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**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF MT.
SHASTA AND THE MT. SHASTA MISCELLANEOUS EMPLOYEES
BARGAINING UNIT, GENERAL TEAMSTERS LOCAL UNION NO. 137**

JULY 1, 2017 – JUNE 30, 2019

Pursuant to the provisions of the Meyers-Milias-Brown Act Section 3500 et seq. of the Government Code of the State of California and the Rules and Regulations of the City of Mount Shasta, representatives of the City of Mount Shasta, hereinafter called "City", and the Mount Shasta Miscellaneous Employees Unit, represented by General Teamsters Union, Local 137, as the Public Works Bargaining Unit (hereafter called "Unit") have met and conferred concerning the subject of wages, hours and other conditions of employment for Unit.

This Memorandum of Understanding represents the good faith effort of both parties to reach agreement on matters of wages, hours, and conditions of employment for employees in the Unit. It is understood that this agreement is not binding on the City until such time as it is ratified by the membership of the Unit and the Mount Shasta City Council.

ARTICLE 1 - GENERAL CONDITIONS

1.01 RECOGNITION

The City recognizes the General Teamsters Union Local 137 as the exclusive representative for all classified Public Works positions for the City of Mount Shasta.

1.02 MANAGEMENT RIGHTS

The City retains all of its exclusive management rights and authority under state law, as well as the ordinances, rules and regulations of the City, which include but are not limited to:

- a. Determining the mission of the City's constituent departments, commissions, and boards.
- b. Establishing standards and levels of services.
- c. Determining the procedures and standards of selection for employment and promotions.
- d. Directing, supervising, and evaluating employees, and taking disciplinary action.
- e. Determining the methods and means to relieve employees from duty due to lack of work or other lawful reasons.
- f. Maintaining the efficiency of governmental operations.

- g. Determining the methods and means, as well as numbers and kinds of persons by which government operations are to be conducted.
- h. Determining methods of financing.
- i. Determining the style and/or types of City-issued equipment to be used.

1.03 EMPLOYEES RIGHTS

The Unit recognizes that the City has, and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer, and manage its municipal services and workforce, performing those services in all respects, subject to this MOU; provided, however that the exercise of such rights does not preclude Unit employees or their representatives from conferring or raising grievances about the practical consequences that decisions on these matters may have on wages, hours, and other terms and conditions of employment.

1.04 UNION SECURITY

(a) Except for temporary employees, every employee covered by this Memorandum of Understanding shall, as a condition of employment: (1) become a member of the Union and maintain the employee's membership in the Union in good standing in accordance with its Constitution and Bylaws; or (2) in the alternative, an employee shall tender, monthly, an agency fee in an amount equal to the amount of the monthly dues required of members; except that:

(b) Any employee appointed to any classification out of the bargaining unit covered by this Memorandum of Understanding may withdraw from membership in Union and the employee's obligation to pay an agency fee shall be suspended for the duration of such period as the individual is working for City in a job classification not covered by this Memorandum of Understanding.

(c) Any employee who is or who becomes a member of Union shall, as a condition of employment, maintain the employee's membership in Union in good standing in accordance with its Constitution and Bylaws.

(d) The City shall deduct from their wages the regular membership dues of employees who are members of the Union or agency fees of other employees provided for in 5.1(a) or 5.1(b), and who individually and voluntarily authorize such deductions in writing in accordance with the provisions of Section 1157.3 of the Government Code of the State of California.

(e) Deductions shall be made each pay-period and a check for the total monthly deductions shall be submitted to the General Teamsters Professional, Health Care and Public, Employees Local 137 within five (5) working days after the end of each month.

The City will notify the Union each month at the time of the dues transmittal to Union of any changes since the previous dues transmittal and the reasons therefore.

(f) Upon written request from the Union, the City shall, within twenty-one (21) calendar days, terminate the employment of any employee who fails to comply with the requirements of this Article.

(g) The form of payroll deduction authorization shall be approved by both the City and the Union.

(h) The City shall provide all new employees with Union membership application forms and payroll deduction authorization forms, on or before the first day of employment. Such materials will be furnished to the City by the Union.

1.05 USE OF CITY FACILITIES

With City approval, the Union may use certain City facilities for the purpose of Unit activity as long as the City facility is returned to the same or better condition than when it was at the time the Union utilized said City facility, and said space does not interfere with the efficiency of the City operations.

1.06 BULLETIN BOARDS

The Union shall be provided reasonable designated space on City work area bulletin boards, including but not limited to electronic bulletin boards, should they become available, which do not interfere with the City's official use of the bulletin boards. Union material on bulletin boards is to be maintained by the Union in an orderly manner and current.

1.07 ACCESS TO EMPLOYEES

The Union or its official representative(s) may have access to Unit employees during reasonable time periods of the workday so as to not interfere with the efficient operations of the City.

1.08 NEW CLASSIFICATIONS AND PERSONNEL RULES

The City will give written notice to the Union prior to any salary range adjustment to a class or any classification proposed to be removed from or included in the employees covered by this Memorandum of Understanding.

The City will give advanced notice to the Union of any proposed changes to the Personnel Policy, which may affect the employees represented by the Union.

Consistent with the provisions of the Myers-Milias Brown Act, (referenced above), the City will offer to meet and confer on impact of any such proposals or change upon notification from the Union.

1.09 UNIT REPRESENTATIVES

The Union shall be allowed to designate not more than two (2) Unit members to serve as representatives in the "meet and confer" process with the City. The Union shall provide the City the name and classification of each representative.

Designated Unit members shall be granted reasonable release time from scheduled duties without loss of pay and benefits to prepare for and meet with the City representatives during the "meet and confer" process.

