

MEMORANDUM OF UNDERSTANDING CONCERNING THE GENERAL BARGAINING UNIT

PREAMBLE

This Memorandum of Understanding, hereinafter referred to as the "Memorandum" or "MOU", is made by and between the City of Live Oak, hereinafter referred to as the "City", and Public Employees Union Local #1, hereinafter referred to as the "Union", representing employees who are members of the Unit. The classifications represented are listed as in the attached Salary Schedule to this MOU. This MOU constitutes the result of meeting and conferring in good faith between the City and the Union, pursuant to the California Government Code and the City Employer-Employee Relations Policy.

ARTICLE I – MANAGEMENT RIGHTS

1.1 Management Rights

The Union recognizes that it is the exclusive right of the City, except as otherwise provided in this MOU or the City Employee Relations Policy, to make all decisions of a managerial or administrative character, including, but not limited to:

- 1) To manage and direct its business and personnel.
- 2) To manage, control, and determine the mission of the City, its departments, building facilities, and operations.
- 3) To create, change, combine or abolish jobs, policies, departments, and facilities in whole or in part.
- 4) To subcontract or discontinue work for economic or operational reasons.
- 5) To specify or assign work requirements and require overtime.
- 6) To schedule working hours and shifts.
- 7) To adopt rules of conduct and penalties for violation thereof.
- 8) To take whatever action necessary to prepare for and to operate in an emergency.
- 9) To hire, promote, transfer, assign, classify positions, retain employees, and to suspend, demote, discharge, or take disciplinary action against employees.
- 10) To layoff, demote or furlough employees from duties because of lack of funds, in the interest of economy, or other legitimate reasons. City Management shall determine the classifications and employees to be laid off based on the operational needs of the City.
- 11) To determine the policies, standards, procedures, methods, means and personnel by which the City operations are to be conducted.

Nothing in this MOU shall be construed to interfere with the City's right to manage its operation in the most efficient and economical manner consistent with the best interests of the City's residents.

ARTICLE 2 - UNION RIGHTS

2.1 The City of Live Oak recognizes the Union, as the recognized bargaining representative for the purpose of negotiating wages, hours, and working conditions for all employees of the City whose classifications are contained within the attached salary schedule to the MOU. Both parties recognize their mutual obligation to bargain or meet and confer pursuant to the MMBA and all governing laws.

2.2 Employee Orientation and Payroll Deduction

- a) City of Live Oak will allow the Union to meet with new employees hired into the bargaining unit for a total of 45 minutes. The meeting shall occur during the employee orientation or within 15 days of the employee being hired.
- b) Upon certification by the Union that an employee has signed a deduction authorization, the City of Live Oak will deduct the appropriate dues or fees from the employee's pay, as established and as may be changed from time to time by the Union and remit such dues or fees to the Union. Employee requests to cancel or change deductions must be directed to the Union, rather than the City of Live Oak. Deductions will continue unless the employee mails a written revocation to the Union in accordance with the terms of the authorization form, or absent any such terms, by mailing a written revocation to the Union that is postmarked during the thirty (30)-day period immediately prior to the annual anniversary date on which the employee signed the authorization form.
- c) The Union shall provide a membership list to the City of Live Oak. The list will include:
 - a. Employee Name.
 - b. Date of Request - The date of request should be prior to the Friday before pay day. Any requests received by end of business on the Friday before pay day will take effect on that payroll.
 - c. Effective Payroll Date
 - d. Union to provide the calculation of dues for new members.
- d) City of Live Oak shall:
 - a. Provide the Union an annual copy of the payroll schedule. Or Provide the Union an annual copy of the payroll processing dates. Provide a termination/leave list by email with the date of termination or effective date of leave (if known).
 - b. Remit to the Union all dues, fees, and assessments in a timely manner, normally within 15 days from the date that such monies were withheld from the employee's payroll.

- e) Hold Harmless:
 - a. In accordance with government Code 3502.5 (b), UNION agrees to hold City of Live Oak harmless from all claims, demands, suits or other forms of liability that may arise against the City of Live Oak for or on account of any deduction made from the wages of such employees pursuant to this memorandum of understanding.

2.3 Notices and Meetings

- a) The Union may use City conference rooms and similar building facilities for meetings with employees in the unit it represents; may post material on bulletin boards located (as provided below) to serve employees in the unit it represents; and may visit work locations to confer with its members regarding grievances or other business within the scope of representation or otherwise provided for within this Agreement.
- b) Use of City meeting facilities requires reasonable advance notice to the appropriate City official and is subject to City use of such facilities; provided, however, that once scheduled, such Union meetings may not be cancelled by the City except under emergency situations. The City may establish reasonable regulations governing the use of City facilities as provided by this section. At each office location, a bulletin board shall be provided. No publication shall be posted by the Union which indicates City action or approval when none has been given.
- c) Duly authorized representatives of the Union shall be permitted, at all times, that employees in the unit it represents are working, to enter offices to transact business within the scope of representation and to observe conditions under which employees are employed and carry out their responsibilities; provided, however, that Union representative shall, upon arrival at the facility, notify the person in charge of the areas he/she wishes to visit. Access shall not be unreasonably denied. If denied, the reason or reasons for denial must be stated.
- d) The Union may transmit reasonable amounts of materials through the City's email system, except as prohibited by law.

2.4 Union Release Time

On an annual basis, the City will authorize up to 30 (non-cumulative from year-to-year) hours of Union Release Time for Officers, Board Members and Stewards to conduct Local 1 business:

- o Board Meetings
- o Union Trainings
- o New Employee Orientations

The representative or other designee will provide notice to his/her immediate supervisor or, in the absence of said supervisor, to the Department Head. Approval will be required, and time will be documented.

