

**Memorandum of Understanding
Between The City of Fortuna
and the
FORTUNA EMPLOYEES ASSOCIATION (FEA)**

July 1, 2019 through June 30, 2022

SECTION I: PREAMBLE	3
SECTION II: RECOGNITION	3
SECTION III: SOLE AGREEMENT	4
SECTION IV: CITY RIGHTS	4
SECTION V: ASSOCIATION RIGHTS.....	6
1. BULLETIN BOARDS.....	6
2. DUES DEDUCTION	6
SECTION VI: CONTRACT GRIEVANCE PROCEDURE	6
SECTION VII: WAGES.....	8
1. WAGE ADJUSTMENTS	8
2. BI-WEEKLY PAYROLL.....	8
3. LONGEVITY PAY	8
4. SHIFT DIFFERENTIAL.....	9
SECTION VIII: INSURANCE	9
1. HEALTH & WELFARE.....	9
2. OPTING OUT OF MEDICAL COVERAGE	10
3. STATE DISABILITY PROGRAM	11
SECTION IX: HOLIDAY BENEFITS AND PAID LEAVES	11
1. VACATION	11
2. ACCRUED VACATION/SICK LEAVE RECORDS.....	11
3. ANNUAL VACATION BUYBACK PROGRAM.....	12
4. HOLIDAYS*	12
5. SICK LEAVE	13
6. FAMILY SICK/BEREAVEMENT LEAVE.....	13
7. JURY DUTY	14
SECTION X: HOURS OF WORK AND OVERTIME.....	14
1. WORK PERIOD.....	14
2. OVERTIME DEFINITION	15
3. FLSA 7(B) WORK PERIOD OVERTIME EXEMPTION	15
4. RATE OF OVERTIME.....	15
5. REST PERIODS.....	15
6. ACCUMULATION OF COMPENSATORY TIME OFF (CTO).....	16

SECTION XI: OTHER PAY / INCENTIVES.....	16
1. STANDBY ASSIGNMENTS	16
2. CALL BACK	17
3. OUT OF CLASSIFICATION DIFFERENTIAL PAY	17
4. INCENTIVE PROGRAM.....	17
5. PROTECTIVE FOOTWEAR/BUSINESS APPAREL ALLOWANCE.....	18
6. TOOL ALLOWANCE FOR VEHICLE MECHANICS	18
7. RESIDENCY INCENTIVE	18
8. EMPLOYEE USE OF PARK & RECREATION PROGRAMS	18
9. EDUCATION AND TRAINING REIMBURSEMENT.....	19
SECTION XII: RETIREMENT SYSTEM.....	19
1. MISCELLANEOUS EMPLOYEES (PERS LOCAL MISCELLANEOUS MEMBERS) RETIREMENT FORMULAS:	19
SECTION XIII: MISCELLANEOUS	19
1. PERSONNEL EVALUATIONS	19
2. RAIN GEAR	20
3. PERSONNEL RULES	20
4. FAIR LABOR STANDARDS ACT	20
5. LAYOFFS	20
6. NO STRIKE AND LOCKOUT	20
7. WAIVER CLAUSE	21
8. FULL UNDERSTANDING AND MODIFICATION	21
9. TERM OF AGREEMENT.....	21
10. NOTIFICATION PROCEDURE	21
11. SAVINGS CLAUSE.....	21

Section I: PREAMBLE

This AGREEMENT, hereinafter referred to as the Agreement, entered into by and between the CITY OF FORTUNA , hereinafter referred to as the CITY, and FORTUNA EMPLOYEE ASSOCIATION, hereinafter referred to as the ASSOCIATION, has as its purpose the promotion of harmonious labor relations between the CITY and the ASSOCIATION, establishment of an equitable and peaceful procedure for the resolution of differences and the establishment of rates of pay, hours of work, and other conditions of employment.

Section II: RECOGNITION

The City hereby recognizes the ASSOCIATION as the exclusive bargaining representative for those employees in the Fortuna Employees representation unit consisting of the classes below, and agrees to meet and confer and otherwise deal exclusively with the Association on all matters related to the scope of representation pertaining to said employees as authorized by law.

The City recognizes as represented by the association, the following classes of employees:

1. Account Clerk II/III
2. Building Inspector
3. Bus Driver II
4. City Carpenter III
5. Conference Center Coordinator
6. Facility Custodian
7. Lab Director
8. Park Maintenance Worker II/III/Lead
9. Treatment Plant Mechanic
10. Recreation Program Supervisor
11. Street Maintenance Worker II/III/Lead
12. Treatment Plant Operator OIT/I/II/ III (Shift Supervisor)
13. Utility Worker II/III/Lead

14. Vehicle and Equipment Mechanic

15. Senior Administrative Assistant

Section III: SOLE AGREEMENT

- A. This Agreement signed by the parties hereto, and approved by the City Council, supersedes all other Agreements between the parties on the items contained herein.
- B. Neither party shall be obligated to meet and confer during the term of this Agreement on any matter contained within this Agreement. However, if during this term, the parties hereto should mutually agree to modify, amend, or alter the provisions of the Agreement in any respect, any such change shall be effective only if and when reduced to writing and executed by the City Manager for the City and the Association, and when approved by the City Council. Any such changes validly made shall become a part of this Agreement and subject to its terms.
- C. The waiver of any breach or condition of this Agreement by either party shall not constitute a precedent in the future enforcement of all terms and conditions herein.

