

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

CITY OF YREKA

AND CONFIDENTIAL EMPLOYEES

For the Period 1-1-17 through 12-31-19

Table of Contents

Article 1 – General Provisions	4
1.1 Parties to the Memorandum:	4
1.2 Validity of Memorandum:	4
1.3 Recognition:	4
1.4 Effective Date and Term:	4
1.5 Effect of Memorandum:	5
1.6 Employee Rights:	5
1.7 City Rights:	5
1.8 Non Discrimination Clause:	6
1.9 Requirement to Meet and Confer:	6
Article 2 - Salary Ranges and Adjustments and Compensation.....	7
2.1 Salary:	7
Article 3 - Medical, Dental, Vision, Life and Disability Plans	7
3.1 Medical Plan:	7
3.2 Dental Plan:	10
3.3 Vision Plan:	10
3.4 Life Insurance Plan:	10
3.5 Disability Plan:	10
Article 4 - Vacation and Leave.....	10
4.1 Vacation Leave:	10
4.2 Holidays:	12
4.3 Sick Leave:	12
4.4 Administrative and Executive Leave:	14
4.5 Floating Holidays:	14
4.6 Compensating Time Off (“CTO”)	15
4.7 Funeral Leave:	15
Article 5 - Allowances and Reimbursements:	15
5.1 Book and Tuition Reimbursement:	15
Article 6 - Personnel Rules/Job Descriptions/Overtime.....	16
6.1 Personnel Rules/Job Descriptions	16
6.2 Overtime:	16

7.1	Catastrophic Leave:	17
	Article 8 - Retirement.....	17
8.1	Employee Retirement Plan:	17
8.2	Implementation of 457 Plan:	17
8.2	Implementation of 457 Plan:	17
	Article 9 - Concerted Activities.....	18
9.1	Concerted Activities:	18
	Appendix – Salary Tables	20
	Confidential Annual Salary Tables Effective 1/1/2017 – 12/31/2017	20
	Confidential Annual Salary Tables Effective 1/1/2018 – 12/31/2018	20
	Confidential Annual Salary Tables Effective 1/1/2019 – 12/31/2019	20
	Appendix B– OPT OUT Coverage Payment Disclaimer	21

Article 1 – General Provisions

1.1 Parties to the Memorandum:

This Memorandum of Understanding is made and entered into effective the 1st day of January, 2017, by and between the City of Yreka and the Confidential Unit, hereinafter “City” and “Association” respectively. The Association is the recognized employees’ organization for the classifications of City employees hereinafter identified. Upon adoption by the City Council this Memorandum will become binding between the City of Yreka, the Confidential Unit Association and its members.

1.2 Validity of Memorandum:

The parties have met and conferred in good faith through their designated representatives concerning matters set forth in Government Code Section 3504, and have reached agreement thereon as set forth below.

1.3 Recognition:

The Association is the recognized employee organization for members in the following classifications:

ADMINISTRATIVE EXEMPT: Finance Director, Accounting Manager, Assistant City Manager, Human Resources Coordinator, Confidential Administrative Assistant

NON-EXEMPT: Grants and Projects Analyst

Notwithstanding the foregoing, if an employee feels his or her position should be modified from exempt to non-exempt, or vice versa, such employee is encouraged to discuss it with the employee’s supervisor. Such employee may use any information to support the employee’s position, such as comparable duties at competing employers, comparisons with other City employees with similar duties, and/or responsibilities and other activities of the employee which may warrant consideration of the change in status. If the employee is not satisfied with the result of the discussions with the employee’s supervisor, the employee may take such information to the next level of supervision up to and including the City Council. This Section shall not, however, be subject to the grievance procedure.

Regular, represented Full-Time Position: A position in which an employee works a continuing, year-round work schedule generally based upon a 40 hour work period.

1.4 Effective Date and Term:

A. This Memorandum of Understanding shall take effect as of January 1, 2017, except as otherwise provided herein, and shall remain in full force and effect through December 31, 2019. This Memorandum of Understanding shall only become effective with approval of the City Council of the City of Yreka and the Employee Association. Any financial consideration payable under this Agreement shall commence on the dates stated.

B. Term of this Agreement shall be for three (3) years from January 1, 2017 through and including December 31, 2019.

1.5 Effect of Memorandum:

During the term of this Memorandum, the provisions hereof shall govern the wages, hours, benefits, and working conditions of employees with the represented unit covered by the Memorandum, and including as otherwise provided in City personnel rules and regulations, resolutions, and ordinances wherein this Memorandum is silent. The Employee Personnel System and the Personnel Rules and Regulations are on file in the City Manager's Office at City Hall. Nothing herein shall be construed to limit the authority by the City to change or modify the Employee Personnel System or the Personnel Rules or Regulations, subject, however, to the City's obligation to meet and confer with the Association.

