

**Memorandum of Understanding
between the
City of Laguna Hills and the
Laguna Hills City Employees Association**

I. This Memorandum of Understanding shall be effective July 1, 2016 and shall remain in effect until June 30, 2018.

II. Recognition

A. The City of Laguna Hills recognizes the Laguna Hills City Employees Association (“LHCEA” or the “Association”) as the exclusive bargaining representative for all regular full-time, and extended part-time non-management and non-confidential employees as those positions are defined in the Employer-Employee Relations Resolution adopted by the City. The terms of this MOU will only apply to those employees who are part of LHCEA.

III. Types of Employees

A. Full Time: 40 hrs/wk (80/2 wks)

B. Extended Part Time: 20 or more but less than 40 hrs. Such employees are at-will.

C. Temporary: Of limited duration, not to exceed 12 months. With the exception of an absence due to disability, no work currently being performed by bargaining unit employees may be performed by temporary employees. Such employees are at-will.

IV. Salary and Pay

A. The Salary Schedule for those positions in the bargaining unit as of the time of the signing of this MOU is as follows:

FULL-TIME POSITIONS – NON-MANAGEMENT	MONTHLY RANGE	
Accountant	\$6,490	\$7,889
Accounting Specialist	\$5,123	\$6,226
Administrative Assistant I	\$4,967	\$6,038
Asst Bldg Official/Senior Bldg Inspector	\$6,892	\$8,378
Assistant Planner	\$5,630	\$6,844
Associate Engineer	\$7,972	\$9,690
Community Services Superintendent	\$8,962	\$10,893
Finance Manager	\$9,844	\$11,966
Information Technology Specialist	\$7,103	\$8,634
Management Assistant	\$5,477	\$6,658

Parks Supervisor	\$7,192	\$8,743
Permit Technician	\$4,875	\$5,926
Public Works Supervisor	\$7,192	\$8,743
Receptionist/Secretary	\$4,029	\$4,897
Records Management Coordinator	\$5,231	\$6,359
Recreation Coordinator	\$4,235	\$5,147
EXTENDED PART-TIME POSITIONS	HOURLY RANGE	
Clerical Assistant	\$19.54	\$23.76
Recreation Coordinator	\$24.43	\$29.69
Senior Planner	\$44.11	\$53.62

B. Salary Increases

The salary increases reflected in the schedule set forth in Section A above include an increase of 2% (Consumer Price Index ("CPI") for April 2016). In addition, ranges which are below the comparator agency average as set forth in the 2016 compensation report, have been increased to equal 5% above the average for each position. Effective July 1, 2017, the City agrees to further increase salary ranges in accordance with the CPI for April 2017 for the Los Angeles- Riverside-Orange County area for All Urban Consumers. The City also agrees to conduct a comprehensive compensation study in March 2018. The City will use the same comparator agencies that were surveyed in the 2016 compensation study.

C. Working Out of Class Pay

This section defines when an employee will receive compensation for performing duties in a higher position and classification on an interim or temporary basis.

Employees working out of class as defined herein will be paid an additional 5% of their current classification base salary or first step of the higher classification, whichever is higher. Compensation for working out of classification is provided as monetary recognition to an employee for assuming and performing the duties normally performed by an employee in a higher classification. Working out of one's position classification must be for an extended period of time wherein a need exists to fulfill the duties and responsibilities of the vacant position. Such an appointment must be approved in advance, in writing, by the City Manager. An extended period of time is generally considered five or more working days.

When the temporary assignment is completed, the employee's salary will be readjusted to its previous level. The employee's hire date and anniversary date will remain unchanged throughout the temporary assignment.

If an employee separates from service while on an acting assignment, the employee's regular salary rate, not acting pay, will be used as the basis for any vacation payout.

D. Overtime / Compensatory Time

Full-time and extended part-time, non-management employees assigned duties beyond 40 hours for a regular work week will be compensated for overtime in one of two ways:

1. One and one-half payment of the employee's regular rate of pay for each hour worked over 40 in a work week, or
2. One and one-half hours of compensatory time off for each hour worked over 40 in a work week.