1.10 INDIVIDUAL RIGHTS

Neither the City nor the Union shall interfere with, intimidate, coerce, restrain, or discriminate against a Unit employee because of the exercise of his/her right to engage in or refrain from engaging in activities pursuant to Section 3500 et seq. of the California Government Code.

1.11 PROBATIONARY APPOINTMENT

Probationary appointments shall be made from an eligible list to a position that the City Council authorizes to be filled on a permanent basis, other than by reemployment, transfer, demotion, or temporary assignment. The probationary appointment shall become permanent appointed after successful completion of a probationary period.

The initial probationary period for new hires shall be twelve (12) months of continuous and compensated service measured from the anniversary date.

The probationary period for a permanent employee promoted to a higher-level classification shall be six (6) months of continuous and compensated service measured from the anniversary date. At the discretion of the Unit employee's supervisor, this probationary period may twice be extended up to three (3) months each.

A permanent employee who is promoted and who has passed probation in their formerly held lower class, if rejected during the promotional probation period, shall have the right to return to their former class and pay status.

1.12 ANNIVERSARY DATE

An employee's Anniversary Date is the date of appointment to a particular classification position.

ARTICLE 2 - COMPENSATION

2.01 SALARY

Effective July 1, 2017, the monthly salaries for Unit employees shall be increased by two percent (2%) over the rates currently paid. Effective July 1, 2018, the monthly salaries for Unit employees shall be increased by two percent (2%) over the rates currently paid.

2.02 LONGEVITY ADVANCEMENT

All employees covered by this MOU shall be eligible for Longevity Pay in an amount equal to 2.0 % of Regular Pay after ten consecutive years of service with the City, an additional 2% after 15 years of service, and an additional 2% after 20 years of service.

2.03 OVERTIME PAY

Overtime shall be paid on the following basis:

Unit employees shall earn Overtime Pay for authorized time worked in excess of 40 hours in a 7 day work period, or if alternate scheduling is implemented 80 hours during a 14-day work period, or in excess of their regularly scheduled shift. Overtime Pay shall be earned at the rate of one and one-half (1½) times the employee's Regular Pay. Only those hours worked, vacation, compensation time off, holiday credit hours taken, sick leave, travel time may be used for overtime compensation within an 80 hours, 14-day work period.

2.04 COMPENSATORY TIME OFF

Compensatory time off shall be permitted in-lieu of overtime pay for overtime work as set forth below:

(a). In-lieu of overtime pay, employees may be allowed at their discretion to take compensatory time off, subject to limits stated in this rule, and calculated to be the equivalent value of overtime pay.

(b). The Finance Department shall keep records showing all compensatory time off earned and used, so that the net balance of unused compensatory time off is known at all times.

(c). No department head shall authorize the earning of compensatory time off if the employee's net unused balance is greater than the statutory maximum which is currently two hundred forty (240) hours. When an employee is authorized to perform overtime work that would result in accrual of a net balance of compensatory time off in excess of the above limits, the employee shall be paid for that overtime work. On or before the end of the second pay period in June, the City shall buy back at the current rate of pay all accrued compensatory time off in excess of eighty (80) hours of each year. Payment for such buy

back will be made in a separate check from the employee's regular paycheck.

(d). Compensatory time off shall be earned and used as authorized in writing by the department head.

(e). Upon termination from the classified service or City service, whichever occurs first, an employee shall be paid the value of unused compensatory time off, pursuant to the City of Mount Shasta Personnel Policy section 9.5.

2.05 ON-CALL PAY

On-call duty assigned by the department head shall be compensated as follows:

(a). Employees who are required to be on call outside of normal working hours shall be eligible for on-call pay.

(b). On-call employees shall be provided a cellular telephone and will be expected to respond to service calls within thirty (30) minutes, weather and road conditions permitting.

(c). Effective July 1, 2017, employees on call outside of normal duty hours shall be compensated by standby pay \$225 per week. Effective July 1, 2018, employees on call outside of normal duty hours shall be compensated by standby pay \$250 per week.

(d). Responding to a service call shall mean any call that requires the employee to respond away from the employee's residence, or any telephone call in excess of 15 minutes.

(e). Employees on-call for one or more City recognized holidays within the same week of on-call will be compensated with 4 hours CTO for each holiday on-call in addition to on-call pay.

2.06 CALL BACK PAY

When the employee is ordered to return to work after the employee has completed the employee's usual work shift, and has left the work site, the employee shall earn Call-Back Pay. An employee who has been called back shall earn Call-Back Pay in an amount equal to a minimum of two hours of Overtime Pay or the Overtime Pay for the hours actually worked whichever is greater.

2.07 MERIT INCREASES

Upon approval of the City Manager and upon receiving a satisfactory evaluation, a Unit employee who has obtained regular status shall receive a merit increase each year upon his/her anniversary date of hire, reclassification, or promotion until he/she reaches the top step of the salary range.

ARTICLE 3 - WORK PERIOD

3.01 EMPLOYEES' WORK PERIOD

The work period for Unit employees shall consist of 40 hours over 7 days commencing at 12:01 a.m. on Monday and ending at 12:00 midnight on the following Sunday.

3.02 ALTERNATIVE WORK SCHEDULES

Upon the City Manager's written authorization, and with the agreement of affected employees, a department head may schedule an employee's workweek based on an alternative work schedule. A regular shift shall start no later than 7:00 a.m. and no earlier than 5:00 a.m. Holiday and vacation benefits will be paid on a prorated basis.

3.03 PAY DATE

The Pay Date for Unit employees shall be alternate Thursdays, unless both Monday and Tuesday of that week are holidays, in which case the Pay Date shall be the next Friday. Employees shall receive pay for hours worked or any leave time requested, plus earned overtime on each pay date.