1.6 Employee Rights:

A. Employees of the City shall have the right to form, join, and participate in the activities of an employee organization of their own choosing for the purpose of representation on matters of employer-employee relations, including but not limited to wages, hours, and other terms and conditions of employment. Pursuant to California Government Code Section 3502, employees of the City also have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the City.

B. Neither the City nor the Association shall impose or threaten to impose reprisals on employees, to discriminate or threaten to discriminate against employees or otherwise interfere with, restrain, or coerce employees because of the exercise of these rights.

1.7 City Rights:

The City retains the exclusive right, subject to and in accordance with applicable laws, regulations and the provisions of this Memorandum, (a) to direct employees in the performance of their duties; (b) to hire, promote, transfer and assign employees; (c) to classify employees in accordance with applicable ordinance and resolution provisions; (d) to discipline employees in accordance with applicable rules; (e) to dismiss employees because of lack of work, funds, or for other reasonable cause; (f) to determine the mission of its departments, its budgets, its organization, the number of employees, and the number, types, classifications and

grades of positions of employees assigned to an organization unit, work project, shift or tour of duty, and the methods and technology of performing the work; and (g) to take whatever action that may be necessary and appropriate to carry out its mission in situations of emergency.

1.8 Non Discrimination Clause:

As may be required by State or Federal Law, both City and Association agree not to discriminate against any employee because of legitimate union activity or affiliation, political belief, race, creed, color, religion, nationality, age, sex, sexual preference, physical condition, national origin, or any other protected status under the law.

1.9 Requirement to Meet and Confer:

A. Except in cases of emergency, the City shall give reasonable written notice to the Association when its members are affected by any ordinance, rule, resolution or regulation directly related to matters within the scope of representation proposed to be adopted by the City. City shall give the Association the opportunity to meet with the City. In cases of emergency when the City determines that an ordinance, rule, resolution or regulation must be adopted immediately, without prior written notice or meeting with the Association, the City shall provide Association the opportunity to meet at the earliest practical time following adoption of such ordinance, rule, resolution or regulation. The Association shall provide to the City in writing, the names, addresses and telephone numbers of up to two persons to whom the City shall be required to give notice as required in this paragraph.

B. The City and/or its authorized representatives shall meet and confer in good faith regarding wages, hours and other terms and conditions of employment with representatives of the Association and shall consider fully such presentations as are made by the Association on behalf of its members prior to arriving at a determination of policy or course of action. The City agrees to provide time off to two (2) members of the Association while attending meetings with the City during the meet and confer process.

C. "Meet and confer in good faith" means that a public agency, or such representatives as it may designate, and representatives of recognized employee organizations, shall have the mutual obligation personally to meet and confer promptly upon request by either party and continue for a reasonable period of time in order to exchange freely information, opinions, and proposals and to endeavor to reach agreement on matters within the scope of representation prior to the adoption by the public agency of its final budget for the ensuing year. The process should include adequate time for the resolution of impasses where specific procedures for such resolution are contained in local rule, regulation or ordinance, or when such procedures are utilized by mutual consent.

Article 2 - Salary Ranges and Adjustments and Compensation

2.1 Salary:

Salary ranges for the period of this Memorandum for each classification are as specified in Appendix A, attached to this Memorandum. These salary ranges are retroactive to January 1, 2017, and reflect a two and one-half percent (2.5%) increase for the calendar year 2017 with another two and one-half percent (2.5%) increase for the calendar years 2018 and 2019. These salary ranges shall be effective the first full payroll after January 1, 2017, 2018, and 2019 of each respective year.

Article 3 - Medical, Dental, Vision, Life and Disability Plans

3.1 Medical Plan:

- A. The City implemented an Internal Revenue Code Section 125 cafeteria plan (“125 Plan”) on or about November 7, 2013. The City participates in the CalPERS Health Benefits Program.
- B. Each employee may select health insurance coverage through the PERS Health Plan and receive the City’s Health Contribution, as described below in Subsection D. Employees who opt out of city-sponsored health coverage will not receive the City’s Health Contribution, as described below in Subsection D, but may be eligible for the benefit described in subparagraph 3.1.I of this Section.
- C. Effective January 1, 2017, and continuing thereafter, the City shall pay the Public Employees Medical and Health Care Act (PEMHCA) minimum contribution for both eligible employees and retired annuitants for the calendar year (\$128 per month in 2017). The PEMHCA minimum contribution may not be taken in cash and may only be used toward the cost of the PERS Health Plan that the employee chooses.

