

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF SANTA MONICA, CALIFORNIA
AND
MANAGEMENT TEAM ASSOCIATION
2017-2020**

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ARTICLE I: GENERAL PROVISIONS

1.01 Parties to Memorandum

This Memorandum of Understanding (“MOU” or “Agreement”) has been negotiated and prepared in accordance with the Meyers-Milias-Brown-Act (“MMBA”, Government Code Section 3500 et. Seq.), and has been executed by the City Manager on behalf of the City of Santa Monica (the “City”) and by duly authorized representatives of the MANAGEMENT TEAM ASSOCIATION (MTA) on behalf of employees occupying the job classifications set forth in Exhibit A, who are included in the Unit of Representation with respect to which the City has determined that MTA is the recognized employee organization (the Bargaining Unit), to this Agreement.

If new job classifications are created that are proposed to be added to the Bargaining Unit represented by MTA, the Employee Relations Officer, or his/her designee, will notify MTA prior to the Personnel Board and City Council considerations of the new classifications. If job classifications from another City bargaining unit are transferred to this Bargaining Unit, the Employee Relations Officer, or his/her designee, will notify MTA prior to that transfer occurring. The City intends to follow the MMBA and Santa Monica Municipal Code Chapter 2.05 in regards to notification and potential negotiations as it relates to adding deleting classifications from the bargaining unit.

1.02 Purpose

The parties agree that the purpose of this MOU is: to promote and provide harmonious relations, cooperation, and understanding between the City and the employees covered herein; to provide an orderly and equitable means of resolving differences that may arise under this MOU; and to set forth the full agreements of the parties reached as a result of meeting and conferring in good faith regarding matters within the scope of representation for employees represented by MTA.

1.03 Term of Agreement

This MOU is effective as of July 1, 2017, and remains in full force and effect until June 30, 2020. This Agreement will be renewed on a year-to-year basis thereafter unless either party provides written notification to the other by March 1st of its desire to modify the Agreement. Negotiations will be scheduled promptly following any such notification.

If this Agreement is renewed, all terms and conditions of the Agreement shall remain in full force and effect except that Bargaining Unit employees shall receive a general salary increase (also known as a cost of living adjustment or COLA) equal to the highest COLA or general salary increase received by any other City bargaining units, with the exception of the Santa Monica Police Officers Association (SMPOA), the Santa Monica Firefighters Local 1109 IAFF (Local

1109), and the International Association of Sheet Metal, Air, Rail, and Transportation Workers – Transportation Division, Local 1785 (SMART-TD).

For the purpose of this provision, an equity adjustment granted to a specific job classification represented by a bargaining unit is not a general salary increase or COLA for that bargaining unit. Salary adjustments implemented for employees in a bargaining unit that include a single job classification (such as SMART-TD) are also considered to be equity adjustments.

1.04 City Council Approval

This MOU is of no force or effect whatsoever unless or until ratified and approved by resolution duly adopted by the City Council of the City of Santa Monica.

1.05 Recognized Employee Organization

MTA is hereby acknowledged as the Recognized Employee Organization representing only the employees occupying the job classifications set forth in Exhibit A'.

It is the mutual understanding of the parties to this Agreement that acknowledgment of MTA as the Recognized Employee Organization:

- A. Does not preclude employees in such job classifications from representing themselves individually in their employment relations with the City.
- B. Does not preclude or restrict the right of management officials to meet and consult with employees in such job classifications concerning their employment relations with the City.

1.06 Scope of Representation

The scope of representation of MTA as the Recognized Employee Organization includes all matters relating to employment conditions and employer-employee relations including, but not limited to, wages, hours, and other terms and conditions of employment, except, however, that the scope of representation does not include consideration of the merits, necessity, or organization of any service or activity provided by law or executive order and that the scope of representation shall be exercised or performed in compliance with the provisions of the City's employer-employee relations rules and applicable law.

1.07 Full Understanding, Modification and Waiver

The parties agree that each has had full and unrestricted right and opportunity to make, advance, and discuss all matters properly within the scope of representation'. This MOU constitutes the full and complete agreement of the parties and there are no others, oral or written, except as specified in this Agreement. The parties are not bound by any past practices or understandings of

either party unless such past practices or understandings are specifically stated in this MOU, except that provisions or conditions not specifically changed in this or previous MOUs shall be as prescribed by the civil service provisions of the Santa Monica City Charter and the Santa Monica Municipal Code. Each party, for the term of this MOU, specifically waives the right to demand or petition for changes to this MOU, whether or not the subjects were known to the parties at the time of execution of this Agreement as proper subjects within the scope of representation'.

1.08 Management Rights Reserved

The City retains all rights not specifically delegated by this Agreement, including, but not limited to, the exclusive right to:

- A. Direct, supervise, hire, promote, suspend, discipline, discharge, transfer, assign, schedule, and retain employees.
- B. Relieve employees from duties because of lack of work or funds, or under conditions where continued work would be inefficient or nonproductive.
- C. Determine services to be rendered, operations to be performed, utilization of technology, and overall budgetary matters.
- D. Determine the appropriate job classifications and personnel by which government operations are to be conducted.
- E. Determine the overall mission of the unit of government.
- F. Maintain and improve the efficiency and effectiveness of government operations.
- G. Take any necessary actions to carry out the mission of an agency in situations of emergency.
- H. Take whatever other actions may be necessary to carry out the wishes of the public not otherwise specified above or by collective agreement.

1.09 Peaceful Performance of City Service

Participation by any employee in a strike or a concerted work stoppage terminates the employment relationship in the absence of specific written waiver of such termination by an authorized management official.

- A. Neither party to this Agreement will participate in, encourage, assist, or condone any strike, concerted work stoppage, cessation of work, slow down, sit down, stay away, picketing, or any other form of interference with or limitation of the peaceful performance of City services.

- B. If there is any strike, concerted work stoppage, cessation of work, slow down, sit down, stay away, picketing, or any other form of interference with or limitation of the peaceful performance of City services, the City, in addition to any other lawful remedies or disciplinary actions, may by action of the City Manager cancel any or all payroll deductions, prohibit the use of bulletin boards, prohibit the use of City facilities, and prohibit access to former work or duty stations.
- C. Neither MTA, nor any person acting in concert with them, will cause, sanction, or take part in any strike, walk out, sit down, slow down, stoppage of work, picketing, retarding of work, abnormal absenteeism, withholding of services, or any other interference with the normal work routine. The provisions of this Section apply for the term of this Agreement, and during any renewal or extension thereof. Violation of any provision of this MOU by MTA shall be cause for the City, at its sole option, to terminate this Agreement in addition to whatever other remedies may be available to the City at law or in equity.
- D. The City agrees that there shall be no general lockout of bargaining unit members.

1.10 Validity of Memorandum of Understanding

If any provision of this MOU is determined to be invalid or illegal by a court of competent jurisdiction, then such provision shall be severed from this MOU, but the remainder of this MOU shall remain in full force and effect. The parties hereto shall immediately commence to negotiate for the purpose of replacing any such invalid or illegal provision.

If any change is made in any federal or state law, or in any rules and regulations implementing such legislation, or in any City Charter provision or Santa Monica Municipal Code provision that would be applicable and contrary to any provision in this MOU, then such provision shall be automatically terminated, but the remainder of this MOU shall remain in full force and effect. Such legislation or rules and regulations shall supersede this MOU and applicable clauses shall be substituted for those ruled invalid or illegal. The parties hereto shall immediately commence to negotiate for the purpose of replacing any such invalid or illegal provision.