2.5 Shop Stewards

Shop stewards shall be established to help employees handle the initial step in the grievance process.

The Union agrees to notify the City Human Resources Director of the names, classifications, and departments of all Shop Stewards.

A reasonable amount of time will be granted the employee and the Shop Steward to handle initial grievance.

If an employee wishes to discuss a grievance on City time with the Shop Steward, the employee shall be allowed an opportunity to verify if the steward is available to be seen. The supervisor shall determine if the employee can be released at the time requested. If the employee is not released, the supervisor shall set an alternative time as soon as practical.

In the event the steward is unable to be released by his/her immediate supervisor at the time requested, the supervisor shall arrange a release time as soon as practical thereafter.

ARTICLE 3 - HOURS OF WORK

3.1 Business Hours

Regular business hours for the City are Monday through Friday from 9:00 a.m. through 5:00 p.m. The City Manger shall approve the business hours for any department that does not operate under the regular schedule.

3.2 Hours of Work

Department Heads shall establish the work schedules for employees in their department. The schedule shall normally provide for a work week of forty (40) hours City Hall (8:00 a.m. to 5:00 p.m.) and Public Works and Parks (7:00 a.m. to 3:30 p.m.) for all employees except for those employees assigned to shift work. The schedule for shift work employees shall be established to accomplish maximum coverage of a twenty-four (24) hour day without violating applicable local, state, or federal labor laws.

3.3 Rest Period

Subject to the discretion and control of the Department Heads, all employees may be allowed a paid rest period not to exceed fifteen (15) minutes for each three (3) consecutive hours of

work, but the total number of rest periods in anyone (1) working day shall not exceed two (2). Rest periods shall not be combined with another rest period or meal break, combined with arrival at work, and may not be postponed until the end of the day to enable the employee to leave early. Within these limitations, rest periods shall be scheduled in accordance with the requirements of the department and shall be taken at such location as designated by the Department Head.

3.4 Lunch Period

All City employees normally shall be allowed an unpaid lunch period which shall be scheduled generally in the middle of the work shift. The exact time and duration of such lunch period shall be within the discretion of the Department Head. The lunch period shall not be counted as part of the total hours worked and the employee must be relieved of all duty during the lunch period. However, for some employees a lunch period is included in the actual performance of assigned duties and included as part of the total hours worked.

3.5 Alternative Work Schedules

An alternative work schedule is a pre-scheduled, fixed and continuous schedule of hours that deviates from the standard schedule of the City. Alternative work schedules shall be established by mutual written agreement between the Union and their respective Department Heads, with approval by the City Manger. Such schedule shall allow the employee to work the standard number of hours within each work week and shall not exceed ten (10) hours in any workday.

The purpose of permitting alternative work schedules including enabling employees to travel off-peak, meet transit and ride-sharing schedules, extend office hours, and help employees meet personal and professional responsibilities.

Alternative work schedules must be in the best business interests of the employing department. Factors to be considered by the Department Head include safety concerns, customer service requirements, equipment availability, administrative burden, need for supervision, job performance, budgetary limitations, access to support staff, and other liability concerns. Department Heads have the right to return employees to a standard schedule with reasonable notice.

3.6 Flexible Work Schedules

By mutual agreement between the employee and their immediate supervisor, a flexible work schedule shall be permitted.

ARTICLE 4 - PAYMENT OF SALARY

4.1 Compensation Plan

The compensation of all officers and employees of the City are fixed and determined pursuant to the provisions of the City's Personnel Rules and Regulations and the Salary Schedule by Classification as from time to time amended. The compensation shall represent full salary compensation for the services of those officers and employees by virtue of their respective employment.

4.2 Pay Periods

The pay periods for all employees shall be bi-weekly. Salaries will normally be paid on the first Friday following the completion of a pay period. When a holiday falls on a payday, the payday will be transferred to the previous workday.

4.3 Temporary and Part-Time Employee Compensation

Except as otherwise provided in these rules, all temporary employees and part time employees working fewer than 40 hours per pay period on a regular basis shall not be entitled to any type of fringe benefits afforded to regular full-time and part-time employees. The hourly rates of pay for such employees constitute complete compensation for services rendered.

4.4 Limited Term Employee Compensation

Salaries for limited term employees shall be at the hourly rate established for such limited term employees at the time of employment, provided that a regular employee temporarily transferred or assigned a limited term employment shall not receive less than the compensation which he/she would have received had the temporary transfer or assignment not been made including any merit increases to which he/she would otherwise have been entitled. If such regular employee is temporarily appointed to a position in a class having a higher salary range, such employee's salary shall be computed in accordance with applicable regulations. Limited term employees shall be paid in proportion to their normal hours of work compared to regular full or part-time employees consistent with the date of employment and length of service.

4.5 Separation Pay

When an employee separates from the City service in the middle of a payroll period, said employee shall receive his or her final check at the next regularly scheduled payday for that period. Notice of such separation shall be filed immediately with the Director of Employment.

4.6 Fees, Commission, Compensation

Any City employee who receives a fee, commission, or compensation for performance of any

regularly assigned City duty or function, other than the compensation paid to the employee by the City by virtue of his/her office or position, shall promptly tender such money to the City to be deposited in the City treasury and upon receipt shall become the property of the City of Live Oak.

4.7 Official Payroll Records

The Director of Employment maintains the official City payroll records. The Department Head is responsible for ensuring the accuracy of departmental input to said records, including proper documentation of employee overtime and compensatory time.

4.8 Retirement System

Adhering to the Public Employees Retirement System (PERS) law with regard to eligibility and payroll deduction, regular employees and appointed department heads employed by the City shall be members of PERS. Elected officials may be members, as provided by law and the terms of the contract in effect between the City and PERS. The City Council may amend the contract as provided by law. The City Manager shall advise the Council regarding policy matters concerning the contract or amendments to it.