D. For eligible active employees, the City shall pay through the City’s Section 125 plan a contribution per month per employee to be applied to the selected City-sponsored health insurance plan premium (“City’s Health Contribution”), and shall not exceed the following sums:

Group Tier	2017 City’s Health Contribution	2018 City’s Health Contribution	2019 City’s Health Contribution
Employee	\$560.00	\$580.00	\$600.00
Employee +1 dependent	\$1,060.00	\$1,100.00	\$1,140.00
Employee +2 or more dependents	\$1,375.00	\$1,435.00	\$1,495.00

The PEMHCA minimum contribution is included in the above contribution amounts.

E. An employee may not receive any portion of the City’s Health contribution in cash. The employee also may not direct any portion of the City’s Health Contribution to non-health benefits. The city intends for the City’s Health Contribution to qualify as a health flex contribution for purposes of the ACA.

F. In the event the total cost of benefits selected exceeds the City’s Health Contribution, the difference shall be deducted from the employee’s salary as a “salary reduction” item, i.e., paid with before-tax dollars. By no later than December 31st each year, each employee shall execute a written authorization regarding the medical premium deduction. The deduction will be made on a biweekly basis.

G. The parties agree that the administration of the plan, enrolling or canceling enrollment of employees or their dependents and processing claims and securing of adequate risk protection shall be the sole administrative and financial responsibility of the City.

H. An employee with court ordered dependent health coverage must show proof of that order in the form of a qualified domestic relations' order (“QDRO”) before dependent coverage can be extended and otherwise meet the standards and regulations for the CalPERS Health Plan.

I. An employee who elects to opt out of City-offered health insurance coverage will be eligible for an op-out payment of up to \$540 per month per employee for the calendar year 2017 and \$540 per month per employee for the calendar year 2018, disbursable to the employee biweekly on a taxable income basis (“Opt-out Payment”), **only if** the employee meets all of the following requirements of the City’s eligible opt-out arrangement, as defined by Internal Revenue Service Notice 2015-87:

1. The employee must provide ***proof of minimum essential coverage (“MEC”) through another source (other than coverage in the individual market, whether or not obtained through Covered California)***. This includes proof of MEC through government sponsored programs such as most Medicaid coverage, Medicare part A, CHIP, and most TRICARE coverage;
2. The employee’s proof of coverage must show that the employee ***and all individuals in the employee’s expected Tax Family have (or will have) the required MEC***. An employee’s expected Tax Family includes all individuals for whom the employee reasonably expects to claim a personal exemption deduction for the taxable year(s) that cover the City’s plan year to which the opt-out arrangement applies;
3. The employee must provide ***reasonable evidence of the MEC*** for the applicable period. The City may require an ***attestation by the employee*** as reasonable evidence;
4. The employee must provide evidence/attestation ***every plan year***;
5. The evidence/attestation must be provided ***no earlier than a reasonable time before coverage starts*** (e.g. open enrollment); and
6. ***The City will not make an opt-out payment if the City knows or has reason to know that the employee or family member doesn’t have the alternative coverage, as described above.***

Accordingly, prior to receiving the Opt-out Payment, the employee must agree to and sign the Opt Out Disclaimer provided by the City **and attest** to the following information:

1. The employee acknowledges that the City offered the employee and his or her dependents affordable MEC;
2. The employee declines that coverage and certifies that he or she and all members of the employee’s Tax Family are participating in MEC through another source (but not individual coverage or individual coverage through Covered California). The City’s Opt Out Disclaimer may require proof of such coverage.
3. The employee understands that it is the employee’s responsibility to ensure that his or her alternative health insurance qualifies as MEC, as required under the ACA, which could affect individual tax liability. The city does not participate in the employee’s selection of non-City health insurance.
4. The employee understands that failure to meet any of these eligible opt-out plan requirements results in loss of opt-out pay by the employer.

J. The City may reopen negotiations on the issue of health insurance benefits or cafeteria plan benefits.

3.2 Dental Plan:

The parties agree that the current self-funded dental plan will remain in effect. The parties agree that the administration of the plan, including but not limited to the providing of information about the plan, enrolling or canceling enrollment of employees or their dependents and processing claims shall be the sole administrative and financial responsibility of the City. There will be no decrease in benefits.

