

**MEMORANDUM
OF
UNDERSTANDING**

BETWEEN

THE CITY OF GILROY

AND

THE GILROY MANAGEMENT ASSOCIATION

JULY 1, 2025 – JUNE 30, 2028

MEMORANDUM OF UNDERSTANDING

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CITY OF GILROY

AND

THE GILROY MANAGEMENT ASSOCIATION

JULY 1, 202~~5~~ - JUNE 30, 202~~5~~~~8~~

ARTICLE I. PARTIES TO THE AGREEMENT

This Memorandum of Understanding is jointly prepared and executed by representatives of the City of Gilroy (hereinafter CITY) and the Gilroy Management Association (hereinafter GMA) for presentation to, and consideration by, the City Council of CITY. It shall not be binding until ratified by the GMA and adopted by the City Council.

ARTICLE II. RECOGNITION AND SCOPE

CITY hereby recognizes GMA as the recognized employee organization of employees in the classifications in Attachment "A" for purposes of Government Code 3500 *et seq.* and the Employer-Employee Relations Policy of CITY (City Council Resolution 85-25). Such recognition shall extend only to the representation of employees holding permanent positions in the classifications listed in Attachment "A."

ARTICLE III. CITY RIGHTS

Section A. In General:

All CITY rights and functions, except those which are expressly abridged by this Agreement, shall remain vested with CITY.

Section B. Rights Enumerated:

Nothing in this Agreement shall be construed to restrict any legal or inherent exclusive CITY rights with respect to matters of general legislative or managerial policy which include but are not limited to: the exclusive right to determine the mission of its constituent sections; set standards of selection for employment and promotion; train, direct and assign its employees; require work outside of normal

working hours; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of CITY operations; determine the methods, means and personnel by which CITY operations are to be conducted; determine the content of job classifications; take all necessary actions to prepare for and carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work. CITY has the right to make reasonable rules and regulations pertaining to employees consistent with this Agreement.

Section C. Employee Grievances Not Impaired:

The exercise of CITY management rights shall not preclude a grievant from presenting a grievance in accordance with the Human Resources Rules and Regulations, concerning an adverse effect of the exercise of such rights upon employee; provided, however, the basic right of management to act hereunder or make decisions is unimpaired.

Employees included in this representational unit covered by the Public Safety Officers Procedural Bill of Rights or the Firefighters Bill of Rights Acts shall be afforded the procedural rights included in that Act.

Section D. Consultations with GMA:

This Agreement is not intended to restrict the right of CITY to consult with GMA regarding matters within the right of CITY to determine. However, the parties understand that such consultation shall not create any obligation to meet and confer over issues not within the scope of representation.

Pursuant to MMBA Section 3504, the scope of representation shall include all matters relating to employment conditions and employer-employee relations, including, but not limited to, wages, hours, and other terms and conditions of employment, except, however, that the scope of representation shall not include consideration of the merits, necessity, or organization of any service or activity provided by law or executive order.

ARTICLE IV. GMA RIGHTS

Section A. Bargaining Unit Security:

1. An employee in one of the classes included in the Unit may at any time execute a payroll deduction authorization form ("Deduction Authorization Form") as furnished by GMA.
2. GMA will be custodian of records for such Deduction Authorization Form and will provide the City with a certification that it has and will maintain an authorization, signed by the individual from whose salary or wages the deduction or reduction is to be made. GMA shall not be required to provide the City a copy of the employee's authorization unless a dispute arises about the existence or terms of the authorization. However, GMA will provide the City with a certification document for each employee with sufficient information to allow the City to identify the appropriate level of deductions.

3. The City shall begin deductions in the amount prescribed by GMA in the first full payroll period after receipt of written certification of employee authorization from GMA.
4. The City shall direct employee requests to cancel or change deductions to GMA and shall rely on information provided by GMA regarding whether deductions for an employee organization were properly canceled or changed.
5. Consistent with state law, GMA shall indemnify and save harmless the City, its officers and employees, for (1) any claims made by an employee for deductions made in reliance on GMA's certification regarding a Deduction Authorization Form and (2) any claims made by an employee for deductions made in reliance on information provided by GMA regarding changes or cancellations to the deduction authorization.

Section B. Employee Orientation:

~~City and GMA have agreed to maintain the current process for GMA involvement in the orientation of new GMA employees.~~ The City shall notify the Association in advance of a new employee who is being added to the bargaining unit, either through initial hiring or a promotional process. Toward the end of the employee's orientation, a pre-designated Association representative shall be given time to meet with the employee for thirty (30) minutes, without loss of compensation, for the purpose of soliciting the employee to join the Association. If the Association is unable to make a presentation at the calendared time of the new employee orientation, the Association will be responsible for scheduling a meeting with the new or newly promoted employee.