3.04 FLSA COMPLIANCE

In areas where this MOU is silent, the City agrees that overtime compensation shall be based on the regular rate of pay in accordance with the Fair Labor Standards Act (hereinafter "FLSA"), and this MOU will be otherwise interpreted and applied in compliance with the FLSA.

ARTICLE 4 - BENEFITS

4.01 HEALTH INSURANCE

The City shall provide a "Flexible Benefit Cafeteria Plan" for health insurance benefits, which will include medical, dental, and vision coverage pursuant to IRS Code Section 125.

- A. On July 1, 2017 the City agrees to a monthly CAP on contributions in the amount of One Thousand Dollars (\$1000.00) per eligible employee. Effective July 1, 2017, the City agrees to pay into the Northern California General Teamsters Security Trust Fund, Plan E, H.S.A., for its employees. The current monthly rate as set by the Trustees for Plan E, H.S.A. which has a tiered rate structure, for which the City agrees to pay up to the CAP. These payments shall secure medical, drug, dental, vision and orthodontia for the employee and his/her dependents, and shall be subject to the provisions of the existing Trust Agreement.
- B. Eligible employees, with respect to whom such monthly payments are required to be made, means: All employees covered by this Agreement who are on the payroll of the City in the

month for which payment is made, with no minimum restrictions on hours the first month after 90 calendar days of employment.

- C. In the event it is determined by the Trustees of the aforementioned Plan, that, in order to maintain the current level of benefits, an increase in premiums is necessary, the City will pay the increase up to the CAP for the term of this Agreement as indicated in Section A above. Employees will be responsible for any amount over the CAP by payroll deduction.
- D. The City agrees to implement an IRS 125 Plan for all Teamster employees. However, this plan will be at no cost to the City.
- E. Plan E H.S.A. has an annual open enrollment period allowing employees to “opt in” and “opt out” or change tier levels. These changes may be made at any time with a “qualifying event”.
- F. The City agrees to “frontload” the employee and employer H.S.A. account contribution in January of each year and remit the health insurance premiums for each participating employee monthly thereafter. All employees participating in Plan E and thereby participating in the H.S.A. must sign an H.S.A. Frontloading Agreement.
- G. The frontloading of the employee and employer H.S.A. account contributions in January of each year may result in a reduction of revenue to the City. This reduction would be equal to the difference in the interest that would have been earned on the frontload amount had it been paid out monthly instead of a lump sum at the beginning of the year. This reduction in revenue shall be calculated each year based on the interest rate of the Local Agency Investment Fund at the time the frontload is paid by City, and shall be reimbursed to City from funds in the pooled cap.
- H. In July of each year an analysis of actual year to date and projected costs for the remainder of the calendar year to the required City contribution for participating employees will be completed by the City. If the cost of premiums and H.S.A. contributions are projected to exceed the available pooled cap per Article 4.01 A of this agreement, payroll deductions will commence in July with allocation of the excess cost shared equally. If the cost of premiums and H.S.A. contributions are projected to be less than the pooled cap, the difference shall be placed into a designated reserve for utilization by participants as a pooled group towards future health insurance costs.
- I. A second cost analysis will be completed in November of each year based on actual experience and the impact of any premium increases to be effective on January 1 of the following year. If the cost of premiums and H.S.A. contributions are projected to exceed the available pooled cap per Article 4.01 A of this agreement, payroll deductions will be adjusted in December with allocation of the excess cost shared equally by employees. If the cost of premiums and H.S.A. contributions are projected to be less than the pooled cap, the difference shall be placed into a designated reserve for utilization by participants as a pooled group towards future health insurance costs.

- J. Payroll deductions will be based on annual costs with monthly deductions for each employee calculated based on the number of payroll checks to be received by the employee.
- K. As employees who are Medicare eligible are no longer eligible for a Health Savings Account (per IRS guidelines), the City agrees to pay directly to the employee in a lump sum payment the same amount that would fund their appropriate deductible. This payment shall be issued in January of each year, or the month the employee originally becomes eligible for Medicare.
- L. Employees who are newly hired after January 1 shall not have their H.S.A. contributions frontloaded. Once eligible for benefits, the City shall make appropriate deposits to their H.S.A. account on a monthly basis equivalent to the months of eligibility for that year.
- M. The City will report H.S.A. contributions on year end W-2 statements issued to employees as required by IRS regulations and will evaluate classifications and reporting of future employee deductions for costs in excess of the City cap contribution as premiums or H.S.A. contributions as prescribed by IRS regulations.
- N. Employees must notify the City of their intent to participate in additional voluntary contributions to their H.S.A. account via payroll deductions at least 30 days prior to the commencement of such deductions utilizing the prescribed enrollment form.

During the term of the agreement, the City and the Union will continue to explore Health and Welfare options that may, by mutual consent, be implemented during the term of the agreement.

4.02 RETIREMENT

Retirement benefits are provided through the City 2% at 55 benefit plan contract with the PERS. A second retirement tier of 2% at 62 through PERS shall be effective for those employees hired on or after January 1, 2013. Effective July 1, 2015, all employees shall begin paying their PERS member contribution, on a pre-tax basis, through payroll deduction: 7% for employees hired before January 1, 2013 and 6.25% for employees hired on or after January 1, 2013.

If an employee is an established PERS member hired on or after January 1, 2013, with a break in service from his/her previous employer of less than six months, the employee shall pay their PERS member contribution of 7% on a pre-tax basis through payroll deduction, in accordance with the PERS Reform Act of 2013.

4.03 STATE DISABILITY INSURANCE

The S.D.I. plan shall include integration of benefit with City sick leave to prevent duplication and to allow an employee up to full pay by the combination of benefits.