E. Maximum Hours of Compensatory Time

Unless authorized by the Assistant City Manager, employees may not accrue more than 120 hours of compensatory time. After an employee has accrued 120 hours of compensatory time, all subsequent overtime hours worked will be compensated for in cash. The Administrative Services Department will provide a notice when a compensatory balance exceeds 90 hours.

F. Using Compensatory Time

Accrued compensatory time must be used prior to accessing accrued vacation time. When using compensatory time, employees must obtain prior approval from their supervisor.

G. Compensatory Time at Termination

Any compensatory time balance will be paid at the employee's most recent non-exempt rate of pay to the employee upon termination, retirement, or change of status from non-exempt to exempt.

H. Car Allowance

The following positions, at the discretion of the City Manager, may be eligible for a monthly automobile allowance in lieu of mileage reimbursement:

Asst Bldg Official/Senior Bldg Inspector-\$ 500

V. Hours and Work Week

A. Hours

1. The Laguna Hills' City Hall operates from 7:30 a.m. to 5:30 p.m., Monday through Thursday and 8:00 a.m. to 5:00 p.m. on Fridays.
2. Full-time non-management employees work a 40-hour work week; however, the City reserves the right to adjust work hours to meet changing needs and requirements.
3. Some full-time non-management employees work a 9/80 schedule which consists of working eight nine-hour days and one eight hour day during a two week period for a total of eighty hours.

B. Work Week

The workweek is a fixed and recurring period of 168 hours, or seven consecutive 24-hour periods. The workweek begins and ends on either mid-shift Mondays or mid-shift Fridays depending on whether an employee takes every other Friday off or every other Monday off. The workweeks are structured on an individual or group work basis so that 40 hours of work regularly occurs during the fixed and regularly reoccurring period of 168 hours. The specific workweek for each employee is fixed by the City Manager or his designee and is maintained by the Finance Department.

C. Lunch Periods and Breaks

A department's Supervisor will coordinate daily lunches and breaks. Lunch breaks are unpaid. Lunches and breaks are provided as follows:

1. Full-Time, Non-Management Employees:

8 hour day: 1 hour lunch, two 15-minute breaks

9 hour days for employees on a 9/80 work schedule: 1 hour lunch, two 15-minute breaks

2. Part-Time Employees:

8 hour day: 1 hour lunch, two 15-minute breaks

6-7 hour day: 1/2 hour lunch, two 15-minute breaks

4-5 hour day: one 15-minute break

4 hours: no break

VI. Recruitment

The Assistant City Manager will administer and coordinate the hiring process for all position vacancies to ensure compliance with contractual, legal, and equal employment opportunity requirements. All hiring efforts are conducted in the spirit of equal opportunity and non-discrimination.

All City appointments and promotions shall be based on merit and fitness, and will be determined by a competitive examination.

A. Closed-Promotional Recruitment

The Assistant City Manager will first consider promotions from within the City. Promoting from within the City is considered a closed-promotional recruitment. Promotions must be recommended by the Department Head and approved by the City Manager. Even if one qualified candidate within the City exists, the Assistant City Manager will not be required to promote that individual and may use his discretion to go outside and conduct an open recruitment.

B. Open Recruitment

If a closed-promotional recruitment is not recommended or approved, the Assistant City Manager will seek outside candidates through open recruitment. Job announcements will be distributed to City employees and locally advertised in appropriate publications.

No applications for a position will be accepted after the published closing date. If there are no sufficiently qualified candidates at the closing date, the position may be reopened and re-advertised.

VII. Probation

A. The probation period is an integral part of the employment process and provides the opportunity to observe the employee's work and assist the employee's adjustment to the new position. During this period, the probationary employee will have no rights of tenure, and may be terminated with or without cause either during or at the end of the probation period.

B. Duration

1. All newly-hired, full-time, non-management employees are subject to a one year probation period. A Department Director must specifically affirm that an employee has passed probation before he or she will have actually passed probation.

2. Employees reclassified to a position where they have assumed new duties and responsibilities shall be subject to a six-month probation period.