ARTICLE V. SALARIES AND OTHER COMPENSATION

Section A. Salaries:

1. The salary schedule in effect on June 30, 2022~~5~~5 shall be increased by ~~five~~five~~three~~three percent (~~53~~53)% effective July 1, 2022~~5~~5 for all unit members provided the employee's salary will not exceed the top of the established range for the classification. ~~Frozen ranges or ranges that adjusted down due to placement on the new schedule may result in an actual increase of less than 5%.~~ (Attachment B-1).
2. The salary schedule in effect on June 30, 2023~~6~~6 shall be increased by ~~five~~five~~two and one-half~~two and one-half percent (~~2.5~~2.5)% effective July 1, 2023~~6~~6 for all unit members provided the employee's salary will not exceed the top of the established range for the classification. ~~Frozen ranges or ranges that adjusted down due to placement on the new schedule may result in an actual increase of less than 5%.~~ (Attachment B-2).
3. The salary schedule in effect on June 30, 2024~~7~~7 shall be increased by ~~five~~five~~two and one-half~~two and one-half percent (~~2.5~~2.5)% effective July 1, 2024~~7~~7 for all unit members provided the employee's salary will not exceed

the top of the established range for the classification. ~~Frozen ranges or ranges that adjusted down due to placement on the new schedule may result in an actual increase of less than 5%.~~ (Attachment B-3).

4. ~~Effective the first full pay period following July 1, 2023, the City will add a~~ The last three percent (3%) of each GMA position's salary range is the Retention Range Extension (RRE) ~~of three percent (3.0%) to the top of the salary range for each classification.~~ To qualify for the RRE, an employee must have completed at least five (5) years of service as of their scheduled evaluation date. The City has had communications with CalPERS (2024-2025) and CalPERS has reviewed the GMA salary table and has approved the full salary range as qualifying compensation for purposes of CalPERS retirement benefits.
 - a. ~~Any Employee who has been at the top of their assigned salary range for at least a year as of June 30, 2023, and who has completed 5 years of service, will be allowed to move into the RRE on July 1, 2023 and will have their evaluation date adjusted to July 1 going forward.~~
 - b. ~~Employees who have not been at the top of their salary range for one year as of June 30, 2023, will retain their current evaluation date. If the employee is less than 5% from the top of the regular portion of the salary range, then the employee may partially move into the available range extension increment based on the qualifying criteria noted above and based on the up to 5% recommended merit increase for that fiscal year.~~
5. All GMA employees shall enroll in and maintain direct deposit for payroll.

Section B. Retention/Recognition Incentive/Health Reimbursement Arrangement

1. Retiree Allowance – Eligibility, Amount and Timing

An Eligible Retiree, as defined below, shall be eligible to receive a Monthly Allowance, also defined below, from the City until reaching the age of sixty-five (65). An "Eligible Retiree" is a Unit employee that satisfies all of the following requirements:

- Is at least fifty-five years old (non-safety employees) or fifty years old (safety employees)
- Has retired from service with the City through CalPERS. An individual is deemed to be retired from service with the City if his or her effective retirement date is within 90 days of separation from employment with the City and he or she is receiving a retirement allowance from CalPERS resulting from the individual's service to the City.
- Hired to full-time City of Gilroy employment prior to November 1, 2005:
 - Has rendered full-time employment services to the City for at least fifteen (15) years.
 - The "Monthly Allowance" shall be equal to \$15 for each year of service with the City of Gilroy up to a maximum monthly allowance of \$300.

- Hired to full-time City of Gilroy employment on or after November 1, 2005:
 - Has rendered full-time employment services to the City for at least twenty (20) years.
 - The “Monthly Allowance” shall be equal to \$15 for each year of service with the City of Gilroy up to a maximum monthly allowance of \$200.
 - Effective June 30, 2007:
 - Has rendered full-time employment services to the City for at least twenty-five (25) years.
 - The “Monthly Allowance” shall be equal to \$15 for each year of service with the City of Gilroy up to a maximum monthly allowance of \$300.
-
- Unit employees who promote from within the Gilroy Police Department organization to the classification of Police Captain (i.e. a GPOA Sergeant promotes to the classification of Police Captain) can maintain the allowance/benefit as written in the GPOA MOU at the time of promotion.
 - A Unit employee retiring on or after July 1, 2015, must elect to participate in the City’s retiree health reimbursement arrangement.
 - Benefits under this section begin the first day of the month following the cessation of City-paid medical benefits. For example, if an employee retires on May 1st and City-paid medical benefits continue through May 31st, the employee will receive his or her first payment under this provision in the month of June. If medical benefits extend to June 30th, then the benefits under this section will begin in the month of July.

