

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF LAGUNA BEACH
AND
THE LAGUNA BEACH POLICE AND FIRE
MANAGEMENT ASSOCIATION**

Fire - Unit

July 1, 2021 – June 30, 2024

TABLE OF CONTENTS

Chapter 1 - Introduction	1
1.0 Preamble	1
2.0 Term	1
3.0 Recognition	1
Chapter 2- Compensation.....	1
4.0 Salary and Compensation.....	1
4.1 Pay Plan Structure:	1
4.2 Placement at the Salary Step:.....	1
4.3 Salary:.....	1
4.4 Direct Deposit:.....	2
5.0 Certification and Education Pay	2
6.0 Overtime	2
7.0 Deferred Compensation.....	3
8.0 Exceptional Performance Pay.....	3
9.0 Cell Phone Stipend	4
10.0 Legal Defense Fund Contribution	4
Chapter 3 - Benefits.....	4
11.0 Retirement	4
12.0 Health Benefits	5
12.1 Rates.....	5
12.2 Selection of Carriers:.....	6
12.3 City Contribution Maximum:	6
12.4 Medical Coverage for Domestic Partners:.....	6
12.5 Medical Insurance Waiver:.....	6
12.6 Flexible Spending Plan:	7
12.7 Medical Plan Coverage for Retirees:.....	7
12.8 Retirement Health Savings Plan:	7
14.0 Educational Reimbursement Program	8
14.1 Procedure:.....	9
15.0 Physical Examination Reimbursement	9
16.0 Life Insurance	9
17.0 Long Term Disability	9
18.0 Shopper Parking Permits	9
19.0 Work Schedule	9
Chapter 4 – Leaves of Absence	10
21.0 Vacation.....	10
21.1 Vacation Accrual:	10
21.2 Use of Vacation:.....	10
21.3 Payment for Unused Vacation:.....	11
22.0 Holidays.....	12
22.1 Recognized Holidays:	12
22.2 Compensation For Holidays:.....	12
23.0 Sick Leave	12
23.1 Sick Leave Accruals:.....	12

23.4	Evidence of Illness:	13
23.5	Sick Leave and Temporary Disability:	13
23.6	Sick Leave for Dependent Care:	13
23.7	Holidays During Sick Leave:	13
23.8	Payment for Unused Sick Leave:	13
24.0	Bereavement Leave	14
25.0	Jury Duty Leave	14
Chapter 5 – Employer Employee Relations		15
27.0	Probationary Period	15
28.0	Discipline	15
28.1	Policy:	15
28.2	Written Notice:	15
28.3	Employee Review:	15
28.4	Employee Response:	15
28.5	Temporary Leave with Pay:	15
28.6	Representation:	15
28.7	Right of Appeal:	16
29.0	Grievance Procedure	16
29.1	Matters Subject to Grievance Procedure:	16
29.2	Grievance Procedure:	16
29.3	Appeal to the City Manager:	17
29.4	Extension of Time Limitations:	17
30.0	Layoff	17
30.1	Intent of Procedure:	17
30.2	Procedures:	17
30.2.1	Abolition of a Position:	17
30.2.2	Transfer or Demotion to Avoid Layoff:	17
30.2.3	Severance Pay:	18
30.2.4	Reemployment Lists:	18
31.0	Management Rights	18
32.0	The Confidentiality of Management Discussions and Working through the Chain of Command	20
33.0	Release Time	20
34.0	Savings Clause	20
35.0	Full and Complete Understanding	20

Chapter 1 - Introduction

1.0 Preamble

This Memorandum of Understanding (“MOU”) has been reached and prepared after meeting and conferring in good faith between the City of Laguna Beach and representatives of the Laguna Beach Police and Fire Management Association (the Association) pursuant to the provisions of Government Code Section 3500, *et. seq.*

2.0 Term

This MOU shall remain in full force and effect from July 1, 2021 until June 30, 2024

3.0 Recognition

The City recognizes the Laguna Beach Police and Fire Management Association as the Association that represents the bargaining unit of sworn public safety managers of the Fire Department in the City of Laguna Beach as follows: All Employees in the classifications of Fire Division Chief and Fire Battalion Chief. All classifications in this unit are exempt employees as defined by the Fair Labor Standards Act.

Employees who were in the classification of Fire Division Chief on July 1, 2017 will remain as Fire Division Chiefs. However, new fire department employees hired or promoted into this unit after July 1, 2017 will be hired into the classification of Fire Battalion Chief, not Fire Division Chief.

Chapter 2- Compensation

4.0 Salary and Compensation

4.1 Pay Plan Structure: Compensation for employees in the unit is based on a salary range with a low and high point. Employees may receive increases in compensation by moving within the range. An employee may move within the range based on the discretion of the Fire Chief’s assessment of their performance and approval of the City Manager. Such movement is not subject to challenge, including the filing of a grievance.

4.2 Placement at the Salary Step: Employees in the unit are placed at the salary step at the time they enter the unit. An employee promoted into a position in the bargaining unit will receive a base salary increase of at least five percent (5%).

4.3 Salary:

Effective at the beginning of the pay period following Council approval of the MOU, all employees in the unit shall receive a two and one half percent (2.50%) salary increase in their monthly base salary in effect at that time.

Effective the pay period, which includes January 1, 2022, all employees in the unit shall receive a two and one half percent (2.50%) salary increase in their monthly base salary in effect at that time.

Effective the pay period, which includes July 1, 2022, all employees in the unit shall receive a three percent (3.0%) salary increase in their monthly base salary in effect at that time.

Effective the pay period, which includes July 1, 2023, all employees in the unit shall receive a three percent (3.0%) salary increase in their monthly base salary in effect at that time.

4.4 Direct Deposit: All Association members shall participate in the City's Direct Deposit Program.

5.0 Certification and Education Pay

Employees in the unit shall receive two and one half percent (2.5%) of base salary for receipt of a Chief Officer Certification from the State Fire Marshal's Office.

Employees in the unit shall receive two and one half percent (2.5%) of base salary for possession of a Bachelor's Degree.

Employees receive an additional (2.5%) for possession of a Master's Degree. For any employee who was hired by the City after January 1, 2017 or who was hired before that date who had not yet started coursework by January 1, 2017 toward their Master's Degree, the degree must be obtained from a college or university accredited by the United States Department of Education, Council for Higher Education Accreditation, Western Association of Schools and Colleges, or a similar regional accrediting association.

Employees promoted into the unit who were receiving 2.5% for either having the Fire Officer Certification and/or for having completed course for Fire Officer (that was earned or completed prior to January 1, 2017, as well as the curriculum taken to achieve that certification or completion of the course work for the certification taken after January 1, 2017) shall continue to receive the pay for up to two years from the date of promotion or until the employee receives their Chief Officer Certification. Once the employee receives their Chief Officer Certification, they shall receive the 2.5% for the Chief Officer Certification. If the employee does not receive their Chief Officer Certification within two (2) years of promotion into the unit, they shall no longer be eligible for the Fire Officer Certification.

6.0 Overtime

Fire Division Chiefs and Fire Battalion Chiefs are exempt from overtime pursuant to the Fair Labor Standards Act (FLSA). Notwithstanding their overtime exemption

per the FLSA, Fire Division Chiefs and Fire Battalion Chiefs who work a 24-hour shift shall accrue overtime compensation per this MOU as follows:

Time worked covering a shift for another Fire Division Chief or Fire Battalion Chief on leave or assignment (including strike team assignment) shall be paid at the rate of time and one half (1.5) times the employee's base rate (based on 2912 scheduled hours per year) plus educational incentive and certification pay.

Time worked off duty for any non-shift work will be paid at straight time.

Time spent off-duty by Fire Division Chiefs or Fire Battalion Chiefs in City staff management meetings shall not be compensated with additional compensation. Fire Division Chiefs and Fire Battalion Chiefs are expected to attend up to 32 hours per year (eight (8) four-hour meetings) at City staff management meetings.

Time spent off-duty by Fire Division Chiefs or Fire Battalion Chiefs in Fire Department Command Staff meetings shall not be compensated (unless already on duty) with additional compensation. Fire Division Chiefs and Fire Battalion Chiefs may be required to attend up to one meeting per month for up to two hours per meeting.

Fire Division Chiefs and Fire Battalion Chiefs are required to perform the applicable administrative responsibilities contained in the job description for their classification. These employees will be required to maintain their Fire Administration office hours in City Hall (between 7:30 a.m. and 5:30 p.m.) including weekends and holidays, except for shift related duties or emergency responses that require their response. On-duty Fire Division Chiefs and Fire Battalion Chiefs are expected to remain in the City unless on official Fire Department business.

7.0 Deferred Compensation

Employees in the unit shall receive a City contribution of two percent (2%) of base salary (which shall be provided per pay period) which shall be contributed to a City approved deferred compensation program (per IRS Code section 457(b)). Employees may make additional contributions per pay period to their deferred compensation account up the maximum permitted law.

8.0 Exceptional Performance Pay

Employees in the unit may be eligible to receive exceptional performance pay of up to five percent (5%). An employee may be eligible to receive an additional five percent (5%) for a year or longer at the discretion of the City Manager. The assessment for such pay will be based on employee performance per the employee's performance evaluation and recommendation of the Fire Chief. The final decision will be made by the City Manager. The employee is eligible to receive the exceptional performance pay until their next evaluation date. Exceptional performance pay is not subject to challenge, including the filing of a grievance.

9.0 Cell Phone Stipend

Employees shall receive a monthly cell phone stipend of \$65.00. Effective July 1, 2020, the cell phone stipend shall be increased to \$80.00 per month.

10.0 Legal Defense Fund Contribution

All members shall be reimbursed up to \$250 per year for the yearly contributions made by them to the Legal Defense Fund for legal services.

Chapter 3 - Benefits

11.0 Retirement

The City contracts with the Public Employees' Retirement System for administration of the retirement program. Coverage for regular full-time employees is as follows:

1. Retirement Formula

Fire Division Chiefs and Fire Battalion Chiefs hired before October 17, 2011, are covered by the 3% @ 50 formula provided for by the Public Employees' Retirement Law at Government Code section 21362.2.