1.11 Captions for Convenience

The captions in this Agreement are for convenience only and are not a part of this MOU and do not in any way limit, define, or amplify the terms and provisions of this MOU.

1.12 Equal Employment and Non-Discrimination

MTA and the City agree to adhere to the workplace policies set forth in the City of Santa Monica Administrative Instructions regarding anti-discrimination and anti-

harassment, and applicable federal and state anti-discrimination and equal employment opportunity laws.

Employees shall not be subject to intimidation, retaliation, coercion, or discrimination for exercising their legitimate rights under these policies.

1.13 Definitions

The following definitions apply in the interpretation of this MOU:

- A. “Base Rate” means the hourly rate for the employee’s salary step, excluding any special assignment, bonus pays, or other compensation.
- B. “Completed Calendar Month of Service” means a calendar month in which an employee has been in pay status for 88 hours in two consecutive biweekly pay periods.
- C. “Date of Entrance Anniversary” means the date that recurs annually after the date of entry into a position in the Classified Service of the City, either by original employment, re-employment, or promotion. The date of entrance anniversary for employees with broken service is the date on which the last unbroken service was effective.
- D. “Exempt Employee” means an employee who occupies a position in a classification that the City has determined to be exempt from overtime as defined in the Fair Labor Standards Act (FLSA).
- E. “Full-Time Work Week” means 40 hours.
- F. “In Pay Status” means earning pay.
- G. “Line-item position” means a position that is:
 - 1) specifically itemized in the personnel schedule of the annual budget of the City; and
 - 2) eligible to accumulate vacation, sick leave, and other time off in proportion to the percentage of the full-time 40-hour week. Other fringe benefits shall be provided to part-time employees as if they were employed on a full-time basis.
- H. “Nearest Dollar” means the next lower dollar when the computed amount is \$0.49 or less and the next higher dollar when the computed amount is \$0.50 or more.
- I. “Pay” means compensation for regular hours worked, sick leave, vacation, bereavement leave, holidays, management leave days, and jury duty.

- J. "Permanent Employee" means:
- 1) An employee who is an incumbent of a line-item position (i.e., a job classification set forth in Exhibit A), full- or part-time; or
 - 2) An employee who is an incumbent of a line-item position on authorized leave of absence from his or her position, which position is being held pending the employee's return.

The term "permanent employee" shall not be construed to imply a guarantee of continued employment. However, no permanent employee shall be denied the right to those due process protections appropriate to his/her status under the Municipal Code, City Charter, and applicable state law.

- K. "Salary Range" means the normal five steps (1 through 5) hourly or monthly pay scale (and the biweekly equivalent) assigned to each job classification.
- L. "Salary Range Steps 1 through 5" for each job classification means and is established to bear the following percentage relationship to Salary Range Step 5 computed to the nearest dollar. Normal progression through the range toward Step 5 shall be in annual step increments contingent on satisfactory service.

Step 1 - 81% of Step 5
Step 2 - 85% of Step 5
Step 3 - 90% of Step 5
Step 4 - 95% of Step 5
Step 5 - 100%

- M. "Satisfactory Service" means the attainment of an overall rating not less than "Meets Overall Standards" on the performance evaluation report associated with the employee's most recent date of entrance anniversary.

1.14 Overpayment Remedy

Permanent employees shall reimburse the City for any overpayment of wages or benefits. Said reimbursement is not required until the City notifies the affected employee in writing. Reimbursement may be accomplished by a lump sum deduction made on the employee payroll warrant following the overpayment notification, or by other reasonable repayment method mutually acceptable to the employee and the City, except that the lump sum deduction is required if the following employee payroll warrant is the final or termination warrant issued to the affected employee.

1.15 Payments at Termination

When a permanent employee leaves the service of the City, that employee is entitled to lump sum payoff of vacation leave and any unused cashable floating

holiday or cashable MOU (i.e., management leave) days. No claim may be made against the City for the use or payment of unused sick leave nor can the effective date of termination be extended by the use of sick leave, vacation or other leave days.

1.16 Compensation and Benefits for Part-Time Employees

Employees who are employed in a work week less than that defined as the full-time work week shall be compensated in that proportion of the compensation for full-time employment as the number of hours budgeted for that position bears to the full-time work week. Compensation shall include base salary, management incentive pay, and any bonuses or other types of compensation provided by this Agreement.

Employees who regularly work less than the full-time work week shall accrue vacation, sick leave, management leave, and other time off in the same ratio as the average number of hours they work per week is to the full-time work week for the position occupied. Other fringe benefits shall be provided to part-time employees as if they were employed on a full-time basis.

ARTICLE II: COMPENSATION

2.01 Effective Date of Pay Increase

Notwithstanding any other provision contained in this MOU, changes to the salary range and salary-related benefit changes are effective on the first day of the payroll period closest to the effective date stated herein. If the effective date falls on the Sunday in the middle of a pay period, the effective date shall be the first day of the following payroll period.

2.02 Salaries

Salaries of employees shall be on a monthly rate, paid on a biweekly equivalent basis. In lieu of the biweekly equivalent to a monthly rate, the City Manager may fix the compensation of any position at an hourly rate. In positions for which the work week is 40 hours, the hourly rate shall be determined by dividing the biweekly rate by 80.

- A. Effective July 1, 2017, the base salaries of employees shall be increased by 1.7%.
- B. Effective January 1, 2019, the base salaries of employees shall be increased by 1.5%.
- C. Effective January 1, 2020, the base salaries of employees shall be increased by 1.5%.
- D. Equity adjustments will be conducted in accordance with Exhibit B to this agreement.

2.03 Overtime

Employees covered herein are exempt employees under the Fair Labor Standards Act (FLSA) as applied to public agency employees. As a result, employees do not have to account for their work time on an hourly basis and only need to account for each full day of absence that occurs on a regularly scheduled work day. Employees covered herein, as exempt employees, are not eligible to accrue compensatory time or be paid overtime.

2.04 Promotional Pay Rate

If an employee is promoted and his/her salary is equal to or greater than the entrance salary of the promotional classification, the employee's salary shall be increased to the next higher salary rate that provides a minimum 5% salary increase, provided, however, that in no event shall the salary rate exceed the maximum salary rate for the new classification. If the promotion is to a supervisory position, the employee promoted shall receive not less than the next higher salary rate that provides a minimum 5% increase above the highest salary rate being paid

to any subordinate, provided, however, that in no event shall the salary rate exceed the maximum salary rate for the new classification.

2.05 Reclassifications

Reclassifications will be conducted in accordance with Exhibit B to this agreement.

2.06 Y-Rating

When a personnel action, e.g., demotion due to a reorganization or reclassification, results in the lowering of the salary range of a permanent employee, the employee's salary shall be Y-rated. "Y-rated" means the maintenance of the employee's salary rate at the level effective the day preceding the effective date of the personnel action placing the employee in a lower salary range. The employee's salary shall remain at such level until the salary range of the new classification equals or exceeds the Y-rated salary.

An employee whose position is abolished shall be demoted to the highest position under the employee's supervision for which he/she qualifies and subject to the "Y-Rating" provisions above. The employee shall be represented by the recognized employee organization that represents the bargaining unit that includes the job classification into which the affected employee has been transferred as the result of a personnel action and the employee shall be covered by the terms and conditions of the Memorandum of Understanding between the City and that recognized employee organization. This paragraph shall not apply to employees hired after July 1, 2017, who did not ever occupy a position in a lower paid job classification with the City and who are demoted during their first five years of employment.

