

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF COLUSA

AND

MIDDLE MANAGEMENT GROUP

July 1, 2010- June 30, 2011

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MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, made and entered into this 20th day of December 2010, by and between the designated representatives of the CITY OF COLUSA (a public agency as defined in Section 3501(c) of Chapter 10 of Division 4 of Title 1 of the Government Code of the State of California), hereinafter referred to as the CITY, and the authorized representatives of the CITY OF COLUSA MIDDLE MANAGEMENT GROUP, hereinafter referred to as the GROUP,

WITNESSETH that:

WHEREAS, the parties hereto desire to facilitate the peaceful adjustment of differences that may from time to time arise between them, to promote harmony and efficiency to the end that the CITY, GROUP and the general public may benefit therefrom, and to establish fair and equitable wages, hours and working conditions for certain hereinafter designated employees of the CITY,

NOW, THEREFORE, the parties hereto do agree as follows:

TITLE 1. PREAMBLE

1.1 PRINCIPALS

The parties acknowledge the provisions of Chapter 10 (Section 3500, et seq.) Of Division 4 of Title 1 of the Government code of the State of California.

1.2 NON-DISCRIMINATION

It is the policy of the CITY and GROUP not to, and neither party will interfere with, intimidate, restrain, coerce or discriminate against any employee because of race, creed, sex, color, handicapping condition, age or national origin.

1.3 RIGHTS OF EMPLOYEES

Employees have the right to organize or join the employee organization for the purpose of representation on all matters of employer-employee relations. Employees are free to join or not to join an employee organization and shall have the right to refuse to join or participate in the activities of the employee organization. Membership or non-membership in an employee organization is not a condition of employment and the employee will not be granted preferential treatment nor will he/she be withheld from equitable treatment because of either membership or non-membership in such an organization. Each employee has the right to represent himself individually in his employment relations with the City. Employees shall not have the right to strike or to recognize a picket line of a labor organization while in the course of the performance of their official duties.

1.4 CITY RIGHTS

City retains, solely and exclusively, all the rights, powers and authority exercised or held prior to the execution of this Memorandum of Understanding, except as expressly limited by law or this Memorandum of Understanding. Without limiting the generality of the foregoing, the rights, powers, and authority retained solely and exclusively by CITY include, but are not limited to, the following: To manage and direct its business and personnel; to manage, control and determine the mission of its departments, building facilities, and operations; to direct the work force; to hire, transfer, promote, and maintain the discipline and efficiency of its employees; to establish work standards, schedules of operation and reasonable work load; to specify or assign work requirements; to schedule working hours and shifts; to determine the type and scope of work to

be performed by CITY'S employees and the services to be provided; to classify positions; to determine the methods, processes, means and places of providing services.

1.5 SECTION TITLES

Section Titles in this Agreement are for identification purposes only, and are not to be used for the purpose of interpreting either the intent or the meaning of the language of any section.

TITLE 2. RECOGNITION

2.1 RECOGNITION

The CITY recognizes the City of Colusa Middle Management Group, hereinafter referred to as the GROUP as the exclusive representative of all employees of the CITY who hold a classification listed on Exhibit A. The provisions of this Memorandum of Understanding, hereinafter set forth, shall apply only to those employees of the CITY of Colusa for whom City of Colusa Middle Management Group is the established exclusive representative.

2.2 APPLICABILITY

The provisions of this Agreement shall be limited to their application to employees of CITY in the bargaining unit described in Section 2.1. Wherever the words "employee" and "employees" are used in this Agreement, they shall, unless otherwise noted, be construed to refer only to the employees described in Section 2.1 for whom GROUP is the exclusive bargaining representative of said employees.

TITLE 3. GROUP ACTIVITY

3.1 NON-DISCRIMINATION

Neither the CITY nor the GROUP, shall interfere with, intimidate, restrain, coerce, or

discriminate against any employee because of his membership, or non-membership, in GROUP or his activity on behalf of GROUP.