ARTICLE 5 - LEAVES

5.01 SICK LEAVE

Sick leave is a benefit granted to regular employees who are probationary or permanent. Sick leave shall in all instances be granted subject to the following terms:

- (a) An employee shall accrue sick leave at the rate of one (1) eight-hour day per month prorated on a bi-weekly basis, in the same manner as currently administered.
- (b) The employee must notify the appropriate authority prior to taking sick leave pursuant to the City of Mount Shasta Personnel Policy section 12.3 through 12.

5.02 SICK LEAVE PAYOFF

Upon retirement, an employee shall be paid twenty-five percent (25%) of any accrued, unused sick leave up to a maximum of 480 hours, or elect to convert all accumulated sick leave as additional retirement service credit up to a maximum of one year per the provisions of PERS Section 20965.

5.03 NON-FAMILY MEDICAL LEAVE ACT ABSENCES

If a leave does not qualify under FMLA, the employee must request an unpaid leave of absence for personal or medical reasons in accordance with the following:

- (a) Leaves shall be granted by the City Manager.
- (b) A request for medical leave under the provisions of this section requires written medical verification by a qualified medical provider and must be provided in writing to the City Manager.
- (c) The City will continue to make available group health benefits. The employee is responsible for timely payment of his/her share of the premium.
- (d) The City reserves the right to deny such a leave and to deny the extension of such a leave.
- (e) An employee granted a leave under this provision is expected to return to his/her normal assigned duties upon the expiration of the leave. He/she is subject to layoffs as if he/she were working.
- (f) An employee unable to perform the essential function of his/her job under provisions of the American with Disabilities Act may not be reinstated to City employment.

5.04 WORKER'S COMPENSATION LEAVE

A Workers Compensation leave of absence may be granted by the City Council to Unit employees who are on authorized worker's compensation status due to industrial illness or injury as provided by state law. The employee will be required to supplement temporary disability payments with accrued paid leave to an amount whereby the combined amounts are equivalent to full pay. When all accrued paid leaves are exhausted the City will continue to make available flexible benefit plan payments during the remaining temporary disability payment period and only if the employee pays his/her share of the premium in a timely manner as prescribed by the City. An employee on worker's compensation leave may be terminated as provided by state law, including participation in vocational rehabilitation or retirement.

5.05 HOLIDAYS

The following holidays are recognized holidays. On such holidays, employees shall be entitled to time off with regular pay paid at an hourly rate commensurate with the actual number of hours each employee works.

1. January 1, New Year's Day;
2. The third Monday in January, M. L. King Day;
3. The third Monday in February, Presidents' Day;
4. The last Monday in May, this is the legal observance of Memorial Day;
5. July 4, Independence Day;
6. The first Monday in September, Labor Day;
7. November 11, Veterans' Day;
8. The day in November that is the legal observance of Thanksgiving.
9. The day in November following Thanksgiving;
10. December 24, Christmas Eve; except that when December 24 falls on a Saturday or Sunday, the preceding Friday shall be designated as the Christmas Eve holiday, and when December 24 falls on a Friday, the preceding Thursday shall be the holiday;
11. December 25, Christmas Day;
12. Every day appointed by the President of the United States or the Governor of this state as a special one-time-only holiday;
13. Any day the City observes as a Holiday that is not specifically identified herein.
14. The employee's birthday.

If a holiday falls upon a Sunday, the Monday following shall be a holiday; if such foregoing date falls upon a Saturday, the preceding Friday shall be a holiday.

5.06 DISABILITY LEAVE

An employee who has become temporarily disabled for any reason shall have a right to disability leave not to exceed twelve weeks inclusive in the FMLA provisions, or until a

doctor certifies fitness to return to work, whichever is sooner. Such leave shall be without compensation or accrual of benefits or seniority. Accrued sick leave benefits must be used prior to the effective date of disability leave. If the employee has been covered by city-paid health insurance prior to the effective date of disability leave, the employee shall have the right to continue such insurance at the employee's own expense.

When disability leave is used up, and reliable medical evidence shows that the employee is still medically or physically unfit for his or her position, then:

- (a). The employee may apply for and be granted a general leave of absence if the medical evidence shows a likelihood of fitness to return to work in the position within a reasonable period of time; or
- (b). The City will work with an employee submitting an application for disability retirement for the employee under Government Code section 21023.5, to the extent it is in the mutual interest of the City and the employee; or
- (c). The employee may be terminated from employment after receiving notice and an employee so terminated shall have the right to appeal.

5.11 MATERNITY LEAVE

If a doctor certifies that an employee is disabled due to pregnancy, childbirth, or related medical conditions, the employee shall have a right to maternity leave not to exceed four months consistent with California Pregnancy Disability Leave provisions and the City of Mount Shasta Personnel Policy section 12.7. In all other respects, maternity leave shall be granted on the same terms as disability leave. An employee who plans to take maternity leave shall be required to give the appointing authority reasonable notice of the anticipated date and duration of leave.

5.12 JURY AND WITNESS LEAVE

Any employee who is called for jury duty or subpoenaed to appear as a witness, other than as an expert witness or party to the action, shall receive paid leave for such purpose on the terms that follow:

- (a). The employee shall receive paid leave provided that any witness fees or jury fees are assigned to the City.
- (b). If called as a witness in litigation in which the City is a party, or to testify in an official capacity as a City employee, the employee shall receive paid leave and an allowance for any necessary travel, provided that any witness fees are assigned to the City.

5.13 VACATION LEAVE

(a). Employees shall accrue Vacation Leave as follows:

Up to 2 years of service 10 days Vacation Leave per year

Over 2 years and up to 12 years of service 1 additional day of Vacation Leave per year for each year of service

Over 12 years 20 days Vacation Leave per year

Employees accrue Vacation Leave prorated on a bi-weekly basis in conformance with the table set forth above, until a maximum of two years at the applicable rate of earning is accumulated.