4.9 Retirement Benefits for New Members of PERS after January 1, 2013

Effective January 1, 2013, all new permanent employees who are also new members of PERS, hired by the City of Live Oak will be subject to the retirement benefit limitations established by AB340 (Chapter 296, Statutes of 2012) and AB 197 (Chapter 297, Statutes of 2012).

New employees who are determined to be classic members of PERS will receive the same retirement formula as employees of the City of Live Oak as of December 31, 2012.

4.10 Employee Contribution for New Employees after July 1, 2013

Effective July 1, 2013, all new permanent employees, including those defined as classic members of PERS, who are hired by the City of Live Oak will pay the full employee share of PERS, as implemented in Government Code Section 20691, and determined by City of Live Oak Resolution 16-2013.

4.11 Bilingual Pay

The City has identified certain positions which require bilingual language skills. Positions approved for bilingual pay will generally be those rendering services linking the City with clients who are largely monolingual in a language other than English. Designated bilingual employees will be expected to continue to perform all other job duties required of them by their classification.

4.12 Qualification

To qualify for a bilingual position, employees must be State certified or pass a City qualifying language test in the relevant language at the option of the City.

4.13 Premium Compensation

Designated bilingual employees shall be paid a premium compensation in the amount of \$125 per month for bilingual pay.

Bilingual pay will be payable at the full monthly rate in any month a designated bilingual employee is on paid status at least half of the month. If a designated bilingual employee is on unpaid status or has been placed on paid administrative leave for more than half of the month, the bilingual pay will be reduced by half. No bilingual pay will be paid in a month if an employee is on LWOP or paid administrative leave for the entire month.

Designated bilingual employees hired or assigned bilingual pay within the first 15 days of the month shall receive the full monthly rate for their first month of employment; those hired or assigned bilingual pay after the 15th of the month will receive half of the bilingual pay for their first month of employment.

Designated bilingual employees leaving City service during the first 15 days of the month will receive half of the bilingual pay for that month; those leaving service any time after the 15th of the month will be paid the full monthly rate.

4.14 Overtime, Comp Time, Callback and Standby

Employees are eligible to earn overtime, callback, and standby pay except for those employees in bona fide professional, administrative and executive positions, and elected officials, all as defined by the Fair Labor Standards Act (FLSA). All positions in City government are classified as either overtime exempt or non-exempt under the FLSA. The rules in this section apply to non-exempt employees. Any time worked in excess of a normal workweek by overtime exempt employees is considered part of the duties and responsibilities of the position and overtime shall not be paid.

4.15 Overtime Policy

It is the policy of the City to limit overtime scheduling to mission essential activities that cannot be performed at any other later date or during the normal workday. Managers are expected to aggressively manage overtime to ensure such expenses are incurred only for unusual, occasional situations beyond the manager's control, which must be handled within a given time.

The City reserves the right to direct and schedule overtime when the City determines that necessity demands additional service. While overtime work will normally be on a voluntary basis, the City may direct that employees perform overtime when the work situation dictates, with the scheduling of that overtime left to the City.

All overtime worked must be pre-approved by the employee's supervisor or manager. It is the responsibility of each employee to adhere to assigned work schedules. At no time shall an employee work overtime without prior express approval by the employee's supervisor or manager. Failure to secure pre-approval for overtime may result in disciplinary action.

It is further the policy of the City to adhere to the requirements of the FLSA. If any of the provisions of this Rule conflict with the FLSA, the FLSA controls.

4.16 Overtime Defined

"Overtime" is authorized work in excess of forty (40) hours within a workweek. The City's workweek is a seven (7) day cycle from 12:00 a.m. on Sunday to 12:00 midnight on Saturday. Overtime is computed on all hours, including sick leave, vacation, holiday, and compensatory time off, in excess of 40 hours for the entire workweek.

Work in excess of 8 hours during a regular workday is not considered overtime. Where employees are required to work hours in excess of their normal workday hours, departments may adjust work hour schedules for such employees during the remainder of the workweek.

4.17 Compensation for Overtime

- a) Overtime shall be paid at a rate equal to one and one-half (1½) times the employee's regular rate of pay.
- b) All overtime shall be paid on the payday relating to the pay period that the overtime is worked except where work periods require payment subsequent to such work period or unless an eligible employee requests that the overtime be credited as compensatory time and such request is granted by the Department Head or designated representative in accordance with these Rules and Regulations.
- c) All overtime entitlement shall be computed to the nearest quarter of an hour.

4.18 Compensatory Time

Based on business need and with approval of the City Manager, non-exempt employees who work in excess of forty (40) hours in a workweek, may accrue compensatory time off in lieu of overtime pay, as provided herein. Compensatory time off accrues at the rate of one and one-half times the employee's regular rate of pay for each hour worked during the workweek in excess of 40 hours. Employees may accrue and use compensatory time in lieu of overtime only upon pre-approval of their Department Head or his/her designated representative. Compensatory time may be accumulated to a total of not more than eighty (80) hours per calendar year. In no event may an employee be allowed to accrue compensatory time above the maximum provided in this Section. The City may, at the employee's option, reimburse an employee for compensatory time accrued to minimize the unfunded liability of high balances. Any employee may request in writing that a portion or all of the time on record with the City be paid at the earliest possible payroll period. Upon termination, employees shall be paid for all unused compensatory time. Payout of accumulated compensatory time off may be made to

an employee in June or December of each fiscal year. Employees who request such a payout must do so by requesting such payout to the payroll office at least thirty (30) calendar days in advance.