3.2 REPRESENTATIVES OF GROUP

The GROUP'S Representatives shall have the right of reasonable access to bargaining unit members outside of their assigned duties; before and after work hours, at meals and break periods; and at other times as needed.

3.3 USE OF CITY FACILITIES

The GROUP is permitted to conduct meetings in City facilities, depending upon availability of space.

3.4 NEGOTIATIONS

GROUP representatives shall be allowed time off to meet with CITY to negotiate changes in the Memorandum of Understanding or new conditions not covered in the Agreement. This time off shall be compensated by CITY at the normal rate of pay.

TITLE 4. ITEMS NEGOTIATED UNDER THIS CONTRACT

The parties have reached agreement on the subjects which are shown below. The provisions of Title 4 shall be controlling to the extent that there is a conflict between a Title 4 provision and any other provision of this MOU.

4.1 EXISTING RIGHTS & BENEFITS

All existing rights and benefits shall continue except as modified by negotiated changes.

4.2 M.O.U. TERM

This MOU shall be for a one year period beginning July 1, 2010 and ending June 30, 2011.

4.3 PAY FOR PERFORMANCE

4.3.1 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%.

4.3.2 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 4.3.6)

4.3.3 SALARY BAND ADJUSTMENTS

Salary Bands can be adjusted in the following ways:

4.3.3.1 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 (see provision 4.3.4)

4.3.3.2 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.

4.3.3.3 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.

4.3.4 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.

4.3.5

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 '4.3.6' below.

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

If 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.

4.3.6 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 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.

4.3.7 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.

4.3.8 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.

4.3.9

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.

4.3.10 **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.

4.4 INSURANCE

I. Health Insurance Plan Minimum Employer Contribution

- A. 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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- B. The City will issue an addendum annually with the updated Minimum Contribution amount pursuant to PEMHCA.

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

II. City Supplemental Benefit Stipend for Active Employees

A. 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

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

C. The stipend will be calculated as employee Blue Shield EPO rate – MEC + Dental + Vision.

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

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

D. 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.

E. 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.

F. . 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.

III. 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.

A. 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

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

B. Active employees who retire from the City with at least Five (5) 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
5	50%
6	60%
7	70%
8	80%
9	90%
10	100%

C. 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.

D. City Retiree Supplemental Benefit Stipend

This stipend is only applicable to employees that retire after January 1, 2011. This stipend is subject to the terms of item III B above.

1. Pursuant to Section III A. B. & C. 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
 - .
2. The Stipend shall be calculated in the same manner as II (B) above except that the rate for the Blue Shield EPO shall be used instead of the PERS CARE PPO.

Retiree Supplemental Benefit Stipend as of January 1, 2011

\$580.67

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.

E. Medicare Supplement Stipend

1. Employees that retire after January 1, 2011 that are eligible for Medicare or are 65 years of age (whichever is later) must enroll in the Medicare program. Once enrolled in the Medicare program retired city employees will be entitled to the Medicare Supplement Stipend.

Medicare Supplement Stipend As of January 1, 2011

\$200.00

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

IV 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.

V. General Rules for PERS Medical Coverage

- A. 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.
- B. Continuing eligibility for PERS medical plan coverage of retirees and their spouses shall be determined by PERS.
- C. Each enrolled retiree shall pay the full balance of the medical premium for the plan they select in such manner as prescribed by PERS.
- D. 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.

VI 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.

VII 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.

VIII 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.

IX 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.

4.5 PERS CONTRACT AMENDMENT

- For employees hired prior to July 1, 2010 the CITY shall continue to contract with CalPERS to provide the 2% @ 55 retirement formula with EPMC, sick leave conversion and single highest year compensation.
- For employees hired after July 1, 2010 shall participate in the CalPERS 2%@60 plan. Retirement to be calculated on highest 36 months of salary. Employees shall be responsible for 100% of employee contribution. Annual post retirement COLA shall be up to 2%.

4.6 VACATION ACCRUAL POLICY

The vacation accrual policy as contained in Section nine (9) of this document.

4.7 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.