Fire Division Chiefs and Fire Battalion Chiefs hired on or after October 17, 2011, and who do not meet the definition of "new members" as defined by the Public Employees' Pension Reform Act of 2013 (PEPRA), are covered by the 3% @ 55 formula provided for by the Public Employees' Retirement Law at Government Code section 21363.1.

Unit members hired on or after January 1, 2013 who are defined as "new members" under the PEPRA, are covered by the 2.7% @ 57 formula provided for by the Public Employees' Retirement Law at Government Code section 7522.25(d).

2. Employee Contributions to the Retirement System

A. Employees subject to the 3%@50 and 3%@55 Formulas

These employees shall contribute the entire required member contribution of nine percent (9%) of compensation earnable.

In addition to the nine percent (9%) of compensation earnable employee-paid member contribution noted above, these employees pay an additional three percent (3.0%) of compensation earnable of the required employer contribution as cost sharing in accordance with Government Code section

20516(f). Thus, these employees pay the full nine percent (9%) of compensation earnable member contribution and three percent (3%) of compensation earnable of the required employer contribution as cost sharing for a total of twelve percent (12%) of compensation earnable for retirement contributions.

The City has adopted the CalPERS resolution in accordance with and as permitted by IRS Code section 414(h)(2) to ensure that the employees' payment (*i.e.*, "pick up" as that term is used in section 414(h)(2)) of their employee contribution is made on a pre-tax basis.

B. Employees subject to the 2.7%^{@57} Formula

These employees shall pay the statutorily mandated employee contribution rate of one half of the total normal cost as set forth on the CalPERS annual rate sheet.

3. Optional Benefits

In addition to the retirement formulas provided above, the following optional benefits are in effect:

1. One Year Final Compensation, Government Code section 20042.
 - i. For employees defined as new members by the PEPRA, their retirement will not be calculated by the One Year Final Compensation provision, but rather, based on the three (3) year average compensation as provided for in the PEPRA per Government Code section 7522.32(a).
2. Service Credit for Unused Sick Leave. Government Code section 20965.
3. The 1959 Survivors Benefit Level IV. Government Code section 21574.

12.0 Health Benefits

All employees in the unit are eligible for enrollment in the medical, vision and dental benefit plans as agreed to between the City and the Association.

12.1 Rates: The City will pay 100% of the cost of medical coverage for the employee, 90% of the cost for employee plus one dependent, and 90% of

the cost of the employee plus two or more dependents, with the employee responsible for the remaining 10%. The preceding percentage of 90% for the cost of employee plus one or more dependents will sunset on the last date of the term of this MOU (and the previous percentage of 87.5% will be reinstated) unless the parties agree that it will continue beyond that date. If the cost of medical insurance premium increases by ten percent (10%) or more in any calendar year of this MOU, the parties agree that, either party may reopen labor negotiations on this Article 12 only.

Vision coverage is made available by the City at the employee's cost.

- 12.2 Selection of Carriers:** Health Insurance carriers are annually selected in the City by a committee of representatives from each of the employee associations (medical task force) meeting with representatives of the City. To ensure that this process does not prevent the City from moving forward with a decision to either keep the same carrier or change carriers, the parties agree that each year when health insurance carriers are evaluated, the Association will be permitted to have a representative on the medical task force subject to the following: The Association agrees that if an agreement cannot be reached at the task force that it will not object to the City to making modifications or no changes to the health insurance.
- 12.3 City Contribution Maximum:** Employees of the City have a two tier medical system that exists for purposes of determining the City's contribution to employee medical insurance. The City's contribution to any employee's medical insurance premium under the premium sharing formula in Section 12.1 of the MOU shall be limited to the amount of the contribution under the above premium sharing formula for the HMO plan rate for an employee plus two or more dependents regardless of the employee's choice of medical plan.
- 12.4 Medical Coverage for Domestic Partners:** Medical coverage shall be provided for domestic partners. Dental coverage shall be provided to domestic partners under the same terms as other dependents.
- 12.5 Medical Insurance Waiver:** Employees who are able to demonstrate to the City's satisfaction that they have minimum essential coverage as defined by the Affordable Care Act (through another source other than coverage in the individual market, whether or not obtained through Covered California), may opt out of participation in the City's plan and will be paid sixty percent (60%) of the HMO employee only rate. This payment will be made to the employee on a biweekly basis as a part of the employee's payroll check.

If at any time during the term of the MOU, any provision of Federal law or regulation would impose greater financial cost or penalties on the City above and beyond the City's agreed upon contribution to an employee's cafeteria health insurance, the parties agree to reopen negotiations. The negotiations will be for the limited purpose of making changes to the health insurance that would be needed to ensure that such additional cost or penalties are avoided.

12.6 Flexible Spending Plan: The City will make a flexible spending plan available to employees pursuant to relevant IRS Code Section 125 to allow an employee to contribute a portion of his or her income each year on a pre-tax basis into an account from which they may receive reimbursement for medical, dental and dependent care expenses.

12.7 Medical Plan Coverage for Retirees: Employees Hired Before July 1, 2013: The option of continuing membership in the City's medical plan shall be available to employees who retire from employment with the City after a minimum of three (3) years of service. The employee will be responsible for the entire premium.

Employees hired on or after July 1, 2013: The option of continuing membership in the City's medical plan shall be available to employees who retire from employment with the City after a minimum of ten (10) years of service. The employee shall be responsible for the entire premium.

12.8 Retirement Health Savings Plan: All employees are required to participate in the City's Retirement Health Savings Plan (RHS). The City shall make a pre-tax contribution of one hundred dollars (\$100.00) per month per employee to the RHS plan on the employee's behalf, paid at forty-six dollars and sixteen cents (\$46.16) per pay period.

12.9 Reopener - Change in Medical Plan: If, during the term of this MOU, a decision is made to change or modify the current medical care coverage, the entire Article 12.0 – 12.3 shall be reopened for negotiations.

12.10 Affordable Care Act: The parties agree that either party may reopen negotiations during the term of this MOU to consider the impact of the Affordable Care Act on the City, the Association and its members – the City employees. This reopener is limited to the impact of the Act and nothing else. The parties agree that neither side will be required to negotiate on any other topic, including, but not limited to compensation and benefits.

13.0 Light/Modified Duty

13.1 When an employee who has suffered an industrial injury which has been accepted by the City is authorized by a physician to return to work with restrictions, the Fire Chief may assign and schedule the employee on a temporary basis to perform departmental duties from which the employee has not been restricted and which are consistent with the employee's work restrictions. These duties need not be duties which are required or included as part of the employee's normal assignment. Light duty is limited to twelve (12) weeks, but may be extended up to an additional four (4) weeks if it appears to the satisfaction of the Fire Chief that imminent return to work is likely.

13.2 In the event an employee is placed on modified (light) duty, with restrictions as determined by a physician, the employee shall continue to work his or her normally assigned shift schedule until the next payroll period. At the commencement of the next payroll period, the employee shall be placed on a forty hour work schedule, Monday through Friday which coincides with the dates and times that City Hall is open (e.g., if the City maintains the 9/80 work schedule following the trial period, the employee will work a 9/80 work schedule, Monday – Friday 0730-1730 with alternating Fridays off). At that time, the benefits will be converted from a 56-hour shift schedule to a 40 hour shift schedule accrual basis such that vacation, sick leave, and holiday balances may be reduced by a factor of 1.4 (Example 56 divided by 1.4 = 40).

In the case of modified duty which does not extend into the next payroll period, the employee shall work on his or her normally assigned shift schedule, excluding weekends.

Upon release to full duty by a physician and at the beginning of the closest payroll period following, the employee shall be returned to the 56-hour schedule, and vacation, sick leave, and holiday balances shall be increased by a factor of 1.4 (Example 40 times 1.4 = 56).

If an employee who has been authorized to return to work with restrictions refuses to accept a light/modified duty assignment consistent with those restrictions, they will not be entitled to receive Labor Code section 4850 benefits.

In accordance with California Labor Code section 4850, no disability indemnity shall be paid to any employee concurrently with wages or salary payments.

14.0 Educational Reimbursement Program

The purpose of this program shall be the reimbursement for tuition and book expenses to employees attending classes on the employee's own time which are to the direct benefit of the individual employee and the City. The approval of a request is subject to budgetary limitations.

14.1 Procedure:

The Fire Chief and the City Manager will determine what types of courses will be allowed for reimbursement prior to commitment by the employee. Courses considered by the Fire Chief and the City Manager for reimbursement shall be designed to directly improve the knowledge of the employee in the public service which will improve performance and enhance advancement opportunities. The Fire Chief may recommend reimbursement upon the successful completion of college or professional conference courses. Each employee is limited to a maximum payment of one thousand dollars (\$1,000) per fiscal year, dependent upon the availability of budgeted monies.

The City Manager may authorize payment of additional educational reimbursement beyond the maximum payment for employees who are seeking formal degrees. The maximum reimbursement for these expenditures shall be 75% of the cost of tuition at the University of California, Irvine.

15.0 Physical Examination Reimbursement

The City will reimburse employees in the bargaining unit up to three hundred dollars (\$300) per year for expenses incurred for a general examination to determine physical fitness. The first reimbursement shall not occur until at least two (2) years after the employee's pre-employment physical.

16.0 Life Insurance

All employees are covered by a fifty thousand dollar (\$50,000) Life and Accidental Death and Dismemberment policy.

17.0 Long Term Disability

All employees are eligible for Long Term Disability Insurance coverage of sixty percent (60%) of the first five thousand dollars (\$5,000) of salary after a sixty (60) calendar day elimination period.

18.0 Shopper Parking Permits

Employees shall receive a Shopper Parking Permit from the City at no cost.

19.0 Work Schedule

Employees in the bargaining will be assigned to one of the three platoons (the A, B or C shift) and work the same 24-hour shift as the employees (at the ranks of

Firefighter, Fire Engineer and Fire Captain) assigned to that platoon. Although Fire Division Chiefs and Fire Battalion Chiefs are exempt from FLSA overtime and all overtime provided by this MOU is provided as MOU overtime, these employees are subject to the same 24-day FLSA work period as the employees in the Fire Department at the ranks of Firefighter, Fire Engineer and Fire Captain.