2. Eligible Retirees On or After July 1, 2015

The Monthly Allowance for any Unit employee that qualifies as an Eligible Retiree on or after July 1, 2015, including City employees hired or rehired on or after January 1, 2013, shall be made available to the Eligible Retiree under the City’s retiree only health reimbursement arrangement (“Plan”) for the purpose of receiving nontaxable reimbursements of qualifying health care expenses under Sections 105(b) and 213(d) of the Internal Revenue Code.

A condition to receiving the Monthly Allowance and participating in the Plan is the submission of an election form to participate in the Plan. Any monthly administrative fees for the health reimbursement arrangement plan shall be borne by the retiree. An Eligible Retiree retiring on or after July 1, 2015, that does not elect to participate in the Plan will forfeit the Monthly Allowance. Reimbursements from the Plan shall be subject to substantiation that the Eligible Retiree incurred eligible expenses.

Section C. Retirement Plans and Contributions:

The City of Gilroy shall comply with the Public Employee Pension Reform Act (PEPRA) that went into effect on January 1, 2013. PEPRA is a state law that supersedes any conflicting wording that may be contained in this MOU.

Miscellaneous CalPERS Group:

- **Tier One – Miscellaneous Employees Hired Prior to January 1, 2013 and Classic Members of CalPERS Hired on or After January 1, 2013**

The City shall provide the 2.5% at 55 PERS retirement plan for GMA employees in the Miscellaneous CalPERS category that qualify as a “classic” member of CalPERS. This applies to employees hired to a full-time position with the city of Gilroy prior to January 1, 2013 or an employee hired to a full-time position with the city of Gilroy on or after January 1, 2013 who qualifies as a “classic” member of CalPERS. Employees in this category shall have a pre-tax payroll deduction of eight (8%) percent consistent with IRC 414(h)(2). One (1) year final compensation (pursuant to CA Government Code Section 20042) is used for employees who retire under this formula. The City pays the employer contribution.

- **Tier Two – Miscellaneous Employees Categorized as “New” CalPERS Members Hired On or After January 1, 2013**

New full-time GMA employees in the Miscellaneous CalPERS category hired on or after January 1, 2013 who are classified as a “new” member of CalPERS shall receive the 2% at 62 CalPERS retirement plan. Employees in this category shall have a pre-tax payroll deduction for 50% of the total normal cost of the plan as identified annually by CalPERS. This employee payroll deduction amount may change from year to year as required by PEPRA. Three year final compensation is used for employees who retire under this formula.

The following items are included in the PERS Miscellaneous retirement contract:

- Credit for Unused Sick Leave – pursuant to CA Government Code Section 20965
- 3rd Level 1959 Survivor Benefit – pursuant to CA Government Code Section 21573
- Military Service Credit – pursuant to CA Government Code Section 21024
- Death Benefit – pursuant to CA Government Code Section 21620

Fire Safety CalPERS Group:

- **Tier One – Fire Safety Employees Hired Prior to January 5, 2011**

The city shall provide the 3% at 55 CalPERS retirement plan (Government Code Section 21363.1) for GMA employees in the Fire Safety CalPERS Category that were hired to a full-time Fire Safety position with the city of Gilroy prior to January 5, 2011. Effective July 1, 2013, EPMC will no longer be part of the total cash compensation formula and the employee shall pay the nine (9%) employee contribution as a pre-tax payroll deduction pursuant to IRC 414(h)(2). The plan shall include:

- One (1) year Final Compensation - pursuant to CA Government Code Section 20042
- Credit for Unused Sick Leave - pursuant to CA Government Code Section 20965

- 4th Level 1959 Survivor Benefit - pursuant to CA Government Code Section 21574
 - Military Service Credit - pursuant to CA Government Code Section 21024
 - Death Benefit - pursuant to CA Government Code Section 21620
- **Tier 2 – Fire Safety Employees Hired On or After January 6, 2011, but Prior to January 1, 2013 and Classic Members Hired On or After January 1, 2013**