City agrees to pay one hundred percent (100%) of the dental plan cost including dependent coverage.

3.3 Vision Plan:

City agrees to continue to provide a vision plan through the California Vision Service Plan (VSP) B with a current \$25.00 deductible including coverage for dependents at its sole expense. City retains the right to self-insure at the same benefit level. There will be no decrease in benefits.

City agrees to pay one hundred percent (100%) of the vision plan cost including dependent coverage.

3.4 Life Insurance Plan:

Life Insurance will be procured for each employee, (excluding retired employees) equal to the double amount of the gross salary received under the salary schedule for a given year, not including overtime or special pay. Dependent coverage at the amount of one thousand dollars (\$1,000) per spouse and child will continue to be provided. City agrees to pay the premium for this coverage.

3.5 Disability Plan:

Employees in this unit have elected to contribute to the State of California Disability Insurance program.

Article 4 - Vacation and Leave

4.1 Vacation Leave:

A. The policy for use of vacation is based on the intent that vacation time be a relief from regular work schedules. The relief from work is for the personal well-being of employees,

both mentally and physically, to insure healthy work and personal lives.

B. All regular, represented employees shall be entitled to annual vacation leave with pay.

C. Eligible employees who work less than full-time but one thousand five hundred (1,500) hours or more per year shall be credited for vacation on a prorated basis.

D. Vacation units shall be accumulated on an hour basis in accordance with the following schedule:

Months of Employment	Vacation Hours Accrued Per Pay Period Based on 26 equal pay periods per year		Maximum Accrual As of January 1*
1 – 60 months	3.08 hours	80 hours per year	160 hours
61 – 180 months	4.62 hours	120 hours per year	240 hours
181 months and after (max)	6.15 hours	160 hours per year	320 hours

*Two times the annual accrual

An employee will cease to accrue vacation once his/her maximum accrual limit has been reached, until such time as accrued vacation is reduced below his/her maximum accrual limit, with a measurement date of December 31 of each year. The City Manager at his or her sole discretion may temporarily increase the cap for those employees who are unable to use their vacation leave due to extenuating circumstances.

E. The time during a calendar year at which an employee may take their vacation shall be determined by the department head with due regard for the wishes of the employee and particular regard for the needs of the City.

F. As determined on the hire date, previous part-time City employees, who have subsequently become full-time regular employees without separation of service, shall be credited with such part-time City service, for the purpose of computing months of employment and vacation accrual rate. One hundred seventy-three (173) hours of part-time City service shall equal one (1) month of employment.

4.2 Holidays:

City agrees to observe the following holidays:

Holiday Date	Holiday Name Observed
July 4 th	Independence Day
First Monday in September	Labor Day
November 11 th	Veteran's Day
Last Thursday in November	Thanksgiving Day
Friday Following Thanksgiving	Day After Thanksgiving Day
December 24 th	Christmas Eve
December 25 th	Christmas Day
January 1 st	New Year's Day
Third Monday in January	Martin Luther King Day
Third Monday in February	President's Day
Last Monday in May	Memorial Day

When a holiday falls on a Sunday, the following Monday shall be observed as the holiday and when a holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. Should December 24th fall on a Friday, December 23rd shall be observed as the paid holiday. Should December 25th fall on a Monday, December 26th shall be observed as the paid holiday.

4.3 Sick Leave:

A. All regular, represented employees, shall be entitled to eight (8) hours of sick leave with pay each month or major fraction thereof, with no accumulation limit. As discussed in subparagraph 4.3(D) below, one-half of an employee's annual accruable sick leave granted for use related to subparagraph C shall not be considered in determining the number of sick leave hours used during a given 12-month period. The use of additional accrued sick leave related to subparagraph C shall not, in and of itself, be cause for discipline or decreasing an employee's performance evaluation.

B. The City has entered into an agreement with the PERS whereby accumulated sick leave is converted to additional service credit upon retirement.

C. Sick leave pursuant to California's Paid Sick Leave law may be taken for one of the following three purposes:

- For the diagnosis, care, or treatment of an existing health condition of, or preventive care for, an employee;

- For the diagnosis, care, or treatment of an existing health condition of, or preventive care of, an employee's family member (includes parent or child as defined below, spouse, registered domestic partner, parent-in-law, sibling, grandchild, or grandparent);
- For an employee who is a victim of domestic violence, sexual assault, or stalking, for the purposes described in Labor Code section 230(c) and Labor Code section 230.1(a).