An employee who has been demoted into a lower paying classification in lieu of a layoff shall not have his or her salary subject to Y-rating and, instead, shall receive the salary applicable to the lower paying classification to which he/she demoted.

2.07 Pay for Serving in a Higher Job Classification

- A. If a position is temporarily vacant due to the vacation, long-term sick leave, or other temporary absence of an employee in a higher classification, with said absence to be a minimum of 14 consecutive calendar days, the employee temporarily assigned shall receive the salary rate for the vacant classification at the lowest salary step that provides an increase of at least 5% percent over his/her current salary for all such work days assigned in the higher classification. If the assignment was not projected to be a minimum of 14 consecutive calendar days, but ends up being at least 14 consecutive calendar days in length, the employee filling that higher classification will receive the higher rate of pay, as spelled out in this Subsection, retroactive to the first day of the assignment. The City shall not rotate employees in and out of the higher job classification assignments in order to avoid paying said compensation.

- B. If the position to be filled is vacant and there is no valid eligible list for the classification, the Department Head or City Manager, if he/she has initiated procedures to fill the vacancy on a permanent basis, may assign an employee who meets the minimum qualifications of the vacant position to fill the position on a temporary (i.e., "acting") basis. The employee so assigned shall receive the salary rate for the vacant classification at the lowest salary step that provides an increase of at least 5% over his/her current salary. If an eligible list exists for the vacant position, the Department Head shall appoint an employee from the eligible list at the earliest possible date, and the provisions of this paragraph shall apply to the employee assigned to cover the vacancy in any interim period.

Nothing in this section requires the City to make temporary assignments of employees.

- C. If a position within the unit of representation remains unfilled for more than 6 months, any represented employee who is required to perform a significant portion of duties attendant to that unfilled position in addition to a significant portion of duties attendant to his or her regular position shall receive additional compensation equal to 5% of his or her base salary while performing those extra duties. The additional compensation will commence the pay period following the beginning of the 7th month. Employees will not qualify for this additional compensation if another employee is acting in his or her regular position.

2.08 Signing Bonus

A signing bonus program will be in effect for hard to fill positions, as determined by the City. The City shall have the right to change the status of a position that has been designated as a hard to fill position to one that no longer qualifies for that designation. If the City determines that a position previously designated as a hard to fill position is no longer hard to fill, the signing bonus for that position shall be discontinued. If this should occur, the City will notify MTA, in writing, before making the change.

Under this program, a new hire for the designated position will be entitled to receive a signing bonus upon being hired by the City. The signing bonus will be equal to ten percent (10%) of the employee's annual base salary. The recipient of a bonus shall be required to commit to at least twelve (12) months of service with the City following the date on which the bonus is paid. In the event the recipient of the bonus should separate from the City within less than twelve (12) months following receipt of the bonus, he/she shall be required to reimburse the City for the full amount of the bonus. An employee will only be entitled to receive one (1) signing bonus during his/her tenure with the City. The one-time signing bonus limitation would also apply in those cases where an employee is reinstated into, or rehired to fill, a position that has been designated by the City as a hard-to-fill position and has already received a signing bonus.

Payments made under this Section shall be lump sum payments and will not be added to the employee's base salary. The bonus shall be reported to PERS as compensation earnable, if allowed by PERS. It is expressly understood and agreed that the incentive payments described in this Section do not constitute a generally granted increase under Section 1100 of the City Charter and the Santa Monica Municipal Code and that denial of such payment does not constitute a demotion.

ARTICLE III: SUPPLEMENTAL BENEFITS

3.01 Health Insurance Programs

A. Medical Insurance

The medical insurance provision for employees is set forth in an Umbrella Agreement between the City and a coalition comprised of the following employee organizations that are recognized by the City to represent non-sworn City employees: Administrative Team Associates (ATA), Management Team Associates (MTA), Municipal Employees Association (MEA), Public Attorneys Union (PAU), Public Attorneys' Legal Support Staff Union (PALSSU), Supervisory Team Associates (STA), International Brotherhood of Teamsters, Local 911 (Teamsters), SMART-TD, members of the Executive Pay Plan (EPP), and members of the Confidential Unrepresented Employees Pay Plan (CUE).

Upon written notification from MTA, the City shall establish a Post-Employment Health Plan (PEHP) for employees. There shall be no City-paid contributions into the PEHP. Contributions to said plan shall be made by MTA employees through payroll deduction. MTA shall notify the City as to the amount to be contributed by each MTA employee into the PEHP.

B. Dental Insurance

Dental insurance coverage shall be provided at no cost to the employees and their eligible dependents, provided that employees participate in the City-offered dental insurance programs. The City retains the right to change the provider of this benefit.

C. Vision Insurance

The City agrees to continue to provide vision care insurance, at no cost, to employees and their eligible dependents, provided that employees participate in the City-offered vision insurance plan. The City retains the right to select the provider and to set the levels of coverage for said vision care insurance plan. The City also retains the right to change the provider of said vision insurance plan and/or the level of benefits provided under that plan without meeting and conferring.

3.02 Retirement

The City is a contract member of the California Public Employees' Retirement System (CalPERS), and it is understood and agreed that such membership will be maintained and that employee eligibility, classification, contributions, and benefits are as prescribed in the contract between the City and CalPERS approved by the Santa Monica City Council. The terms and conditions regarding CalPERS retirement and optional benefits for miscellaneous employees are set forth in the Umbrella Agreement between the City and the Coalition of recognized employee organizations, as identified in Section 3.01.A.

- A. Tier 1 employees hired by the City before July 1, 2012, are provided the following retirement benefits:
 - 1. The 2.7% @ 55 benefit formula with a final compensation period calculated as the 12 consecutive months of compensation earnable selected by the employee, as specified in California Government Code Section 20042.
 - 2. The City pays the entire member contribution equal to 8% of compensation earnable and reports the value of that employer-paid member contribution (EPMC) to CalPERS as compensation earnable pursuant to California Government Code Section 20636(c)(4). In return, each employee shall contribute to the City the added cost resulting from paying employer and employee retirement contributions on the EPMC, which is an amount equal to the product obtained by multiplying the value of the EPMC by the sum of 8% plus the City's prescribed annual contribution rate to CalPERS.
 - 3. Employee contributions include (1) a portion of the required employer contribution equal to 6.7% of compensation earnable as cost-sharing pursuant to Government Code Section 20516(f) and (2) the cost for the enhanced benefit of EPMC as described in Section 3.02.A.2.

- B. Tier 2 employees hired by the City on or after July 1, 2012, are provided the following retirement benefits:
 - 1. The 2% @ 55 benefit formula with a final compensation period based upon the highest annual average compensation earnable during the 36 months immediately preceding the effective date of retirement or another 36 consecutive month period designated by the employee, as specified in California Government Code Section 20037.
 - 2. Employee contributions include the entire required member contribution equal to 7% of compensation earnable.

- C. Employees hired on or after January 1, 2013, who are “new members” as defined in the Public Employees’ Pension Reform Act of 2013 (Gov. Code, § 7532.04(f)), are provided the following retirement benefits:
1. 2% @ 62 benefit formula with a final compensation period based upon the highest annual average compensation earnable during the 36 months immediately preceding the effective date of retirement or another 36 month period designated by the employee in accordance with Government Code Section 7532.32.
 2. “New members” shall be required to contribute at least one-half of the total normal cost as calculated and established in the annual CalPERS valuation report. Should the total normal cost of the plan change by one percent or more from the base total normal cost established for the plan, the new member rate shall be 50% of the new normal cost rounded up to the next highest quarter percent.