4.8

SAFETY BOOT ALLOWANCE

Employees assigned to maintenance, water, or wastewater, and have been designated by the City Manager to wear safety steel toe boots may submit purchase receipts with their request for payment in an amount not to exceed one hundred dollars (\$100.00) from the date of the last approved purchase. If the immediate supervisor orders the employee to purchase additional safety boots during the year due to excessive wear and tear from the duties of the job, the City will cover the entire cost of this additional purchase.

4.9 **Four Nines**

Four Nine (9) hour days - Work hours for Miscellaneous, Mid-Managers, and Department Heads:

- A. City Hall will be open Monday through Thursday 7:30-5:30, closed on Fridays.
- B. Public works staff must alter days to include coverage on both Monday and Friday with NO additional overtime.
- C. 4 hours of mandatory PTO per employee per week.
- D. For Holidays scheduled on a normal day off – no additional day off will be granted. The employee will receive 8 hours of additional pay at the regular hourly rate.
- E. For Holidays on a work day, the employee receives 8 hours of holiday. The employee must take 1 additional hour from vacation leave to account for the total 9 hours.
- F. Employees in public works shall be granted their preferred schedule so long as there is sufficient coverage to meet operational needs as determine by the Department Head.
- G. Scheduled hours of work must be approved by the Department Head based on “operational need”.

TITLE 5. WAGES AND CLASSIFICATIONS

5.1 WAGE SCHEDULE

The salary schedule adopted by Resolution Number 00-38, shall be implemented effective July 1, 2000. Subject to the provisions of section 4.3 above, immediately upon the effective date, employees shall advance upward to the step nearest their current rate of pay. Upon the first day of the month closest to the employee's next anniversary date (date of hire), employees shall automatically advance upward to the next step. Employees shall be eligible to advance to subsequent steps at one-year intervals. If an employee would be prejudiced by the implementation of the salary schedule, then the employee shall remain in the salary schedule in effect prior to execution of the MOU until said employee reaches their top step in the prior salary schedule, then they will be placed into the new schedule pursuant to the procedure set forth in this paragraph. Employees represented by GROUP are assigned to the following ranges in the new salary schedule: Public Works Superintendent - Range 444, Water/Wastewater Superintendent - Range 444, Recreation Supervisor - Range 266 .

5.2 PAY DAY

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

Positions represented by this bargaining unit are: Public Works Superintendent, Water/Wastewater Superintendent, Recreation Supervisor and Senior Planner.

5.3 WORKING OUT OF CLASS PAY (Acting Pay)

Employees assigned by the department head, and/or approved by the City Manager, to fill a higher level classification that is vacant, including overfilling for an incumbent, in a higher level classification who is out on leave, shall receive acting pay. An employee must meet the key minimum qualifications of the higher level classification. The assignment results in the employee becoming fully responsible for the duties and responsibilities of the higher level classification, and

the assignment must be for at least ten (10) total working days (does not have to be consecutive days). Eligible employees assigned to acting status shall receive a stipend of no less than five percent (5%) commencing on the eleventh (11th) day of the assignment.

TITLE 6. LEAVE OF ABSENCE

6.1 FUNERAL LEAVE

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

6.2

BEREAVEMENT LEAVE

Employees eligible to use accrued leave credits may use up to five (5) days accrued sick leave upon the death of the following family member: Mother, father, brother, sister, spouse, and child, parent of spouse, Cohabitant grandparents and grandchildren. Seven (7) days accrued sick leave may be used if traveling more than 250 miles. If the employee has no accrued leave, he/she will be granted time off with pay.

Employees may request that accrued leave credits be used for additional bereavement time.

6.3 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.

The employee will notify their supervisor as soon as possible once they receive notice of jury duty. The employee will submit the "Certification of Jury Duty" to their immediate supervisor.

Should the employee be released from jury duty early they will return to work, unless there is less than one (1) hour remaining on the employee's regular shift.

Should an employee be subpoenaed to appear in a court of law as a witness, they shall receive their regular pay for any regularly scheduled work time spent answering the subpoena. This section does not apply if the employee is a party to the court action.

