

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF COLUSA

AND

DEPARTMENT HEAD GROUP

JULY 1, 2010 - JUNE 30, 2015

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING, made and entered into this 18th day of January 2011, 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 DEPARTMENT HEAD 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 there from, 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 Department Head 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 Department Head 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 that are shown below. These specifications have also been incorporated into the appropriate sections 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 Five year period beginning July 1, 2010 and ending June 30, 2015.
- Effective on June 30th, 2012 and once annually until the expiration of this MOU, representatives of the Department Head Unit may, at their sole option, request to re-open this agreement for the purpose of negotiating wages and/or any other term and condition of employment.

4.3 ANNUAL LEAVE POLICY – (Fire Chief only):

Vacation, Sick and Administrative leave have been replaced with Annual leave:

A. Annual Leave Program

1. Each full-time employee shall receive Annual Leave in accordance with the following schedule:

1 month to 5 years	14.7 hours per month
61 months to 15 years	18 hours per month
181 months and over	21.36 hours per month
2. Part-time and hourly employees shall accrue proportional annual leave credits. Employees shall have the continued use of any sick leave accrued as of the effective date of this Agreement.
3. If an employee does not use all of the annual leave that the employee has accrued in a calendar year, the employee may carry over his/her accrued annual leave credits to the following calendar year to a cap of two (2) times their annual accrual rate.

4. Employees that are at the annual leave accrual cap shall forfeit additional accrual hours until their accrual balance is reduced. Once the balance is reduced below the cap, the employee shall resume normal accrual during the next pay period.
5. Employees that have used at least 10 days of annual leave in the past 12 months will be allowed to sell back annual leave in accordance with the following schedule:

61 months to 15 years	5 days (or shift equivalent)
181 months and over	10 days (or shift equivalent)
6. The City Manager or designee may permit an employee to temporarily exceed the cap because the employee: (a) was required to work as a result of fire, flood, or other extensive emergency; (b) was assigned work of a priority or critical nature over an extended period of time; (c) was absent on full salary for compensable injury; (d) was on jury duty. In no event shall an employee's annual leave balance exceed two and one-half (2 1/2) times their annual accrual rate.
7. Upon separation from City employment, the employee shall be paid for all accrued annual leave time. Payout can be cash or in the form of a contribution to a 457B account
8. The time when annual leave shall be taken by the employee shall be determined by the department head or designee in accordance with existing City rules.
9. Annual leave that is used for purposes of sick leave is subject to the requirements set forth in the Sick Leave section of this Agreement.
10. Employees that have given notice of separation/retirement and are utilizing accrued leave before their actual date of separation shall not earn additional leave credits.

TITLE 5 WAGES AND CLASSIFICATIONS

- 5.1 All wage increases during the term of this MOU shall be subject to the Pay for

Performance Program:

5.1.1 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%. (See provisions 10.4 & 10.5)

5.1.2 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 10.6)

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

5.1.3 SALARY BAND ADJUSTMENTS

Salary Bands can be adjusted in the following ways:

A. 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 10.4)

B. 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.

C. 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.

5.1.4 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.

5.1.5

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 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.

5.1.6

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 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.

5.1.7 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.

5.1.8 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.

5.1.9 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.

5.1.10 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.

5.2 PAY DAY

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

5.3 CLASSIFICATION SPECIFICATIONS

Positions represented by this bargaining unit are: Fire Chief

5.4 LONGEVITY PAY

Employees who have been at the top of their salary range for 12 months and have served a total of 120 months with the CITY shall qualify to receive a 5% Longevity Pay salary differential.

5.5 Salary Increase (Fire Chief only) –

- Effective the first pay period following the implementation of the 2%@50 pension enhancement (see Section 12.1) the City shall increase employees' base salaries by two percent (2%).
- The City agrees to implement a salary increase that corresponds with percentage deduction for the employee contribution to CalPERS, 9%. This increase shall be effective the first pay period following the implementation of the 2%@50 pension enhancement.

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 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. If the employee has no accrued sick or vacation leave, he will be granted one day off with pay.

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.

TITLE 7 SICK LEAVE (all except Fire Chief)

7.1 ACCUMULATION

After six month 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 maximum accrual of 75 days. 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 7A SICK LEAVE (Fire Chief Only)

7A.1 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.

7A.2 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 maximum accrual of 75 days. 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.

7A.3 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.

7A.4 Sick Leave may be converted to past vacation at any time at the rate of 2 hours of sick leave for 1 hour of past vacation.

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.

TITLE 9 VACATIONS (All except Fire Chief)

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 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

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 (all except Fire Chief)

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.

9.7A BUY BACK OF PAST VACATION CREDITS (Fire Chief only) - Past Vacation Credits may be cashed out or converted to 457B in November of each year with a maximum of 500 hours per year. A one-time 30 day window to cash out or convert sick leave shall be offered upon signature of this MOU. The CITY will buy back Past Vacation Credits based upon the employee's current hourly rate of pay.

9.8 CATASTROPHIC LEAVE

Employees who exhaust their paid leaves due to a catastrophic illness/injury related to them or a family member may apply for Catastrophic Leave. In order to be eligible there must be medical substantiation to demonstrate serious illness or injury.