The terms and conditions pertaining to other optional CalPERS benefits, including but not limited to Fourth Level of 1959 Survivor Benefit as set forth in Government Code Section 21574 and the Pre-Retirement Optional Settlement 2 Death Benefit as set forth in Government Code Section 21548, will apply to all employees.

3.03 Tuition Reimbursement

The City will reimburse each permanent full-time employee for the cost of tuition and required study materials for career improvement or job enhancement courses approved by the Department Head and subject to appeal to and approval of the Director of Human Resources or his/her designee. Reimbursement shall equal the total cost of tuition (exclusive of lodging and meals) and the total cost of required study materials, provided, however, that:

- A. The maximum annual amount of reimbursement per employee shall not exceed \$2,500 per fiscal year.
- B. The course of study must be approved in advance by the employee’s Department Head and the Director of Human Resources or his/her designee and must be taken through an accredited university.
- C. The course must be directed to qualify the employee for employment in a position represented in the City work force or to enhance current job skills.
- D. The employee must exhibit some reasonable expectation of qualifying for the new position upon successful completion of the study course if that was the reason for the course.
- E. The tuition and other covered expenses shall be paid in advance by the City upon the pre-authorization of the course by the Department Head and the Director of Human Resources or his/her designee.

- F. In no event shall the City's reimbursement be reduced when there is an outside source of aid, except in those cases where the aid from any outside source, plus the normal City reimbursement, exceeds the cost of tuition and study material for the approved study course.
- G. Only full-time employees who have completed a probationary period with the City are eligible for this program.
- H. Courses for which tuition reimbursement will be made must be taken on the employee's off-duty time or on authorized vacation leave.
- I. The procedure to be followed with regard to the administration of the tuition reimbursement program shall be established by the Human Resources Department.
- J. If the employee does not pass the pre-authorized course or separates from City employment before completing the course, the employee is required to reimburse the City for any payment made by the City under this provision.

3.04 Supplemental Retirement Plans

The City shall establish and maintain a deferred compensation plan pursuant to the provisions of Section 457 of the Internal Revenue Code. Each employee, at his or her sole discretion, may defer and have deposited into the City's 457 plan a portion of his or her compensation up to the maximum amount permitted by law. Effective October 1, 2019, the City shall contribute \$68 per month on behalf of each employee to this deferred compensation plan.

The City shall establish and maintain a pension plan pursuant to the provisions of Section 401(a) of the Internal Revenue Code. Each employee has agreed to contribute \$475 per month into the 401(a) plan through December 31, 2011. Effective January 1, 2012, each employee has agreed to contribute 3.8% of his or her monthly salary into the 401(a) plan. This contribution will not reduce the employee's compensation for the purpose of calculating performance bonuses or any other payments that are based on the employee's base rate. Upon written notification from MTA, the amount that each employee contributes per month into the 401(a) plan can be changed. Employees who do not wish to contribute to the plan have a one-time option to opt out effective January 1, 2012. Employees who exercise their right to opt out cannot opt back in during the lifetime of the plan. The enrollment status of the participant (active contributor or opt-out non-participant) as of January 1, 2012, will remain in effect for the lifetime of the plan. New hires, upon initial eligibility for enrollment into the plan, have the one-time option to opt out for the lifetime of the plan.

3.05 Mileage Reimbursement & Energy Conservation

Reimbursement to employees for the authorized use of a private vehicle for City business shall be made pursuant to the City's Mileage Reimbursement Administrative Instruction.

Employees are encouraged to participate in one of the City Rideshare programs.

3.06 Employee Assistance Program

The City agrees to provide an employee assistance program, at no cost, to permanent employees and their eligible dependents.

3.07 Term Life Insurance

The City will provide and maintain for each permanent employee a term life insurance plan, with individual coverage of twice the employee's annual base salary. The term life insurance premium will be provided to employees at no cost. Employees will be responsible to pay any tax liability through payroll deductions as a result of this fringe benefit.

3.08 Long-Term Disability Insurance

The City agrees to maintain a long-term disability plan for permanent employees, at no cost to the employee. Coverage shall be maintained under current terms. The maximum salary upon which benefits are calculated shall be \$8,333 per month.

3.09 Sick Leave Cash Out

Employees have the annual option to be paid for certain unused sick leave on the terms noted below or to "bank" unused sick leave. An employee can also elect to split the number of sick leave days subject to buy back and can designate that a portion of those days, as specified by the employee, be placed in the employee's sick leave bank as opposed to being cashed out.

Payment at the employee's base rate for the fiscal year during which the sick leave was earned but not used shall be made only to employees who are in pay status during the last payroll of the fiscal year as defined by the Finance Department. To qualify for payment, an employee must have a sick leave "bank" of at least 12 days. For the purposes of this section, "bank" means sick leave earned in prior years and reported in the "Sick Leave Balance Brought Forward from Prior Contract Year" column of the "Vacation, Sick Leave and Compensatory Time" report issued by the Finance Department at the beginning of the fiscal year during which payable sick leave is earned.

Annual sick leave payoffs under this Section for employees with less than ten years of service shall be made according to the following schedule:

<u>Sick Leave Hours Used In the Fiscal Year</u>	<u>Sick Leave Hours Payable At Fiscal Year End Up To</u>
16 or less	72
24	40
32	32
40	24
48	16
56	8
64 or more	0

Annual sick leave payoffs under this Section for employees with ten or more years of service shall be made according to the following schedule, provided that there are enough sick days accrued in the employee's sick leave bank to cover the payoff described below:

<u>Sick Leave Days Used In the Fiscal Year</u>	<u>Sick Leave Days Payable At Fiscal Year End Up To</u>
16 or less	96
24	88
32	80
40	72
48	64
56	56
64	48
72	40
80	32
88	24
96	16
104	8
112 or more	0

The use of Code 40 or other time off not appropriately scheduled in advance disqualifies an employee from eligibility for payment under this section. An exception to this provision is the use of Code 40 for time off in accordance with the Family School Partnership Act, as described in Section 4.12 of this Agreement.

Sick leave for which payoff is received is considered "used" in that it will not be added to the "bank" (or, if added to the "bank" prior to the payoff date, shall be removed from the "bank").

Sick leave payoffs under this section shall be made by separate check by the end of July following the fiscal year in which the payable sick leave was earned.

For the purposes of this section, sick leave days subject to payoff at the end of the fiscal year shall be paid on the basis of eight hours' pay, at the employee's base rate, for each sick leave day eligible for payoff.

3.10 Professional Development Program

Employees are eligible to attend, at City expense, professional seminars, conferences, and workshops, inclusive of reasonable travel, parking, and accommodation expenses, provided that the seminar or workshop meets the following criteria as determined by the employee's Department Head: (1) is related to the employee's job duties and responsibilities; (2) the cost of the training is reasonably related to the benefit of the training to the City; and (3) the employee has received the prior approval of his/her Department Head. Training tapes, books, and pamphlets may be acquired under the terms of this Section provided that such materials remain the property of the City.

3.11 Professional Dues

The City agrees to pay the dues of an employee who belongs to professional organization(s) in his/her career field, provided that the following criteria as determined by the employee's Department Head are met: (1) the professional organization is related to the employee's job duties and responsibilities; (2) the cost of the dues is reasonably related to the benefit to the City as a result of the employee's membership in said organization(s); and (3) the employee has received the prior approval of his/her Department Head for the payment of the dues.

3.12 Annual Physical Exam

Employees are eligible to receive an annual physical examination at City expense through the City-provided program. Employees may also use their own personal physician for this examination, with the employee being responsible for any costs that exceed the cost of the City-offered program.