(b). Employees are eligible to use accumulated Vacation Leave upon accrual. Vacation Leave must be approved in writing by the Department Head or his/her designee at least 72 hours in advance. Such approval shall not be unreasonably withheld. The Department Head, in his/her sole discretion, may waive the 72-hour requirement, provided that adequate coverage can be maintained without having to pay overtime to any other employee.

(c.) Employees who leave City service and have accumulated Vacation Leave will be reimbursed in full for the accumulated amount as a part of their final paychecks.

5.14 MILITARY LEAVE

Military leave shall be granted in accordance with federal and state law, provided that the appointing authority is given a copy of the military orders and has, within the limits of military regulations, an opportunity to determine when such leave shall be taken.

ARTICLE 6 - GRIEVANCE AND DISCIPLINE PROCEDURES

6.01 GRIEVANCE PROCEDURE

(A). Definition: A grievance shall be defined as a claim by an employee, group of employees, or recognized employee organization of an alleged violation, misinterpretation, or misapplication of any employer-employee relations resolution; any memorandum of understanding with an employee association; or any written City ordinances, rules, regulations, policies or procedures relating to wages, hours, or other terms and conditions of employment, excluding disciplinary matters that are applicable an the employee.

(B). Basic Rules:

1. Any employee, employee group or recognized employee organization may file a grievance without fear of reprisal.

2. The grievant must specify the relief sought.
3. The grievant or his/her representative shall be granted reasonable use of City time and facilities in the processing of his/her grievance after it has been submitted.
4. Time limits may be extended by mutual consent, in writing.
5. Failure by a grievant to file any statements or appeals within the specified time limits, unless extended, constitutes an abandonment of the grievance.
6. The City designee responsible for the scheduling of meetings and conferences shall give timely, written notices of such meetings and conferences to all parties concerned.
7. Two or more employees with a common grievance may initiate a single proceeding, but one member shall be designated for processing the grievance.
8. At any stage of the grievance procedure from Department Head and above, employees may be represented by one agent of their recognized employee organization.
9. At any stage of the grievance, the employee may withdraw the grievance by giving written notice to the Department Head or the City Manager, provided that if the employee has chosen to be represented by an Agent said Agent shall also concur, which shall then become a permanent part of the Personnel Department's records.
10. If the employee considers the answer to his/her grievance to be satisfactory, then the matter will be closed and the resolution documented in the Personnel Department's records. If the employee subsequently desires to reopen the grievance, he/she must initiate it at the beginning of the grievance procedure.
11. Filing of a grievance shall in no way interfere with the right of the City to proceed in carrying out its management responsibilities subject to the final determination of the grievance. Grievant (s) shall continue to perform all duties and assignments pending final determination, unless unsafe conditions exist.

(C). Procedure: There shall be an earnest effort on the part of both parties to resolve grievances promptly at the lowest supervisory level consistent with fairness and equity.

Step 1 - Informal Discussion with Supervisor:

Employee must discuss his/her allegation of a grievance with his/her immediate supervisor on an informal basis within twenty (20) calendar days from the date of the action causing the grievance, or date of discovery of such action, except that in no event shall any grievance be accepted for consideration more than six (6) months from the action claimed as its basis, regardless of the date of discovery. If the grievance directly involves the immediate supervisor, the grievant may go directly to the next higher level of supervision who shall process the grievance. Within seven (7) working days, the immediate supervisor shall give his/her decision to the employee. If the decision is not satisfactory to the employee, or if no answer is received within the time limit, the employee may initiate a formal grievance.

The preceding requirement is not intended to restrict an employee's right to take any issue regarding discrimination, harassment, whistle-blowing, or any other legally protected right directly to any management level, or to the City's Employee Protection Line.

Step 2 – Formal Written Grievance:

Employee will initiate the formal grievance by submitting a written statement fully detailing the facts surrounding the grievance, the provisions of agreements or policies alleged to have been violated, and the proposed relief being sought. This formal grievance will be submitted to the Department Head in charge within seven (7) working days after receipt of the immediate supervisor's informal response, or failure to respond within the time limit. The Department Head shall, within seven (7) working days, deliver a decision, in writing, to the employee. If the answer does not satisfy the employee, or is not forthcoming within this time limit, the employee may initiate Step 3 of the grievance procedure.

Except as already provided in Step 1 where a supervisor is directly involved in the matter of grievance, in the event there are additional levels of supervision between the employee's immediate supervisor and the Department Head, this step of the process may be required by the Department Head to be first initiated at an intermediate supervisor level, but not more than one time.

Step 3 – Review by the City Manager/Personnel Director:

The employee may initiate Step 3 by filing an appeal, in writing, with the City Manager within seven (7) working days after receipt of the Department Head's decision, or from the expiration of the time limit for a decision. The City Manager may elect to utilize the services of the Personnel Officer in responding to the grievance. The City Manager shall, within ten (10) working days of the receipt of the appeal, meet with the aggrieved employee to review the grievance. The City Manager will deliver a decision in writing to the employee within seven (7) working days of this meeting. If the employee is not satisfied with the decision, has not received an answer within seven (7) working days of the filing of the appeal, or no meeting with the City Manager has taken place within ten (10) working days of the filing of the appeal he/she may initiate Step 4.

Step 4 – City Council's Final Decision:

The employee may initiate Step 4 by filing an appeal to the City Council, in writing, with the City Clerk within ten (10) working days from receipt of the City Manager's response, or failure to respond within the time limits. The City Council may, at its discretion, refuse to hear the grievance in which case the City Manager's decision shall be final. The City Council may choose to accept the grievance, in which case, both the City Manager and the grievant or his/her representative may make their presentations to

the City Council. The City Council will deliberate the grievance and, within fifteen (15) days after hearing presentations on the grievance, arrive at a decision that shall be final and binding. In extraordinary circumstances, the City Council, at its sole discretion, may appoint a special panel or engage a hearing officer to hear the grievance and make a recommendation or render a final decision.