Section IV: CITY RIGHTS

It is agreed that during the term hereof, the City shall not be required to meet and confer on matters, which are solely a function of management.

Except as otherwise specifically provided in this Agreement, the City has and retains the sole and exclusive rights and functions of management including, but not limited to, the following:

- A. To determine the nature and extent of service to be performed, as well as the right to determine and implement its public function and responsibility.
- B. To manage all facilities and operations of the City, including the methods, means, and personnel by which the City operations are to be conducted.
- C. 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 the Association recognizes the exclusive right of the City to establish and maintain departmental rules and procedures for the administration of its departments.
- D. The City has the exclusive right and authority to schedule work and/or overtime work as required in the manner most advantageous to the City to establish, modify, or change work schedules or standards.
- E. To direct the working forces, including the right to hire, assign, promote, demote, or transfer any employee.

- F. To determine the location of all facilities.
- G. To determine the layout and the machinery, equipment, or materials to be used.
- H. To determine processes, techniques, methods, and means of all operations, including changes or adjustments of any machinery or equipment.
- I. To determine the size and composition of the working force.
- J. To determine policy and procedures affecting the selection or training of employees.
- K. To establish, assess, and implement employee performance standards including, but not limited to, quality and quantity standards; the assessment of employee performances; and the procedures of said assessment.
- L. To control and determine the use and location of City's property, material, machinery, or equipment.
- M. To schedule the operation of and to determine the number and duration of shifts.
- N. To determine safety, health, and property protection measures.
- O. To transfer work from one job to another or from one unit to another.
- P. To introduce new, improved, or different methods of operations or to change existing methods.
- Q. To layoff employees from duty for reasons of economy or because the need for a position no longer exists.
- R. To reprimand, suspend, discharge, or otherwise discipline employees.
- S. To establish, modify, determine, or eliminate job classifications.
- T. To disseminate, modify, and enforce work and safety rules and regulations that do not contradict a specific provision of this Agreement.
- U. To take such other and further action as may be necessary to organize and operate the City in the most efficient and economical manner and in the best interest of the public it serves.
- V. To contract or subcontract construction, services, maintenance, distribution, or any other work with outside public or private entities.

Section V: ASSOCIATION RIGHTS

1. Bulletin Boards

Authorized representatives of the Association shall be allowed to post Association notices on bulletin boards maintained on City premises, for a period of up to two (2) weeks. The Association shall not post notices that contain profane, obscene, or offensive content, as determined by the City.

2. Dues Deduction

Upon formal acknowledgement by the City of a Recognized Employee Organization as defined in Resolution 2007-04, A Resolution of the City Council of the City of Fortuna Establishing Policies Governing Employer-Employee Relations, such Recognized Employee Organization may be provided payroll deductions of membership dues upon written authorization of the individual employee on a form provided and maintained by the Association.. The City shall make any such authorized employee deductions based on certification from the Association and provide reports of these transactions to the Association. The Association hereby agrees to indemnify, defend and hold harmless the City for any loss or damages, claims or causes of action arising from Association dues deductions pursuant to this agreement. It is also agreed that neither any employee nor the Association shall have any claim for error against the City for any deductions made or not made, as the case may be. In the event that any provision of the section is declared by a court of competent jurisdiction to be illegal or unenforceable, the parties agree that the City will cease abiding by such provision.

Section VI: CONTRACT GRIEVANCE PROCEDURE

- A. A grievance shall be considered as any matter for which appeal is not provided, or is prohibited, in the City of Fortuna Personnel Rules and Regulations, the Fortuna Municipal Code, or in this MOU concerning:
 - 1. A claimed violation or non-compliance with the provisions of this MOU.
 - 2. A dispute about the interpretation or application of any City ordinance, rule or regulation governing personnel practices or working conditions.
 - 3. A dispute about the practical consequences of a City decision on hours and other terms and conditions of employment.
- B. The following matters are specifically excluded from the grievance procedure:
 - 1. All disciplinary actions (Refer to Rule XV Disciplinary Rules and Processes)
 - 2. The content of performance evaluations
 - 3. Layoff