ARTICLE IV: LEAVES

4.01 Paid Holidays

- A. Employees receive paid holidays as provided below:
- New Year's Day - January 1
 - Martin Luther King's Birthday - Third Monday in January
 - Presidents Day - Third Monday in February
 - Memorial Day - Last Monday in May
 - Independence Day - July 4
 - Labor Day - First Monday in September
 - Thanksgiving Day - Fourth Thursday in November
 - The Friday following Thanksgiving Day
 - The Half Day immediately before Christmas Day
 - Christmas Day - December 25
 - The Half Day immediately before New Year's Day
 - One non-cashable floating holiday
 - One cashable floating holiday
 - All other holidays declared by the City Council
- B. A non-cashable floating holiday becomes available as of January 1st. Only those employees who are on the payroll as of January 1st are entitled to receive the non-cashable floating holiday for that fiscal year. The non-cashable floating holiday must be taken before the end of the fiscal year. If the non-cashable holiday is not taken by the end of the fiscal year, the holiday cannot be cashed out and is forfeited.
- C. A cashable floating holiday becomes available at the beginning of each fiscal year and must be taken before the end of that fiscal year. Only those employees who are on the payroll at the beginning of the fiscal year are entitled to receive the floating holiday for the fiscal year. A floating holiday not taken by the end of the fiscal year may be paid to the employee if the employee enters the day on his/her final time card for the fiscal year. If the employee elects to be paid for the floating holiday at the end of the fiscal year, he/she will be paid eight hours of pay at the employee's base rate. Failure to take the floating holiday or to put the holiday on the last time card for the fiscal year shall constitute a forfeiture by the employee.
- D. When a holiday falls on an employee's regularly scheduled day off, that employee will receive as holiday compensation a non-cashable floating holiday. This non-cashable floating holiday must be used by the end of the fiscal year and will not carry over from one year to the next.
- E. Employees in departments or divisions observing different holiday schedules shall, in lieu of holidays listed above, receive holidays enjoyed

by other operating employees in that department or division, provided, however, that the same number of holidays (12) shall be observed.

The Library is open on the Friday following Thanksgiving Day. In recognition of this, a second cashable floating holiday becomes available to MTA employees who work in the Library. Only those employees who are on the payroll on the Friday following Thanksgiving Day are eligible to receive the second cashable floating holiday. The same provisions outlined in Subsection C. apply.

4.02 Vacation Leave

Employees accrue vacation leave with pay on the following basis:

- A. Following completion of the first six calendar months of continuous service, six working days.
- B. Thereafter, up to and including five completed years of service, one working day for each completed calendar month of service.
- C. Thereafter, up to and including ten completed years of service, 1.25 working days for each completed calendar month of service.
- D. Thereafter, up to and including 15 completed years of service, 1.5 working days for each completed calendar month of service.
- E. Upon completion of 15 years of service and thereafter, 1.75 working days for each completed calendar month of service.
- F. At the City Manager's discretion, a newly hired employee who is covered by this MOU, based on the terms and conditions of the employee's previous employment, may be granted a vacation accrual rate that exceeds that listed above.
- G. Employees are expected to take their vacation each year. An employee who has accrued vacation to the maximums prescribed in this section may be required to take vacation leave in order to reduce the accumulation balance. The scheduling of vacation shall be according to department or division policies and contingent on the service needs of the department and will not be unreasonably denied.
- H. Accrual of vacation leave shall not exceed three times the employee's annual accrual of vacation.
- I. Except as provided herein, the administration or application of vacation leave provisions and the limitations on the accumulation, proportionate accumulation, scheduling, and payment for such leave shall be as

prescribed in the civil service provisions of the Santa Monica Municipal Code.

- J. If an employee receives a payoff for any unused accrued vacation days, said days shall be paid on the basis of eight hours' pay, at the employee's base rate at the time of the payoff, for each vacation day eligible for payoff.
- K. An employee will be allowed to accrue up to ten days or 80 hours of personal leave if he/she reaches his/her vacation accrual limit and ceases to accrue vacation. The accrual rate for personal leave shall be the same as the employee's vacation accrual rate. The accrual of personal leave is not limited to a one-time accrual. The personal leave can be carried over from year to year, but cannot be cashed out when the employee separates from City employment.
- L. Employees have the option to cash out accrued vacation leave based upon the years of service completed at the time of the exercise of the option on two occasions each calendar year (on or about July 1 and the last paycheck in December), as follows:

<u>Years of Service Completed</u>	<u>Maximum number of cashable hours</u>
Less than 5 years	Up to 30 hours
5 years or more	Up to 60 hours

In order to exercise the cash-out option with respect to the July cash-out, an employee must, before the end of the preceding calendar year, designate up to the applicable maximum number of hours that he/she would like to cash out effective on or about July 1st. If the employee fails to make a timely designation, he/she will not be allowed to cash out any hours at that time.

In order to exercise this option with respect to the December cash-out, an employee must, before the end of the preceding calendar year, designate the number of hours, up to the applicable maximum number of hours allowed, that he/she would like to cash out effective the last paycheck in December. If the employee fails to make a designation, he/she will not be allowed to cash out any hours at that time.

Once an employee has elected to participate in the Vacation Cash-Out Program, the total number of hours designated for cash-out will be automatically processed and paid. If an employee has a lower balance of vacation hours than the designated number of vacation hours, only available vacation hours at the time of cash-out will be processed.

4.03 Sick Leave

The use of sick leave shall be as defined in the Santa Monica Municipal Code, hereby incorporated as if set forth in full herein, except as follows:

- A. Sick leave is defined as absence from duty because of the employee's illness; the employee's off-the-job injury; exposure of the employee to contagious disease as evidenced by certification from an accepted medical authority; medical or dental appointments of the employee or the employee's dependent children that could not be scheduled during non-work hours, with proper advance notification to the employee's supervisor; or illness or injury of the employee's spouse, children, parents, or other family members as provided under applicable law. For the purposes of this section, an employee's domestic partner and the children of the employee's domestic partner are covered by this provision.
- B. Employees accrue sick leave with pay on the following basis, provided that permanent part-time employees accrue sick leave in that proportion as the number of hours budgeted for the position bears to the full-time work week: one working day for each completed calendar month of service.
- D. A new (probationary) employee may use sick leave, accrued one working day per month, during the first six months of continuous service with the City. If the employee separates prior to completing six months of continuous service with the City, he or she shall be required to reimburse the City for any sick leave that was paid during the first six-month period unless provided otherwise by a Resolution or Memorandum of Understanding adopted or approved by the City Council.
- C. At the City Manager's discretion, a new employee may, based on the terms and conditions of the employee's previous employment, be granted a lump sum number of sick leave days upon his/her employment with the City.
- D. Any employee who is absent because of illness or disability shall notify his/her Department Head or other immediate superior officer as soon as possible but in any event in accordance with department rules and regulations.

4.04 Leave of Absence Without Pay

A permanent employee may be granted a leave of absence without pay upon application approved by the Department Head and the City Manager. Such leave may not exceed one year. Upon expiration of the leave, the employee shall be reinstated to the position held before the leave was granted. Such leave shall be granted only in those cases where an employee's record of service and qualifications make it desirable for the City to retain the employee's services even at the cost of some inconvenience to the City.

4.05 Military Leave

The City will observe the military leave requirements of applicable state and federal law.