D. As discussed above, the first one-half of an employee's annual accruable sick leave taken in a given 12-month employment period will be treated as leave taken pursuant to California's Paid Sick Leave law. This sick leave may be taken upon oral or written request and may not be denied. No verification will be required for this sick leave except for leave taken for reasons concerning victims of domestic violence, sexual assault, or stalking, in which case certification may be requested for unscheduled absences.

For all other sick leave requested (i.e., sick leave not taken pursuant to the Paid Sick Leave law) and unless otherwise required by law, the following requirements apply to sick leave taken. Sick leave with pay shall be granted upon the recommendation of the department manager in a case of the bona fide illness of the employee. In case of illness extending beyond two (2) days duration, the employee may be required to furnish a certificate issued by a licensed practitioner in the discretion of the department manager (e.g., sick leave not taken pursuant to the Paid Sick Leave law). Each certificate shall be filed by the department manager with human resources. It shall be the responsibility of the department manager to deny the use of sick leave with pay in cases where there is substantial evidence of abuse of sick leave. Sick leave taken for a protected purpose may not be considered in determining evidence of abuse of sick leave. In addition, all or some of these requirements for sick leave may not apply in the case of sick leave taken as part of a reasonable accommodation or in connection with other leave protected under the law.

E. An employee who is entitled to Worker's Compensation under the Labor Code of the State may elect to take as much of his/her accumulated sick leave or accumulated vacation as when added to the Worker's Compensation will result in payment to that employee of his/her full salary or wage.

F. Sick leave shall include diagnostic procedures, dental procedures and ophthalmology services when performed by a duly licensed practitioner. In some cases concurrent with sick leave taken pursuant to the Paid Sick Leave law, an employee shall be permitted to use in any calendar year the sick leave that would be accrued during six months at the employee's then current rate of entitlement or ten (10) days per calendar year, whichever is greater to attend to the illness of a child, parent, spouse, grandparent, grandchild, sibling, or registered domestic partner.

“Child” includes a biological, foster, or adopted child; a stepchild; a legal ward; a child of a registered domestic partner; or a child to whom the employee acts as a parent regardless of age or dependency. “Parent” includes a biological, foster or adoptive parent; a stepparent; or a legal guardian of an employee or the employee’s spouse or registered domestic partner; and a person who stood in loco parentis when the employee was a minor child. Sick leave to care for ill family members is subject to all policies that apply to sick leave, including medical documentation for sick leave that is not taken pursuant to the Paid Sick Leave law.

4.4 **Administrative and Executive Leave:**

In-lieu of overtime or compensatory time off, all Exempt Management Employees shall be allocated an annual administrative leave of 40 hours per employee. Administrative leave will be granted on January 1, of each year, and will not be allowed to be carried over to a subsequent year. The intent of administrative leave is that it be taken in eight-hour increments and accounted for on that basis. In addition, exempt employees will be allowed to take executive leave for less than eight-hour increments on an as needed basis. All administrative and executive leave will be at the discretion of the Management employee and with required communication to the City Manager/Department Head. The City Manager retains the right to deny administrative and executive leave on an emergency basis.

Proration of Administrative Leave for new employees:

Hire Date	Proration
January 1 – March 31	40 hours
April 1 – June 30	30 hours
July 1 – September 30	20 hours
October 1 – December 31	10 hours

4.5 **Floating Holidays:**

Three floating holidays of three eight (8) hour days per year shall be credited to the paycheck of each full-time employee by January 15th of each year, as credited leave which cannot be saved. It must be used by the end of the year or be lost.

Proration of Floating Holidays for new employees:

Hire Date	Proration
January 1 - April 30	24 hours
May 1 – August 31	16 hours

September 1 – December 31	8 hours
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4.6 **Compensating Time Off (“CTO”)**

An eligible employee shall receive overtime compensation for all overtime worked beyond 120 hours as cash payment. No employee who is eligible to earn overtime may accrue compensatory time off (CTO) beyond the 120 hour cap. Once the 120 hour CTO cap has been reached, any overtime earned thereafter must be paid as cash and may not be received as CTO. There shall be no exceptions to this cap.

4.7 **Funeral Leave:**

It is the City’s policy to allow employees to take time off without deduction of pay where such time off is necessitated by death in the immediate family. This includes spouse, registered domestic partner, children, parents, brother, sister or grandparents, including in-laws, foster, or step relationships. It does not include aunts or uncles unless such relatives reside in the household of the employee.

The amount of time taken to attend funerals of those listed above three days per funeral. Bereavement time beyond three (3) days shall be at the discretion of the supervisor.