The city shall provide the 2% at 55 CalPERS retirement plan for GMA employees in the Fire Safety CalPERS category that were hired to a full-time Fire Safety position with the city of Gilroy on or after January 6, 2011, but prior to January 1, 2013 OR to employees hired to a full-time position on or after January 1, 2013 who are categorized as a “classic” member of CalPERS. Effective July 1, 2013, EPMC will no longer be part of the total cash compensation formula and the employee shall pay a seven (7%) employee contribution as a pre-tax payroll deduction pursuant to IRC 414(h)(2). The plan shall include:

- Credit for Unused Sick Leave - pursuant to CA Government Code Section 20965
 - 4th Level 1959 Survivor Benefit - pursuant to CA Government Code Section 21574
 - Military Service Credit - pursuant to CA Government Code Section 21024
 - Death Benefit - pursuant to CA Government Code Section 21620
- **Tier 3 – Fire Safety Employees Hired On or After January 1, 2013 Categorized as New CalPERS Members**

The city shall provide the 2% at 57 CalPERS retirement plan for GMA employees in the Fire Safety CalPERS category that were hired to a full-time Fire Safety position with the city of Gilroy on or after January 1, 2013 who are categorized as a “new” member of CalPERS. Employees in this category shall have a pre-tax payroll deduction for 50% of the total normal cost of the plan as identified annually by CalPERS. This employee payroll deduction amount may change from year to year as required by PEPR. Three year average final compensation is included with this formula. The plan shall include:

- Credit for Unused Sick Leave - pursuant to CA Government Code Section 20965
- 4th Level 1959 Survivor Benefit - pursuant to CA Government Code Section 21574
- Military Service Credit - pursuant to CA Government Code Section 21024
- Death Benefit - pursuant to CA Government Code Section 21620

Police Safety CalPERS Group:

- **Tier One – Police Safety Employees Hired Prior to January 5, 2011**

The City shall provide the 3% at 50 CalPERS retirement plan (Government Code Section 21362.2) for GMA employees in the Police Safety CalPERS category that were hired to a full-time Police Safety position with the city of Gilroy prior to January 5, 2011. Effective July 1, 2013, EPMC will no longer be part of the total cash compensation formula and the employee shall pay the nine (9%) employee contribution as a pre-tax payroll deduction pursuant to IRC 414(h)(2). The plan shall include:

- 1 year Final Compensation - pursuant to CA Government Code Section 20042
- Credit for Unused Sick Leave - pursuant to CA Government Code Section 20965

- 4th Level 1959 Survivor Benefit – pursuant to CA Government Code Section 21574
- Military Service Credit - pursuant to CA Government Code Section 21024
- Death Benefit - pursuant to CA Government Code Section 21620

- **Tier 2 – Police Safety Employees Hired On or After January 5, 2011, but Prior to January 1, 2013 and “Classic” CalPERS Members Hired On or After January 1, 2013**

The city shall provide the 2% at 50 CalPERS retirement plan for GMA employees in the Police Safety CalPERS category that were hired to a full-time Police Safety position with the city of Gilroy on or after January 5, 2011, but prior to January 1, 2013 OR to employees hired to a full-time position on or after January 1, 2013 who are categorized as a “classic” member of CalPERS. Effective July 1, 2013, EPMC will no longer be part of the total cash compensation formula and the employee shall pay a nine (9%) employee contribution as a pre-tax payroll deduction pursuant to IRC 414(h)(2). The plan shall include:

- 1 year Final Compensation - pursuant to CA Government Code Section 20042
- Credit for Unused Sick Leave - pursuant to CA Government Code Section 20965
- 4th Level 1959 Survivor Benefit – pursuant to CA Government Code Section 21574
- Military Service Credit - pursuant to CA Government Code Section 21024
- Death Benefit - pursuant to CA Government Code Section 21620

- **Tier 3 – Police Safety Employees Hired On or After January 1, 2013 Categorized as “New” CalPERS Members**

The city shall provide the 2.7% at 57 CalPERS retirement plan for GMA employees in the Police Safety CalPERS category that were hired to a full-time Police Safety position with the city of Gilroy on or after January 1, 2013 who are categorized as a “new” member of CalPERS. Employees in this category shall have a pre-tax payroll deduction for 50% of the total normal cost of the plan as identified annually by CalPERS. This employee payroll deduction amount may change from year to year as required by PEPRA. Three year average final compensation is included with this formula. The plan shall include:

- Credit for Unused Sick Leave - pursuant to CA Government Code Section 20965
- 4th Level 1959 Survivor Benefit – pursuant to CA Government Code Section 21574
- Military Service Credit - pursuant to CA Government Code Section 21024
- Death Benefit - pursuant to CA Government Code Section 21620

Section D. Tuition Reimbursement

Tuition reimbursement for GMA employees is up to \$1,000.00 per fiscal year. This may be used to cover the cost of tuition, books, fees, or other student expenses. Courses and reimbursement must be pre-approved to qualify under this program. Only job related and career development courses will be approved for reimbursement. A grade of B or better is required for reimbursement.