20.0 Uniforms

Employees in the unit will receive City provided uniforms. In accordance with PERS regulations, the City will report the value of the uniform compensation earnable for each employee who is provided a City uniform. The parties agree that to the extent permitted by law, this remuneration is special compensation and shall be reported as such pursuant to Title 2, CCR 571(a)(5) Statutory Items – Uniforms. “New members” as defined under the Public Employees’ Pension Reform Act of 2013 will not have the value of the uniforms reported as special compensation.

Chapter 4 – Leaves of Absence

21.0 Vacation

21.1 Vacation Accrual: Each employee shall accrue vacation as follows:

Hours of Vacation Accrued

0 to completion of 9 years of service –7.39 hours per pay period.

10 + years of service –9.24 hours per pay period.

On June 23, 2013, all vacation accruals were placed in a bank entitled the “Original” Bank. Additional vacation accruals were (since June 23, 2013) and are (prospectively) not permitted to be deposited into the Original Bank. Vacation in the Original Bank may be used in accordance with Section 21.2 of this Article or cashed out in accordance with Section 21.3 of this Article at the employee’s hourly rate as of June 23, 2013.

Effective June 24, 2013, a new vacation accrual bank entitled the “New Bank” was created. Effective in the pay period following City Council approval of this MOU, employees are permitted to accrue vacation up to 800 hours. In the first pay period in December of each year, employees will be paid for any vacation in the “New Bank” above 800 hours at their then-current hourly rate.

In accordance with Section 21.2, employees may still use their vacation (both banks). However, for each employee, once the Original Bank has been depleted, it will be closed.

21.2 Use of Vacation: Vacation leave may be taken as it accrues. The dates of vacation leave may be selected by the employee but shall be approved by the Fire Chief who shall consider the wishes of the employee and the needs

of the City. Ultimately, however, the Fire Chief has the discretion to grant or deny vacation based on the needs of the Department.

21.3 Payment for Unused Vacation:

a. During Employment: Until December 31, 2021, upon request of an employee and with approval of the City Manager or their designee, an employee may cash out all accrued vacation the employee desires to cash out. If the vacation is in the new bank, it will be cashed out at the employee's current base hourly rate. If the vacation is in the Original Bank it will be cashed out at the employee's hourly rate as of June 23, 2013.

Effective for calendar year 2022 and every year thereafter: By December 15 of preceding each year (the first year being 2021), employees may make an irrevocable election to cash out up to the maximum number of hours of vacation leave they can accrue per year that will be earned in the following calendar year at the same rate of pay had the employee used those vacation benefits to receive paid leaves of absence. In the following year, the employees can receive the cash for the vacation leave they irrevocably elected to cash out in either two (2) separate increments (in July and December) or one (1) increment (in December), the total of which shall not exceed the maximum they can accrue in a year, as follows. Thus, if the employees so desire, they could elect to be paid up to one half of what they irrevocably elected to cash out on the second pay day in July with the remainder being paid on the second pay day in December or the employees can elect to be paid the entire amount they irrevocably elected to cash out on the second pay day in December. However, if an employee's vacation leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of leave the employee has accrued at the time of the cash out.

If an employee makes an irrevocable election to cash out vacation leave in the following calendar year and uses vacation leave in that subsequent year, the vacation leave used will come from vacation leave the employee had earned prior to January 1 of the year the employee has elected to cash out vacation leave. This is to ensure that assuming an employee had a vacation leave balance prior to January 1, the vacation leave used will not result in a reduction in the amount of vacation leave the employee will be eligible to cash out.

In addition to the above, starting in calendar year 2022, an employee who has an "unforeseen emergency" (defined as an unanticipated emergency that is caused by an event beyond the control of the employee and that would result in severe financial hardship to the employee if early withdrawal were not permitted) shall be entitled to make a request to the Human Resources/Risk Manager for a payoff of up to one year's accrual of vacation irrespective of whether and to the extent the employee has made an irrevocable election in the preceding December. The amount of vacation

which may be paid off is limited to the amount necessary to meet the emergency.

Notwithstanding the above, at any time employees may continue to elect to cause the monetary value of accrued vacation to be added to their 457 Deferred Compensation account, thereby reducing their accrued vacation balance accordingly.

b. Upon Termination: Any employee who is about to terminate their employment and who has unused vacation time in either bank shall be paid for such vacation time in their final paycheck. As noted above, payment of vacation time in the Original Bank will be paid (as permitted by Labor Code section 227.3 with an agreement of the parties) at the employee's hourly rate as of June 23, 2013. It shall not be necessary to carry such employee on the payroll for the vacation period that is cashed out and the vacancy thus created may be filled at any time after the effective date of termination. When termination is caused by death of the employee, payment shall be made to the employee's designated beneficiary or in accordance with the law.

22.0 Holidays

22.1 Recognized Holidays: The following holidays shall be observed by the City of Laguna Beach:

1. New Year's Day - January 1st
2. Martin Luther King Jr. Day - 3rd Monday in January
3. President's Day - 3rd Monday in February
4. Memorial Day - Last Monday in May
5. Independence Day - July 4th
6. Labor Day - 1st Monday in September
7. Veterans Day - November 11th
8. Thanksgiving Day - 4th Thursday in November
9. The day after Thanksgiving
10. Christmas Day - December 25th

Notwithstanding that the above are the holidays for employees in the unit, if the Fire Chief needs the employee to work on any of the above holidays, they will be required to do so.

22.2 Compensation For Holidays: Fire Division Chiefs and Fire Battalion Chiefs shall be paid 5.08 hours per pay period.

23.0 Sick Leave

23.1 Sick Leave Accruals: Every employee shall accrue 4.31 hours of sick leave per pay period. Unused sick leave may be accumulated without limit.

- 23.2 Sick Leave Banks:** The City shall maintain two sick leave banks. 1) The first bank is for sick leave earned between June 13, 1988 and June 23, 2013; and 2) the second bank is for sick leave earned on or after June 24, 2013.
- 23.3 Use of Sick Leave:** Sick leave use must be approved by the Fire Chief. Sick leave earned in the first bank (i.e., between June 13, 1988 and June 23, 2013) must be used before sick leave earned in the second bank.
- 23.4 Evidence of Illness:** The Fire Chief may require evidence in the form of a physician's certificate, or otherwise, of the employee's need to use sick leave.
- 23.5 Sick Leave and Temporary Disability:** An employee who is entitled to temporary disability benefit payments may elect to take that number of hours or portions of hours of their accumulated sick leave, or the employee's accumulated vacation, as when added to the disability benefit payment will result in a payment to the employee of their full salary.
- 23.6 Sick Leave for Dependent Care:** An employee shall be eligible to use accrued sick leave in accordance with Federal and State laws to care for an ill parent, spouse, registered domestic partner, child, sibling, grandparent or grandchild. The amount of sick leave which can be used for such purpose is one half of one year's annual accrued sick leave - 40 hours per year.
- 23.7 Holidays During Sick Leave:** Observed holidays occurring during sick leave shall not be counted as a day of sick leave.
- 23.8 Payment for Unused Sick Leave:**

Payment for accrued sick leave will be available as follows:

- a) Sick Leave Earned Commencing June 13, 1988 through June 23, 2013. This sick may only be converted into the City's Retirement Health Savings (RHS) Plan at the employee's base hourly rate of pay as of June 23, 2013 upon death, retirement for disability or for service, resignation or layoff, but not if dismissed or terminated for cause
- b) Sick leave earned on or after June 24, 2013 may be converted into the City's Retirement Health Savings (RHS) Plan at the rate of fifty percent (50%) of the employee's base hourly rate of pay of its value in October or May of each fiscal year, upon death, retirement for disability or service, resignation or layoff, but not if dismissed or terminated for cause to the extent that it is not used in each fiscal year. Cash into the RHS Plan may be made one additional time each year under extraordinary circumstances if approved by the appropriate Chief and the Human Resources/Risk Manager.
- c) Accrued sick leave may also be converted to service credit under the "Credit for Unused Sick Leave" option of the Public Employees' Retirement System. Government Code section 20965.

24.0 Bereavement Leave

Whenever an employee is compelled to be absent from duty by reason of the death, or critical illness where death appears to be imminent, of either the members of the immediate family of the employee, the employee's spouse or domestic partner, such person shall be entitled to a maximum of 36 hours, as to each such instance of death or critical illness, up to a maximum of 48 hours per year. In instances involving extraordinary circumstances, an additional 48 hours may be granted, upon approval of the Fire Chief, with the proviso that such time will be deducted from accumulated sick leave.

"Immediate family" of the employee, the employee's spouse or domestic partner shall be construed to mean: father, mother, step-parents, brother, sister, step-siblings, wife, husband, child, step-child, grandmother, grandfather or any relative of the employee or employee's spouse residing in the employee's household for two (2) or more years.

25.0 Jury Duty Leave

Employees in the unit are entitled to up to one hundred and twenty (120) hours of paid time off each calendar year for jury duty. An employee who must report to jury duty shall immediately notify the Fire Chief in writing, including by email. Employees in the unit are expected to make reasonable efforts to manage their areas of responsibility to the maximum extent possible while serving on jury duty. This means responding to calls and emails in a timely manner and still attending other necessary meetings occurring on days in which they are on jury duty if it does not conflict with the time required in court.

26.0 Shift Trading

Fire Division Chiefs and Fire Battalion Chiefs have the right to trade shifts with their colleagues subject to the following conditions:

1. Both employees agree to the shift trade voluntarily.
2. The Fire Chief approves the shift trade.
3. The employee whose shift is worked gets credit for the shift. Thus, the employee whose shift was worked will record the time as time worked on his or her time sheet.
4. Payback of the traded shift will be the responsibility of the two employees who trade shifts and will not be monitored by the City. Traded shifts should fall in the same calendar year. If an employee leaves the City having not paid back a shift, it shall be the responsibility of the two employees to work out any pay back.

5. If an employee agrees to trade shifts with another employee and then calls in sick and/or does not work the shift, the employee who agreed to work the shift shall have their sick leave (or other accrued leave if sick leave bank is zero) deducted.