No time off with pay is granted for funerals of aunts, uncles, or friends unless the employee is solely involved in handling burial responsibilities.

Time off for other funerals may be given at discretion of department manager in accordance with the policies for other time off requests.

Article 5 - Allowances and Reimbursements:

5.1 **Book and Tuition Reimbursement:**

A. To encourage the training of employees in subjects which would be of substantial benefit to the City, as well as the employee, the City maintains a book and tuition reimbursement program in the budget.

B. All requests for this program shall be submitted to the City Manager’s Office prior to commitment. Such requests shall be in writing on City provided form and describe the nature of the training to be entered into, the cost of such training, and comments with respect to its applicability to the particular employee’s job. The request shall be accompanied by a statement from the department head.

C. For approved training extending over a period of time exceeding two (2) weeks, the City shall refund to the employee all cost of tuition and required books upon presentation of evidence of successfully completing the course with a grade of C or better, submission of request form along with a copy of the grade report attained and a copy of the receipt for payment of tuition and books. In the event that the employee is financially unable to advance the cost of tuition and required books, the City may, upon written request and agreement by the employee, advance the cost of tuition and required books subject to reimbursement by the employee should he/she fail to satisfactorily complete such training and authorizing the City to deduct such cost from the payroll in such event.

D. Tuition and required book costs for approved short courses or institutes less than two (2) weeks shall be paid initially by the City.

Article 6 - Personnel Rules/Job Descriptions/Overtime

6.1 Personnel Rules/Job Descriptions

During the term of this contract the parties will meet to discuss personnel rule changes and job descriptions

6.2 Overtime:

A. **Overtime.** The City has the right to assign and schedule overtime for Non Exempt represented employees. Whenever possible, overtime shall be assigned first to those employees who willingly volunteer for such overtime assignments; however, the City is not obligated to solicit volunteers before making overtime assignments. Compensation shall be either payment or compensatory time at the option of the employee.

The assignment of overtime to Association represented employees does not constitute a change in shift, work schedule or days and hours of employment. "Overtime" is defined as any work in excess of 40 hours per work week. Overtime shall be paid at the rate of one and a half (1.5) times the employee's regular rate of pay. The calculation for hours worked in a week shall include use of any paid leave in that work week.

B. **Out of Class Pay.** When an employee is assigned to work out-of-class and does work out-of-class for four (4) continuous hours, the employee shall receive out-of-class pay at a rate of five percent (5%) above his/her regular rate of pay. If the out-of-class work continues for more than ten business days, the employee shall receive five percent (5%) above his/her regular rate of pay, or Step A of the higher classification in which the work is performed, whichever is greater effective with the first hour worked.

7.1 Catastrophic Leave:

The City has implemented a Catastrophic Leave program whereby the employees of the City may donate any accrued compensatory time off, vacation time or sick leave to a co-employee provided, however, that the sick leave donated by any one employee may not exceed five days in any calendar year. The names of donors shall remain anonymous. The purpose of this policy is to provide a co-employee with additional time off when they have a serious illness or injury resulting in the exhaustion of all paid leave before they are able to return to work.

Article 8 - Retirement

8.1 Employee Retirement Plan:

A. For Classic Employees (i.e. NOT “new employees” as defined by CalPERS), the City will enroll and maintain enrollment of employees in the PERS 2% @ 55 Classic 1084 retirement plan. Classic Employees shall pay the employee contribution for their retirement plan which is 7% for PERS 2% @ 55 (Classic 1084 Miscellaneous).

B. For new CalPERS employees, the City will enroll employees in the PERS 2% at 62 PEPRA 26550 Miscellaneous retirement plan. Employees shall pay their share of contributions in accordance with State law, CalPERS rules and regulations.

8.2 Implementation of 457 Plan:

The City will maintain the current payroll deduction 457 (or similar) plan so that employees can defer taxable income. There will be no cost to the City except for administrative costs.

A. The City agrees to continue to provide an Internal Revenue Code Section 457 Deferred Compensation Plan.

B. The City shall monitor, administer, and account for all funds distributed as deferred compensation and shall not charge any administrative fees to the employees or against funds deposited on behalf of the employees.

C. The City Manager is designated as the Plan Administrator and he/she may appoint a Deputy Plan Administrator.

When a participant in the Plan becomes eligible to collect all accumulated funds deferred on his/her behalf, the City shall authorize disbursement of funds according to the employee's participation agreement.