Section E. Bi-lingual Pay:

All unit employees who demonstrate the ability to communicate (as a result of a verbal skills test) effectively in both Spanish and English shall receive an additional five (5%) percent of their respective base salaries. The City may require employees receiving bi-lingual pay to recertify (test) based on observed skill level or lack of use. However, such recertification shall occur no more than once every two (2) years to demonstrate continued competency. This test shall be a verbal skills test.

Section F. Fire Division Chief Shift Differential:

1. Fire Division Chief's currently receive an additional five percent (5%) of base salary as compensation for the hours of work required of a Fire Division Chief. Currently, Fire Division Chiefs work a rotating schedule that aligns with the shift assigned and are required to work evening and weekend hours on a regular basis.
2. The addition compensation that the Fire Division Chief's currently receive shall be coded as "Shift Differential Pay" as this pay code correctly defines the reason for the additional compensation. "Shift Differential" is defined by the California Code of Regulations, Title 2, Division 1, Chapter 2, Subchapter 1, Article 4, Section 571 as follows: "Shift Differential – Compensation to employees who are routinely and consistently schedule to work other than a standard "daytime" shift, e.g. graveyard shift, swing shift, shift change, rotating shift, split shifts, or weekends." Currently, Division Chiefs consistently work the hours that are typically covered by swing shift, occasionally work late evening or very early morning hours, and work rotating shifts that includes weekends.
3. "Shift Differential Pay" coding shall be used for this compensation beginning with the June, 2016 payroll cycle for those Fire Division Chief's working a rotating schedule that aligns with their assigned shift and which includes evening and weekend work hours.

Section G. Deferred Compensation:

~~Effective with the pay period beginning 7/1/20,~~ City will contribute \$30/month to a City deferred compensation plan on behalf of each GMA employee.

Effective July 1, 2026, the City will contribute \$130/month to a City deferred compensation plan on behalf of each GMA employee.

Effective July 1, 2027, the City will contribute \$230/month to a City deferred compensation plan on behalf of each GMA employee.

In order to receive the City contribution, each GMA employee must be enrolled in one of the City's deferred compensation plans.

ARTICLE VI. INSURANCE PROGRAMS

Section A. Medical Insurance:

1. The City shall provide a cafeteria program dollar contribution for each GMA employee. The cafeteria plan contribution amount ~~is was~~ established ~~as of~~ on January 1, 2022 as the plan year for health plan coverage is the calendar year. The City cafeteria contribution amount shall increase by five (5%) percent each calendar year using the January 1, 2022 amount as the baseline starting point. Any health plan rate increases in excess of the annual City contribution amount each calendar year shall be paid by the employee. ~~This Paragraph shall be suspended for the life of the MOU and there will be no increases to the City's cafeteria contribution from the January 1, 2022 amount for the life of this MOU. This provision will sunset upon the expiration of this MOU.~~
2. The contribution amounts include any mandatory PERS PEMHCA contribution and the mandatory Dental Contribution.
3. The contribution amount that the employee qualifies to receive is based upon the number of individuals that the employee enrolls in a medical plan.
4. The employee may purchase other insurance benefits with any remaining contribution amount or through payroll deduction. Some of these benefits may be eligible for a pre-tax deduction. If there is a surplus, the employee will receive a cash payment for 100% of the surplus contribution (this is taxable income). The employee may not waive dental insurance under this provision. The employee must enroll himself or herself, along with qualifying dependents, in the Dental plan.
5. The employee may waive medical coverage under this program and enroll in dental insurance provided they show proof of other medical insurance coverage. ~~If the employee waives medical insurance, then the employee is eligible to receive the employee only contribution in cash (taxable)~~ Employees waiving medical insurance are entitled to the following:
 - Bargaining unit member hired by the City on or before June 30, 2025 who waive medical coverage:
 - \$939.36 in taxable cash less the medical contribution required by CalPERS and less the dental premium.
 - In addition, within sixty (60) days of City Council adoption of the MOU in 2025, the City shall provide bargaining unit members who waive medical coverage as of June 1, 2025 a one-time payment of \$1,000.
 - Bargaining unit members hired by the City on or after July 1, 2025 who waive medical coverage:
 - \$939.36 in taxable cash less the medical contribution required by CalPERS and less the dental premium. However, the taxable cash paid to an employee in this group after the CalPERS and dental deductions may not exceed \$500.