Chapter 5 – Employer Employee Relations

27.0 Probationary Period

Employees in the unit may be promoted into the unit or may be hired as new employees. Both newly hired employees and those promoted into the unit have a probationary period of 2912 scheduled hours (i.e., the employee works 2912 hours inclusive of sick leave and vacation leave use). However, for employees on probation, cumulative leaves of absence in excess of fourteen (14) calendar days while on probation shall extend the probationary period by the length of leaves of absence in excess of 14 calendar days. Any employee who promotes into the unit who does not pass their probationary period shall have the right to be returned to a position in their previous classification in the City.

28.0 Discipline

- 28.1 Policy:** Prior to the discharge, demotion or pay reduction for disciplinary purpose or suspension of any regular employee pursuant to provisions of the Personnel Rules, the following procedure shall be complied with:
- 28.2 Written Notice:** Written notice of the proposed disciplinary action shall be given to the employee. Such notice shall include a statement of the reason(s) for the proposed action and the charge(s) being considered.
- 28.3 Employee Review:** The employee shall be given an opportunity to review the documents or materials upon which the proposed disciplinary action is based, and if practicable, they shall be supplied with a copy of the documents.
- 28.4 Employee Response:** Within five (5) working days after the employee has had the review opportunity provided above, they shall have the right to respond, orally or in writing, or both, at the employee's option, to the appointing authority concerning the proposed action.
- 28.5 Temporary Leave with Pay:** Notwithstanding the provisions of this section, the Human Resources/Risk Manager, appropriate Chief, or the City Manager may approve the temporary assignment of an employee to a status of leave with pay pending conduct or completion of such investigations or hearings as may be required to determine if disciplinary action is to be taken.
- 28.6 Representation:** In the above procedure, the employee may be represented by a representative of the employee's choice who is not involved in the matter.

28.7 Right of Appeal:

28.7.1 Fire Division Chief and Fire Battalion Chief: These employees are covered by the provisions of the Firefighter Procedural Bill of Rights Act set forth in California Government Code §§ 3250 through 3262.

28.7.1.1 Formal Appeals Procedures – For Punitive Action Causing a Loss of Pay Not Covered by the Informal Hearing Process

A Fire Division Chief or Fire Battalion Chief shall be entitled to an appeal hearing conducted in accordance with the provisions of the Firefighter Procedural Bill of Rights Act as set forth in California Government Code §§ 3250 through 3262.

28.7.1.2 Appeals Procedures Informal Process

The Informal Hearing Procedure, as opposed to the formal procedures, may be used in the City's sole discretion for disciplinary action imposed on an employee that does not involve termination from employment, demotion, suspension without pay for more than three (3) working days or where the practical financial effect of the discipline equates to three (3) working days or less. Such appeals shall be processed through the grievance procedure.

29.0 Grievance Procedure

29.1 Matters Subject to Grievance Procedure: A grievance shall be a claim, filed by an employee on their own behalf or by the Association on behalf of a bargaining unit member contending that the City has violated or misapplied an obligation expressed and written in the Personnel Rules or this MOU.

29.2 Grievance Procedure: The employee shall have the right to discuss the matter with the Fire Chief. A grievant must present/file a grievance within thirty (30) calendar days of the later of (1) the occurrence giving rising to the grievance or (2) the time within which the grievant (either the employee or the Association) knew or should have known of the occurrence.

When discussing the grievance with the Fire Chief, the employee shall have the right to appear with their representative who may also participate in the discussion. After receiving the grievance the Chief shall review it, render their decision and comments in writing and return them to the employee within ten (10) regular work days after receiving the grievance. If the employee does not agree with the decision reached, they may present an

appeal in writing to the City Manager within ten (10) regular work days. Failure of the employee to take further action within ten (10) regular work days after receipt of the decision of the Fire Chief will constitute withdrawal of the grievance.

29.3 Appeal to the City Manager: Upon receipt of an appeal, the City Manager or their representative shall discuss the grievance with the employee, the representative, if any, and other appropriate persons. The City Manager may designate a fact-finding committee, an individual not in the normal line of the employee's supervision, or the City Attorney to render advice concerning the appeal. Within fifteen (15) regular working days, the City Manager shall render a formal decision, in writing, to the employee. Such decision shall be considered as final.

29.4 Extension of Time Limitations: Any or all of the time limitations mentioned above with reference to filing and response may be extended by mutual agreement between the employee and the City.

30.0 Layoff

30.1 Intent of Procedure: For reasons of economy or efficiency, or in the interest or mandate of the public, reductions or curtailments of City services may be required. In such an event, it may be necessary to lay off one (1) or more City employees. The following procedure is intended to give primary consideration to seniority and job performance whenever layoff of employees is necessary.

The City's decision to abolish a position is not subject to the employee's right of appeal or grievance.

30.2 Procedures:

30.2.1 Abolition of a Position: When a position within a department or division is abolished, all employees in that department or division in the subject classification shall be listed in order of the employee's length of service with the City. The department head shall choose from among the employee's number the least senior employee to be laid off for each position abolished.

If in any case length of service should be equal, the appointing authority may take job performance into consideration in determining the employee to be laid off. Employees to be laid off shall be given two (2) weeks' written notice of the action.

30.2.2 Transfer or Demotion to Avoid Layoff: Any employee who is to be laid off may request, in writing, to be transferred to a vacant position, subject to Personnel Rule 2.10, within the two (2) week notification period.

An employee who has held regular status in a lower classification within the same department and/or division may request, within the two (2) week notification period, demotion to a position in said lower classification or an equivalent class in order to avoid layoff. If the employee makes such a request, a list of employees as prescribed in section 30.2.4 of this section shall be prepared and subject employee shall have the employee's name placed among the other names on said list according to the employee's total length of service in said class and any higher class within that department and/or division. Thereafter, the appointing authority shall choose an employee to be laid off according to the provisions of section 30.2.4 of this section.

30.2.3 Severance Pay: An employee of the City who has been employed for a minimum of two (2) years and has been laid off because of either the abolition of the employee's position or as a result of a demotion of another employee to avoid layoff will be eligible for two (2) weeks of severance pay. A regular employee who is similarly laid off and who has worked for the City a minimum of ten (10) years will be eligible for three (3) weeks' salary upon layoff.

30.2.4 Reemployment Lists: The names of all employees who were laid off or who were demoted to avoid layoff shall be placed on a reemployment list for two (2) years. Whenever a vacancy occurs in the classes from which employees were laid off, the qualifying employees on the layoff list will be notified of the vacancy, prior to announcing an open or promotional recruitment, and shall be offered the opportunity to apply for the position.

In such an event, the appointing authority shall consider the former employee(s) from the layoff list prior to considering other candidates. However, the appointing authority shall retain the right not to appoint said former employee(s) and may request an examination to establish a new eligibility list.

31.0 Management Rights

The scope of representation does not include consideration by the City of changes in the merits, necessity or organization of any service activities provided by law or executive order including the following:

1. The City shall retain, whether exercised or not, solely and exclusively, all express and inherent rights and authority pursuant to law with respect to determining the level of, and the manner in which, the City's activities are conducted, managed, and administered, and it is the exclusive right of the City to establish and maintain departmental rules and procedures for the administration of its departments.

2. The City has the exclusive right and authority to schedule work as required in the manner most advantageous to the City.
3. Every incidental duty connected with operations enumerated in job descriptions is not always specifically described; nevertheless, it is intended that all such duties shall be performed by employees in the unit.
4. The City reserves the right to direct employees, including the right to hire, promote, discipline or discharge employees.
5. The City reserves the right to lay off employees at any time.
6. The City shall determine assignments, and establish methods and processes by which assignments are performed.
7. The City shall determine policy affecting the on-going training and certification of employees, as applicable.
8. The City shall have the right to establish and enforce employee performance standards.
9. The City shall have the right to introduce new, improved, or different methods and techniques of operation or a change in existing methods and techniques.
10. The City shall determine the amount of supervision necessary.
11. The City shall have the authority, without prior meeting and conferring, to effect reorganizations and reallocation of work of the City, including the determination of the size and organizational structure of departments and the determination of the job classification and ranks based upon assigned duties.
12. The City has the right, without prior meeting and conferring, to contract for matters relating to municipal operations, including contracting out bargaining unit work. The right of contracting or subcontracting is vested exclusively in the City.
13. The inherent and express rights of the City, including those herein specifically referred to that are not expressly modified or restricted by a specific provision hereof, are not in anyway, directly or indirectly, subject to meeting and conferring or the Grievance Procedure herein.

32.0 The Confidentiality of Management Discussions and Working through the Chain of Command

Employees in this bargaining unit are public safety managers in the Fire Department. As such, these employees have access to confidential information in their respective departments which must be maintained with confidentiality and not used for labor relations purposes. If information is made or becomes public, drafts of documents, recording details of meetings, or other work product which were prepared by the Department, but which have not been made public cannot be used for labor relations purposes. The confidentiality of such documents shall be maintained.

Employees in this unit directly report to the Fire Chief. The parties agree that maintenance of the reporting relationship is critical to effectively operating Fire Departments while maintaining a labor relations relationship between the City and the Association.

Division Chiefs and Battalion Chiefs are required to check their email on days off and respond to work related emails where their response is requested.

33.0 Release Time

The Association (with its two bargaining units representing Fire and Police) may have up to two (2) on-duty representatives on release time and one (1) off-duty representative at the collective bargaining table for labor negotiations. In addition, the association is entitled to release time for the purpose of processing a grievance. No more than one member may be released for a meeting for such a purpose. Additional time needed for planning for negotiations or any other labor relations purpose must take place during off duty hours.

34.0 Savings Clause

If any section, subsection, subdivision, sentence, clause, or phrase of this MOU is for any reason held to be illegal or unconstitutional, such decision shall not affect the validity of the remaining portion of this MOU.


35.0 Full and Complete Understanding

This MOU represents the full and complete understanding between the parties related to the subject matter set forth herein and all preliminary negotiations of whatever kind or nature are merged herein.

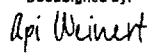
The parties hereto have caused this MOU to be executed this 10 day of August 2021.