4.19 Standby Pay

A non-exempt employee may be scheduled or assigned to perform standby duty. The City Manager must approve all standby duty assignments.

Standby duty is where a non-exempt employee is required to respond to a call for service which is received after normal working hours within a required response time. During standby duty, the employee has freedom of movement in personal matters but must be available to be contacted by the department by telephone as necessary and be able to respond within a required response time of forty-five (45) minutes. Employees required to respond to the P Street lift station shall be required to respond within twenty (20) minutes until the scheduled improvements are completed. Standby duty is compensated at a rate of \$50.00 per twenty-four hour shift for both weekdays and weekends. Employee's cell phone allowance will increase to \$100.00 per month for employees required to be on call. Refusal to be available for scheduled or assigned standby duty or not responding to a call in the required time period may result in disciplinary action.

4.20 Emergency Callback Policy

A non-exempt employee who is called back to work by his/her manager after the employee has left the worksite for the day or on a scheduled day off shall be compensated at the rate of time and a half pay for the time worked with a minimum of pay equivalent to three (3) hours at straight time. Such overtime shall be computed for work performed from the time of reporting to the place of work, to the time of completion of work at such place. When an employee on standby duty responds to a phone call not requiring return to work, he or she shall be compensated for the actual time worked.

4.21 Compensation for Holiday Work

Full-time non-exempt employees who are required to work on paid City holidays shall be compensated at the overtime rate for any work during the holiday in addition to their normal rate of pay.

4.22 Salary Schedule

A six-step salary schedule, with employee annual movement on the salary schedule subject to completion of a satisfactory annual performance evaluation.

4.23 Longevity

A longevity adjustment of 3% for any employee who completes fifteen (15) years of service with the City and a longevity adjustment of 3% for any employee who completes twenty (20) years of service with the City.

4.24 Education Reimbursement

A reasonable reimbursement to an employee who is taking approved and accredited classroom study which will result in a professional certification which is related to the employee's assigned job classification.

4.25 Uniform Allowance

Regular full time maintenance employees are given a two-hundred-dollar (\$200.00) allowance for steel-toed boots per 9-month period. Temporary employees are given a one-hundred-dollar (\$100.00) allowance for steel-toed boots per fiscal year. All maintenance employees are furnished with uniforms and proper safety equipment as needed. In addition, the maintenance employee shall be provided with either a work jacket or vest type jacket.

4.26 Cost of Living Adjustment

All members of the bargaining unit will receive a one and three quarters percent (1.75%) Cost of Living Adjustment salary increase starting the pay period following City Council approval of the MOU, then another one and a quarter percent (1.25%) Cost of Living Adjustment salary increase beginning the next full pay period following July 1, 2026.

ARTICLE 5 - LEAVE

5.0 Vacation

5.1 Purpose

The City recognizes the importance of uninterrupted periods of rest and relaxation for its employees. Therefore, the City provides a vacation plan based upon continuous length of service to the City as set forth herein.

5.2 Eligibility

All exempt employees, regular full-time employees and regular part-time employees who are eligible for benefit coverage under the "Benefit Program" section of these rules are eligible to accrue vacation leave as outlined below. Temporary employees are not eligible for vacation accrual. Limited term employees are only eligible for vacation accrual with written approval of the City Manager.

5.3 Rate of Accrual

Eligible employees who are in a paid status of eighty (80) hours per pay period shall earn vacation leave with pay at the following bi-weekly rates per pay period. Eligible part-time employees who are in a paid status for at least forty (40) hours per pay period shall earn vacation at a pro-rated rate based on actual hours in paid status per pay period.

Length of Continuous City Service	Beginning on employee's employment, and until the employee's 3 year anniversary	3 Years up to 10 Years	10 Years up to 15 Years	15 Years up to 24 Years	24 Years and Over
	Beginning on employee anniversary date.	Beginning on employee anniversary date.	Beginning on employee anniversary date.	Beginning on employee anniversary date.	Beginning on employee anniversary date.
Days Per Year	10	15	17	19	20
Hourly Accrual for each hour of pay during the regularly scheduled work period	.0384615	.0576923	.0653846	.0730769	.076923
Hours Per Year	80	120	136	152	160

Employees shall not exceed credit for more than the maximum listed above in any pay period. Such credit shall be applied to the employee's vacation accumulation account only after completion of each pay period.

5.4 Maximum Accumulation

Earned vacation for each eligible employee with less than five (5) years of continuous service as a regular employee shall be credited at the end of each biweekly payroll period, computed on the basis of hours of paid service, and may be accumulated to a total of not more than thirty (30) working days. Earned vacation for each eligible employee with more than five (5) years of continuous service as a regular employee shall be credited at the end of each biweekly payroll period, computed on the basis of hours of paid service, and may be accumulated to a total of not more than forty (40) working days. Earned vacation for each eligible employee with more than ten (10) years of continuous service as a regular employee shall be credited at the end of each biweekly payroll period, computed on the basis of hours of paid service, and may be accumulated to a total of not more than forty-five (45) working days. After reaching the maximum accrual, an employee does not accrue additional vacation time until the employee uses sufficient vacation time to fall below the maximum permissible accrual.

5.5 One Year Defined as Twenty-Six Biweekly Pay Periods

For purposes of this section, one year shall be equivalent to twenty-six (26) biweekly pay periods.

5.6 No Vacation Accrual While on Leave Without Pay

Eligible employees who are on leave without pay shall not accrue vacation during such unpaid

absence. Eligible full-time employees who are not in a paid status for a full eighty (80) hours during a pay period will be credited with the appropriate prorated accrual based on the above hourly rates and actual hours in a paid status.

