPEND FOR ACTIVE EMPLOYEES

11.2.1 The intent of the City is to provide a meaningful benefit program for active employees. Toward that end, it is the intent for benefit stipend to provide, when combined with the PEMHCA minimum contribution (if any), the following:

- Employee only Blue Shield EPO
- Employee only Dental benefit
- Employee only Vision benefit

11.2.2 The City will pay the following additional amount for each active employee enrolling himself or herself in City sponsored benefit plans.

11.2.3 The stipend = Blue Shield EPO rate – MEC + Dental + Vision + term life.

Example: The Stipend amount as of January 1, 2011 \$580.67 + dental and vision *

*City is currently seeking bids for Dental & Vision Benefits...

11.2.4 An employee that receives medical coverage from another source (spouse, military, etc.) may opt out of the City Supplemental Benefit Stipend for Active Employees and receive an amount equal to one-half (1/2) of the current stipend in the form of a City contribution to an individual 457 account or 40% of the stipend in cash.. The employee must provide proof of coverage under a comparable plan annually during the open enrollment period.

11.2.5 If an employee opts for a less expensive plan than the default medical plan, Blue Shield EPO, they may take ½ of the remaining stipend as a contribution to a 457 account or 40% of the remaining stipend in cash.

11.2.6 On an annual basis the City shall issue an addendum identifying the updated amount of the MEC required by PEMHCA and any corresponding adjustment to the Supplemental Benefit Stipend for Active Employees.

11.3 CITY RETIREE SUPPLEMENTAL BENEFIT STIPEND PROGRAM

The intent of the City is to provide a meaningful retiree medical program for its employees. Toward that end, it is the intent for benefit stipend to provide employee only coverage, when combined with the PEMHCA minimum contribution (if any), in the CalPERS Blue Shield EPO or similar program.

11.3.1 Existing City Retirees and employees that retire prior to January 1, 2011 are entitled to full lifetime payment for employee only medical from the following plans*:

- Blue Shield EPO
- PERS Choice PPO
- PERS Select

* City can substitute similar plans from different carriers pursuant to 11.6 below.

11.3.2 Active employees hired prior to July 1, 2010 and who retire from the City with at least ten (10) years of service with the City between the age 55 and 65 (or Medicare eligibility age, whichever is later), and participate in the PERS medical insurance program will be eligible to receive the City Retiree Supplemental Benefit Stipend until they reach the age of 65 (or Medicare eligibility age, whichever is later) in accordance with the following schedule:

Years of Service	Percentage of Premium (Stipend + MEC)
10	50%
11	55%

12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20 or more	100%

11.3.3 Employees that retire from the City prior to age 55 shall be entitled to only the Health Insurance Plan Minimum Employer Contribution (MEC) pursuant to Section I above, if applicable.

11.3.4 Upon retirement employees hired after July 1, 2010 shall be entitled to only the Health Insurance Plan Minimum Employer Contribution (MEC) pursuant to Section I above, if applicable.

11.4 CITY RETIREE SUPPLEMENTAL BENEFIT STIPEND

This stipend is only applicable to employees hired prior to July 1, 2010 and retire after January 1, 2011. This stipend is subject to the terms of item 11.3.2 above.

11.4.1 Pursuant to the provisions of 11.3 above, the City shall pay the following additional amount for each Retired Employee enrolling himself or herself and his or her eligible dependents in any of the available PERS medical plans :

11.4.2 The Stipend shall be calculated in the same manner as 11.2.3 above except that ancillary benefits are not included.

Retiree Supplemental Benefit Stipend as of January 1, 2011 \$580.67

11.4.3 On an annual basis the City shall issue an addendum identifying the updated amount of the MEC required by PEMHCA and any corresponding adjustment to the Supplemental Benefit Stipend for Retired Employees. The Stipend amount shall be adjusted so that it will, when combined with the MEC, continue to fully pay for the Blue Shield EPO for a retiree enrolling as a “single” employee.

11.5 MEDICARE SUPPLEMENT STIPEND

Employees hired before July 1, 2010 and that retire after January 1, 2011 that are eligible for Medicare must enroll in the Medicare program. Once enrolled in the Medicare program retired city employees will be entitled to the Medicare Supplement Stipend.

11.5.1 On annual basis the Medicare Supplement stipend shall be adjusted to fully pay for the Blue Shield Option F Medicare supplement plan plus Medicare part D premium.

11.5.2 Medicare Supplement Stipend As of July 1, 2011 \$200.00

11.5.3 The City will issue an addendum annually with the updated amount for the Medicare Supplement Stipend.

11.6 MEDICAL INSURANCE PLAN CHANGES

Nothing herein precludes the City from substituting a similar alternative medical insurance plan for the current plans with a different provider.