CITY OF LAGUNA BEACH

**LAGUNA BEACH POLICE AND FIRE
MANAGEMENT ASSOCIATION – Fire
Unit**

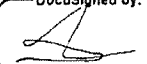
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 8/5/2021

Gavin Curran
Director of Administrative Services

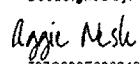
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 8/5/2021

Api Weinert
Fire Division Chief

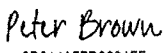
Shohreh Dupuis
City Manager

DocuSigned by:
 8/5/2021

Michael McGill
Labor Negotiator

DocuSigned by:
 8/5/2021

Aggie Nesh
Human Resources/Risk Manager

DocuSigned by:
 8/5/2021

Peter J. Brown
Labor Negotiator

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF LAGUNA BEACH
AND
THE LAGUNA BEACH POLICE AND FIRE
MANAGEMENT ASSOCIATION**

Police - Unit

July 1, 2021 – June 30, 2024

TABLE OF CONTENTS

Chapter 1 - Introduction.....	1
1.0 Preamble	1
2.0 Term & Reopener	1
3.0 Recognition.....	1
Chapter 2- Compensation.....	1
4.0 Salary and Compensation.....	1
4.1 Pay Plan Structure	1
4.2 Placement at the Salary Step	1
4.3 Salary.....	1
4.4 Direct Deposit	2
5.0 Certification and Education Pay.....	2
6.0 Deferred Compensation.....	2
7.0 City-Provided Take Home Automobile or Automobile Allowance.....	2
8.0 Exceptional Performance Pay.....	3
9.0 Cell Phone Stipend	3
10.0 Legal Defense Fund Contribution	3
Chapter 3 - Benefits.....	3
11.0 Retirement	3
12.0 Health Benefits	6
12.1 Rates	6
12.2 Selection of Carriers	6
12.3 City Contribution Maximum.....	6
12.4 Medical Coverage for Domestic Partners	6
12.5 Medical Insurance Waiver	6
12.6 Flexible Spending Plan	7
12.7 Medical Plan Coverage for Retirees	7
12.8 Retirement Health Savings Plan.....	7
14.0 Educational Reimbursement Program	8
14.1 Procedure	8
15.0 Physical Examination Reimbursement	9
16.0 Life Insurance	9
17.0 Long Term Disability	9
18.0 Shopper Parking Permits	9
19.0 Work Schedule	9
Chapter 4 – Leaves of Absence	9
21.0 Vacation.....	9
21.1 Vacation Accrual:.....	9
21.2 Use of Vacation	10
21.3 Payment for Unused Vacation	10
22.0 Holidays.....	11
22.1 Recognized Holidays.....	11
22.2 Compensation For Holidays	12
22.3 Weekend Holidays.....	12
23.0 Sick Leave	12
23.1 Sick Leave Accruals	12
23.2 Sick Leave Banks	12

23.3	Use of Sick Leave.....	12
23.4	Evidence of Illness:.....	13
23.5	Sick Leave and Temporary Disability.....	13
23.6	Sick Leave for Dependent Care.....	13
23.7	Holidays During Sick Leave.....	13
23.8	Payment for Unused Sick Leave	13
24.0	Bereavement Leave.....	13
25.0	Jury Duty Leave.....	14
26.0	Paid Administrative Leave	14
Chapter 5 – Employer Employee Relations		14
27.0	Probationary Period	14
28.0	Discipline	14
28.1	Policy:	14
28.2	Written Notice:	15
28.3	Employee Review:.....	15
28.4	Employee Response:.....	15
28.5	Temporary Leave with Pay:	15
28.6	Representation:	15
28.7	Right of Appeal:	15
29.0	Grievance Procedure.....	16
29.1	Matters Subject to Grievance Procedure:.....	16
29.2	Grievance Procedure:.....	16
29.3	Appeal to the City Manager:	16
29.4	Extension of Time Limitations:.....	16
30.0	Layoff.....	16
30.1	Intent of Procedure:	16
30.2	Procedures:	17
30.2.1	Abolition of a Position:	17
30.2.2	Transfer or Demotion to Avoid Layoff:	17
30.2.3	Severance Pay:	17
30.2.4	Reemployment Lists:	17
31.0	Management Rights.....	18
32.0	The Confidentiality of Management Discussions and Working through the Chain of Command	19
33.0	Release Time.....	19
34.0	Savings Clause.....	19
35.0	Full and Complete Understanding	20

Chapter 1 - Introduction

1.0 Preamble

This Memorandum of Understanding (“MOU”) has been reached and prepared after meeting and conferring in good faith between the City of Laguna Beach and representatives of the Laguna Beach Police and Fire Management Association (the Association) pursuant to the provisions of Government Code Section 3500, *et. seq.*

2.0 Term & Reopener

This MOU shall remain in full force and effect from July 1, 2021 until June 30, 2024.

3.0 Recognition

The City recognizes the Laguna Beach Police and Fire Management Association as the Association that represents the bargaining unit of sworn public safety managers of the Police Department in the City of Laguna Beach as follows: All Employees in the classifications of Police Captain and Police Lieutenant. The Association also represents the Civilian Services Administrator. All classifications in this unit are exempt employees as defined by the Fair Labor Standards Act.

Chapter 2- Compensation

4.0 Salary and Compensation

4.1 Pay Plan Structure: Compensation for employees in the unit is based on a salary range with a low and high point. Employees may receive increases in compensation by moving within the range. An employee may move within the range based on the discretion of the Police Chief's assessment of their performance and approval of the City Manager. Such movement is not subject to challenge, including the filing of a grievance.

4.2 Placement at the Salary Step: Employees in the unit are placed at the salary step at the time they enter the unit or receive a promotion within the unit (i.e., from Police Lieutenant to Police Captain). An employee promoted into a position in the bargaining unit will receive a base salary increase of at least five percent (5%).

4.3 Salary:

Effective at the beginning of the pay period following Council approval of the MOU, all employees in the unit shall receive a two and one half percent (2.50%) salary increase in their monthly base salary in effect at that time.

Effective the pay period, which includes January 1, 2022, all employees in the unit shall receive a two and one half percent (2.50%) salary increase in their monthly base salary in effect at that time.

Effective the pay period, which includes July 1, 2022, all employees in the unit shall receive a three percent (3.0%) salary increase in their monthly base salary in effect at that time.

Effective the pay period, which includes July 1, 2023, all employees in the unit shall receive a three percent (3.0%) salary increase in their monthly base salary in effect at that time.

4.4 Direct Deposit: All Association members shall participate in the City's Direct Deposit Program.

5.0 Certification and Education Pay

Police Captains and Police Lieutenants shall be eligible to receive two and one half percent (2.5%) of base salary for possession of a Bachelor's Degree.

For any employee who was hired by the City after January 1, 2017 or who was hired before that date who had not yet started coursework by January 1, 2017 toward their Bachelor's Degree, the degree must be obtained from a college or university accredited by the United States Department of Education, Council for Higher Education Accreditation, Western Association of Schools and Colleges, or a similar regional accrediting association.

Police Captains and Police Lieutenants shall receive two and one half percent (2.5%) of base salary for receipt of a Management POST certificate.

Police Captains, Police Lieutenants, and the Civilian Services Administrator shall receive two and one half percent (2.5%) of base salary for possession of a Master's Degree.

For any employee who was hired by the City after January 1, 2017 or who was hired before that date who had not yet started coursework by January 1, 2017 toward their Master's Degree, the degree must be obtained from a college or university accredited by United States Department of Education, Council for Higher Education Accreditation, Western Association of Schools and Colleges, or a similar regional accrediting association.

6.0 Deferred Compensation

Employees in the unit shall receive a City contribution of two percent (2%) of base salary (which shall be provided per pay period) which shall be contributed to a City approved deferred compensation program (per IRS Code section 457(b)). Employees may make additional contributions per pay period to their deferred compensation account up the maximum permitted law.

7.0 City-Provided Take Home Automobile or Automobile Allowance

Employees receive either a take home automobile or an automobile allowance of two hundred dollars (\$200) per month at the discretion of the City Manager. A City provided take home automobile can be used by an employee to commute to and from the City or for any other work-related or approved purpose.

8.0 Exceptional Performance Pay

Employees in the unit may be eligible to receive exceptional performance pay of up to five percent (5%). An employee may be eligible to receive an additional five percent (5%) for a year or longer at the discretion of the City Manager. The assessment for such pay will be based on employee performance per the employee's performance evaluation and recommendation of the Police Chief. The final decision will be made by the City Manager. The employee is eligible to receive the exceptional performance pay until their next evaluation date. Exceptional performance pay is not subject to challenge, including the filing of a grievance.

9.0 Cell Phone Stipend

Employees shall receive a monthly cell phone stipend of \$80.00.

10.0 Legal Defense Fund Contribution

All members shall be reimbursed up to \$250 per year for the yearly contributions made by them to the Legal Defense Fund for legal services.

Chapter 3 - Benefits

11.0 Retirement

The City contracts with the Public Employees' Retirement System for administration of the retirement program. Coverage for regular full-time employees is as follows:

a) Retirement Formula

1. Safety Employees

Police Lieutenants and Police Captains hired before April 2, 2012, are covered by the 3% @ 50 formula provided for by the Public Employees' Retirement Law at Government Code section 21362.2.

Police Lieutenants and Police Captains hired on or after April 2, 2012, and who do not meet the definition of "new members" as defined by the Public Employees' Pension Reform Act of 2013 (PEPRA), are covered by the 3% @ 55 formula provided for by the Public Employees' Retirement Law at Government Code section 21363.1.

Unit members hired on or after January 1, 2013 who are defined as “new members” under the PEPRA, are covered by the 2.7% @ 57 formula provided for by the Public Employees’ Retirement Law at Government Code section 7522.25(d).

2. Miscellaneous (non-safety) Employees

Unit members (i.e., the Civilian Services Administrator) who are not “new members” as defined by the Public Employees’ Pension Reform Act of 2013 - PEPRA are covered by the 2.5% @ 55 formula provided for by the Public Employees’ Retirement Law at Government Code section 21354.4.

Unit members who are defined as “new members” under the PEPRA, are covered by the 2%@ 62 formula provided for by the Public Employees’ Retirement Law at Government Code section 7522.20(a).

b) Employee Contributions to the Retirement System

1. Safety Employees:

a. Employees subject to the 3%@50 and 3%@55 Formulas

These employees shall contribute the entire required member contribution of nine percent (9%) of compensation earnable.