5.7 Vacation Accrual During Probation

Vacation begins accruing with the first pay period following hire as outlined above but is not available for use until employee has served six cumulative months with the City. Eligible part-time regular employees shall receive a pro-rated vacation credit. Future vacation accruals shall be in accordance with the vacation accrual rates specified herein.

5.8 Scheduling and Granting Vacation

For regular employees in the classified service, each Department Head or appointed designee shall be responsible for scheduling the vacation of his/her employees in such a manner as to achieve the most efficient functioning of the department and City service. A request for vacation by an employee shall be submitted in writing in advance to the Department Head or designee. Vacations shall be taken at such time as may be approved by the Department Head or designee, but also, as far as practical, considering the wishes of the employee. No vacation shall be granted to, or taken by an employee, without the consent of the Department Head or his/her designated representative.

5.9 Terminal Vacation Pay

An eligible employee separating from City service who has not taken his/her earned vacation, if any, shall receive the hourly equivalent of his/her salary for each hour of vacation earned up to the end of the last full pay period worked, based on the pay rate in effect for each person on the last day actually worked. When separation is caused by death of an employee, payment shall be made to the estate of such employee, or in applicable cases, as provided by Section 630 of the Probate Code.

5.10 Sick Leave

5.10.1 Purpose

The purpose of sick leave pay is to further the health and general welfare of City employees, as well as ensuring maximum and reasonable job attendance. Sick leave is not a right to be used at the employee's discretion; rather it is a privilege of paid time away from work when an employee's absence becomes necessary for one of the following reasons:

- a) The employee's injury or illness;
- b) the employee's exposure to contagious disease;
- c) the employee's dental, eye and other physical or medical examination or treatment by a licensed practitioner;
- d) illness or disability caused or contributed to by pregnancy, miscarriage, abortion,

- childbirth or recovery from any of the foregoing;
- e) to attend to the death or illness or other health needs of the employee's child, parent, spouse, or domestic partner; and
 - f) for specified purposes for an employee who is a victim of domestic violence, sexual assault, or stalking.

5.10.2 Eligibility

All employees are eligible to accrue sick leave as outlined below.

5.10.3 Rate of Accrual

Paid sick leave shall accrue as follows:

- a) All eligible full-time employees shall accrue 4.0 hours of sick leave per pay period to be used in accordance with the sick leave rules and regulations of this Section.
- b) Any part-time employee shall accrue sick leave on a pro-rata basis of actual hours worked.
- c) No sick leave credit shall be earned when an employee is on leave without pay.

5.10.4 Sick Leave Use

- a) Employees who are unable to work for one of the reasons specified in this Section are required to contact their Department Head or other designee before the beginning of their work shift on each day of absence unless the employee is on an approved leave of absence.
- b) When an employee has been absent due to his or her own illness or injury for four or more consecutive workdays, the employee will be required to provide a note from his or her health care provider releasing the employee to work.
- c) Department Heads are responsible for approving sick leave use for the purposes identified in this Section.
- d) Where a Department Head or the Director of Employment believes there has been a misuse of sick leave time, an employee may be required to provide substantiation of the need for sick leave from a health care provider.
- e) Where an eligible employee has exhausted all paid sick leave, upon request of the employee, the absence may be charged to accrued vacation leave.
- f) An employee who is absent from work by reason of disability and is receiving State Disability Insurance (SDI) benefits shall be required to integrate any paid time off used (sick leave, vacation, administrative leave, holiday, compensatory time off, etc.) as when added to his/her disability indemnity will result in payment to him /her of his/her full salary. An employee shall accumulate vacation leave and sick leave only during such portion of absence from work during which he/she uses previously earned

vacation leave, sick leave, administrative leave, or compensatory time off.

- g) An employee, who previously used paid leave balances, pending payment from SDI or Workers' Compensation, shall be entitled to reinstate a portion of such balances equal to the hourly value of the SDI or Workers' Compensation payment.

5.10.5 Recordkeeping

- a) Sick leave shall be certified by the Department Head to the City's Director of Employment on payroll forms provided by the City's Director of Employment. The City's Director of Employment shall maintain complete and accurate sick leave records for all employees.
- b) When a regular employee is transferred to or appointed to another City Department, sick leave credit shall be assumed by the new department.
- c) When an employee terminates employment for any reason other than layoff or retirement, his or her sick leave balance will be eliminated. When an employee is reinstated from layoff, he or she will be credited with any accrued sick leave which accumulated prior to layoff. When an eligible employee retires, any unused sick leave days will be converted to service credit at the rate of .004 years of service for each day of sick leave provided there is less than 120 days between the member's separation date and retirement date.
- d) Accrued sick leave will not be cashed out on termination.

5.11 Bereavement Leave

Whenever any regular full-time employee or regular part-time employee who is eligible for benefit coverage under the "Benefit Program" section of these rules believes it necessary to be absent from duty because of the death of a father, father-in-law, mother, mother-in-law, stepparent, brother, sister, wife, husband, spouse, registered domestic partner, child, stepchild, grandparent, grandchild, person for whom the employee is legal guardian or other family member living the employee's household, he/she may request from his/her Department Head to be absent for not more than forty (40) working hours with pay for purposes of bereavement leave. A copy of the death certificate may be required prior to payment for such leave.

ARTICLE 6 – HOLIDAY

6.1 Eligibility

All regular full-time and regular part-time employees of the City shall be entitled to holiday time off with pay as provided herein.

In order to be eligible for holiday pay, an employee must either be at work or on paid

leave on the workday immediately preceding the holiday or day observed in lieu of the holiday and the workday immediately following the holiday or day observed in lieu of the holiday.