Section B. Life and AD&D Insurance:

The CITY shall maintain in effect a life and AD&D insurance policy for unit members which equals 100% of annual salary. AD&D benefit increases the life insurance benefit paid to a Beneficiary if employee’s death is the result of an accident.

Section C. Long Term Disability Insurance:

Non-Safety Employees: For the term of this Agreement the CITY shall maintain in effect the Long Term Disability Program providing for a ninety (90) day elimination period and payment of sixty (60%) percent of pre-disability earnings to a maximum of eight thousand five hundred (\$8,500) per month. Employees shall have the option of using accrued paid time to supplement LTD to bring gross wages to 100%.

Safety Employees (Police): For the term of this Agreement the CITY shall contribute up to \$35.00 per month toward the cost of the PORAC Premier Plus Long Term Disability Program. The employee shall pay any cost of the plan in excess of the city contribution as a taxable payroll deduction. The employee shall pay taxes on the city contribution so that qualifying benefits can be non-taxable.

Safety Employees (Fire): For the term of this Agreement the CITY shall contribute up to \$35.00 per month toward the cost of the Fire Long Term Disability Program, currently the California Association of Professional Firefighter LTD plan.

Section D. Vision Plan:

The City shall provide a vision plan for optional employee enrollment. Premiums for this plan shall be paid by the employee.

Section E. Employee Assistance Program:

The City shall provide an Employee Assistance Program for employees. The Employee Assistance Program shall provide for at least ten (10) visits per plan year (calendar).

ARTICLE VII. LEAVES

Section A Vacation Leave:

1. Vacation Accrual:

Completed Years of Service	Mo. Hours Accrued	Yearly Accrual	<u>Maximum Vacation Balance</u>
1 – 5	6.67 Hours	Ten (10) Days	<u>160 hours</u>
6 – 15	10.00 Hours	Fifteen (15) Days	<u>240 hours</u>
16 +	13.33 Hours	Twenty (20) Days	<u>320 hours</u>

2. Vacation Cap:

The maximum vacation balance that an employee can maintain is two times the annual accrual. Employees at or above the maximum balance will no longer accrue vacation time until such time that the employee's vacation balance drops below the maximum balance allowed.

3. Vacation Cash Out:

- a. During the life of the MOU, employees may cash out up to ~~140~~ hours of vacation leave per year, as follows:
 - ~~• Fiscal Year 2023: bargaining unit employees may cash out up to 60 hours of vacation leave~~
 - ~~• Fiscal Year 2024: bargaining unit employees may cash out up to 40 hours of vacation leave~~
 - ~~• Fiscal Year 2025: bargaining unit employees may cash out up to 40 hours of vacation leave~~
- b. Members of the bargaining unit may make an irrevocable election to cash out vacation during the month of November each year. Vacation will be paid out with December payroll (January paycheck).
- c. This vacation cash out provision will sunset on June 30, 2025~~8~~.

Section B. Sick Leave:

Employees shall accrue sick leave at the rate of one (1) 8-hour day per month. There is no limit on the amount of sick leave that an employee can accrue. ~~For~~ Employees that retire directly from the City of Gilroy shall have their accumulated sick leave hours/days reported to CalPERS pursuant to the Credit for Unused Sick Leave Program identified above as part of the CalPERS contract. There is no cash out of sick leave hours upon separation/retirement from employment.

Employees may utilize up to 50% of their annual sick leave accrual for family sick leave/kin care consistent with California Labor Code Section 233.

Section C. Personal Leave:

Employees shall be credited with forty-four (44) hours of personal leave time off on July 1 of each fiscal year. This leave is pro-rated for new hires and separating employees with a requirement that the employee must work at least 50% of the quarter in order to earn personal leave for that quarter. If the employee separates employment and has used more personal leave than would be allocated for the fiscal year based on the date of separation, then the employee will ~~change~~ the excess hours utilized to another available leave balance.