C. Extensions

1. Prior to the end of the probation period, the Department Head has discretion to extend the probation period by up to six months, with the City Manager's approval.

2. The employee will be notified in writing of such an extension.

D. Promotional Probation Period

1. All promoted employees are subject to a six month probation period. Prior to the end of the probation period, the Department Head has discretion to extend the probation period by up to six months, with the City Manager's approval.

2. The six month probation period for promoted, full-time non-management employees will begin on the first day of the promotion or reclassification.

3. Prior to the end of this period, the Department Head may recommend that the employee return to the former position, range, and salary if the employee's performance and conduct does not meet the standards required for the new position or classification.

E. Action at the End of Probationary Period

Prior to the end of an employee's probationary period, the City Manager, or designee, shall take one of the following actions:

1. Affirm, in writing, the satisfactory performance and conduct of the employee and designate the employee for regular, full-time employment status.

2. Extend the employee's probationary period.

3. Return the employee to their former class and pay step before promotional probation. If no position is available in the same class and pay step, employee shall be placed in the next highest paid position. If regular, full-time status was not previously attained, the probation period must be completed.

4. Terminate the employee if the employee was newly hired for failing to pass probation.

VIII. Layoff

A. The City Manager may separate any employee from employment, eliminate a class of positions, or freeze vacant positions, because of financial necessity, reduction of work, or abandonment of activities. However, no regular, full-time employee shall be separated from any department while there are emergency, seasonal, probationary, or temporary employees serving in the same class of positions in the City.

If the City Manager eliminates a position, the employee holding such position may be laid off or demoted without disciplinary action and without the right of appeal.

B. Layoff Procedures

The procedure to reduce the work force shall be as follows:

1. 30-Day Notice to the Association and 14 days' notice to affected employees.

Employees separated from the City through a reduction in force shall be given a 14-day advance notice of the separation explaining the reason for the separation.

2. Returning City Property

Prior to separation, keys, City identification cards, computer pass-words, security codes, and other City-owned property shall be given or returned to the Assistant City Manager.

3. Compensation

When all City property has been returned, the employee shall receive a two week severance pay based on his/her current pay scale. Additionally, the employee will receive compensation for his/her accrued vacation and sick leave, in accordance with current City policies.

Vacation and sick leave will be compensated in the following manner:

All accrued unused vacation leave shall be paid to the separated employee at his/her current pay scale. The separated employee may also convert unused personal sick leave in

excess of 160 hours at a ratio of eight hours of vacation leave for every 24 hours of personal sick leave. If conversion occurs, the employee may increase their compensable vacation leave up to 320 hours.

4. Exit Interview

Prior to separation, the Assistant City Manager shall schedule an exit interview with the employee. Employees are encouraged to use the exit interview process.

C. Reemployment List

The names of regular employees who have been laid-off due to a reduction in the work force shall be placed on an appropriate layoff reemployment list according to the date and the order separated from City service. A reemployment list shall be established by placing the last employee laid-off on the top of the list as the first employee eligible for reemployment. All subsequent laid-off employees will be eligible for reemployment in the same manner.

Each employee on a layoff reemployment list shall remain on that list for six months, and laid-off employees will be considered for reemployment in the same class, or a lower classification within the same classification series, as they were laid-off. The City Manager may extend the active period of reemployment lists or an employee's eligibility if it is in the City's best interest.

D. Order of Layoff

Layoffs will be considered in the following order: temporary, part-time, extended part-time, probationary, and regular employees. Regular employees will be laid off in the inverse order of their seniority in their classification in the department. A layoff out of the inverse order of seniority may be made if, in the City Manager's judgment, retention of special job skills is required.

In cases where there are two or more employees in the classification in the department from which the layoff is to be made who have the same seniority date, such employees will be laid off on the basis of the last evaluation rating in the class, providing such rating has been on file at least thirty (30) days and no more than twelve months prior to the layoff, as follows:

First, all employees having ratings of "improvement needed"; second, all employees having ratings of "competent"; third, all employees having ratings of "outstanding."