4. Transfer
 5. Denial of reinstatement
 6. Denial of a pay increase. Requests for changes in wages, hours, or working conditions, including any impasse or dispute in the meet and confer process or matter within the scope of representation
 7. Challenges to a reclassification, examination or appointment to position
 8. Management of the City generally, or issues of City or department policy
 9. Determination of the nature, necessity or organization of any service or activity conducted by the City, including the decisions to expand or reduce services or the workforce, and/or to impose layoffs
 10. Methods of financing
 11. Determination of and/or change in facilities, equipment, methods, technology, means or size of the work force
 12. Determination of or change in the location, number of locations, relocations and types of operations, processes or materials to be used in carrying out City functions
 13. Determination of work assignments and schedules
 14. Determination of productivity or performance programs and standards
 15. Determination of standards, policies, and procedures for selection, training, and promotion of employees and
 16. Establishment, implementation, and modification of department organizations, supervisory assignments, chains of command, and reporting responsibilities.
- C. The following are the steps to be taken by any employee who has a grievance. It should be noted that any employee who has a problem or a complaint should try to resolve the problem at the lowest level of management. This should begin through discussion with the employee's immediate supervisor.

Step 1

- (a) The employee shall explain the situation to the immediate supervisor who shall either alone or together with his or her supervisors reach a decision and communicate it to the employee in writing within ten (10) working days after receipt of the grievance. Such discussion shall be initiated within ten (10) working days of the incident complained of, or within ten (10) working days from the date the employee should have reasonably become aware of the incident, or the grievance is deemed to have been waived.

Step 2

- (a) If the grievance is not settled at the first step, or if the grievance directly concerns the employee's immediate supervisor, the employee may submit to the department head the grievance in writing within ten (10) working days of the written response, or if no written response is provided, within ten (10) working days after the date on which the written response would otherwise be required.
- (b) The department head shall notify the employee in writing of his or her decision within ten (10) working days after receipt of the notice or grievance.

Step 3

- (a) If the grievance is not settled at the second step, the employee may within ten (10) working days of the written response submit the grievance in writing to the City Manager, or if no written response is provided, within ten (10) working days after the date on which the written response would otherwise be required.
- (b) The City Manager shall notify the employee, the Department Head, and the employee's immediate supervisor in writing of his/her decision within ten (10) working days after receipt of notice of grievance. The City Manager's decision is final and binding.

D. Failure of the employee to follow the procedure or time frames provided in the Grievance Procedure shall constitute grounds for dismissing the grievance.

Section VII: WAGES

1. Wage Adjustments

During the term of this three-year agreement, for all Association employees the City offers a \$1.00 per hour COLA increase for the first year of the agreement (Fiscal Year 2019-20), a \$0.50 per hour COLA increase for the second year of the agreement (Fiscal Year 2020-21) and a \$0.25 per hour COLA for the third year of the agreement (Fiscal Year 2021-22). Under these terms, the City agrees to make the increase for each year retroactive to July 1st.

2. Bi-Weekly Payroll

City employees shall be paid on a bi-weekly basis on Fridays.

3. Longevity Pay

Upon completion of 10 years of continuous employment with the City of Fortuna, eligible employees shall receive an additional five percent (5%) of base wage as longevity pay.

Longevity pay will not be paid retroactively for work performed prior to July 1, 2013 for employees who have worked more than ten years, but will be effective and paid as of July 1, 2013.

4. Shift Differential

- A. Any employee whose shift is changed and as a result the entire shift falls between the hours of 4:30 p.m. and 8:00 a.m. shall receive one dollar (\$1.00) per hour in addition to his or her wage.
- B. This section shall not apply to employees whose normal shift may fall within these hours.
- C. If an employee is required to work overtime during all or part of those hours between 4:30 p.m. and 8:00 a.m., he or she shall not receive shift differential but shall be compensated in a normal overtime manner.

Section VIII: INSURANCE

1. Health & Welfare

The City agrees to provide medical, dental, vision and life insurance for employees in the Fortuna Employee Association.

- A. For the term July 1, 2019 – June 30, 2020, for all employees in the Fortuna Employees Association, the employee contribution towards medical, dental, vision, life insurance, and employee assistance program shall be as follows:

Monthly Costs	With \$250 Deductible		
	Employee	Employee +1	Employee +2 (or more)
Medical- Anthem/Blue Cross	\$753.00	\$1,576.00	\$2,251.00
Vision-VSP	\$18.20	\$18.20	\$18.20
Dental-Delta Dental	\$56.84	\$96.20	\$143.20
Life (10,000)	\$1.65	\$1.65	\$1.65
Employee Assistance Program	\$2.84	\$2.84	\$2.84
Total insurance costs	\$832.53	\$1,694.89	\$2,416.89
Amount paid by City	\$719.59	\$1,458.49	\$2,079.25
Amount paid by Employees (Monthly)	\$112.94	\$236.40	\$337.64

- B. The cost of medical premiums will be split between the City at 85% and the employee at 15%.
- C. The City will provide a vision plan and a dental plan through the Redwood Empire Municipal Insurance Fund (REMIF) for all represented employees. Vision and dental coverage are optional; however, if an employee declines the coverage amount paid by the employee will stay the same.
- D. Life insurance is provided for full-time City employees under REMIF. The City contributes the premium for ten thousand dollars (\$10,000) term life insurance per employee.