In addition to the nine percent (9%) of compensation earnable employee-paid member contribution noted above, these employees pay an additional three percent (3.0%) of compensation earnable of the required employer contribution as cost sharing in accordance with Government Code section 20516(f). Thus, these employees pay the full nine percent (9%) of compensation earnable member contribution and three percent (3%) of compensation earnable of the required employer contribution as cost sharing for a total of twelve percent (12%) of compensation earnable for retirement contributions.

The City has adopted the CalPERS resolution in accordance with and as permitted by IRS Code section 414(h)(2) to ensure that the employees’ payment (*i.e.*, “pick up” as that term is used in section 414(h)(2)) of their employee contribution is made on a pre-tax basis.

- b. Employees subject to the 2.7%@57 Formula

These employees shall pay the statutorily mandated employee contribution rate of one half of the total normal cost as set forth on the CalPERS annual rate sheet.

- 2. Miscellaneous (non-safety) Employees

- a. Non-safety employees subject to the 2.5%@55 Formula

These employees shall contribute the eight percent (8%) of compensation earnable as the required member contribution.

- b. Non-safety employees subject to the 2%@62 Formula

These employees shall pay the statutorily mandated employee contribution rate of one half of the total normal cost as determined each year by CalPERS in its annual valuation report.

- c) Optional Benefits

In addition to the retirement formulas provided above, the following optional benefits are in effect:

- 1. One Year Final Compensation, Government Code section 20042.
 - i. For employees defined as new members by the PEPRA, their retirement will not be calculated by the One Year Final Compensation provision, but rather, based on the three (3) year average compensation as provided for in the PEPRA per Government Code section 7522.32(a).
- 2. Service Credit for Unused Sick Leave. Government Code section 20965.
- 3. The 1959 Survivors Benefit Level IV. Government Code section 21574.

12.0 Health Benefits

All employees in the unit are eligible for enrollment in the medical, vision and dental benefit plans as agreed to between the City and the Association.

12.1 Rates: The City will pay 100% of the cost of medical coverage for the employee, 90% of the cost for employee plus one dependent, and 90% of the cost of the employee plus two or more dependents, with the employee responsible for the remaining 10%. The preceding percentage of 90% for the cost of employee plus one or more dependents will sunset on the last date of the term of this MOU (and the previous percentage of 87.5% will be reinstated) unless the parties agree that it will continue beyond that date. If the cost of medical insurance premium increases by ten percent (10%) or more in any calendar year of this MOU, the parties agree that, either party may reopen labor negotiations on this Article 12 only.

Vision coverage is made available by the City at the employee's cost.

12.2 Selection of Carriers: Health Insurance carriers are annually selected in the City by a committee of representatives from each of the employee associations (medical task force) meeting with representatives of the City. To ensure that this process does not prevent the City from moving forward with a decision to either keep the same carrier or change carriers, the parties agree that each year when health insurance carriers are evaluated, the Association will be permitted to have a representative on the medical task force subject to the following: The Association agrees that if an agreement cannot be reached at the task force that it will not object to the City to making modifications or no changes to the health insurance.

12.3 City Contribution Maximum: Employees of the City have a two tier medical system that exists for purposes of determining the City's contribution to employee medical insurance. The City's contribution to any employee's medical insurance premium under the premium sharing formula in Section 12.1 of the MOU shall be limited to the amount of the contribution under the above premium sharing formula for the HMO plan rate for an employee plus two or more dependents regardless of the employee's choice of medical plan.

12.4 Medical Coverage for Domestic Partners: Medical coverage shall be provided for domestic partners. Dental coverage shall be provided to domestic partners under the same terms as other dependents.

12.5 Medical Insurance Waiver: Employees who are able to demonstrate to the City's satisfaction that they have minimum essential coverage as defined by

the Affordable Care Act (through another source other than coverage in the individual market, whether or not obtained through Covered California), may opt out of participation in the City's plan and will be paid sixty percent (60%) of the HMO employee only rate. This payment will be made to the employee on a biweekly basis as a part of the employee's payroll check.

If at any time during the term of the MOU, any provision of Federal law or regulation would impose greater financial cost or penalties on the City above and beyond the City's agreed upon contribution to an employee's cafeteria health insurance, the parties agree to reopen negotiations. The negotiations will be for the limited purpose of making changes to the health insurance that would be needed to ensure that such additional cost or penalties are avoided.

12.6 Flexible Spending Plan: The City will make a flexible spending plan available to employees pursuant to relevant IRS Code Section 125 to allow an employee to contribute a portion of his or her income each year on a pre-tax basis into an account from which they may receive reimbursement for medical, dental and dependent care expenses.

12.7 Medical Plan Coverage for Retirees: Employees Hired Before July 1, 2013: The option of continuing membership in the City's medical plan shall be available to employees who retire from employment with the City after a minimum of three (3) years of service. The employee will be responsible for the entire premium.

Employees hired on or after July 1, 2013: The option of continuing membership in the City's medical plan shall be available to employees who retire from employment with the City after a minimum of ten (10) years of service. The employee shall be responsible for the entire premium.

12.8 Retirement Health Savings Plan: All employees are required to participate in the City's Retirement Health Savings Plan (RHS). The City shall make a pre-tax contribution of one hundred dollars (\$100.00) per month per employee to the RHS plan on the employee's behalf, paid at forty-six dollars and sixteen cents (\$46.16) per pay period.

12.9 Reopener - Change in Medical Plan: If, during the term of this MOU, a decision is made to change or modify the current medical care coverage, the entire Article 12.0 – 12.3 shall be reopened for negotiations.

12.10 Affordable Care Act: The parties agree that either party may reopen negotiations during the term of this MOU to consider the impact of the Affordable Care Act on the City, the Association and its members – the City

employees. This reopener is limited to the impact of the Act and nothing else. The parties agree that neither side will be required to negotiate on any other topic, including, but not limited to compensation and benefits.

13.0 Light/Modified Duty

When an employee who has suffered an industrial injury which has been accepted by the City is authorized by a physician to return to work with restrictions, the Police Chief may assign and schedule the employee on a temporary basis to perform departmental duties from which the employee has not been restricted and which are consistent with the employee's work restrictions. These duties need not be duties which are required or included as part of the employee's normal assignment. Light duty is limited to twelve (12) weeks, but may be extended up to an additional four (4) weeks if it appears to the satisfaction of the Police Chief that imminent return to work is likely.

If an employee who has been authorized to return to work with restrictions refuses to accept a light/modified duty assignment consistent with those restrictions, they will not be entitled to receive Labor Code section 4850 benefits.

In accordance with California Labor Code section 4850, no disability indemnity shall be paid to any employee concurrently with wages or salary payments.

14.0 Educational Reimbursement Program

The purpose of this program shall be the reimbursement for tuition and book expenses to employees attending classes on the employee's own time which are to the direct benefit of the individual employee and the City. The approval of a request is subject to budgetary limitations.

14.1 Procedure:

The Police Chief and the City Manager will determine what types of courses will be allowed for reimbursement prior to commitment by the employee. Courses considered by the Police Chief and the City Manager for reimbursement shall be designed to directly improve the knowledge of the employee in the public service which will improve performance and enhance advancement opportunities. The Police Chief may recommend reimbursement upon the successful completion of college or professional conference courses. Each employee is limited to a maximum payment of one thousand dollars (\$1,000) per fiscal year, dependent upon the availability of budgeted monies.

The City Manager may authorize payment of additional educational reimbursement beyond the maximum payment for employees who are seeking formal degrees. The maximum reimbursement for these expenditures shall be 75% of the cost of tuition at the University of California, Irvine.

15.0 Physical Examination Reimbursement

The City will reimburse employees in the bargaining unit up to three hundred dollars (\$300) per year for expenses incurred for a general examination to determine physical fitness. The first reimbursement shall not occur until at least two (2) years after the employee's pre-employment physical.

16.0 Life Insurance

All employees are covered by a fifty thousand dollar (\$50,000) Life and Accidental Death and Dismemberment policy.

17.0 Long Term Disability

All employees are eligible for Long Term Disability Insurance coverage of sixty percent (60%) of the first five thousand dollars (\$5,000) of salary after a sixty (60) calendar day elimination period.

18.0 Shopper Parking Permits

Employees shall receive a Shopper Parking Permit from the City at no cost.

19.0 Work Schedule

All employees in the bargaining unit will work a 5/40, 9/80 or 4/10 regular work schedule based upon the needs of the Department. The Department may change work schedules by providing at least two weeks' notice. If an employee needs some additional time to adjust to the new schedule, the City will evaluate such a request.

20.0 Uniforms

Employees in the unit will receive City provided uniforms. In accordance with PERS regulations, the City will report the value of the uniform compensation earnable for each employee who is provided a City uniform. The parties agree that to the extent permitted by law, this remuneration is special compensation and shall be reported as such pursuant to Title 2, CCR 571(a)(5) Statutory Items – Uniforms. "New members" as defined under the Public Employees' Pension Reform Act of 2013 will not have the value of the uniforms reported as special compensation.

Chapter 4 – Leaves of Absence

21.0 Vacation

21.1 Vacation Accrual: Each employee shall accrue vacation as follows:

Hours of Vacation Accrued

0 to completion of 9 years of service – 5.24 hours per pay period.

10 + years of service – 6.77 hours per pay period.

On June 23, 2013, all vacation accruals were placed in a bank entitled the “Original” Bank. Additional vacation accruals were (since June 23, 2013) and are (prospectively) not permitted to be deposited into the Original Bank. Vacation in the Original Bank may be used in accordance with Section 21.2 of this Article or cashed out in accordance with Section 21.3 of this Article at the employee’s hourly rate as of June 23, 2013.

Effective June 24, 2013, a new vacation accrual bank entitled the “New Bank” was created. Effective in the pay period following City Council approval of this MOU, employees are permitted to accrue vacation up to 600 hours. In the first pay period in December of each year, employees will be paid for any vacation in the “New Bank” above 600 hours at their then-current hourly rate.

In accordance with Section 21.2, employees may still use their vacation (both banks). However, for each employee, once the Original Bank has been depleted, it will be closed.

21.2 Use of Vacation: Vacation leave may be taken as it accrues. The dates of vacation leave may be selected by the employee but shall be approved by the Police Chief who shall consider the wishes of the employee and the needs of the City. Ultimately, however, the Police Chief has the discretion to grant or deny vacation based on the needs of the Department.