Employees who have been promoted into a higher paying classification within a different department shall have rights of reversion to his/ her previously occupied position if subject to layoff.

IX. Management Rights

The rights of management include but are not limited to:

- A. Determine the mission of its constituent departments and boards;

- B. Set standards of service and hours of operation;
- C. Determine the procedures and standards of selection for employment and promotion;
- D. Determine the content of job descriptions;
- E. Direct its employees;
- F. Take disciplinary action;
- G. Relieve its employees from duty because of lack of work or for other legitimate reasons;
- H. Maintain the efficiency of governmental operations;
- I. Determine the methods, means, and personnel by which governmental operations are to be conducted;
- J. Take all necessary actions to carry out its mission in emergencies;
- K. Exercise control and discretion over its organization and the technology of performing its work.
- L. To propose new classifications during the life of this MOU, and to utilize the procedures of this MOU in order to meet and confer on rates of pay and family of jobs for such new classifications, and to establish and determine thereby such new job classifications; and
- M. To promulgate, modify and enforce work and safety rules and regulations.

X. Employee Rights

The rights of employees include but are not limited to:

- A. The right to work in an environment free from harassment and discrimination based on sex, sexual orientation, race, age, disability, national origin, and religion.
- B. The right to not be retaliated against for complaining about harassment or discrimination in the workplace.
- C. The right to work in a safe work environment.
- D. The right to file grievances in accordance with the procedure set forth in this MOU.

XI. Association Rights

The Association shall have the following rights:

A. Deduction of Dues: Upon receipt of an authorized card, membership dues of LHCEA members shall be deducted by the City from the paycheck of the members.

B. Use of Bulletin Boards: The City will provide the Association access to two bulletin boards for purposes of posting information relevant to the Association and its meetings.

C. Release Time For Meetings: Bargaining unit employees shall be provided with reasonable time off without loss of pay for purposes of meeting and conferring with management over wages, hours and working conditions and notifying its membership of such matters; processing grievances to be limited to meeting with management during the steps of the grievance process as outlined herein; and for representing employees in disciplinary meetings with management. In addition, bargaining unit employee shall be permitted to attend two annual meetings of the Association without loss of pay at a maximum of one hour for each meeting.

XII. Holidays

A. The City will observe certain fixed holidays during which City Hall will be closed. These include:

- New Year's Day
- Presidents Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving
- Day After Thanksgiving
- Christmas Day

B. Full-time employees shall receive 8 hours pay for these holidays. In order to receive holiday pay, an employee must have received pay for all of both (1) the regularly scheduled work assignment immediately prior to a holiday and (2) the regularly scheduled working assignment immediately after that holiday.

C. Full-time employees shall receive 108 holiday hours as set forth herein and use the remaining time as discretionary holiday leave subject to supervisor approval.

D. Extended part-time employees shall receive a maximum of 54 hours for observed holidays as set forth in Section XII. A. above and use the remaining time as discretionary holiday leave subject to supervisor approval.

E. Holidays falling on Sunday shall be observed on the following Monday. Holidays falling on Saturday shall be observed on the preceding Friday unless this, too, is a holiday and then one day sooner.

F. Discretionary holiday hours must be taken during each fiscal year and cannot be carried over to the succeeding fiscal year.

G. On the anniversary of the 20th year of full-time service, employees shall receive a one time allotment of 40-hours of discretionary holiday leave which must be used in a twelve month period after received. Such discretionary holiday leave hours do not have any cash value.

XIII. Leaves

A. Leaves With Pay

Full-time employees accrue vacation and sick leave, 36 discretionary holiday leave hours annually, and may accumulate compensatory overtime hours. In the interest of fairly and consistently accommodating all employees and maintaining adequate coverage for City Hall operations, all requested time off shall be first approved by the employee's immediate Supervisor and then approved by the Department Head with consideration to employee's preference and City's business needs.

All requests for leave will be considered based upon availability of employee's leave hours, work load, work schedules, and coverage.