6.02 DISCIPLINE PROCEDURE

Each Department Head shall have the right to discipline or recommend to the City Manager for discipline any employee subject to his/her jurisdiction for any reason which is in the best interests of the City. Causes for disciplinary action include, but are not limited to, misconduct, dishonesty, insubordination, incompetence or inefficiency, failure to perform duties, conviction of crimes of moral turpitude, repeated and unexcused absences, abuse of sick leave privileges, abandonment of position, offering or accepting anything of value in exchange for receiving or granting special treatment in connection with an employee's position, violation of personnel rules or departmental rules, or any other serious offense related to employment with the City of Mt. Shasta. Such discipline may include but not be limited to reprimand, suspension, demotion, reduction in compensation, or termination.

A. For written reprimands steps 1-5 shall be followed.

1. The immediate supervisor shall meet with an employee to discuss proposed disciplinary action after notifying the employee in writing that such a meeting is being held for the purpose of ascertaining whether disciplinary action is appropriate.
2. After any meeting or meetings held under paragraph A.1, the supervisor shall notify the employee within five (5) working days of any proposed disciplinary action by written notice containing the following information:
 - a) A clear and concise statement of the reasons for such action, including the acts or omissions, and rules or policies violated, if any, on which the disciplinary action is based.
 - b) A description of the proposed action to be taken and the date it will be effective.
 - c) A statement advising the employee of the right to respond, either verbally or in writing, to the authority proposing the action prior to its effective date.
 - d) A statement that a copy of the materials upon which the action is based is attached.
 - e) A statement advising the employee of the method and right to appeal and the time within which the appeal must be made.
3. If the employee agrees with the proposed discipline, it shall be forwarded to the Department Head, who shall meet with the employee within seven (7) working days to confirm the disciplinary action.

4. If an employee wishes to formally appeal a written reprimand, the employee shall submit a written request to his/her Department Head within ten (10) days of receipt of the memorandum or the written notice of paragraph 2.

5. The Department Head shall meet with the affected parties within (10) working days of receipt of a formal appeal, and render his/her final decision within ten (10) working days thereafter. The employee shall have the right to submit a written response to the reprimand, which shall also be placed in the employee's personnel file.

B. For suspensions of one (1) or more days, demotions, reduction in compensation, or terminations, Steps 1-4 under paragraph A. above shall be followed. However, an employee may be placed on administrative leave with pay when exigent circumstances exist that requires immediate removal from duty. In addition to steps 1-4 under paragraph A., the additional steps below shall be followed for suspensions of one (1) or more days, demotions, reductions in compensation, or terminations:

1. If after completing step 2 or 4, a supervisor makes a recommendation to the Department Head for suspension for one (1) or more days, demotion, reduction in compensation, or termination, and the Department Head determines such discipline may be warranted, the Department Head shall provide the employee with written Notice of Intent to impose disciplinary action either hand-delivered or mailed certified to the employee's last known address reflected in the personnel records if the employee is not available at the job site. The Notice of Intent shall include the following information:

- a). Specific charges set forth in separate counts, describing the conduct underlying each count.
- b). A separate recommendation of proposed discipline for each charge and the date it will be effective.
- c). A statement that the employee has been provided all of the materials considered by the Department Head in recommending the proposed discipline.
- d). An opportunity to respond orally or in writing, or both, to the Department Head within seven (7) days of receiving the Notice of Intent.
- e). A statement that the employee has a right to be represented by an agent of his/her employee organization.
- f). A statement that the employee has a right to appeal the Department Head's decision to the City Manager.

2. If after reviewing the employee's response to the Notice of Intent, or lack of response, the Department Head determines to implement discipline beyond a written reprimand, he/she shall deliver to the employee written notice of such action. Employee may appeal the decision of the Department Head concerning the disciplinary action to the City Manager, by written notice, within seven (7) days of receiving the Department Head's decision.

3. The City Manager shall within ten (10) days after receipt of an appeal notice, schedule a date for an appeal hearing to provide an opportunity for the employee or his/her representative to present additional evidence or statements prior to making a decision as to whether to uphold, modify in whole or in part, or overrule the Department Head's recommendation.

4. If the employee is not satisfied with the City Manager's decision he/she shall have a further right of appeal to the City Council, which shall be exercised by written notice to the City Clerk within ten (10) days of receipt of the City Manager's decision. The City Council may hold an appeal hearing itself, or may appoint a hearing officer who shall conduct an administrative hearing. The City Attorney or designee shall reach agreement on selection of the hearing officer with the employee and the employee's representative prior to making the appointment. The hearing officer shall be a neutral party from outside the organization.

The fees and expenses of the hearing officer and court reporter shall be shared equally among the parties. All other expenses shall be borne by the party incurring them and neither party shall be responsible for the expenses of witnesses called by the other except as provided by law.

A party requesting a transcript to the hearing shall bear the cost thereof. The hearing officer shall make a recommendation to the City Council to sustain, modify, or reverse the disciplinary decision. A copy of the recommendation will be given to the employee. The City Council will issue a final decision within fifteen (15) working days of receiving the recommendation, and may, but is not required, to accept the hearing officer's recommendation.

In the case of police officers, this procedure does not abrogate or diminish any rights or protections afforded an officer by the Peace Officers Bill of Rights.

This procedure does not constitute a waiver of the employee's right to request a review of the City's decision in a court of law pursuant to Code of Civil Procedures Section 1094.5 that is filed within ninety (90) days of the final decision.