- E. Cal Ore Life Flight benefits will be provided for all full time benefitted employees and their household through the REMIF plan; employees that opt-out of medical coverage will also be provided Cal Ore Life Flight benefits at no additional cost.
- F. The City offers an employee assistance program that offers 24/7 counseling, nursing, legal, and financial assistance for employees. The City pays this benefit in full for all full time employees.
- G. The City will provide access to Aflac supplemental insurance options to all City employees. Premiums for supplemental insurance are to be paid by the employee and may be set up on a “pre-tax” payment schedule.

2. Opting Out of Medical Coverage

- A. Under the following circumstances, a full-time employee may decline medical coverage, and receive a stipend for opting out of coverage provided the following conditions are met:
 - 1. The medical insurance plan must allow an employee to decline coverage, and the employee can meet any and all requirements for opting out of coverage.
 - 2. The employee must provide written proof of other coverage.
 - 3. All local, federal and state laws must be observed, as well as conditions of any contract into which the City has entered, or will enter; particularly the Section 125 plan the City has in place.
- B. This MOU provides for employees to opt out of the medical insurance coverage and receive \$500.00 per month paid out in an equal split out in the first two paydays of the month, as long as the employee works in a full time capacity for two full pay periods in the month. In order to exercise this option, an employee must provide evidence of other insurance coverage provided by a member of his/her immediate family. If an employee does opt out, he/she will not be eligible to come back into the City plan until the next open enrollment period, or in the case of a qualifying event as stated in the medical insurance contract.
- C. If an employee chooses to “opt out” of the medical coverage, the employee will still have the option to be covered for Vision and Dental only. The cost to the employee would be the minimum monthly contribution rate of: \$50 single/\$75 employee +1/\$100 employee +2, respectively for both, as a package. The employee share for the Vision/Dental package will be deducted from the employee’s bi-weekly paycheck twice a month split in equal amounts if the employee chooses this option.

3. State Disability Program

All employees covered by this MOU are required to enroll for State Disability Insurance (S.D.I.) benefits. S.D.I. benefits shall be integrated with sick leave benefits. S.D.I. premiums are to be paid by the employee.

SDI benefit as determined by the State will be applied first. Long Term Disability benefits, if applicable, will be applied second. Accrued sick leave, vacation, and approved personal leave will then be applied in a proportionate amount which, when added to SDI, will provide compensation equal to the employee's regular wage or wage. Under no circumstances will an employee be permitted to aggregate SDI, or other benefits in an amount exceeding the employee's regular wage or wage.

Section IX: HOLIDAY BENEFITS AND PAID LEAVES

1. Vacation

The vacation schedule for all employees represented by the Association shall be as follows:

Full Years of Service Completed by Employee	Number of Working Days of Vacation Earned
1 through 5 years	80 Hours annually
6 through 10 years	120 Hour annually
11 years and Over	160 Hours annually

Vacation leave may be taken as it accrues, after one year of employment. Each employee in the Fortuna Employees representation unit shall be granted at least 80 (80) hours vacation per calendar year provided the employee has vacation time accrued.

An employee who becomes ill during his or her scheduled vacation may elect to use sick leave in lieu of vacation time, provided their supervisor is notified at the beginning of the illness and at the end of the illness or injury and, provided further, the employee, upon return from vacation, furnishes the Human Resources Manager with a certificate from a medical doctor stating the nature and extent of the employee's illness or injury during his or her vacation.

2. Accrued Vacation/Sick Leave Records

The City will provide each employee on a bi-weekly basis a record of accrued vacation and sick leave which the employee has earned. Vacation may be accumulated up to an amount equal to an employee's allowable vacation credits for two (2) years. Once an employee has reached the maximum accumulation limit for vacation leave, the employee will cease accruing additional vacation benefits until the employee has used a portion of his or her accrued vacation and reduces his or her balance below the maximum accumulation limit. Thereafter, vacation benefits will again begin to accrue, on a prospective basis only, until the employee again reaches the maximum accumulation limit.

3. Annual Vacation Buyback Program

On an annual basis the City agrees to allow those employees covered by this MOU to sell up to one hundred (100) hours of vacation. The minimum leave time which may be subject to the buyback is eight (8) hours. Vacation time may be sold back two times each fiscal year to a maximum of 100 hours. In order to participate in this program, the employee must return a form approved by management that is dated and signed. Payment will be made at the regular pay rate as of the date the form is submitted to the Finance Department. Vacation time bought back pursuant to this provision shall be subtracted from the employee's accumulated vacation time balance when paid. Upon separation, all unused accrued vacation leave shall be paid to the employee at his or her regular rate of pay.