21.3 Payment for Unused Vacation:

a. During Employment: Until December 31, 2021, upon request of an employee and with approval of the City Manager or their designee, an employee may cash out all accrued vacation the employee desires to cash out. If the vacation is in the new bank, it will be cashed out at the employee’s current base hourly rate. If the vacation is in the Original Bank it will be cashed out at the employee’s hourly rate as of June 23, 2013.

Effective for calendar year 2022 and every year thereafter: By December 15 of preceding each year (the first year being 2021), employees may make an irrevocable election to cash out up to the maximum number of hours of vacation leave they can accrue per year that will be earned in the following calendar year at the same rate of pay had the employee used those vacation benefits to receive paid leaves of absence. In the following year, the employees can receive the cash for the vacation leave they irrevocably elected to cash out in either two (2) separate increments (in July and December) or one (1) increment (in December), the total of which shall not exceed the maximum they can accrue in a year, as follows. Thus, if the employees so desire, they could elect to be paid up to one half of what they irrevocably elected to cash out on the second pay day in July with the

remainder being paid on the second pay day in December or the employees can elect to be paid the entire amount they irrevocably elected to cash out on the second pay day in December. However, if an employee's vacation leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of leave the employee has accrued at the time of the cash out.

If an employee makes an irrevocable election to cash out vacation leave in the following calendar year and uses vacation leave in that subsequent year, the vacation leave used will come from vacation leave the employee had earned prior to January 1 of the year the employee has elected to cash out vacation leave. This is to ensure that assuming an employee had a vacation leave balance prior to January 1, the vacation leave used will not result in a reduction in the amount of vacation leave the employee will be eligible to cash out.

In addition to the above, starting in calendar year 2022, an employee who has an "unforeseen emergency" (defined as an unanticipated emergency that is caused by an event beyond the control of the employee and that would result in severe financial hardship to the employee if early withdrawal were not permitted) shall be entitled to make a request to the Human Resources/Risk Manager for a payoff of up to one year's accrual of vacation irrespective of whether and to the extent the employee has made an irrevocable election in the preceding December. The amount of vacation which may be paid off is limited to the amount necessary to meet the emergency.

Notwithstanding the above, at any time employees may continue to elect to cause the monetary value of accrued vacation to be added to their 457 Deferred Compensation account, thereby reducing their accrued vacation balance accordingly.

b. Upon Termination: Any employee who is about to terminate their employment and who has unused vacation time in either bank shall be paid for such vacation time in their final paycheck. As noted above, payment of vacation time in the Original Bank will be paid (as permitted by Labor Code section 227.3 with an agreement of the parties) at the employee's hourly rate as of June 23, 2013. It shall not be necessary to carry such employee on the payroll for the vacation period that is cashed out and the vacancy thus created may be filled at any time after the effective date of termination. When termination is caused by death of the employee, payment shall be made to the employee's designated beneficiary or in accordance with the law.

22.0 Holidays

22.1 Recognized Holidays: The following holidays shall be observed by the City of Laguna Beach:

1. New Year's Day - January 1st
2. Martin Luther King Jr. Day - 3rd Monday in January
3. President's Day - 3rd Monday in February
4. Memorial Day - Last Monday in May
5. Independence Day - July 4th
6. Labor Day - 1st Monday in September
7. Veterans Day - November 11th
8. Thanksgiving Day - 4th Thursday in November
9. The day after Thanksgiving
10. Christmas Day - December 25th

Notwithstanding that the above are the holidays for employees in the unit, if the Police Chief needs the employee to work on any of the above holidays, they will be required to do so.

22.2 Compensation For Holidays: Employees receive nine (9) hours of pay for each of the above holidays. If an employee in the unit is assigned to a work schedule of more than nine hours per day, they must use vacation leave for the hours between nine and their scheduled hours to be paid for the entire holiday. For any holiday on which a unit member is required to work, they can bank the nine (9) hours as holiday leave. Any holiday leave still banked on the last pay period of June each year will be cashed out to the employee.

22.3 Weekend Holidays: When a holiday falls on a Sunday, the following Monday shall be deemed to be the holiday in lieu of the day observed. If a holiday falls on a Saturday the preceding Friday is the holiday in lieu of the day observed.

For those employees who work an alternate work schedule, *e.g.*, 9/80, when a holiday falls on a regularly scheduled day off, employees shall receive nine (9) hours added to their accrual bank.

23.0 Sick Leave

23.1 Sick Leave Accruals: Every employee shall accrue sick leave at the rate of 80 hours per year, 3.08 hours per pay period. Unused sick leave may be accumulated without limit.

23.2 Sick Leave Banks: The City shall maintain two sick leave banks. 1) The first bank is for sick leave earned between June 13, 1988 and June 23, 2013; and 2) the second bank is for sick leave earned on or after June 24, 2013.

23.3 Use of Sick Leave: Sick leave use must be approved by the Police Chief. Sick leave earned in the first bank (*i.e.*, between June 13, 1988 and June 23, 2013) must be used before sick leave earned in the second bank.

23.4 Evidence of Illness: The Police Chief may require evidence in the form of a physician's certificate, or otherwise, of the employee's need to use sick leave.

23.5 Sick Leave and Temporary Disability: An employee who is entitled to temporary disability benefit payments may elect to take that number of hours or portions of hours of their accumulated sick leave, or the employee's accumulated vacation, as when added to the disability benefit payment will result in a payment to the employee of their full salary.

23.6 Sick Leave for Dependent Care: An employee shall be eligible to use accrued sick leave in accordance with Federal and State laws to care for an ill parent, spouse, registered domestic partner, child, sibling, grandparent or grandchild. The amount of sick leave which can be used for such purpose is one half of one year's annual accrued sick leave - 40 hours per year.

23.7 Holidays During Sick Leave: Observed holidays occurring during sick leave shall not be counted as a day of sick leave.

23.8 Payment for Unused Sick Leave:

Payment for accrued sick leave will be available as follows:

- a) Sick Leave Earned Commencing June 13, 1988 through June 23, 2013. This sick may only be converted into the City's Retirement Health Savings (RHS) Plan at the employee's base hourly rate of pay as of June 23, 2013 upon death, retirement for disability or for service, resignation or layoff, but not if dismissed or terminated for cause
- b) Sick leave earned on or after June 24, 2013 may be converted into the City's Retirement Health Savings (RHS) Plan at the rate of fifty percent (50%) of the employee's base hourly rate of pay of its value in October or May of each fiscal year, upon death, retirement for disability or service, resignation or layoff, but not if dismissed or terminated for cause to the extent that it is not used in each fiscal year. Cash into the RHS Plan may be made one additional time each year under extraordinary circumstances if approved by the appropriate Chief and the Human Resources/Risk Manager.
- c) Accrued sick leave may also be converted to service credit under the "Credit for Unused Sick Leave" option of the Public Employees' Retirement System. Government Code section 20965.

24.0 Bereavement Leave

Whenever an employee is compelled to be absent from duty by reason of the death, or critical illness where death appears to be imminent, of either the members of the immediate family of the employee, the employee's spouse or domestic partner,

such person shall be entitled to a maximum of 24 hours absence with pay, as to each such instance of death or critical illness, up to a maximum of 48 hours per year. In instances involving extraordinary circumstances, an additional 48 hours may be granted, upon approval of the Police Chief, with the proviso that such time will be deducted from accumulated sick leave.

"Immediate family" of the employee, the employee's spouse or domestic partner shall be construed to mean: father, mother, step-parents, brother, sister, step-siblings, wife, husband, child, step-child, grandmother, grandfather or any relative of the employee or employee' s spouse residing in the employee' s household for two (2) or more years.

25.0 Jury Duty Leave

Employees in the unit are entitled to up to one hundred and twenty (120) hours of paid time off each calendar year for jury duty. An employee who must report to jury duty shall immediately notify the Police Chief in writing, including by email. Employees in the unit are expected to make reasonable efforts to manage their areas of responsibility to the maximum extent possible while serving on jury duty. This means responding to calls and emails in a timely manner and still attending other necessary meetings occurring on days in which they are on jury duty if it does not conflict with the time required in court.

26.0 Paid Administrative Leave

Employees may be granted up to 80 hours of paid administrative leave per fiscal year at the discretion of the City Manager.

Chapter 5 – Employer Employee Relations

27.0 Probationary Period

Employees in the unit may be promoted into the unit or may be hired as new employees. For both newly hired employees and those promoted into the unit, their probationary period is one year. However, for employees on probation, cumulative leaves of absence in excess of fourteen (14) calendar days while on probation shall extend the probationary period by the length of leaves of absence in excess of 14 calendar days. Any employee who promotes into the unit who does not pass their probationary period shall have the right to be returned to a position in their previous classification in the City.

28.0 Discipline

28.1 Policy: Prior to the discharge, demotion or pay reduction for disciplinary purpose or suspension of any regular employee pursuant to provisions of the Personnel Rules, the following procedure shall be complied with:

- 28.2 Written Notice:** Written notice of the proposed disciplinary action shall be given to the employee. Such notice shall include a statement of the reason(s) for the proposed action and the charge(s) being considered.
- 28.3 Employee Review:** The employee shall be given an opportunity to review the documents or materials upon which the proposed disciplinary action is based, and if practicable, they shall be supplied with a copy of the documents.
- 28.4 Employee Response:** Within five (5) working days after the employee has had the review opportunity provided above, they shall have the right to respond, orally or in writing, or both, at the employee's option, to the appointing authority concerning the proposed action.
- 28.5 Temporary Leave with Pay:** Notwithstanding the provisions of this section, the Human Resources/Risk Manager, Police Chief, or the City Manager may approve the temporary assignment of an employee to a status of leave with pay pending conduct or completion of such investigations or hearings as may be required to determine if disciplinary action is to be taken.
- 28.6 Representation:** In the above procedure, the employee may be represented by a representative of the employee's choice who is not involved in the matter.
- 28.7 Right of Appeal:**
- 28.7.1 Police Lieutenant and Police Captain:** These employees shall, within seven (7) days, have the right of appeal to the Personnel Board of any disciplinary action indicated under Section 2.24.120 of the Laguna Beach Municipal Code, except in instances where the right of appeal is specifically prohibited by the Personnel Rules.
- 28.7.1.1 For discipline described as "punitive action" under the Public Safety Officers' Procedural Bill of Rights Act for which there is a right to an appeal pursuant to Government Code section 3304(b) and 3304.5, and which is not covered by Section 28.7.1 above, the appeal shall be processed under the grievance procedure in this MOU.
- 28.7.2 Civilian Services Administrator:** Employees shall, have the right of appeal to the Personnel Board within seven (7) days of any disciplinary action indicated under Section 2.24.120 of the Laguna Beach Municipal Code, except in instances where the right of appeal is specifically prohibited by the Personnel Rules.