The following process is to be followed when requesting time off:

- Employees desiring time off for planned vacation, discretionary holiday leave, compensatory time, or scheduled medical leave shall make such requests to their immediate Supervisor by filling out a Leave Request form as soon as practicable.
- Final approval of time off rests with the Department Head.
- Vacation leave may only be taken in increments of one hour.

1. Vacation

a. Full-time, non-management employees accrue vacation according to the following schedule:

Years of Service	Rate
0-3	80 hrs/yr or 6.667 hrs/mo
3-10	120 hrs/yr or 10 hrs/mo
10+	160 hrs/yr or 13.334

b. Extended part-time employees accrue vacation leave of 40 hours per year or 3.34 hours per month.

c. Vacation Buy Back

Upon separation or retirement from City service, all employees shall be compensated at their current pay scale for their accrued vacation. No employee shall be allowed to carry over more than 320 hours of vacation time from one fiscal year to the next. At the start

of the fiscal year, if an employee has more than 320 hours accrued, the City will automatically cash out any hours in excess of 320.

2. Sick Leave

a. All full-time employees shall accrue sick leave at a rate of 8 hours per month. Extended part-time shall accrue sick leave at a rate of 4 hours per month.

b. All full-time employees prior to completing ten years of service as full-time employees, (hereafter, "ten—year anniversary") shall be eligible, if they so desire, each quarter (October 1, January 1, April 1, and July 1) to convert unused personal sick leave in excess of 160 hours at a rate of 8 hours of vacation for every 24 hours of personal sick leave. Upon honorable retirement or resignation from the City prior to their ten-year anniversary, a full-time employee who has personal sick leave in excess of 160 hours may convert the excess hours to vacation at a rate of eight hours of vacation for every 24 hours of personal sick leave. In this situation, the vacation accrual limits set forth above can be exceeded to a maximum of 480 hours.

c. When ill or injured, employees are required to notify their Department Head/Supervisor prior to starting the workday but no later than within one hour after the workday begins. When absence is due to a work-related injury, the employee's Department Head/Supervisor must be notified immediately. Medical verifications will be required for insurance purposes.

d. All employees who know they will be absent from work shall receive their Department Head/Supervisor's permission in advance. Employees shall provide at least 30 days' notice for foreseeable leaves such as birth, adoption, or planned medical treatment.

e. If an employee's accrued sick leave hours have been exhausted, additional sick time will be either unpaid leave time or deducted from available vacation hours. Use of sick leave hours is a privilege and not to be abused. Under such conditions, the City Manager may choose to identify the time off as an unpaid leave or as vacation time to be paid out of the employee's available vacation hours.

f. Care for Ill Family Member. Employees may use half of their accrued sick leave for the care of an ill child, parent, spouse, grandparent, grand-child, sibling, or registered domestic partner. "Child" includes a biological, foster, or adopted child; a child of the employee's domestic partner; a stepchild; a legal ward; or a child to whom the employee acts as a parent. "Parent" includes a biological, foster, or adoptive parent; a step-parent; or a legal guardian. Sick leave to care for ill family members is subject to all policies that apply to sick leave.

3. School Activity Leave

Employees are entitled to take up to 40 hours of accrued leave annually to attend school related activities for their children. Such time off must be pre-approved by a supervisor and a supervisor may require proof of attendance.

4. Bereavement Leave

All full-time and extended part-time employees shall receive 3 days bereavement leave for absence necessitated by the death of immediate family members. An immediate family member shall be defined as the spouse, children, parents, brothers, sisters, grandparents, parents-in-law, or other individuals whose relationship to the employee is that of a dependent or near dependent. Where such death has occurred and upon request of the Assistant City Manager, the employee shall furnish satisfactory evidence of such death.

5. Court Leave

Although the City is not required to grant employees paid leaves of absence for jury duty pursuant to California Government Code Section 1230, the City has elected to grant full-time employees up to ten (10) working days of service with full pay while performing jury duty services. If an employee is required to serve more than ten working days, then the City Manager may grant an extension of time off with or without pay.

a. If summoned to jury duty, employees should immediately notify their Department Head/Supervisor.

b. Compensation received from jury duty will be deducted from the employee's paycheck; travel, parking, and meal allowances granted by the court may be retained by the employee.