4.06 Workers' Compensation Leave

An employee who is receiving disability payments under the "Workers' Compensation Act of California" (for on-the-job injuries sustained while engaged in the performance of the duties of any such position) shall receive from the City, during the first 30 calendar days of such disability absence, payments in an amount equal to the difference between the disability payments received under the Workers' Compensation Act and the employee's full salary. For the next 30 days of such disability absence, the employee shall receive from the City a payment in an amount equal to the difference between the disability payments received under the Workers' Compensation Act and 75% of the employee's salary. Such payments by the City shall be made without any deduction from the employee's accrued sick leave benefits. The City's obligation to make such payments does not commence until the third day of such disability absence.

If the City negotiates changes to the Workers' Compensation leave program that would affect all other City bargaining units, with the exception of those represented by SMPOA, Local 1109, and SMART-TD, those changes shall apply to the employees covered under MTA on the same effective date.

4.07 Jury Duty

An employee who is duly called to serve on any jury and is unable to be excused therefrom, shall receive his/her regular base rate less all jury fees received, excluding mileage for the time required to be spent in court, provided that the employee will be so paid for jury service for a maximum of ten work days. Each employee receiving a notice to report for jury service shall immediately notify his/her immediate supervisor. Whenever daily jury duty scheduling permits, employees shall return to their regular daily job assignment to complete their regular daily work hours.

If an employee is called for jury service for more than ten work days, the employee may request that the Director of Human Resources extend the time period for which the employee will be paid for jury service beyond the ten-work day period. The Director of Human Resources shall not unreasonably refuse to grant any such request.

4.08 Bereavement Leave

Bereavement leave of not more than five working days with pay shall be provided for absence from duty due to the death of the employee's immediate family, meaning the employee's: spouse, domestic partner, child, stepchild, child of the employee's domestic partner, brother, sister, parent, stepparent, stepbrother, stepsister, parent-in-law, son-in-law, daughter-in-law, grandparent, and grandchild.

Bereavement leave of not more than three working days shall be provided for absence from duty due to the death of other family members to include the

employee's sister-in-law, brother-in-law, spouse of stepchild, stepparent of spouse, uncle, aunt, niece, and nephew. Use of additional appropriate leave (vacation, sick, or personal leave) shall not be unduly denied for additional absence from duty beyond that provided above.

4.09 Management Leave

Each employee is entitled to six non-cashable management leave days. The non-cashable management leave days are available July 1st of each fiscal year. Only those employees who are on the payroll as of July 1st are eligible to receive the non-cashable management leave days for that fiscal year. Only three of the six non-cashable management leave days may be carried over from year to year if not used in any given fiscal year. The employee shall not be compensated for unused non-cashable management leave days at the end of the fiscal year.

Each employee is entitled to one cashable management leave day. Effective July 1, 2018, each employee shall be granted an additional cashable management leave day. The cashable management leave days are available July 1st of each fiscal year. Only those employees who are on the payroll as of July 1st are eligible to receive the cashable management leave day. Payment equivalent to the employee's base rate as of June 30th for any unused cashable management leave days is payable to the employee at the end of the fiscal year, only upon the employee's request. The employee will be paid eight hours of pay at the employee's base rate. Failure to take the cashable management leave or put it on the last time card for the fiscal year shall constitute a forfeiture by the employee.

4.10 Parental Leave

Employees who demonstrate that they have primary responsibility for the care of a new child are entitled to a leave of absence totaling up to four months immediately following the child's birth or adoption. Upon expiration of the leave, the employee shall be returned to the same line-item position occupied prior to the leave. Paid vacation leave, personal leave, and sick leave, if applicable, and unpaid leave, shall be counted toward the four-month total. Additional leave may be requested under Section 4.04.

In the event of a conflict with state or federal law, the City will comply with applicable state or federal law.

Maternity leave is not the same as parental leave and shall be administered in accordance with applicable state and federal law. When an employee returns to work following maternity leave, the employee shall be reinstated to her former position.

4.11 Family and Medical Leave

The City shall comply with the federal Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA).

When granted FMLA and/or CFRA leave, the employee may choose to use available accrued sick leave at his/her discretion; however, except for sick leave, the employee is required to exhaust all other available leave time, if applicable, before he/she can go on unpaid status.

4.12 Work/Family Issues

The City will comply with the Family School Partnership Act, set forth in Labor Code Section 230.8, as it pertains to public sector employers.

ARTICLE V: WORKING CONDITIONS

5.01 Effect of Job Performance on Salary

Normal placement on entry shall be at Step 1 of the salary range and advancement through the range shall normally be to Step 2 at one year of employment, Step 3 at two years of employment, Step 4 at three years of employment, and Step 5 at four years of employment.

The City Manager, in exceptional cases, based upon specific appraisal of the importance and difficulty of the work and the experience and ability of the person to be employed, or of the employee, may authorize entrance salaries higher than the minimum, and special increases above the amount prescribed in the salary schedule for the class and length of service of the employee. In no event, however, shall the rate exceed the maximum rate for that classification.

Notwithstanding any provision contained herein, there will be no increase in salary as a result of a NOT ACCEPTABLE rating on the employee's prescribed periodic performance evaluation. There will be no subsequent increases in salary until the NOT ACCEPTABLE rating has been improved to at least the MEETS OVERALL STANDARDS level. Any overall rating in the BELOW SATISFACTORY category may delay the next scheduled salary step increase at the discretion of the Department Head. Such action shall remain in effect until the overall rating has been improved to at least the MEETS OVERALL STANDARDS level.

5.02 Employee Parking

Employees shall be provided with a parking location and parking card or other identification placard to park in City workplaces. In order to encourage employees to commute using alternative means of transportation other than single occupancy vehicle (SOV) driving, a parking cashout incentive shall be offered. Each MTA member shall have the option to commit to a non-SOV driving form of transportation as her/his principal mode of transportation and forego receiving a card or other parking identification placard in exchange for a monthly payment (cashout) in the amount of \$100. Employees will not be eligible for cashout if they drive alone (SOV) to work and park in an alternative location to their designated parking location.

In order to facilitate the need for parking cashout participants to drive to work and park occasionally, the City will provide a pay-per-use parking card (or other mechanism based on available technology) upon request by the employee to park in the Civic Center parking facility. The first five uses of the card per month will not be charged. Based on the number of times the employee drives to work alone (SOV) during the month, beginning with the sixth monthly usage of the card, the employee will be charged \$10 per use to be deducted from the following month's cashout payment. Participants receiving the cashout who park in uncontrolled lots will receive a day pass to park when needed. For each day pass issued, beginning

with the sixth used each month, the employee will be charged \$10 per use to be deducted from the following month's cashout payment.

The cashout for the upcoming month shall be paid in the first paycheck of the month and is currently taxable. If tax laws are modified to allow the cashout to be designated as pre-tax, the City will then provide the cashout as a pre-tax benefit. Employees receiving cashout may opt out of the program by notifying the program administrator and a parking card or identification placard shall be issued, which will be valid beginning the first day of the following month, and parking cashout will be cancelled.

This provision does not apply to employees who travel to and from work in a City provided vehicle on a regular basis.

This program will be implemented effective January 1, 2018.

The employees covered by this Agreement recognize that the City must comply with regulations issued by the Air Quality Management District (AQMD) and the City's Transportation Demand Management (TDM) Plan Ordinance. If members of the Bargaining Unit's Average Vehicle Ridership (AVR) is not progressing towards meeting the AQMD or TDM ordinance targets and it becomes necessary to consider charging for parking during the term of this Agreement in order to comply with City, State or Federal requirements regarding transportation management, the City will meet and confer with MTA before any employee(s) would be subject to such a charge.