4. Holidays*

- A. The City agrees to pay all full-time regular employees in the Fortuna Employees representation unit for ten (10) holidays per year. Recognized holidays are: New Year's Day, Martin Luther King Jr., the day observed as President's Day, Memorial Day, Veteran's Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Day, and any other day proclaimed by the Fortuna City Council as a public holiday, day of mourning or day of thanksgiving. Employees shall receive eight (8) hours of pay for a holiday.
- B. In addition to the ten (MOU) paid holidays referenced above, in lieu of providing paid holidays on, Admission Day, Columbus Day, and the City agrees to provide four (2) floating holidays for those employees covered by this MOU. Floating holidays will be accrued at the time the actual holidays occur. Floating holidays may be accrued up to a maximum of 10 days. The timing of taking the floating holidays shall be subject to management's approval.
- C. An employee required to work on a paid holiday (except scheduled floating holidays) will be compensated one and one half times the regular rate of pay for all such time worked and may be given an equivalent amount of time off (eight (8) straight time hours) in the same pay period or to bank the equivalent amount as CTO not to exceed the maximum one hundred and sixty (160) hours as provided in Paragraph 26 of this MOU.

(*A holiday that falls on a weekend is usually observed on the closest weekday (e.g. a holiday falling on a Saturday is observed on the preceding Friday, while a holiday falling on a Sunday is observed on the succeeding Monday.)

5. Sick Leave

Sick leave is a benefit, and should be used only when necessary. The accrual rate for sick leave is 8 hours for each calendar month of service.

- A. Sick leave shall not be considered a privilege, which an employee may use at his/her discretion, but shall be allowed only in case of necessity and actual sickness or disability. Sick leave may be used, with prior department head approval, for dental, eye, and doctor appointments.
- B. Employees who have accumulated four hundred eighty (480) or more hours of sick leave may on an annual basis convert any sick leave accumulated over four hundred eighty (480) hours to a cash payment at twenty-five percent (25%) of the value of said sick leave time over four hundred eighty (480) hours.
- C. In order to receive compensation while absent on sick leave, the employee shall notify his or her immediate supervisor prior to, or within thirty (30) minutes after the time set for beginning his or her daily duties, or as may be otherwise specified by the employee's department head. Failure to do so without good reason shall result in that day of absence being treated as leave of absence without pay and may result in disciplinary action.

6. Family Sick/Bereavement leave

- A. An employee may be granted up to forty eight (48) hours per Fiscal Year for family sick leave with pay, per California Labor Code Section 233, utilizing an employee's accumulated sick leave for family illness purposes. Family sick leave is applicable when the employee's presence is necessary to provide or arrange proper care for the employee's ill child or an ill member of the employee's immediate family or immediate household. For family sick leave purposes, immediate family member shall include spouse, domestic partner, parents, children and other close relatives, with the approval of the Department Head. Misuse of family sick leave privileges is grounds for disciplinary action.

Family sick must be taken in not less than quarter hour increments.

- B. An employee in the Association may be granted up to forty (40) hours bereavement leave with pay. Bereavement leave is applicable when death occurs in the employee's immediate family. Such family shall include spouse, domestic partner, parents, children, stepchildren, children of a domestic partner, grandparent, grandchild, brother, sister, mother/father-in-law, parent of a domestic partner, son or daughter-in-law, brother or sister-in-law, legal guardian, or custodial child, or other person as approved by the Personnel Officer. Misuse of bereavement leave privileges is grounds for disciplinary action. Bereavement leave shall be approved by the City Manager.
- C. For purposes of this section, domestic partner means an individual as defined in Family Code section 297 et seq.

7. Jury Duty

- A. Any employee who is required to report for jury duty shall receive full pay for such absence from duty provided the employee endorses to the City any checks or warrants received in payment for jury duty exclusive of mileage for personal vehicles or other out-of-pocket expenses incurred due to jury duty and provides verification of jury duty service.
- B. An employee summoned to serve on a jury must notify his or her supervisor or department head as soon as possible after receiving notice of both possible and actual jury service.
- C. Time spent on jury duty is not work time for purposes of calculating overtime compensation.

Section X: HOURS OF WORK AND OVERTIME

1. Work Period

For purposes of the Fair Labor Standards Act (FLSA) the City and the association agree for the term of this MOU, all employees represented by the Fortuna Employees Association, the normal work period shall consist of forty (40) hours worked within seven (7) consecutive days beginning at 12:00 a.m. Sunday and ending 11:59 p.m. on the successive Saturday, or as otherwise designated for employees on a flexible schedule.

Schedule of hours of employment shall be established by the department head with the approval of the City Manager. The department head, with the approval of the City Manager, may change the work week for any group of employees. The employee's regular work period shall consist of no more than forty (40) working hours during a seven (7) day period.

For a shift that begins on one day and ends on the following day, the "work day" shall be the day the shift began.

- A. All employees shall be assigned to work shifts with regular starting and ending times. Assigned work shifts are subject to change.