~~For Fiscal Year 2022-23 only, bargaining unit members shall be credited with an additional twenty (20) hours of personal leave time off ("APL"). APL may be used only after all other forms of discretionary leave have been exhausted (Vacation, Administrative Leave, Personal Leave). Any APL remaining as of May 31,~~

~~2023 will be paid out with June 2023 payroll (July 1 paycheck). Employees separating from service during FY 2022-23 will receive a payout of any remaining APL with their final leave cash-out check.~~

Section D. Administrative Leave:

Employee shall be credited with fifty-six (56) hours of administrative leave ~~time-off~~ on July 1 of each fiscal year. This leave is pro-rated for new hires and separating employees with a requirement that the employee must work at least 50% of the quarter in order to earn administrative leave for that quarter. If the employee separates employment and has used more administrative leave than would be allocated for the fiscal year based on the date of separation, then the employee will change the excess hours utilized to another available leave balance.

Section E. Bereavement Leave:

Eligible employees may take paid Bereavement Leave when a death occurs in the employee's or the employee's spouse's immediate family. For the purpose of this section, immediate family is defined as: Parents, Brothers, Sisters, Spouses, Domestic Partners, Natural or Legally Adopted Children, or Grandparents. Up to three days of bereavement leave may be granted per occurrence if the death occurs within California and up to five days per occurrence may be granted if the death occurs outside of California. For deaths occurring within California, employee may take up to two (2) additional days per instance of Bereavement Leave using the employee's sick leave or other eligible leave banks. Leave may also be granted in the case of the death of others with whom the employee has a significant relationship. Such leave shall be granted in the sole discretion of the City Administrator, without any right to appeal. Such leave shall not be cumulative.

Section F. Holidays:

GMA employees shall receive eleven (11) ~~ten~~ paid holidays (equal to eighty-~~eight~~ (808) hours) as noted in Gilroy Human Resources Rules and Regulations, and with the addition of Cesar Chavez Day (March 31). Holidays shall typically be taken on the day observed. However, safety employee may flex holidays (eighty-~~eight~~ (880) hours) based upon the needs of the department. GMA employees working approved alternate work schedules are required to flex weekly hours, use leave time, or take fewer holidays off so as not to exceed the maximum number of holiday hours allowed per fiscal year.

Section G. Christmas Eve Mandatory Closure

City offices and all non-essential operations shall be closed on the workday immediately preceding the Christmas Day Holiday. However, this is not a holiday and employees will be required to use either paid or unpaid leave to cover their absence on this day. Employees shall designate, at least two weeks prior to the mandatory closure, what leave time the employee will use to cover this day by completing the normal time off request form.

All City Hall employees shall participate in the mandatory closure as the City Hall building will be closed on this date. Safety employees, however, may flex this day off based upon the needs of the department.

Section H. Catastrophic Leave Donation Program:

Employees may donate vacation hours, personal leave hours, or administrative leave hours under the Catastrophic Leave Donation Program outlined in the Gilroy Human Resources Rules and Regulations.

Section I. No Use of Leave to Extend Retirement or Separation Date

Employees are required to be present at work during the entire two workweeks preceding their retirement or other planned separation from City employment (e.g. resignation to accept new position). Employees may not use accrued leave time to extend their employment.

ARTICLE VIII. MISCELLANEOUS

Section A. Uniforms:

Police Captains: Effective July 1, 2019, the uniform allowance is \$116.67 per month paid with regular payroll. Employees receiving a monthly uniform allowance are required to wear their uniform on a daily basis less occasional exceptions approved in advance by the Police Chief for specific events that warrant non-uniform attire.

Fire Division Chiefs: Effective July 1, 2019, the uniform allowance is \$91.67 per month paid with regular payroll. Employees receiving a monthly uniform allowance are required to wear their uniform on a daily basis less occasional exceptions approved in advance by the Fire Chief for specific events that warrant non-uniform attire.

Fire Marshal: Beginning July 1, 2020, uniforms will not be provided, and the Fire Marshal will be paid a uniform allowance of \$41.67 per month paid with regular payroll to purchase and maintain uniforms. Employees receiving a monthly uniform allowance are required to wear their uniform on a daily basis less occasional exceptions approved in advance by the department head for specific events that warrant non-uniform attire. *(Note: As of the date of this MOU, 7/1/22, the Fire Marshal position is currently an inactive GMA position.)*

Fleet and Facilities Superintendent, ~~Facilities Superintendent~~, and Manager assigned to Public Works Field Operations (streets, water, sewer, parks, etc.): Consistent with the maximum annual allowance for uniform purchases provided to line operations, fleet, and facilities employees, the management position noted above can purchase uniform items listed on the uniform allocation/ordering worksheet.