Employees may voluntarily transfer accrued but unused sick leave, vacation or personal holidays to other CITY employees. Employees who participate must donate a minimum of eight (8) hours.

Authorization for the transfer will be on the prescribed form and signed by the donating employee specifying the receiving employee and the number of hours authorized for transfer. Employees may not transfer more than either percent (80%) of their accrued

leave time. Authorized transfers shall be effectuated in the order they are received and only as needed by the receiving employee in order to pay their salary. In no case shall the employee receive more than their normal wages, and neither employee will receive a cash benefit for transferred hours. Once transferred, the leave accruals become the property of the receiving employee.

TITLE 10 MISCELLANEOUS

10.1 UNIFORM ALLOWANCE

The following uniform allowances shall be paid: Fire Chief - \$65.00 per month. The CITY will replace uniforms damaged beyond repair in the line of duty.

10.2 CITY VEHICLE

The CITY will provide a CITY vehicle for conducting CITY business.

10.3 PROFESSIONAL DUES

The CITY will provide for the payment of professional dues, licenses, and certificates "beneficial to the CITY" in the annual budget.

10.4 CERTIFICATE PAY

Upon completion of advanced "POST" requirements, employees shall receive an allowance of twenty dollars (\$20.00) per month.

10.5 STRIKE TEAM PAY FOR FIRE CHIEF

As long as the City is reimbursed by the State of California, the Fire Chief, when deployed to a strike team, shall be paid at the regular rate of pay for the hours he would

normally be scheduled to work at the rate of time and one half the normal rate for all hours worked: 1. In excess of eight (8) in any period of 24 consecutive hours; 2. In excess of 40 hours in the regular payroll week; or 3. On any Saturday, Sunday, or holiday normally observed by the City as contained in this agreement.

TITLE 11 (Fire Chief Only)

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

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 (52.55) and vision (7.65) – Total 640.87

11.2.4 An employee that opts out of City medical coverage may take cash in lieu of the City Supplemental Benefit Stipend for Active Employees.

11.2.5 If an employee opts for a less expensive plan than the default medical plan, Blue Shield EPO, they may take the remaining stipend as 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 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 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 :

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

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

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 continue 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 continue 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 continue 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.

11.7 BUILDING OFFICIAL STIPEPEND

City agrees to pay Fire Chief a monthly stipend of \$200 until such time that the City Council assigns such duties to the City Manager or other employee.

TITLE 11A BENEFITS (All except Fire Chief)

11A.1 HEALTH INSURANCE

- A. CITY provides health insurance for the employee only through the Public Employee Retirement System medical program. Employees have the right to select the plan of their choice. Dependent coverage is available with employee bearing the cost. Upon retirement employees are eligible to receive coverage under PEMCHA with the City paying a portion of the premium.

City and Group agree to reopen the health insurance provisions of this MOU to address GASB 45 issues and/or health insurance premium increases unacceptable to the City. In such event, the City and Group shall review and negotiate options to reducing such cost increases or measures to comply with GASB 45.

- B. HEALTH IN-LIEU PAYMENT

Employees represented by the GROUP have the option, upon presentation of evidence of medical coverage from another source, to receive the equivalent cash contribution paid for employee's health care coverage.

- C. INSURANCE STIPEND

Employees may receive a \$25.00 per month cash stipend for health related insurances, which may include dependent's coverages, individual coverage or coverage purchased through an employee bargaining group. The employee must submit documentation of current payment of the premium to be eligible to receive the stipend.

11A.2 DENTAL INSURANCE

The City pays the full cost of Dental Plan for employees. Dependent

coverage is available at no cost to the City. Employees may apply the contribution for their dental and vision towards dependent health insurance coverage in lieu of receiving the benefit.

11A.3 VISION CARE

The City pays the enrollment cost for employee only to the AVP Vision Plan. Dependent coverage is available at no cost to the City.

11A.4 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.

11A.5 IRS SECTION 125 PLAN

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

11A.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.

TITLE 12

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

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

- The plan shall be for 2% at 50 for Safety Officers.
 - Single Highest Year Compensation shall be implemented no later than July 1, 2011.

- The plan shall be 2% at 55 for all other employees.
 - Single Highest Year Compensation
 - Employer Paid Member Contribution (EPMC)

12.2 SICK LEAVE CREDIT

Accrued sick leave shall be applied as retirement credit pursuant to PERS law.

TITLE 13 TERM OF AGREEMENT

13.1 TERM

This Agreement shall be for the term beginning July 1, 2010_and shall continue in full force and effect through June 30, 2015 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.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding this 18th day of January 2011.

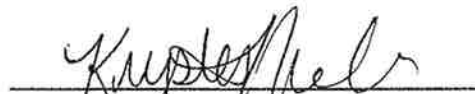
CITY OF COLUSA DEPARTMENT
HEAD GROUP


Randall L. Dunn, Fire Chief

CITY OF COLUSA


Thomas Reische, Mayor

APPROVED AS TO FORM:


Krysten Hicks, City Attorney