Article 9 - Concerted Activities

9.1 Concerted Activities:

A. The parties to this Memorandum recognize and acknowledge that the services performed by the City employees covered by this Memorandum are essential to the public health, safety and general welfare of the residents of the City of Yreka. The Association will not recommend, encourage, cause or permit its members to initiate, participate in, nor will any member of the bargaining unit take part in any strike, sit-down, stay-in, sick-out, or slow-down to affect an employer-employee relations position (hereinafter referred to as work-stoppage), in any office or department of the City, nor to curtail any work or restrict any production, or interfere with any operation of the City. Picketing shall be prohibited on matters involving wages, insurance coverage and leaves from work during the term of this Memorandum. In the event of any such work stoppage by any member of the bargaining unit, the City shall not be required to negotiate on the merits of any dispute, which may have given rise to such work stoppage, until said work stoppage has ceased.

B. City agrees not to lock out employees.

C. In the event of any work stoppage during the term of this Memorandum, whether by the Association or any member of the bargaining unit, the Association through its officers, shall immediately declare in writing that such work stoppage is illegal and unauthorized, and further direct its members in writing to cease the said conduct and resume work. Copies of such written notice shall be served upon the City. The City shall have the right to discipline, to include discharge, any employee who instigates, participates in, or gives leadership to any work stoppage activity herein prohibited, and the City shall have the right to seek full legal redress, including damages, as against any such employee. It is understood that employees so disciplined retain an appeal right under the City's employer-employee relations policies and California law.

IN WITNESS WHEREOF, the parties have executed this Memorandum of Understanding in Yreka, California, as of the day and year first above written and upon approval by the City Council and the Association, to be effective January 1, 2017.

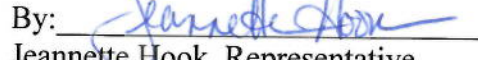
CITY OF YREKA

Date Signed: 5/18/17

By: 
Steven W. Baker, City Manager

CONFIDENTIAL UNIT

Date Signed: May 15, 2017

By: 
Jeannette Hook, Representative

Appendix – Salary Tables

City of Yreka – Annual Salary Confidential Employees MOU Dated 05/18/2017

Confidential Annual Salary Tables Effective 1/1/2017 – 12/31/2017

SALARY SCHEDULE EFFECTIV E (1/1/2017 to 12/31/2017) FISCAL YEAR 2016-17 (COLA Start 1/1/2017)				Prior Year							
JOB TITLE	UNIT	COLA	RANC	BASE	STEP A	STEP E	STEP C	STEP D	STEP E	STEP F	
ASST. CITY MANAGER (reclass from Asst	CONF	1.025	2142	57,524.00	58,962.10	61,910.21	65,005.73	68,256.02	71,668.83	75,252.28	
FINANCE DIRECTOR	CONF	1.025	2452	65,774.00	67,418.35	70,789.27	74,328.74	78,045.18	81,947.44	86,044.82	
PROJECT ASSISTANT	CONF	1.025	1000	32,137.00	32,940.43	34,587.46	36,316.84	38,132.69	40,039.33	42,041.30	
ACCOUNTING MANAGER	CONF	1.025	1769	47,437.00	48,622.93	51,054.08	53,606.79	56,287.13	59,101.49	62,056.57	
HUMAN RESOURCES COORDINATOR	CONF	1.025	1769	47,437.00	48,622.93	51,054.08	53,606.79	56,287.13	59,101.49	62,056.57	
ADMIN. CONFIDENTIAL ASSISTANT	CONF	1.025	1769	47,437.00	48,622.93	51,054.08	53,606.79	56,287.13	59,101.49	62,056.57	

Confidential Annual Salary Tables Effective 1/1/2018 – 12/31/2018

SALARY SCHEDULE EFFECTIV E (1/1/2018 to 12/31/2018) FISCAL YEAR 2017-18 (COLA Start 1/1/2018)				Prior Year							
JOB TITLE	UNIT	COLA	RANC	BASE	STEP A	STEP E	STEP C	STEP D	STEP E	STEP F	
ASST. CITY MANAGER (reclass from Asst	CONF	1.025	2142	58,962.10	60,436.16	63,457.97	66,630.87	69,962.42	73,460.55	77,133.58	
FINANCE DIRECTOR	CONF	1.025	2452	67,418.35	69,103.81	72,559.01	76,186.97	79,996.32	83,996.14	88,195.95	
PROJECT ASSISTANT	CONF	1.025	1000	32,940.43	33,763.95	35,452.15	37,224.76	39,086.00	41,040.30	43,092.32	
ACCOUNTING MANAGER	CONF	1.025	1769	48,622.93	49,838.51	52,330.44	54,946.97	57,694.32	60,579.04	63,608.00	
HUMAN RESOURCES COORDINATOR	CONF	1.025	1769	48,622.93	49,838.51	52,330.44	54,946.97	57,694.32	60,579.04	63,608.00	
ADMIN. CONFIDENTIAL ASSISTANT	CONF	1.025	1769	48,622.93	49,838.51	52,330.44	54,946.97	57,694.32	60,579.04	63,608.00	