6. Military Leave

a. A full-time employee who is released from active duty with the United States armed forces will be entitled to reinstatement to their former position or one with similar compensation and duties with no loss of seniority rights and full reimbursement for up to 80 hours per fiscal year. However, military leave beyond 80 hours per year shall be without pay, unless the employee chooses to use vacation time while on leave.

b. Prior to use of any military leave, an official copy of military orders must be submitted to the Administrative Services Department.

7. Administrative Leave with Pay Pending Investigation into Possible Misconduct

The City, in its discretion, may place an employee on administrative leave with pay pending an investigation into possible misconduct by the employee.

B. Leaves Without Pay

1. Family Medical Leave Act (FMLA) (See City's Personnel Policies and Procedures)

2. Time off for voting. The City will provide reasonable time off to vote if based on the employee's residence and hours of work, he or she is not able to vote either before or after work.

XIV. Benefits

A. Retirement

The City shall participate in the California Public Employees Retirement System's (Cal PERS). Effective January 1, 2013, the City shall have two tiers of benefits as follows:

1. Tier 1 (Employees hired before January 1, 2013 or individuals hired after January 1, 2013 who have participated in a public retirement system within the six months prior to being hired): 2% @ 60 Program and pay all employees' contributions to PERS as deferred income. Additional benefits provided through Cal PERS shall include the following:

One-Year Final Compensation

Post-Retirement Survivor Allowance

Pre-Retirement Survivor Allowance

1959 Survivor Benefits, including Third Level Benefits

Extension of Reciprocity Rights for Elective Officers

2. Tier 2 (Employees hired on or after January 1, 2013 who have not been members of a public retirement in the six months prior to employment with the City): 2% @ 62 with 3 year Final Compensation.

For Tier 1 employees, beginning July 1, 2016, employees shall pay 3.0% toward the City's normal cost rate of its pension program with PERS (as determined by PERS). This amount will increase to 3.75% on July 1, 2017. Tier 2 employees will pay 50% of the normal cost rate of the City's pension program with PERS.

B. Medical Insurance

1. Employees are eligible to receive medical insurance the 1st of the month following the date of hire by the City.

Effective July 1, 2016, the City will contribute the following towards employees' health insurance premium:

Employee Only	\$629.54
Employee + One	\$1,259.59
Employee + Family	\$1,637.82

During the term of this agreement, City contributions to either the PPO or HMO plan will increase to an amount not to exceed the equivalent of the annual increase in the PPO premium. Employees will be responsible for paying any portion of their health insurance premium not covered by the City's contribution amount.

For extended part-time employees, the City will provide and pay 50% of the City contribution amount paid to full-time employees.

2. Employees are responsible for notifying the Administrative Services Department of changes in personal information including marital status, number or age of dependents, name, address, etc.

3. Medical insurance is subject to an open enrollment in October of each year.

4. Upon separation or dismissal, the employee should contact the Administrative Services Department to make the necessary changes concerning insurance coverage.

5. Under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), employees may continue health care coverage for themselves and their dependents under the City's group medical insurance program for a period not to exceed 18 months. The employee must pay the full insurance premium to receive coverage. Any dependent who loses coverage due to the death of the employee, divorce or legal separation from the employee, loss of dependent child status, or loss of Medicare eligibility, has the option to continue coverage for 36 months at the dependent's sole expense.

C. Dental

The City will provide and pay the full cost of a dental insurance plan for full-time employees and their dependents.

D. Vision

The City will provide and pay for the full cost of a vision insurance plan for full-time employees and their dependents.

E. Life Insurance

1. Effective August 1, 2016, the City will provide and pay life insurance for full-time and extended part-time employees based on 150% of their base annual salary up to a maximum \$250,000.

2. Coverage is subject to the terms and conditions of the insurance policy given to employees at the time of employment.

F. Deferred Compensation

The City shall make available to all full-time employees the ICMA Retirement Corporations Section 457 Deferred Compensation Plan. This is a voluntary program and is funded at the sole cost of each participating employee.