Upon request of the employee, the City Manager or his/her designee shall consider the feasibility of flexible work schedules. The City retains the sole right to determine whether to approve and continue flexible work schedules.

2. Overtime Definition

Except for standby provisions as described below, overtime is defined as hours worked in excess of forty (40) hour per week. Employees will not work overtime without prior authorization from their supervisor or department head, except in case of emergency.

3. FLSA 7(b) Work Period Overtime Exemption

Regarding work periods for Waste Water Treatment Plant (WWTP) operations employees:

Fortuna Employees Association petitioned and received certification under Section 7(b) of the Fair Labor Standards Act of 1938 to modify the standard work day and work week to provide for the following:

The Fortuna Employees Association, representing WWTP Operations Employees, modified work day and work week includes the existing standard work day of 8 hours and a standard hour work week of 40 hours to also include, with the concurrence of the City the following option:

- 10 consecutive 8 hour days with 4 consecutive days off, described herein as the '10-8' shift.

For purposes of the FLSA the 52 week 7(b) work period for WWTP Operations Employees shall be fourteen (14) days and shall consist of no more than eighty (80) hours within said work period at non-overtime rate of pay.

Under this agreement, overtime is defined as time worked in excess of the scheduled work day or time worked on a scheduled day off. In all events, time worked in excess of the hours specified above for a work period under the FLSA shall be overtime.

4. Rate Of Overtime

Unless otherwise specified overtime shall be paid at the rate of one and one-half (1-1/2) times the employee's base rate of pay. The employee shall have the choice of taking overtime in cash or compensatory time off.

For all positions represented by the Association, for the purpose of overtime calculations, the base rate will include incentive pay, longevity pay, and special assignment pay as applicable.

5. Rest Periods

- A. Each employee covered by this Agreement will be afforded rest periods.
- B. The length of the rest periods will be fifteen (15) minutes during the first half of an employee's work shift, and fifteen (15) minutes during the last half of an employee's work shift, unless the City and the Association agree otherwise in writing.

- C. Travel time spent during a rest period to reach a destination shall be counted toward the allotted time for that rest period.

6. *Accumulation Of Compensatory Time Off (CTO)*

- A. Employees represented by the Association acknowledge that it is in the best interest of the City to avoid overtime, and agree to work with their supervisors and department heads to rearrange their work week whenever possible to avoid the occurrence of overtime. In the event that overtime must be incurred, employees represented by the association will have two options: 1) be paid at one and one-half (1.5) times the employee's regular rate of pay, or 2) accumulate compensatory time off at the rate of one and one-half (1.5) times for each overtime hour worked up to a maximum of one hundred sixty (160) hours to be taken off at a later time as requested by the employee, and approved by the Supervisor.
- B. Once an employee has banked a maximum of 160 hours of compensatory time, any additional overtime will be paid to the employee.

Banked CTO time may be sold back two (2) times each Fiscal Year up to a maximum of 80 hours on the next regular pay day, provided the request is made at least one (1) week prior to such payday.

- C. An employee who has accrued compensatory time off shall be permitted by his/her supervisor to use such compensatory time within a reasonable period of time after making the request if the use of compensatory time does not unduly disrupt the operations of the City. Compensatory time off must be used in increments of not less than one-quarter hour.

Section XI: OTHER PAY / INCENTIVES

1. *Standby Assignments*

- A. An employee who is required to remain on standby shall receive an additional twenty-nine dollars (\$29) per day as standby allowance. A day is similar to a shift day in that it begins at 8:00 a.m. and runs to 7:59 a.m. the following morning. Because the “shift day” begins on one day and ends on the following day, it is understood the standby day shall be the day when the shift began. Employees who are called out while on standby shall receive two (2) hours minimum at time and one-half. Any employee who is called out on New Year’s Day, Christmas Day, Thanksgiving Day, or 4th of July, and works a minimum of eight (8) hours shall receive time-and-a half plus get (8) hours holiday to put in a bank to cash out; or may take the holiday on a different day within the same pay period.
- B. An employee required to be on standby must be ready to report to work, fit for duty, within 30 minutes of notification. If not fit for duty, or if not reporting within 30 minutes, the employee's standby allowance shall be forfeited and disciplinary action may be initiated.

- C. Consistent with the current city vehicle policy, employees assigned to stand – by (or on-call) are permitted to take a city vehicle home for the purpose of assisting in a more rapid response to any call-back duties.
- D. Utility Worker and Operator classes shall be subject to Standby Duty Assignment. Standby Duty will be assigned by the supervisor in charge of the Utility Division. Employees assigned cannot exchange this duty without the knowledge and permission of the supervisor in charge. The City will provide the employee assigned Standby Duty a pager unit or other form of portable communication for notification of an emergency.