Confidential Annual Salary Tables Effective 1/1/2019 – 12/31/2019

SALARY SCHEDULE EFFECTIV E (1/1/2019 to 12/31/2019) FISCAL YEAR 2018-19 (COLA Start 1/1/2019)				Prior Year							
JOB TITLE	UNIT	COLA	RANC	BASE	STEP A	STEP E	STEP C	STEP D	STEP E	STEP F	
ASST. CITY MANAGER (reclass from Asst	CONF	1.025	2142	60,436.16	61,947.07	65,044.43	68,296.66	71,711.50	75,297.08	79,061.94	
FINANCE DIRECTOR	CONF	1.025	2452	69,103.81	70,831.41	74,372.99	78,091.64	81,996.23	86,096.05	90,400.86	
PROJECT ASSISTANT	CONF	1.025	1000	33,763.95	34,608.05	36,338.46	38,155.39	40,063.16	42,066.32	44,169.64	
ACCOUNTING MANAGER	CONF	1.025	1769	49,838.51	51,084.48	53,638.71	56,320.65	59,136.69	62,093.53	65,198.21	
HUMAN RESOURCES COORDINATOR	CONF	1.025	1769	49,838.51	51,084.48	53,638.71	56,320.65	59,136.69	62,093.53	65,198.21	
ADMIN. CONFIDENTIAL ASSISTANT	CONF	1.025	1769	49,838.51	51,084.48	53,638.71	56,320.65	59,136.69	62,093.53	65,198.21	

Appendix B– OPT OUT Coverage Payment Disclaimer

2017 OPT OUT Coverage Payment Disclaimer

As provided for in the employee’s Memorandum of Understanding dated _____, an employee who elects no health insurance coverage through the City of Yreka (“City”), will not receive the City’s Health Contribution as described in Section 3.1.D of the MOU, but may be eligible for an Opt-Out Payment as described in Section 3.1.I of the MOU.

An employee may receive the Opt-Out Payment **only if** the employee meets all of the following requirements of the City’s eligible opt-out arrangement, as provided by Internal Revenue Service Notice 2015-87.

PART A: For Employees Opting Out AND Receiving the Opt-out Payment:

I, _____, understand and have completed the following to comply with the City’s eligible opt-out arrangement:

1. I have provided *proof of minimum essential coverage (“MEC”) through another source (other than coverage in the individual market, whether or not obtained through Covered California)*. This includes proof of MEC through government sponsored programs such as most Medicaid coverage, Medicare part A, CHIP, and most TRICARE coverage;
2. I have provided proof of coverage showing the employee *and all individuals in my expected tax family have (or will have) the required MEC*. I understand that my expected tax family includes all individuals for whom I reasonably expect to claim a personal exemption deduction for the taxable year(s) that cover the City’s plan year to which the opt-out arrangement applies;
3. I have provided *reasonable evidence of the MEC* for the applicable period. I understand that I may provide an *attestation* as reasonable evidence;
4. I understand that I must provide evidence/attestation *every plan year*; and
5. *I understand that the City cannot and will not make an opt-out payment if the City knows that I or my family member does not have the alternative coverage, as described above.*

I hereby attest that:

1. *The City has offered me and my dependents affordable MEC providing minimum*

value in compliance with the Affordable Care Act (“ACA”).

2. *I declined coverage and certify that myself and my tax family are participating in MEC through another source, and therefore qualified to receive an opt-out payment in lieu of coverage.*
3. I am responsible for maintaining this alternative MEC and understand that failure to do so may have individual tax consequences.
4. I understand that failure to meet any of these eligible opt out plan requirements would result in loss of opt out pay by the employer.

Employee’s Printed Name

Employee’s Signature

Date

PART B: For Employees Opting Out AND NOT Receiving the Opt-out Payment:

The City has offered me and my dependents affordable MEC providing minimum value in compliance with the ACA. I decline the City-sponsored health coverage. I also decline the Opt-out Payment.

Employee’s Printed Name

Employee’s Signature

Date