29.0 Grievance Procedure

29.1 Matters Subject to Grievance Procedure: A grievance shall be a claim, filed by an employee on their own behalf or by the Association on behalf of a bargaining unit member contending that the City has violated or misapplied an obligation expressed and written in the Personnel Rules or this MOU.

29.2 Grievance Procedure: The employee shall have the right to discuss the matter with the Police Chief. A grievant must present/file a grievance within thirty (30) calendar days of the later of (1) the occurrence giving rising to the grievance or (2) the time within which the grievant (either the employee or the Association) knew or should have known of the occurrence.

When discussing the grievance with the Police Chief, the employee shall have the right to appear with their representative who may also participate in the discussion. After receiving the grievance the Chief shall review it, render their decision and comments in writing and return them to the employee within ten (10) regular work days after receiving the grievance. If the employee does not agree with the decision reached, they may present an appeal in writing to the City Manager within ten (10) regular work days. Failure of the employee to take further action within ten (10) regular work days after receipt of the decision of the Police Chief will constitute withdrawal of the grievance.

29.3 Appeal to the City Manager: Upon receipt of an appeal, the City Manager or their representative shall discuss the grievance with the employee, the representative, if any, and other appropriate persons. The City Manager may designate a fact-finding committee, an individual not in the normal line of the employee's supervision, or the City Attorney to render advice concerning the appeal. Within fifteen (15) regular working days, the City Manager shall render a formal decision, in writing, to the employee. Such decision shall be considered as final.

29.4 Extension of Time Limitations: Any or all of the time limitations mentioned above with reference to filing and response may be extended by mutual agreement between the employee and the City.

30.0 Layoff

30.1 Intent of Procedure: For reasons of economy or efficiency, or in the interest or mandate of the public, reductions or curtailments of City services may be required. In such an event, it may be necessary to lay off one (1) or more City employees. The following procedure is intended to give primary consideration to seniority and job performance whenever layoff of employees is necessary.

The City's decision to abolish a position is not subject to the employee's right of appeal or grievance.

30.2 Procedures:

- 30.2.1 Abolition of a Position:** When a position within a department or division is abolished, all employees in that department or division in the subject classification shall be listed in order of the employee's length of service with the City. The department head shall choose from among the employee's number the least senior employee to be laid off for each position abolished.

If in any case length of service should be equal, the appointing authority may take job performance into consideration in determining the employee to be laid off. Employees to be laid off shall be given two (2) weeks' written notice of the action.

- 30.2.2 Transfer or Demotion to Avoid Layoff:** Any employee who is to be laid off may request, in writing, to be transferred to a vacant position, subject to Personnel Rule 2.10, within the two (2) week notification period.

An employee who has held regular status in a lower classification within the same department and/or division may request, within the two (2) week notification period, demotion to a position in said lower classification or an equivalent class in order to avoid layoff. If the employee makes such a request, a list of employees as prescribed in section 30.2.4 of this section shall be prepared and subject employee shall have the employee's name placed among the other names on said list according to the employee's total length of service in said class and any higher class within that department and/or division. Thereafter, the appointing authority shall choose an employee to be laid off according to the provisions of section 30.2.4 of this section.

- 30.2.3 Severance Pay:** An employee of the City who has been employed for a minimum of two (2) years and has been laid off because of either the abolition of the employee's position or as a result of a demotion of another employee to avoid layoff will be eligible for two (2) weeks of severance pay. A regular employee who is similarly laid off and who has worked for the City a minimum of ten (10) years will be eligible for three (3) weeks' salary upon layoff.

- 30.2.4 Reemployment Lists:** The names of all employees who were laid off or who were demoted to avoid layoff shall be placed on a reemployment list for two (2) years. Whenever a vacancy occurs in the classes from which employees were laid off, the qualifying employees on the layoff list will be notified of the vacancy, prior to announcing an open or promotional recruitment, and shall be offered the opportunity to apply for the position.

In such an event, the appointing authority shall consider the former employee(s) from the layoff list prior to considering other candidates. However, the appointing authority shall retain the right not to appoint said former employee(s) and may request an examination to establish a new eligibility list.

31.0 Management Rights

The scope of representation does not include consideration by the City of changes in the merits, necessity or organization of any service activities provided by law or executive order including the following:

1. The City shall retain, whether exercised or not, solely and exclusively, all express and inherent rights and authority pursuant to law with respect to determining the level of, and the manner in which, the City's activities are conducted, managed, and administered, and it is the exclusive right of the City to establish and maintain departmental rules and procedures for the administration of its departments.
2. The City has the exclusive right and authority to schedule work as required in the manner most advantageous to the City.
3. Every incidental duty connected with operations enumerated in job descriptions is not always specifically described; nevertheless, it is intended that all such duties shall be performed by employees in the unit.
4. The City reserves the right to direct employees, including the right to hire, promote, discipline or discharge employees.
5. The City reserves the right to lay off employees at any time.
6. The City shall determine assignments, and establish methods and processes by which assignments are performed.
7. The City shall determine policy affecting the on-going training and certification of employees, as applicable.
8. The City shall have the right to establish and enforce employee performance standards.
9. The City shall have the right to introduce new, improved, or different methods and techniques of operation or a change in existing methods and techniques.
10. The City shall determine the amount of supervision necessary.

11. The City shall have the authority, without prior meeting and conferring, to effect reorganizations and reallocation of work of the City, including the determination of the size and organizational structure of departments and the determination of the job classification and ranks based upon assigned duties.
12. The City has the right, without prior meeting and conferring, to contract for matters relating to municipal operations, including contracting out bargaining unit work. The right of contracting or subcontracting is vested exclusively in the City.
13. The inherent and express rights of the City, including those herein specifically referred to that are not expressly modified or restricted by a specific provision hereof, are not in anyway, directly or indirectly, subject to meeting and conferring or the Grievance Procedure herein.

32.0 The Confidentiality of Management Discussions and Working through the Chain of Command

Employees in this bargaining unit are public safety managers in the Police Department. As such, these employees have access to confidential information in their respective departments which must be maintained with confidentiality and not used for labor relations purposes. If information is made or becomes public, drafts of documents, recording details of meetings, or other work product which were prepared by the Department, but which have not been made public cannot be used for labor relations purposes. The confidentiality of such documents shall be maintained.

Employees in this unit directly report to the Police Chief (Police Captain) or to the Police Captain (Police Lieutenant), or to either the Police Captain or Police Chief (Civilian Services Administrator). The parties agree that maintenance of the reporting relationships is critical to effectively operating the Police Department while maintaining a labor relations relationship between the City and the Association.

33.0 Release Time

The Association (with its two bargaining units representing Fire and Police) may have up to two (2) on-duty representatives on release time and one (1) off-duty representative at the collective bargaining table for labor negotiations. In addition, the Association is entitled to release time for the purpose of processing a grievance. No more than one member may be released for a meeting for such a purpose. Additional time needed for planning for negotiations or any other labor relations purpose must take place during off duty hours.

34.0 Savings Clause

If any section, subsection, subdivision, sentence, clause, or phrase of this MOU is for any reason held to be illegal or unconstitutional, such decision shall not affect the validity of the remaining portion of this MOU.

35.0 Full and Complete Understanding

This MOU represents the full and complete understanding between the parties related to the subject matter set forth herein and all preliminary negotiations of whatever kind or nature are merged herein.

The parties hereto have caused this MOU to be executed this ___ day of August 2021.

CITY OF LAGUNA BEACH

**LAGUNA BEACH POLICE AND FIRE
MANAGEMENT ASSOCIATION –
Police Unit**

DocuSigned by:
Gavin Curran 8/5/2021
F00450F0ACD046A
Gavin Curran
Director of Administrative Services

DocuSigned by:
Jim Beres 8/5/2021
D7F96E5B85CA470...
Jim Beres
Civilian Services Administrator

Shohreh Dupuis
City Manager

Michael McGill
Labor Negotiator

DocuSigned by:
Aggie Nesh 8/5/2021
781C092E8363465...
Aggie Nesh
Human Resources/Risk Manager

DocuSigned by:
Peter Brown 8/5/2021
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Peter J. Brown
Labor Negotiator

**City of Laguna Beach Salary Schedule
Police and Fire Management Association (PFMA) - Police Unit**

FY 2021-22		
<u>POSITION TITLE</u>	<u>SALARY RANGE</u>	
	Effective 8/9/2021	
Fire Division Chief and Fire Battalion Chief	9,717	14,962
Police Captain	9,717	14,962
Police Lieutenant	9,158	13,734
Civilian Services Administrator	8,916	13,375

FY 2021-22		
<u>POSITION TITLE</u>	<u>SALARY RANGE</u>	
	Effective the Pay Period that includes January 1, 2022	
Fire Division Chief and Fire Battalion Chief	9,960	15,336
Police Captain	9,960	15,336
Police Lieutenant	9,387	14,077
Civilian Services Administrator	9,139	13,710

FY 2022-23		
<u>POSITION TITLE</u>	<u>SALARY RANGE</u>	
	Effective the Pay Period that includes July 1, 2022	
Fire Division Chief and Fire Battalion Chief	10,259	15,796
Police Captain	10,259	15,796
Police Lieutenant	9,669	14,500
Civilian Services Administrator	9,414	14,121

FY 2023-24		
<u>POSITION TITLE</u>	<u>SALARY RANGE</u>	
	Effective the Pay Period that includes July 1, 2023	
Fire Division Chief and Fire Battalion Chief	10,566	16,270
Police Captain	10,566	16,270
Police Lieutenant	9,959	14,935
Civilian Services Administrator	9,696	14,545