G. Supplemental Retirement Program

The City shall provide a supplemental retirement program as set forth in Resolution No. 99-05-04-1.

H. Retiree Health Savings

The City shall provide a retiree health savings plan as set forth in Resolution No. 2001-12-11-2.

I. Mileage Reimbursement

All employees not receiving an automobile allowance shall be compensated at the prevailing IRS rate.

J. Disability Insurance

The City will provide and pay for a short and long-term disability plan for all full-time employees.

1. The City provides disability insurance for full-time employees, and includes a short-term disability insurance policy that pays 60% of employees' weekly earnings to a maximum of \$1,000 per week, less any other income benefits. Effective August 1, 2016, benefits begin after a 14-day elimination period and may continue for 24 weeks.

2. Employees may use their time available from vacation, discretionary holiday leave and sick time to receive compensation during the 14-day elimination period.

3. Long-term disability pays 60% of the full-time employee's basic monthly earnings to a maximum of \$10,000 per month, less any other income benefits. Benefits begin after a 180-day elimination period.

4. Employees must provide a doctor's release prior to returning to work, and the City will pay the employee's insurance premiums during the six month short-term disability period.

XV. Grievance Procedure

A. An employee may file a grievance regarding management's interpretation or application of any provisions of this MOU.

B. Disciplinary matters involving suspensions of five or more days and terminations (which are subject to the appeal procedure) in addition to matters involving harassment, discrimination, retaliation or safety violations are exempted from this process.

The following procedure shall be used:

1. If an employee has a conflict with his/her immediate Supervisor, and the employee believes further action is necessary to solve the problem, then the employee shall contact his/her immediate Supervisor to discuss the problem. If this discussion settles the matter, no further action is necessary. However, if the employee feels the meeting does not resolve the problem, then the employee shall contact the Department Head and the Assistant City Manager for a continuation of an information discussion.

2. If no satisfactory solution is reached, the employee has ten working days to begin the written proceedings.

3. The employee shall write a formal statement of grievance detailing the subject of the dispute and provide two copies to his/her immediate Supervisor. (One copy for the Assistant City Manager and the other for the employee's Department Head)

4. Within ten working days of receiving the written statement of grievance, the immediate Supervisor shall respond to the employee in writing.

5. If no response is received, or the response is unsatisfactory, the employee may:

a. Request a reply from the Assistant City Manager within 20 working days of filing the original statement of grievance.

b. The Assistant City Manager shall reply in writing within ten working days of receiving the employee's request for reply.

6. If no reply is received, or the reply is unsatisfactory, the employee may:

a. Send a copy of the original written grievance to the City Manager within 40 working days of filing the original statement of grievance.

b. The City Manager will reply with a written decision within 30 calendar days of receiving a copy of the original statement of grievance. The City Manager's decision is final and not appealable.

C. Important Details

1. When filing a formal grievance, staying within the time limits is extremely important. A grievance will be forfeited if timelines are not adhered. Time limits may be extended by mutual agreement of the parties at any step of the process.

2. Be concise and factual. Cite dates and times verbally and in writing. In the written response, the employee should clearly state the specific problem being appealed, any actions to be taken, and the reasons for the actions.

3. Employees may request another person's assistance to write or present their response and explanation at any time.

XVI. Appeals Procedure for Suspensions of Five Days or More, Demotions, and Terminations

A. Management will not impose a suspension of five or more days, demote, or terminate a non-probationary full-time employee without just cause. A written notice of such proposed action shall be served on the employee personally, or by certified mail, at least fourteen calendar days prior to the effective date of the proposed action. Such written notice shall contain:

1. a description of the proposed action and its effective date(s);
2. a statement of the reasons for such proposed action, including the acts or omissions on which the proposed action is based;
3. copies of all material on which the proposed action is based;
4. a statement of the employee's right to respond –either orally or in writing – prior to the effective date of such proposed action;
5. a statement of the employee's right to representation; and
6. a statement of the employee's right to appeal should such proposed action become final.