11.7 GENERAL RULES FOR PERS MEDICAL COVERAGE

11.7.1 The active or retired employee and his/her spouse and/or dependents must be eligible to enroll in a PERS medical plan based on employment with the City, as determined by PERS.

11.7.2 Continuing eligibility for PERS medical plan coverage of retirees and their spouses shall be determined by PERS.

11.7.3 Each enrolled retiree shall pay the full balance of the medical premium for the plan they select in such manner as prescribed by PERS.

11.7.4 New employees shall be eligible for medical plan coverage on the first day of the month following completion of the eligibility period as established by PERS.

11.8 DENTAL PLAN

The City will continue to offer dental insurance. Employees must pay the premium for participation out of their benefit stipend or out of their paycheck on a pre-tax basis.

11.9 TERM LIFE INSURANCE

The City will endeavor to offer a Term Life Insurance product during the term of this MOU. Employees must pay the premium for participation out of their benefit stipend or out of their paycheck on a pre-tax basis.

11.10 LONG TERM DISABILITY INSURANCE

The City will endeavor to offer a Long Term Disability insurance product during the term of this MOU. Employees must pay the premium for participation out of their benefit stipend or out of their paycheck on a pre-tax basis.

11.11 VISION PLAN

The City will endeavor to offer a vision insurance product during the term of this MOU. Employees must pay the premium for participation out of their benefit stipend or out of their paycheck on a pre-tax basis

11.12 DEFERRED COMPENSATION PROGRAM

The CITY has established for all employees voluntary participation in qualified Deferred Compensation programs. Employees may defer up to the amount established by law.

11.13 IRS SECTION 125 PLAN

The CITY has established for all employees voluntary participation in qualified IRS Section 125 plans.

11.6 LIFE INSURANCE

The CITY shall provide for each employee, at no cost to the employee, Life Insurance and Accidental Death and Dismemberment Insurance in the amount of \$50,000.

12. MISCELLANEOUS

12.1 UNIFORM ALLOWANCE

AFC shall receive \$65.00 per month. The CITY shall replace uniforms damaged beyond repair in the line of duty. The uniform allowance will be paid in advance on either a monthly or semi-annual basis (January 1 and July 1) of each year. The City Manager will determine when the uniform allowance is paid. In the event of separation of employment for any reason prior to June 30 or December 31 of any year, the employee will reimburse the CITY for payment received for the months not actually worked up to a maximum of three months. The amount due the City shall be deducted from the final check of the employee.

12.2 EMERGENCY MEDICAL TECHNICIAN PAY

Employees maintaining an Emergency Medical Technician Certificate shall receive a benefit of \$250.00 per year. Any member of the group who has or obtains an EMT-D Certificate shall receive an additional \$100 per year. Said monies shall be paid at the beginning of the CITY's fiscal year.

12.3 Professional Dues

The city will provide for the payment to the employee of professional dues, licenses and certificates beneficial to the city. ~~in the annual budget.~~

12.4 City Vehicle

The CITY will provide the Assistant Fire Chief an automobile for conducting city business.

12.5 PAY FOR PERFORMANCE

The Pay for Performance program is designed to replace annual merit step increases. On an annual basis an employee will be given a salary increase commensurate with their overall performance based on an annual performance evaluation. Unlike the merit step increase program it replaces, pay for performance allows for annual salary increases from 0-15%. (See provisions 10.4 & 10.5)

12.6 SALARY BANDS

Each classification has a salary band with minimum entry salary and a maximum salary. Additionally, employees that have documented "Extraordinary Performance" may exceed the salary band maximum salary by 0-15%. (See provision 10.6)

- A. Entry salary for classification
- B. Maximum pay for performance salary for classification
- C. Extraordinary performance band (0-15% above B)

12.7 SALARY BAND ADJUSTMENTS

Salary Bands can be adjusted in the following ways:

12.7.1 NEGOTIATED INCREASES

Salary bands shall be adjusted at the conclusion of bargaining unit negotiations to reflect any negotiated COLA. However, when such COLA is applied to the salary band no employee is guaranteed an increase. Individual increases are subject to performance review.

12.7.2 EQUITY INCREASES

Salary Bands shall be adjusted on an equity basis at anytime upon the recommendation of the Department Head, the availability of funding, the concurrence of the City Manager and the ratification of the City Council. Any individual salary equity adjustments do not require a performance evaluation.