6.03 ABANDONMENT OR RESIGNATION

(A) An employee shall be deemed to have abandoned his/her position if the employee fails to show up for work and perform his/her duties or fails to otherwise notify his/her supervisor for three (3) consecutive work days. The City shall mail notice to the employee which informs the employee that he/she will be deemed to have resigned from his/her employment with the City unless said employee returns to work and performs his/her duties within one (1) work day of personal delivery of notice or within two (2) work days of mailing by overnight mail to the employee's last known address.

(B) The intent of any employee to resign his/her employment shall be submitted in writing to his/her Department Head, given a minimum of ten (10) working days notice. The resignation is effective upon delivery by the employee and is deemed irrevocable upon receipt provided, however, the City Manager may at his/her sole discretion and authority, permit an employee to withdraw the employee's resignation.

ARTICLE 7 - MISCELLANEOUS

7.01 CATASTROPHIC LEAVE TRANSFERS (Paid Disability Leave):

A Unit employee eligible for a non-paid disability leave may be placed on a paid disability leave provided the City receives written leave transfer pledges from other employees with sufficient paid leave balances to allow a transfer of credits to an employee authorized such leave. An employee on a paid disability leave shall continue to receive City contribution to the health plan. A paid disability leave shall be subject to the following:

- (1) Leave requests may be approved in writing by the requesting employee's department head in an increment of up to 90 days with additional incremental extensions.
- (2) City employees may pledge accrued leave in a manner, form and time prescribed by a policy established by the City and the Union.
- (3) An employee may voluntarily pledge accrued leave transfers up to the following maximums:
 - (a) All of the donor's accrued compensatory time off;
 - (b) Accrued vacation time provided that the donor retains a balance of one year's accrual.
 - (c) Sick leave accrual provided the donating employee retains ten (10) days of sick leave for himself or herself.

7.02 CREATION OF JOB DESCRIPTIONS

With the completion in 2005 of formal professional classifications, the City has developed comprehensive job descriptions for the represented classifications that reflect the current responsibilities and duties associated with each classification. The City agrees to further review them with the Union as determined to be necessary, with the understanding that the City reserves its right to create and modify such job descriptions subject to Union rights regarding wages and working conditions.

7.03 FURLOUGH RULE

The City reserves the right to furlough an employee or group of employees, without pay, pursuant to the City of Mt. Shasta Personnel Policy section 9.2.

The appropriate application of a furlough to an employee or group of employees shall not be

subject to the grievance procedure.

7.04 FOOTWEAR

The City of Mount Shasta will reimburse Unit employees \$350.00 for work footwear and footwear related items or work clothing. Said allowance will be available on September 1st of each year. Employees will be required to submit a receipt for each purchase.

7.05 TOOL ALLOWANCE

The City will provide a tool allowance on or about January 1 of each year to the Senior Mechanic. The amount shall be \$500. Such allowance is made with the understanding that each employee under the program shall be solely responsible for replacing his/her own hand tools.

7.06 INCENTIVE PAY

In order to enhance the professionalism of the Public Works Department, and in recognition of individual employee's efforts to improve his/her job skills, the City will pay Incentive Pay as follows:

- (a) Minimum Certification Requirements and Certification Incentives are contained in "Exhibit A."
- (b) In the event that the City Manager denies in advance the eligibility of an employee for incentive pay pursuant to Section 7.05(a) above, the City Manager shall put such denial in writing specifically stating the reason for denial.
- (c) A Unit member who is receiving Incentive Pay pursuant to this Section, whose current job classification subsequently requires the applicable license or certificate for which they are receiving Incentive Pay, shall be "grandfathered in" and shall continue to receive incentive pay for that license or certificate as long as they are in that classification.

7.07 SNOW REMOVAL

(a) Meals: During snow removal operations that last longer than six (6) hours, Public Works employees will be provided a hot meal at the City's expense. When the operators are going to continue for longer than ten (10) hours, a second hot meal will be provided at the City's expense. To qualify for said paid meal, the operator must meet the above requirement and the snow removal must start or end outside of the normal work hours or within the normal work hours when no lunch period was provided.

(b) Call Backs: When a Public Work's employee is called back to work for snow removal, they will be compensated an additional thirty (30) minutes of travel time.

ARTICLE 8 - AGREEMENT

8.01 TERMS OF THE MEMORANDUM OF UNDERSTANDING

The term of this MOU shall be from July 1, 2017 through June 30, 2019, unless the term is extended by mutual agreement.

8.02 SEVERABILITY AND SAVINGS CLAUSE

If any provision of this MOU should be held invalid or restrained by operation of law or by any court of competent jurisdiction, the remainder of this MOU shall not be affected. In the event that the implementation of any article, section or subsection of this MOU shall be frustrated by operation of law or by any court of competent jurisdiction, or if compliance with any article, section or subsection would be frustrated or restrained by such law or court, representatives of the City and the Unit shall, if possible, meet and confer for the purpose of endeavoring to agree on a replacement for such article, section or subsection. Otherwise, each party hereto expressly waives and relinquishes the right to meet and negotiate on any topic included herein for the term of the agreement. The parties are cognizant of the fact that various items within the scope of negotiation are not included herein and each party specifically waives the right to negotiate on any of such topics not included herein.

8.03 FULL UNDERSTANDING

The Parties agree that this MOU sets forth the full and entire understanding of the Parties regarding the matters set forth herein, and verbal statements shall not supersede any of its provisions. All topics raised during the meet and confer process leading to this agreement that are not included or referenced herein are deemed withdrawn. In all matters not specifically set forth in this agreement that involve conditions of employment that could be the subject of this agreement, the City of Mount Shasta Personnel Policy, adopted December 14, 1992 as amended, shall govern subject to the Associations right to grieve any such provision that could adversely affect an employee.

8.04 SIGNATURES

Signed and agreed to this, _____.