B. Prior to the effective date of such suspension, demotion or discharge, an employee will be given an opportunity to respond – either orally or in writing at the employee's option – to a designated City representative, who has the authority to make an effective recommendation on the proposed disciplinary action.

C. An employee may represent him or herself or may be represented by an Association representative in the disciplinary process.

D. An employee shall receive written notice either sustaining, modifying, or canceling a proposed action on or prior to the effective date of such action.

E. Upon receipt of a notice of intent to impose disciplinary action, an employee may, within fourteen calendar days of receipt of such notice, submit a request to the supervisor / manager proposing discipline for a meeting to address the charges in the notice. A meeting will

be scheduled at which the employee and/or his representative can make a presentation regarding why discipline should not be imposed or reduced. Within 14 calendar days of such meeting, the supervisor/ manager initially proposing discipline will render a decision regarding the matter.

F. If the employee does not agree with the decision and wishes to further appeal the decision, he or she may file an appeal with the City Manager or his designee within fourteen calendar days of receipt of the decision from the supervisor/ manager. An appeal to the City Manager or his designee consists of a full trial-type evidentiary hearing where the employee may present witnesses and written evidence as well as have the opportunity to cross-examine witnesses and make opening and closing arguments (either in writing or orally). An employee may represent him or herself or may be represented by an Association representative. Such hearings are closed to the public but may be tape recorded or recorded through a court reporter. At the conclusion of the hearing, if a designated hearing officer is used, he or she will render a recommendation to the City Manager within the 30 days after the matter is submitted. The City Manager will consider the recommendation and either uphold or modify the recommendation. The City Manager's decision will be the final step in the appeal process.

XVII. Severability

In the event that any provision of this MOU is declared invalid by any court of competent jurisdiction, such decision shall not invalidate the entire MOU, it being the express intent of the City Council that all other provisions not declared invalid shall remain in full force and effect.

XVIII. No Strike

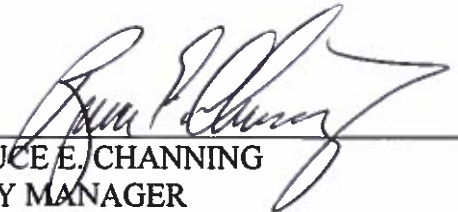
During the life of this MOU, no work stoppages, strikes, slowdowns, or other concerted employee actions that can be interpreted as job actions shall be caused or sanctioned by the Association – nor shall any lockouts be caused by the City. In the event any employees covered by this MOU, individually or collectively, violate the provisions of this section and the Association fails to make all reasonable efforts to halt the work interruption, the Association and the employees involved shall be deemed in violation of this section. The City shall be entitled to seek all remedies available to it under the applicable law.

XIX. City's Policies and Procedures

All rules of conduct set forth in the City's Policies and Procedures (as modified from time to time) pertaining to such matters as harassment, drug and alcohol testing, dress code, workplace violence, FMLA, pregnancy disability leave, court leave and other policies applicable to all employees of the City shall continue to apply to bargaining unit employees unless otherwise made expressly inapplicable to bargaining unit employees.

XX. Annual Labor / Management Committee Meetings

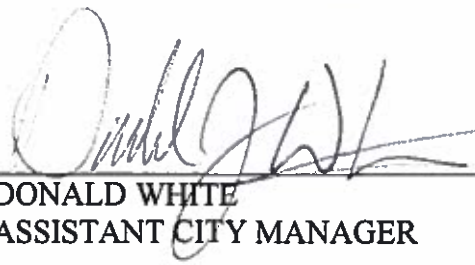
The City and Association agree to implement annual labor / management committee meetings. The Association may request additional meetings if needed.



BRUCE E. CHANNING
CITY MANAGER




KATIE CROCKETT
LHCEA PRESIDENT



DONALD WHITE
ASSISTANT CITY MANAGER



JAMES HASTON
LHCEA VICE PRESIDENT



MELISSA AU-YEUNG
ASSISTANT TO THE CITY MANAGER

6/28/16

Date

6/28/2016

Date