12.7.3 ADDITIONAL INCREASES

Periodically additional recurring monies may become available for salary. Such increases shall be subject to the meet and confer process pursuant the Myers Milias Brown Act. Salary Surveys used during negotiations shall be "total compensation" surveys and shall include employee contributions to CalPERS, medical insurance and social security.

12.8 PERFORMANCE REVIEWS

Annual Pay for Performance Reviews will be scheduled for October of each year, beginning in October 2010. These will establish the performance goals for each individual for the 1 year review period.

12.9 PERFORMANCE INCREASES

An employee shall be eligible for a performance increase from 0 to 15 % in base salaries, or a one-time bonus of 0% to 15 % of salary on the first day of a pay period following the employee's anniversary date. No employee shall exceed the Salary Band Maximum except as provided under 10.6 below.

Performance increases shall not be automatic and shall be reviewed and approved by the City Manager, prior to discussing with the employee.

If an October review date is missed due to an error, a performance increase shall not be automatic. The employee shall notify the immediate supervisor in writing of the error and an evaluation shall be made within 30 calendar days from the date of such notice. If the employee is granted a performance increase, such increase shall be retroactive to the anniversary date.

12.10 EXTRAORDINARY PERFORMANCE

An employee is eligible to exceed the Salary Band maximum for their classification whenever his/her performance has achieved a substantial improvement or efficiency, or substantial savings or income to the City, beyond what is normally expected in the job assignment.

Such performance shall be reviewed and documented by a committee comprised of the Department Head (Or in the event of a department head evaluation by the City Manager) recommending such increase, the City Manager and two City Council Members appointed by the City Council for such purposes. The Committee's recommendation shall be brought to a "closed session" of the City Council to discuss the employee's performance and eligibility for Exceeding Salary Band maximum. The employee shall not be apprised of the Department Head's or City Manager's tentative recommendation until and unless approved in writing by the City Manager, after such closed session.

In the event such increase is not approved to exceed Salary Band maximum, the requesting department head or City Manager, shall rewrite such performance evaluation to reflect the performance limits of the Salary Band maximum.

An employee receiving Extraordinary Performance Pay shall be eligible for a one-time bonus of up to 15% percent, or an ongoing salary adjustment of up to 15%, and have such pay begin or retroactively be paid on the first day of a pay period following the employee's anniversary date.

12.11 PROBATIONARY INCREASE

An employee who has achieved regular status and successfully completed probation shall be eligible to receive performance increase from 0 to 15% on the first day of a pay period following successful completion of the probationary period.

12.12 IMPLEMENTATION

The first Pay for Performance salary increases will become effective October 2011 after 12 months under the pay for performance system.

An employee receiving a review outside of the normal annual review cycle of October – September will have their October pay for performance salary increase pro-rated based on the number of months since their last pay increase.

For the duration of this MOU any increase pursuant to this section shall be applied 50% by equity and 50% by pay for performance until October 2011.

12.13 APPEALS

An employee that is denied a performance increase may appeal the performance evaluation that is the basis for such denial. The appeal must be filed within 10 days of the evaluation in question.

The appeal shall be reviewed by a panel consisting of 3 members. One member shall be selected by the Union. One member shall be selected by the City. One member shall be a Human Resources Professional mutually agreed upon by both parties.

12.14 DISPUTES AND POTENTIAL CONFLICTING PROVISIONS RELATED TO SALARY BANDS–

Notwithstanding memoranda of understanding provisions or City policies directly related to salary ranges and the new salary bands, the City Council shall be the final interpreter of any conflicting compensation provisions, disputes or application issues, including all language implementing the new salary bands. Their decision shall be final and binding on the parties.

13 RETIREMENT

13.1 PUBLIC EMPLOYEES RETIREMENT SYSTEM (P.E.R.S)

The CITY shall provide and maintain the State of California Public Employees Retirement System Program.

- Pension formula shall be 2%@50.
- Employee will pay 100% of employee contribution.
- Pension shall be calculated on highest 36 months salary.
- Effective June 1, 2012 pension shall be calculated on highest 12 months salary.

14.1 TERM

This Letter of Understanding shall be for the term beginning July 1, 2010 and shall continue in full force and effect through June 30, 2012 and thereafter from year to year, unless superseded by a successor agreement.

This Letter of Understanding shall not be amended or supplemented except by agreement of the parties hereto, reduced to writing and duly signed by each.

IN WITNESS WHEREOF, the parties hereto have executed this Letter of Understanding this 17th day of August, 2010.

ASSISTANT FIRE CHIEF

FOR CITY OF COLUSA

Buck Gonczerek, Assistant Fire Chief

Donna Critchfield, Mayor

APPROVED AS TO FORM:

Jacob Knapp, City Attorney