6.2 Established Holidays

Except as otherwise provided in this Section, the following are City-recognized holidays:

1. January 1, New Year's Day
2. Third Monday in January, Martin Luther King, Jr. Day
3. Third Monday in February, President's Day
4. Last Monday in May, Memorial Day
5. July 4, Independence Day
6. First Monday in September, Labor Day
7. November 11 - Veteran's Day
8. Thanksgiving Day
9. The Friday following Thanksgiving Day
10. December 24, the day before Christmas
11. December 25, Christmas Day
12. New Year's Eve Day
13. Three floating holidays to be taken by the employee during the calendar year.

Where practical, the City will continue to allow the practice of closing and/or working a skeleton crew during the holiday season.

6.3 Floating Holiday

Credit for three (3) floating holidays shall be posted to an eligible employee's balance on January 1 of every year. Upon hire a new employee shall be prorated at 2.00 hours per month. Hours shall be rounded up to the nearest whole hour. An eligible employee may take his/her floating holiday at any time within 12 months of the credit, contingent upon approval of his/her Department Head. The floating holiday must be taken within the calendar year and does not carry forward into the next calendar year. Floating Holidays may be taken in one (1) hour increments.

Each employee must consider the needs of the service when requesting floating holiday leave and must receive advance approval from the Department Head prior to taking the time off.

6.4 When a Holiday Falls on Saturday or Sunday

Whenever a holiday falls on Sunday the following Monday shall be observed as a holiday, and whenever a holiday falls on a Saturday the preceding Friday shall be observed as a holiday.

6.5 When Scheduled Day Off Falls on a Holiday

A regular employee who's regularly scheduled days off fall on any holiday shall be entitled to an additional day off typically within the same pay period as the holiday occurs.

6.6 Part-Time Regular Employees - Holiday Pay

Part-time regular employees shall be entitled to paid time off for holidays on a pro-rata basis based on actual hours worked in the biweekly pay period which included the holiday.

6.7 No Pay for Holiday Following Last Day in Pay Status

A regular employee who is terminating his/her employment for reasons other than paid City retirement, and whose last day as a paid employee is the day before a City holiday, shall not be paid for such holiday.

6.8 Holiday Pay for Non-Exempt Employees

A regular full or part-time employee who is non-exempt from the FLSA and who is required to work a holiday, in addition to receiving the regular rate of pay, shall receive either equivalent time off at the rate of time and one-half, or pay at the rate of time and one-half in accordance with the provisions governing overtime.

ARTICLE 7 - HEALTH INSURANCE COVERAGE

7.1 Eligibility

Regular full-time employees, regular part-time employees working at least 40 hours per pay period on a regular basis, are eligible to participate in the City's health insurance programs.

7.2 Employee Co-Pay

Eligible employees shall be required to make premium contributions towards health, dental, vision and life insurance programs. The amount of such employee co-pay for any given fiscal year shall be available from the Director of Employment and may be adjusted from time to time based upon changes in health care insurance costs to the City.

City shall contribute ninety percent (90.0%) toward monthly health insurance and dental insurance premiums and Employees shall contribute ten percent (10.0%) toward monthly health insurance and dental insurance premiums.

The City shall pay 100% for vision insurance for the term of this agreement.

7.3 Employees With Other Group Health Insurance Coverage and Not Enrolled In A City Sponsored Health Plan

When an eligible employee elects not to enroll in a City sponsored health plan and she/he is covered, as primary or as a dependent, on another employer group health plan, the City may provide such employee with a compensation payment in lieu of coverage, upon proof of such other coverage and signing of a health insurance waiver form. The amount of such compensation shall be set at \$275 monthly. Such special compensation shall begin on the first day of the month following receipt by the City Manager or other designated employee of satisfactory evidence of such other insurance coverage and a fully executed waiver form. If other insurance is provided by a PERS sponsored health plan, the employee shall comply with all requirements established by PERS for members who are eligible for coverage under one or more PERS plans.

To continue eligibility for special compensation, health insurance coverage must be re-verified and a new waiver form signed during the open enrollment period each year.

This special compensation is separate from and is not included in the City sponsored IRS 125 Plan.

7.4 Coverage During Leave of Absence

All exempt and regular employees on leaves of absence with pay will have their health insurance premium paid in accordance with this Article. An exempt or regular employee on leave of absence without pay may continue their coverage on the City's health plan under the following conditions:

- 7.4.1 If the employee returns prior to the end of the calendar month in which the leave started there will be no charge for the continuance of the City's health plan premium;
- 7.4.2 If the leave extends past the end of the calendar month in which the employee leaves, the employee will be charged with the insurance premiums based on an appropriate daily rate until he/she returns to work. The employee must pay for such coverage on or before the first day of the month and will be reimbursed for a daily rate of return; and
- 7.4.3 If the employee decided not to pay, the employee shall be terminated from coverage (effective the first day of the calendar month) for the duration of the leave of absence. The employee shall be notified that coverage shall not be reinstated until the first of the month following his/her return to duty unless the employee returns on the first of the month at which time the insurance will be started immediately or the employee is returning from approved military leave.

7.5 Cobra Continuation

The City provides COBRA continuation benefits consistent with the requirements of law. Following a termination of employment, or other qualifying event, an eligible employee may be able to continue their health care coverage at their own expense.

ARTICLE 8 – JOINT LABOR MANAGEMENT AGREEMENT COMMITTEE

8.1 The parties agree that regular communication between the parties leads to more harmonious labor management relations and to the establishment of trusting relationships. Toward that end the parties agree to the formation of a Joint Labor Management Committee.

The joint labor management committee shall be comprised of up to three (3) individuals from the bargaining unit and up to three (3) individuals from management. A union representative or their designee and the City Manager or their designee may participate too.