2. Call Back

When an employee represented by the Association is called out or called back to work at any time other than his/her regularly scheduled work time, the employee shall be compensated for a minimum of two (2) hours pay at the rate of one and one-half (1.5) times the employee's regular rate of pay, except that there shall be no minimum compensation guarantee in the event that such time is scheduled contiguous to the employee's regular duty shift. If the employee should complete the work required, leave the work location, and subsequently be recalled during the two hours being compensated for as a result of the initial call out, or call back, no additional compensation will be paid until two hours have been worked by the employee.

3. Out of Classification Differential Pay

Upon specific written assignment by the City Manager or his/her designee, an employee may be required, during a recruitment process for an unfilled position of a higher classification, to perform the duties in a job classification for which the rate of pay is greater than the employee's regular rate of pay. An employee so assigned for more than five (5) consecutive days shall receive an additional five percent (5%) of his or her base wage for all hours worked in such assignment. An employee so assigned shall not suffer any loss of benefits due to such assignment. Time worked in a higher rank shall not be credited toward the completion of probationary requirements in the higher rank.

4. Incentive Program

Certain members of the Association are eligible for incentives. **For incentives achieved prior to July 1, 2011** incentives shall be paid as shown in the following table:

Position	Incentive*	For
Lab Director	3%	OIT
Building Inspector	2% for each, up to max of four	ICC Certificates: Combination, Plumbing, Electrical, Mechanical

*percentage applied to base pay

For incentives achieved on, of after, July 1, 2011, incentives shall be paid as shown in **Attachment A; “Public Works Qualification and Incentive Matrices”**

City and Association agree to meet and discuss integration of incentives into job descriptions.

5. Protective Footwear/Business Apparel Allowance

The City will provide an annual stipend up to \$200.00 per Fiscal Year (July 1 to June 30) for the purchase of work boots and/or business attire based on job classification. The stipend will accumulate and be paid out one time annually and be included in the last pay period of the Fiscal Year. The stipend will be pro-rated for new employees or employees that leave employment prior to the end of the Fiscal Year.

6. Tool Allowance for Vehicle Mechanics

The City will reimburse up to two (2) vehicle mechanics up to \$1,000 per Fiscal Year to purchase personal hand tools needed to perform their duties for the City of Fortuna. Requests for reimbursement will require purchase receipts and written approval of the Department Head.

7. Residency Incentive

As an incentive for employees to live within or near the city limits of the City of Fortuna, all Association employees who reside within 20 miles of the city limits of the City of Fortuna shall receive \$50.00 per month as additional compensation.

8. Employee Use of Park & Recreation Programs

A. The following programs are offered to City Employees free of charge:

- President's Week – 4 days
- Spring Break – 5 days
- Summer Fun/Kiddie Kamp – 10 weeks
- Thanksgiving Week – 3 days
- Winter Break – up to 8 days
- Public Skating at The Firemen's Pavilion in Rohner Park

B. Children of employees of the City of Fortuna may attend the summer and holiday programs the Parks & Recreation Department offer free of charge while employees are working between the program hours of 7:30 a.m. – 5:30 p.m.

C. Children are able to attend these programs *only* if the City employee is working. The exception will be for Police Department employees who work graveyard shift, their children may attend the program during hours *following* their shift.

D. If the employee has taken the day off, regular fees will apply

E. The following programs are offered to City Employees at half price:

- Youth Basketball

- Basketball Camp

9. Education and Training Reimbursement

- A. As an incentive to employee education and training, the City will reimburse employees one time for successful completion of certain coursework and exams related to their employment with the City. Reimbursements must be pre-approved by the Department Head and City Manager, and reimbursement will be given following the satisfactory completion of the course and/or exam. Books and reusable materials will become the property of the City and will be made available for use by other employees.
- B. In order to assist employees who may not be financially able to bear the costs while waiting for reimbursement, the City Manager may approve an employee's written request to prepay costs associated with approved education and training. These costs will be paid only one time per class, test, or related education and training, regardless of whether the employee passes or fails. If any employee does not pass, the cost for any subsequent attempts for the same class, test or related education and training will be paid by the employee.

Section XII: RETIREMENT SYSTEM

1. Miscellaneous employees (PERS Local Miscellaneous Members) Retirement Formulas:

1. If employed on or after January 1, 2013, AND a "New" PERS member (*New member as defined by PERS*), employee shall receive the 2% @62 (Modified) PERS retirement formula, with final compensation defined as the 36 highest paid consecutive months. For the 2% @ 62 formulas the employee contribution is paid by the employee and will change each fiscal year to be at least 50% of the normal cost rate as determined by PERS.
2. If employed on or after March 1, 2012, AND a "Classic" PERS member (*Classic member as defined by PERS*), employee shall receive the 2% @55 (Modified) PERS retirement formula, with final compensation defined as the 36 highest paid consecutive months. The 7% employee contribution is paid by the employee.
3. If employed prior to March 1, 2012, employee shall receive the 2.7% @55 (Full) PERS retirement formula, with the final compensation defined as the single highest year. The 8% employee contribution is paid by the employee.