ARTICLE VI: EMPLOYER/EMPLOYEE RELATIONS

6.01 Payroll Deductions

The City will, with proper authorization from employees, process deductions from employee pay. Any or all such payroll deductions must be submitted to the payroll office during the pay period prior to the start of the deduction. Any or all of such payroll deductions are subject to termination by the City Manager upon 24 hours' notice for failure to comply with the provisions of this MOU.

6.02 Grievance and Complaint Policy

A grievance is a complaint by one or more employees concerning the application or interpretation of the MOU, ordinances, resolutions, policies, practices or procedures affecting the employee's wages, hours or working conditions, provided, however, that grievances regarding disciplinary actions must be lodged by the employee being disciplined and that appeals arising from suspensions, demotions, and removals are subject to the procedures outlined in the Santa Monica Municipal Code, and that complaints regarding performance evaluations are subject to the procedures set forth in Section 6.04 of this Agreement.

The City agrees that employees shall be afforded all due process rights provided under applicable law.

MTA agrees that the rights of probationary employees are limited to those provided under the Santa Monica Municipal Code or City Charter.

- Step 1. The aggrieved employee(s) shall meet with the immediate supervisor regarding the grievance, which must be stated in writing, specifically citing the MOU provision, ordinance, resolution, rule, policy, practice, or procedure that is the subject of the grievance and the circumstances giving rise to the grievance within 30 days of the event giving rise to the grievance.
- Step 2. If the grievance is not resolved by the end of the employee's third regularly scheduled work day following the day on which presentation of the grievance to the immediate supervisor occurred, the employee may, within five regularly scheduled work days, thereafter appeal to the second level supervisor, if any.
- Step 3. If the grievance is not resolved by the end of the employee's fifth regularly scheduled work day following presentation of the grievance to the second level supervisor, if any, the employee may, within five regularly scheduled work days, appeal to the Department Head. The Department Head shall meet with the employee and the employee's representative, if any, to attempt to resolve the grievance.

- Step 4. If the grievance is not resolved by the end of the employee's tenth regularly scheduled work day following presentation of the grievance to the Department Head, the employee may, within five days, appeal to the Director of Human Resources, who will investigate the grievance and make recommendations to the City Manager, whose decision shall be final. The decision of the City Manager shall be issued no later than the end of the thirtieth day following presentation of the grievance by the Director of Human Resources.

It is mutually understood and agreed that:

- A. All time periods in this Section may be extended by mutual consent of the employee and the management representative involved.
- B. A grievance shall be considered untimely if not presented by the employee or MTA within 30 days of the incident giving rise to the grievance or within 30 days of its effect upon the employee in those instances where it is shown that the employee could not reasonably have known of the grievable action.
- C. Employees have the right to be represented in grievance matters in the following manner:
 - 1) Employees have the right to represent themselves individually in grievance matters.
 - 2) Employees may designate a member of the department or of MTA to represent them in grievance matters at Step 1 and Step 2 of the grievance process.
 - 3) Employees may designate a member of the department, an MTA representative, or a legal representative to represent them at Step 3 and Step 4 of the grievance process.
 - 4) For the purposes of this section, "days" shall mean regularly scheduled work days of the employees in the affected department or division.
 - 5) Reasonable time off without loss of pay or benefits shall be given to a grievant or MTA grievance representative to investigate or process grievances, and to witnesses in any grievance hearing or meeting held during working hours.

Before performing any grievance work, MTA representatives, the grievant, or witness shall obtain permission from the immediate supervisor and shall report back to work when the grievance work is completed. Neither the grievant nor representative nor witness shall interrupt or leave work if the supervisor determines that such interruption or absence will unduly interfere with the work of the employee. However, if the supervisor denies such time

off when requested, time off must be granted within 24 hours of such request.

- D. An employee who has initiated a grievance, or assisted another employee in initiating or processing a grievance, shall not in any way be coerced, intimidated or discriminated against.

6.03 Appeal Procedure – Performance Evaluations

Since probationary employees are “at will” until successfully completing their probationary period, only permanent (non-probationary) employees may appeal their performance evaluation, provided that a performance evaluation with “Meets Expectations” or “Exceeds Standards” may not be appealed.

A. General Provisions:

- 1) An appeal of a performance evaluation shall only be considered if it is filed within ten calendar days following receipt of the performance evaluation by the employee.
- 2) All time periods regarding the appeal of a performance evaluation may be extended only by mutual written agreement of the employee or his/her representative and the management representative involved.
- 3) If a management representative does not meet with the employee or render a decision within the time limits specified, the employee may immediately exercise the next step in the performance evaluation appeal process.
- 4) An employee may file a response to his/her performance evaluation at any time during the appeal procedure if he/she decides not to take the appeal to the next level listed in the appeal procedure or is not satisfied with the City Manager’s written decision.

B. An appeal involving a performance evaluation shall be processed as follows:

- 1) If an employee believes that his/her performance evaluation does not correspond to the facts, the employee is encouraged to meet with his/her Department Head.
- 2) First Step

If the matter is not satisfactorily resolved between the employee and his/her Department Head, the employee may attach a response to the performance evaluation to be attached to the employee’s performance evaluation before it is filed in the employee’s personnel

file, or formally appeal his/her performance evaluation to his/her Department Head. The employee must submit his/her appeal to the Department Head within ten calendar days following the employee's receipt of his/her performance evaluation, and the appeal to the Department Head must be submitted in writing, with the employee specifically stating the reasons why he/she believes the performance evaluation needs to be revised.

3) Second Step

The Department Head, or his/her designee, shall meet with the employee within seven calendar days from the date on which the Department Head's office receives the appeal from the employee. The "designee" of the Department Head shall not be anyone who has participated in the employee's performance evaluation that is being appealed by the employee. Within seven calendar days following such meeting, the Department Head, or his/her designee, shall give a written decision to the employees.

- 4) If the employee is not satisfied with the decision of the Department Head, within seven calendar days following receipt of the Department Head's decision, he/she may submit the performance evaluation appeal to the Director of Human Resources. The Director of Human Resources, or his/her designee, shall make such investigation as required and make recommendations to the City Manager no more than seven calendar days following the meeting with the employee. Within seven calendar days following receipt of the Human Resources Director's recommendation, the City Manager shall render a written decision, which shall be final.

C. Representation

- 1) An employee has the right to represent him/herself individually or be represented by MTA if the employee elects to appeal his/her performance evaluation.

6.04 Re-Opener

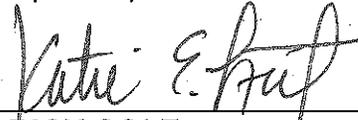
During the term of this agreement, upon request from either the City or MTA, and to the extent required by law, the parties shall meet and confer in good faith regarding implementation of the City's new Payroll/HR program with consideration of possible adjustments to language or processes as they relate to payroll and human resources practices.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed this 2nd day of November, 2017.