City of Mount Shasta

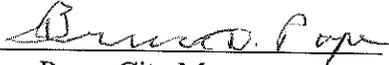
General Teamsters Union Local 137



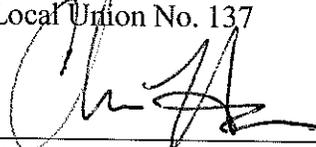
Kathy Morter, Mayor



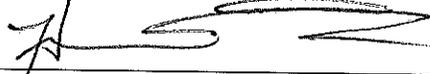
Kim Carelli, Business Agent
Local Union No. 137



Bruce Pope, City Manager



Chris Hanson, Steward and
Employee Representative



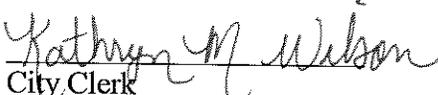
Howard Gubetta, Steward

Ratified by the Union this _____ day of _____ 20__

Adopted by the Mount Shasta City Council on this 8th day of August, 20 17 by unanimous vote.

Resolution Number CCR-17-55

Attest:



Kathryn M. Wilson
City Clerk

EXHIBIT A

MINIMUM CERTIFICATION REQUIREMENTS AND CERTIFICATION INCENTIVES

Minimum Certification requirements are noted for each classification for employees

CLASSIFICATION	CERTIFICATION	AMOUNT
Public Works Maintenance Worker (Operator in Training) One year Required Voluntary	None None	0% 0%
Public Works Maintenance Required Voluntary	Class B, D-1 Class A, D-2, QAC	0% 2.6%
Public Works Maint. Worker Lead-Utilities Required Voluntary	Class B, D-2 Class A, Backflow certification, QAC	0% 2.6%
Public Works Maint. Worker Lead Streets Required Voluntary	Class B Class A, D-1 or higher, QAC	0% 2.6%
Wastewater Plant Operator Required Voluntary	Class B, Grade 1 Class A, Grade 2 or higher, Lab Tech, QAC	0% 2.6%
Wastewater Plant Supervisor Required Voluntary	Class B, Grade 3 Class A, Grade 4 or higher, Lab Tech, QAC	0% 2.6%
Senior Mechanic Required Voluntary	Class B Class A, QAC	0% 2.6%

Incumbent employees will have time to achieve the required certificates.
Other mutually agreed upon certifications not listed here would meet incentive pay.

EXHIBIT B

2017-2018 Salary Schedule

Position Title	Hourly Salary Range					Longevity		
						2%	4%	6%
	A	B	C	D	E	10 yr	15 yr	20 yr
City Manager	Contract							
Police Chief	34.12	34.97	35.83	36.68	37.52	38.28	39.03	39.78
Director of Finance	34.12	34.97	35.83	36.68	37.52	38.28	39.03	39.78
Dir. Of Public Works	30.88	31.65	32.43	33.20	33.97	34.65	35.33	36.01
Fire Chief	30.11	30.86	31.62	32.37	33.12	33.78	34.45	35.11
Police Lieutenant	28.35	29.06	29.77	30.48	31.18	31.81	32.43	33.05
Police Sergeant	25.02	25.65	26.27	26.90	27.53	28.08	28.63	29.18
w/advanced	25.64	26.29	26.93	27.57	28.21	28.77	29.33	29.90
Police Patrol Officer	21.29	21.83	22.36	22.89	23.42	23.89	24.36	24.83
w/advanced	21.83	22.37	22.92	23.46	24.01	24.49	24.97	25.45
Probationary Patrol Officer	19.35	(a 12 month, 1-step position)						
Part-Time Patrol Officer	19.50	(without benefits, limited to 500 hours/fiscal year)						
Community Services Liaison	19.22	19.70	20.18	20.66	21.14	21.57	21.99	22.41
Records Manager/Dispatcher	19.76	20.25	20.75	21.24	21.74	22.17	22.61	23.04
Communications Dispatcher	16.07	16.47	16.87	17.27	17.68	18.03	18.38	18.74
On-Call Dispatcher	15.60 + diff.			16.36 + diff. (after 4 years)				
Probationary Dispatcher	16.07	(a 12 month, 1-step position)						

Position Title	Hourly Salary Range					Longevity			
						2%	4%	6%	
	A	B	C	D	E	10 yr	15 yr	20 yr	
Assistant Fire Chief	21.03	21.55	22.08	22.61	23.13	23.60	24.06	24.52	
Fire Battalion Chief	21.13	21.66	22.19	22.72	23.24	23.71	24.17	24.64	
Fire Captain	16.07	16.47	16.87	17.27	17.67	18.02	18.38	18.73	
Public Works Supervisor	24.23	24.83	25.44	26.04	26.65	27.18	27.71	28.25	
Wastewater Plant Lead Operator	20.52	21.03	21.55	22.06	22.58	23.03	23.48	23.93	
Public Works Leadperson	19.61	20.10	20.59	21.08	21.57	22.00	22.43	22.87	
Wastewater Plant Operator	19.18	19.66	20.14	20.62	21.09	21.51	21.94	22.36	
Public Works Maintenance	18.05	18.50	18.95	19.40	19.85	20.25	20.65	21.04	
Senior Mechanic	19.18	19.66	20.14	20.62	21.09	21.51	21.94	22.36	
Operator in Training	16.79	(a 12 month, 1-step position)							
Finance Tech – Payables/HR	22.30	22.86	23.42	23.98	24.54	25.03	25.52	26.01	
Finance Tech – Receivables	17.60	18.04	18.48	18.92	19.36	19.75	20.14	20.52	
Clerk/Cashier	15.12	15.50	15.88	16.26	16.63	16.97	17.30	17.63	
Admin Assist/Deputy City Clerk	19.70	20.19	20.69	21.18	21.67	22.10	22.54	22.97	
City Planner	27.57	28.26	28.95	29.64	30.13	30.94	31.54	32.15	
City Building Inspector	Contract								