To receive their regular pay the employee while on witness leave the employee must provide their supervisor with a copy of the subpoena and proof of the time spent as a witness. The employee must also deposit all witness fees received for such service, exclusive of mileage, with the Finance Department.

6.4 ADMINISTRATIVE LEAVE

Employees within GROUP are entitled to take one day off per month as needed to conduct personal business. No accumulation is allowed.

TITLE 7. SICK LEAVE

7.1 ACCUMULATION

After six months of service, employees shall earn sick leave at a rate of eight (8) hours per calendar month of service or pro-rata portion. Employees are entitled to use available sick leave after six months of service. There shall be no limit to the accrual of unused sick leave. Sick leave shall not be accumulated in a calendar month by an employee who has been on sick leave for over ten (10) working days in that calendar month.

7.2 ALLOWANCE

Sick leave shall be allowed for an absence due to a bona fide illness, off duty injury, or confinement for medical treatment. Employees 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.

7.3 BUYOUT UPON TERMINATION

For the purpose of pay off upon retirement or termination after ten (10) years of service, employees are eligible to receive cash payment for 50% of the first 75 days accrued sick leave up to a maximum of 300 hours. Service retirement usage of sick leave is allowed. Employees may take time off equivalent to 50% of accumulation to a maximum of 30 days prior to the effective date of retirement with no effect on PERS.

7.4 WORKERS' COMPENSATION

If an employee 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.

TITLE 8. HOLIDAYS

8.1 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)

8.2 SATURDAY AND SUNDAY HOLIDAY

When any of the above holidays falls 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.

8.3.

TITLE 9. VACATIONS

9.1 VACATION ALLOWANCE

A. Employees 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

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

9.2 UNUSED VACATION

Subject to the limitations and conditions set forth in paragraphs 9.4, 9.5, 9.6, and 9.7 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.

9.3 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.

9.4 MAXIMUM ACCRUAL

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

9.5 VACATION SELL BACK

Employees 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.

9.6 PAST VACATION CREDITS

Effective December 31, 2000 all vacation credits accrued by an employee shall be considered the employee's Past Vacation Credits. Past Vacation Credits earned prior to December 31, 2000 are not subject to the maximum accrual set forth in Section 9.4 and will not be considered in determining the employee's eligibility to earn additional vacation credits.

9.7 BUY BACK OF PAST VACATION CREDITS

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.

TITLE 10. BENEFITS

10.1 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

10.2 IRS SECTION 125 PLAN

The CITY has established for all employees' voluntary participation in qualified IRS Section 125 plans. Effective July 1, 2010 the City agrees to increase the allowable limit per IRS for the 125 plan.

10.3 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.

TITLE 11. RETIREMENT

- For employees hired prior to July 1, 2010 the CITY shall continue to contract with CalPERS to provide the 2% @ 55 retirement formula with EPMC, sick leave conversion and single highest year compensation.
- For employees hired after July 1, 2010 shall participate in the CalPERS 2%@60 plan. Retirement to be calculated on highest 36 months of salary. Employees shall be responsible for 100% of employee contribution. Annual post retirement COLA shall be up to 2%.

TITLE 12. TERM OF AGREEMENT

12.1 TERM

This Agreement shall be for the term beginning July 1, 2010 and shall continue in full force and effect through June 30, 2011, and thereafter from year to year, unless superseded by a successor agreement.

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

12.2 MODIFIED MOU

The CITY is currently drafting a comprehensive MOU for all bargaining units. Said MOU is not completed at the time of execution of this MOU, therefore the parties agree to keep open negotiations for the sole purpose of potential implementation of the new comprehensive MOU.

* * * * *

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding this 20th day of July, 2010.

CITY OF COLUSA MIDDLE MANAGEMENT GROUP

CITY OF COLUSA

**Marie Clark, Business Agent
Public Employees' Union Local #1**

Donna Critchfield, Mayor

Public Works Superintendent

APPROVED AS TO FORM:

Recreation Supervisor

Jacob Knapp, City Attorney