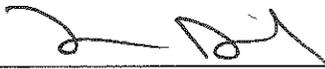
ATTEST:


DENISE ANDERSON-WARREN
City Clerk

CITY OF SANTA MONICA
a municipal corporation

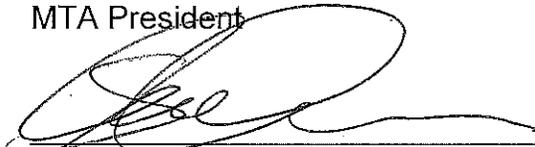
By: 
RICK COLE
City Manager

APPROVED AS TO FORM:


LANE DILG
City Attorney

MANAGEMENT TEAM ASSOCIATION


DEVIN STARNES
MTA President


STELIOS MAKRIDES
Vice-President

Management Team Association (MTA)
MOU 2017-2020, Contract No. 10547 (CCS)

EXHIBIT A

Classifications subject to this MOU include the following:

Accounting Manager
Admin Project Manager
Airport Director
Airport Manager
Assistant City Librarian
Assistant Director-Community & Cultural Services
Assistant Director-Finance
Assistant Director-PCD
Assistant Director-Public Works
Assistant Director-Records & Election Services
Building and Safety Manager
Chief Administrative Officer
Chief Civic Wellbeing Officer
Chief Operations Officer
Chief Sustainability Officer
City Architect
City Engineer
City Traffic Engineer
Code Enforcement Manager
Community & Strategic Plan Manager
Community Broadband Manager
Community Recreation Manager
Cultural Affairs Manager
Customer Experience and Support Manager
Economic Development Manager
Emergency Services Manager
Facilities Maintenance Manager
Financial Operations Manager
Housing Manager
Human Services Manager
Information Security Officer
Infrastructure and Cloud Services Man
Internal Audit Manager
Mobility Manager
Office Administrator
Parking Manager
Pier Manager
Planning Manager
Principal Librarian
Principal Librarian-Information Management
Principal Librarian-Public & Branch Services
Principal Librarian-Reference Services
Public Landscape Manager

Resource Rec and Recycling Manager
Revenue and Collections Manager
Risk Manager

Street and Fleet Services Manager
Sustainability Manager
Systems & Network Manager
Traffic and Parking Manager
Transit Finance and Grants Manager
Transit Government & Community Relations Manager
Transit Maintenance Manager
Transit Safety & Training Manager
Water Resources Manager
Web Development Manager

EXHIBIT B

CLASSIFICATION AND COMPENSATION STUDIES

Classification Study

An employee may request that a classification study be conducted if the employee believes that he/she is being assigned work that is outside the range of his/her normal and regular duties as stated in his/her job classification. The employee may submit a classification study request form and Position Description Questionnaire through his/her immediate supervisor and his/her Department Director to the Human Resources Department. Criteria for completing the study is outlined with the required forms.

If the Human Resources Department finds that the employee has been working outside his/her job classification for the required period of time and that he/she has not been compensated for the out of classification work, the Human Resources Department shall conduct a classification study to determine the appropriate job classification.

Should a reclassification occur, the employee shall be represented by the bargaining unit which represents the job classification to which the affected employee has been reclassified and the employee shall be covered by the terms and conditions of the Memorandum of Understanding between the City of Santa Monica and that bargaining unit.

A reclassification of a permanent employee to a higher level job classification will be considered a promotion and the employee's salary shall be increased to the higher salary rate in the new classification which provides a minimum of a 5% salary increase, provided, however, that in no event shall the salary rate exceed the maximum salary rate for the new classification.

The reclassification of a position to a lower level job classification will not be considered a demotion. If a position is reclassified to a lower level job classification, the salary of the current employee in that classification shall be Y-rated until the step 5 salary of the new job classification equals or exceeds the Y-rated salary.

"Y-rated" means the maintenance of the employee's salary rate at the level effective the day preceding the effective date of the reclassification placing the employee in a lower salary range. The employee's salary shall remain at such level until the salary range of the new classification equals or exceeds the Y-rated salary. (Section 2.06, Y-Rating)

All classification studies shall be conducted by the Human Resources Department in accordance with the City's civil service rules set forth in the Santa Monica Municipal Code and recommendations made to the City Manager or designee, whose decision shall be final. Once a final decision has been made by the City Manager or designee regarding the classification study, the Human Resources Department will provide the Department Director and the employee whose position was studied with a final decision. The Human Resources Department will then notify the affected bargaining units of the classification

and/or compensation study decisions. Reclassifications are subject to the approval of the City Council.

Compensation Study

If there is no dispute whether the job classification accurately reflects the duties being performed by the employee(s) in the classification but the employee(s) believes that the base salary should be adjusted based on how the job classification is paid in the external market, he/she may submit a compensation study request form through his/her immediate supervisor and his/her Department Director to the Human Resources Department.

A given classification covered by this MOU will be eligible to receive an equity adjustment providing that the compensation study conducted by the Human Resources Department substantiates the need for an equity adjustment to bring the salary range of that classification in line with the mean salary paid to the same classification found in comparable cities. Internal equity factors will also be taken into consideration, as deemed appropriate by the Director of Human Resources or his/her designee, when determining whether or not an equity adjustment for a given classification is warranted. The Human Resources Department will be willing to receive and evaluate any salary comparison data that the employee or bargaining unit might want to make available regarding an equity adjustment for a given classification.

In the event there are no comparable positions or an insufficient number of comparable positions, as determined by the Director of Human Resources, the salary range will be based on relevant internal equity alignment factors, as determined by the Director of Human Resources or his/her designee.

Should a compensation study indicate that a given job classification is currently being paid above the mean salary paid to the same classification found in comparable cities, the salary range for current incumbents in that classification will remain unchanged.

Once a final decision has been made by the City Manager or designee regarding the compensation study, the Human Resources Department will provide the Department Director and the employee whose position was studied with a final decision. The Human Resources Department will then notify the affected bargaining units of the classification and/or compensation study decisions.

Equity adjustments described herein will be considered on an annual basis, either as a part of the annual budget process if no MOU negotiations should be occurring during the year in question or as a part of the MOU negotiations process should the MOU be up for negotiations. Like any other salary increase, equity adjustments are subject to the approval of the City Council.

How a classification or compensation study can be initiated:

- A request for a study can be submitted by the employee
- A request for a study can be submitted by the employee's Department Director
- The Director of Human Resources can determine that a study is needed
- During Contract Negotiations

When a classification or compensation study request can be submitted:

- The study request can be submitted at any time during a fiscal year, however, for implementation for the upcoming fiscal year annual budget, the completed request form and Position Description Questionnaire must be submitted to the Human Resources Department by September 1st.
- Studies received after September 1st shall be studied during the next fiscal year's annual budget cycle.

When the results of a classification or compensation study can be implemented:

- Included in an MOU that is up for negotiation
- Included during a budget adopted by City Council
- There will not be a retroactive implementation of any salary changes, unless the MOU is retroactively implemented or the MOU specifies a date for implementation.

A job classification will be studied only if the following criteria are met:

- There has been a substantive change in the duties and responsibilities of the Employee's position, as evidenced by the information contained in the classification study request form and Position Description Questionnaire that has been completed by the employee and submitted through his/her immediate supervisor and his/her Department Director to the Human Resources Department.
- The employee has been working outside his/her classification and he/she has not been compensated for the out of classification work.
- The position has not been studied within the past 36 months.

How the results of a classification study will be implemented:

- A reclassification to a higher-level job classification, with a higher salary range, will result in the employee being placed at whatever salary step results in at least a 5% increase, provided that the top step of the new salary range cannot be exceeded.
- A reclassification to a lower-level job classification, with a lower salary range, will result in the employee being placed in the salary range of the lower level job classification. The employee's salary will be Y-rated until the salary range of the lower-level job classification equals or exceeds the Y-rated salary.
- If the result of the classification study conducted by the Human Resources Department does not justify a reclassification of the employee(s) position, then the job classification will not change.

How the results of a compensation study will be implemented:

- If a higher salary is warranted, the salary increase will be implemented as a part of the annual budget or as part of an MOU that is up for negotiation. There will not be a retroactive implementation unless the MOU is retroactively implemented or the MOU specifies a date for implementation.
- If a lower salary or no salary change is warranted, the employee's salary will not be changed.