The JLMC shall meet at least twice a year to address items of mutual concern. Each party may agendaize up to three (3) issues for any scheduled meeting, and the parties may agendaize additional issues by mutual agreement. Both parties agree to notify the other of any proposed agenda items at least three (3) calendar days in advance of the scheduled meeting.

ARTICLE 9 – DISCIPLINARY ACTION & APPEAL

9.1 Applicability of Section

Any regular employee in the classified service may be reprimanded, suspended, demoted, dismissed, or reduced in pay for cause.

9.2 Causes for Discipline

Any of the following causes are sufficient causes for reprimand, dismissal, suspension, demotion, or reduction in pay; but the list is illustrative rather than restrictive, and reprimands, dismissals, suspensions, demotions, or reductions in pay may be based on reasons other than those specifically mentioned:

- a) Intentional misrepresentation or concealment of any material fact in connection with obtaining employment.
- b) Unsatisfactory performance.
- c) Unexcused neglect of duty.
- d) Insubordination.
- e) Dishonesty.
- f) Consuming, possessing, or being under the influence of alcohol, illegal drugs, or unauthorized prescription medications while on duty.
- g) Unexcused absence, excessive absences, or tardiness.
- h) Conviction of a felony that is rationally related to employee's job.
- i) Discourteous treatment of the public or other employees.

- j) Political activity, which is in violation of federal or state laws.
- k) Negligent or willful damage to public property or waste of public supplies or equipment.
- l) Misappropriation or misuse of city funds or property.

- m) A physical or mental condition or disability which prevents the performance of the essential functions of the employee's position.
- n) Violation of safety rules.
- o) Discrimination, including harassment and retaliation, on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age, sexual orientation, or veteran status.
- p) Activity which brings discredit to the City.
- q) Violation of any departmental rule or order.
- r) Any other good cause for discipline.

9.3 Letters of Reprimand

- a) The appointing authority may issue a formal letter of reprimand to an employee. Such reprimand letters should contain:
 - b) A specific description of the event or circumstance giving rise to the letter of reprimand with sufficient details to adequately apprise the employee of the problem;
 - c) The specific policies, rules or expectations violated;
 - d) A statement of what the employee must do to correct the situation; and
 - e) An indication that more serious disciplinary action may occur should unsatisfactory performance or conduct reoccur.
 - f) Within 30 days of receipt of a letter of reprimand an employee may file a response to the letter of reprimand. The employee's response shall be placed in the employee's personnel file with the letter of reprimand.

A letter of reprimand shall become part of the employee's personnel file. There is no right to appeal a letter of reprimand.

If after three (3) years, there is no further disciplinary action the employee may request their supervisor to have the letter of reprimand removed from the personnel file. If their supervisor and the City Manager agree, the letter shall be destroyed.

9.4 Notice of Dismissals, Demotions, Suspensions and Reductions in Pay

A regular employee in the classified service against whom dismissal, demotion, suspension, or reduction in pay is proposed shall be provided with written notice of the proposed action prior to the effective date thereof. Written notice shall be provided by personal delivery or certified mail and the effective date of the action may be taken five calendar days following service of the notice to the employee. Such written notice shall include:

- a) A description of the action proposed to be taken and its effective date or dates.

- b) A clear and concise statement of the reasons for such action, including the acts or omissions on which the disciplinary action is based.
- c) A statement advising the person of the right to respond either orally or in writing, to the appointing authority prior to its effective date.
- d) A statement that a copy of the materials upon which the action is based is attached or available for inspection upon request.
- e) A statement advising the person that a copy of the written notice shall be filed in the employee's official personnel record.
- f) At any time before the appointing authority's final decision on discipline is made, the appointing authority may file or permit the filing of an amended or supplemental notice. All parties shall be notified thereof. If the amended or supplemental notice presents new reasons or charges the agency shall afford respondent a further opportunity to respond to the appointing authority orally or in writing as to the new reasons or charges before the effective date of the discipline.

9.5 Administrative Leave

Under appropriate circumstances, an employee may be removed from the workplace prior to receiving written notice of proposed discipline and while an investigative and disciplinary process is pending. Such leave may be paid with approval of the City Manager.

9.6 Suspension

A disciplinary suspension without pay imposed by the appointing authority shall not exceed two (2) biweekly pay periods (28) calendar days. Any paid leave shall not be included in the 28 - calendar day suspension limitation.

9.7 Final Action

Following the employee's opportunity for response to a proposed dismissal, demotion, suspension, or reduction in pay as set forth in section 9.4, or if no response is timely received, the appointing authority shall deliver a notice of final decision to the employee. The notice shall be delivered personally to the employee or by certified mail. If dismissal, demotion, suspension, or reduction in pay is imposed, the notice shall inform the employee of his/her right to appeal as set forth below.

9.8 Right of Appeal

- a) Any regular employee in the classified service who is suspended, demoted, dismissed, or reduced in pay, may appeal from the final notice of disciplinary action by filing a notice of appeal with the City Clerk within fourteen (14) calendar days after service on such employee of the written notice of disciplinary action as herein above provided. If a notice of appeal is not filed within fourteen (14) days, the final notice of disciplinary action shall become final.

- b) Within thirty (30) calendar days of receipt by the City Clerk of a notice of appeal, the City Council will conduct a hearing on the appeal. During the hearing, the City Council will review the written appeal, response to the appeal, and receive testimony from the employee and the appointing authority. Upon conclusion of the hearing, the City Council may adopt, amend, modify, or reject the disciplinary action. The decision of the City Council shall be final and conclusive.
- c) If discipline imposed resulted in loss of pay, and the decision results in reduction or elimination of loss of pay, the pay loss shall be restored to the employee based on the number of standard work hours lost computed at his/her then based hourly rate.
- d) The provisions of Section 1094.5 and 1094.6 of the Code of Civil Procedure shall be applicable to proceedings under this section.