Section XIII: MISCELLANEOUS

1. Personnel Evaluations

- A. For probationary employees, a performance evaluation is required, at a minimum, every six months.
- B. Permanent employees, shall be evaluated annually from the anniversary date of original hiring or current position.
- C. If an employee does not agree with an evaluation, the employee may prepare a written response to the evaluation which shall be kept in the employee's personnel file with the contested evaluation. The employee also may request a meeting with the City Manager to discuss the evaluation.
- D. A special employee performance evaluation may be done at any time to recognize exceptional, marginally acceptable, or unacceptable performance but would not be attached to a pay increase.

2. Rain Gear

The City will provide one set of adequate rain gear for each employee required to work outdoors in the rain on a regular basis.

3. Personnel Rules

The City retains the right to amend and create personnel rules, provided they are not in conflict with specific provisions of this MOU. Where appropriate, City will meet and confer with applicable employee group or groups (Government Code Section 3300 and following), before amending or creating new personnel rules.

4. Fair Labor Standards Act

All positions included in this Memorandum of Understanding are covered by appropriate sections of the Fair Labor Standards Act of 1935, as amended.

5. Layoffs

Whenever in the judgment of the City Council it becomes necessary in the interest of economy, or because the necessity for a position no longer exists, the City Council may abolish a position in the classified service. Employees laid off or demoted under the provisions of this section shall be given at least two (2) weeks prior written notice.

In those cases wherein a classified employee is demoted in lieu of layoff, the employee who is placed in a lower job classification will be placed at the wage step representing the least loss in pay.

6. No Strike and Lockout

During the term of this agreement, the City agrees that it will not lock out employees; and the Association, despite any sanctions or instructions by the Association, agrees that they will not

engage in, encourage, or approve any strike, slowdown or other work stoppage growing out of any dispute relating to the terms of this agreement. The Association will take whatever lawful steps are necessary to prevent any interruption of work in violation of this agreement, recognizing, with the City, that all matters of controversy within the scope of this agreement shall be settled by established grievance procedures.

7. Waiver Clause

City and Association agree that, for the life of this agreement, each voluntarily and without qualification waives the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter pertaining to or covered by this Agreement, notwithstanding any other provisions of law to the contrary.

8. Full Understanding and Modification

This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters, are hereby superseded or terminated in their entirety. Any modification or amendment to this MOU must be agreed to in writing by both the Association and the City.

City agrees to consider revisiting the cost of living adjustment amount included to this MOU with the consent of the Association should the City's recurring revenue to the General Fund increase by 15% or more in the second or third years of this agreement.

9. Term of Agreement

This Agreement shall be effective from July 1, 2019 and shall continue in effect through June 30, 2022.

10. Notification Procedure

The Association will notify the City by November 15, 2021 of its intent to open contract meet and confer sessions for the following Fiscal Year. Absent notification, the existing Agreement will remain in effect until June 30, 2022. The City may reopen contract meeting and conferring if necessary.

11. Savings Clause

If any section or subsection of this Agreement should be found invalid, unlawful or unenforceable by reason of any existing or subsequently enacted legislation, or by judicial authority, all other sections or subsections of this Agreement shall remain in full force and effect for the duration of this Agreement. In the event of invalidation of any section or subsection of

this Agreement, the City and the Association agree to meet within thirty (30) days for the purpose of meeting and conferring over said section or subsection.

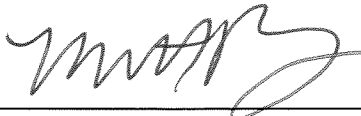
City of Fortuna

**Fortuna Employees
Association**

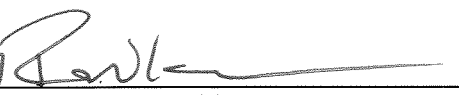
_____ Merritt Perry City Manager	_____ Date	_____ Rick Kern, President	_____ Date
_____ Siana L. Emmons City Clerk/Human Resources Manager	_____ Date	_____ Sean Bradley, Vice President	_____ Date

City of Fortuna


**Fortuna Employees
Association**



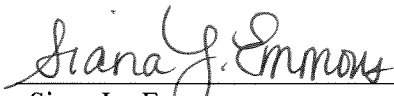
Merritt Perry
City Manager



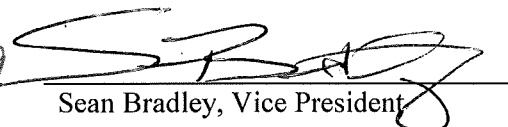
Date 7/18/19 Rick Kern, President



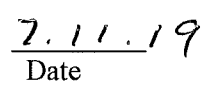
Date 7/11/19



Siana L. Emmons
City Clerk/Human Resources
Manager



Date 7/18/19 Sean Bradley, Vice President



Date 7.11.19