9.9 Hearing

The hearing shall be conducted as follows:

- a) Oral evidence shall be taken only on oath or affirmation.
- b) Each party shall have these rights: to call and examine witnesses, to introduce exhibits; to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination; to impeach any witness regardless of which party first called him or her to testify; and to rebut the evidence against him or her. If respondent does not testify in his or her own behalf, he or she may be called and examined as if under cross-examination.
- c) The hearing need not be conducted according to technical rules relating to evidence and witnesses, except as hereinafter provided. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of the evidence over objection in civil actions.
- d) Hearsay evidence may be used for the purpose of supplementing or explaining other evidence, but over timely objection shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. An objection is timely if made before submission of the case or on reconsideration.
- e) The rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing.
- f) The presiding officer has discretion to exclude evidence if its probative value is substantially outweighed by the probability that its admission will necessitate undue consumption of time.

The hearing shall be recorded by tape recording or steno graphically by a court reporter. Subpoenas and subpoenas ducas tecum shall be authorized upon request to the City. All hearings shall be held in executive session pursuant to Government Code Section 54957 unless the employee requests a public hearing.

ARTICLE 10 – GRIEVANCE PROCEDURE

10.1 Purpose

- a) This grievance procedure shall be used to process and resolve grievances arising under this Agreement.
- b) The purposes of this procedure are:
 - (1) To resolve grievances informally at the lowest possible level.
 - (2) To provide an orderly procedure for reviewing and resolving grievances promptly.
 - (3) To determine and correct, if possible, the causes of grievances.

10.2 Definitions

- a) A grievance is a complaint of one (1) or a group of employees, or a dispute between the City and the Union involving the interpretation, application, or enforcement of the express terms of the Agreement.
- b) As used in this procedure, the term "immediate supervisor" means the individual who assigns, reviews, and directs the work of an employee.
- c) As used in this procedure, the term "party" means an employee, the Union, or the City.

10.3 Time Limits

Each party involved in a grievance shall act quickly so that the grievance may be resolved promptly. Every effort should be made to complete action within the time limits contained in the grievance procedure, but, with the written consent of all parties, the time limitation for any step may be extended.

10.4 Presentation

An employee or Union representative, or both, may present a grievance while on duty.

10.5 Application

Grievances, as defined in Section 10.2 above, shall be brought through this procedure.

10.6 Informal Discussion

The grievance initially shall be discussed with the immediate supervisor. The employee may be represented by a steward. Within five (5) working days, the immediate supervisor shall give his or her decision or response.

10.7 Formal Grievance - Step 1

- a) If an informal grievance is not resolved to the satisfaction of the grievant, or if there is reason to bypass the informal step, a formal grievance may be initiated. A formal grievance may be initiated no later than:

(1) Ten (10) working days after the event or circumstance occasioning the grievance;
or

(2) Within five (5) working days of the decision rendered in the informal grievance procedure, whichever is later.

b) However, if the informal grievance procedure is not initiated as specified in Section 10.6, the period in which to bring the Step 1 grievance shall not be extended by Subsection (2) of Subsection a. of Section 10.7.

c) A formal grievance shall be initiated in writing on a form and shall be filed with the Department Manager/Director. The employee may be represented by a steward.

d) The Department Manager/Director shall answer the grievance within ten (10) working days of the filing of the formal grievance at Step 1.

10.8 Formal Grievance - Step 2

a) If the grievant is not satisfied with the decision rendered pursuant to Step 1, he or she may appeal the decision within ten (10) working days to the City Manager or his or her designee. The employee may be represented by a steward.

b) Within ten (10) working days, the appointing authority or his or her designee shall respond in writing to the grievant. If the City Manager or his designated representative determines that it is desirable, he or she shall hold conferences or otherwise investigate the matter. The City Manager shall provide a written response to the grievant and the union, which, absent appeal, shall be final.

10.9 Formal Grievance - Step 3 City Council

If the City Manager or his/her designated representative fails to respond in writing, as provided in Step 2, or if the response is not satisfactory to the Union, the Union shall have the right to refer the matter to Step 3. Such referral shall be made by written demand submitted to the City Clerk within ten (10) working days of receipt of his decision.

Within thirty (30) calendar days of receipt by the City Clerk of a notice of appeal, the City Council will conduct a hearing on the appeal in accordance with its rules. During the hearing, the City Council will review the written appeal, respond to the appeal, and receive testimony from the union, the employee, and the City Manager. Upon conclusion of the hearing, the City Council will provide its formal response no later than the next regularly scheduled City Council Meeting. The decision of the Council shall be final.

Following the exhaustion of the Grievance Procedure the union is not prohibited from filing a complaint with PERB.

10.10 Response

If the City fails to respond to a grievance within the time limits specified for that step, the grievant shall have the right to appeal to the next step, except that only the Union shall have the right to refer the matter to Step 3.

10.11 Copy of Decision

At each step of the formal grievance procedure, a copy of the decision shall be sent to the Union at the same time as the decision is sent to the grievant.

ARTICLE 11 – SEVERANCE PROVISION


If any term, provision, covenant, or condition of this MOU is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this MOU shall continue in full force and effect.

ARTICLE 12 – DURATION

This Agreement shall take effect upon adoption by the Live Oak City Council and continue until June 30, 2027. The parties agree to initiate negotiation of the successor to this MOU no later than April 1, 2027.


By the City:


Date: 10/3/2025

By: 
Benjamin K. Moody, City Manager

By Public Employees Union Local #1:

Date: 9/30/25

By: 
Ron Slaven

By: 
Gregg Aleck

By: 
Ryan Burns

By: 
Hector Sanchez

By: 
Jose Ramirez