Section B. DMV Pull Notice Program:

Employees who have the opportunity to operate motorized vehicles on city business are required to be safe drivers and operate vehicles in a safe manner. Employees, who have the opportunity to operate vehicles on city business, must possess and maintain a valid California driver's license appropriate for the job and vehicle(s) to be operated. Employees who have the opportunity to operate motorized vehicles while on duty must also either: (1) enroll in the City's department of motor vehicles employer pull-notice program, or (2) provide the city with periodic updates of his or her driving record.

1. If an employee enrolls in the DMV employer pull notice program, the employee must fill out a City-specified enrollment form directing the DMV to provide the City with periodic updates of the employee's driving record.
2. If an employee elects not to enroll in the DMV employer pull notice program, the employee is responsible for providing the City with periodic updates of the employee's driving record. These updates shall be provided annually during the month of January and every time the employee receives a citation or other entry on his or her driving record which impacts his or her ability to operate a motor vehicle while on duty, including but not limited to the revocation or temporary suspension of the employee's drivers' license.

Section C. Human Resources Rules and Regulations

The parties acknowledge that the City duly adopted its Human Resources Rules and Regulations prior to recognizing the GMA as the exclusive representative of employees in the classifications in Attachment "A" and that those rules and regulations (including those covering layoffs) remain in full force and effect except where inconsistent with this agreement.

Section D. Payroll Date and Direct Deposit:

Employees are paid monthly on the first City Hall working day of the month unless an earlier date is designated by the City for a particular month. The City will notify the Association prior to implementing the bi-weekly payroll calendar as part of the implementation of the new ERP.

All GMA employees shall enroll in direct deposit within sixty (60) days of employment.

Section E. Out of Class Appointment:

In accordance with Government Code 20480, an employee approved by the City to work in an out-of-class appointment may not exceed 960 hours worked in the appointment within a fiscal year if the employee is appointed to an upgraded position or higher classification that is vacant during recruitment for a permanent appointment. This limitation does not apply to a position that is temporarily available due to a leave of absence.

Section F. Division Chiefs Overtime Professional Certification:

~~The City shall pay \$300 per month to individuals in the classification of Senior Environmental Engineer and who hold the California Water Environment Association (CWEA) Collection System Grade IV certificate, so long as the individual holds the certification on July 1, 2022 and continues to hold the certification without interruption. Fire Division Chiefs are exempt from the overtime requirements of the Fair Labor Standards Act (FLSA) and are generally expected to work the hours necessary to complete their work. When a Fire Division Chief is absent from a 12-hour shift due to vacation or illness, the City may utilize another Division Chief on their regular workday (e.g. a 40-hour Division Chief), an extra help employee, a Fire Division Chief on their regular day off, or an Acting Division Chief. When a Fire Division Chief covers a shift on their Regular Day Off, they shall be paid twelve (12) hours of straight time (including the 5% Shift Differential) for all hours worked during that shift (including any on-call responses during the shift).~~

ARTICLE IX. PEACEFUL PERFORMANCE

During the life of this Agreement, no work stoppages, strikes, slowdowns, or picketing shall be caused or sanctioned by the GMA, and no lockouts shall be made by the City of Gilroy.

In the event that any employees covered by this Agreement, individually or collectively, violate the provisions of this article and the GMA fails to exercise good faith in halting the work interruption, the GMA and the employees involved shall be deemed in violation of this article and the CITY shall be entitled to seek all remedies available to it under applicable law.

ARTICLE X. REOPENERS

Upon request by the City, the City and GMA will reopen negotiations on revised Human Resources Rules and Regulations to address any substantive changes to the Human Resources Rules and Regulations. In addition, the following re-openers shall apply:

1. Upon request by the City, the City and GMA will reopen the MOU to negotiate implementation of a bi-weekly payroll system and to address other changes related to payroll system implementation. The parties' intention is to develop a bi-weekly pay calendar that will result in employees receiving a portion of their pay earlier in the month.
2. In the event the Employer contribution required by CalPERS for any year cover by the MOU exceeds the estimates in CalPERS' 2016 actuarial valuation, the City and GMA will reopen the contract to negotiate changes to address the rate increases.

ARTICLE XI. FULL UNDERSTANDING

This Memorandum of Understanding is the result of the parties' good faith meeting and conferring pursuant to the MMBA and sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties,

whether formal or informal, regarding any such matters are hereby superseded or terminated in their entirety.

It is agreed and understood that each party hereto voluntarily and unqualifiedly waives its rights to negotiate, and agrees that the other party shall not be required to negotiate with respect to any matter covered herein during the term of this Memorandum of Understanding. Nothing in this paragraph shall preclude the parties from jointly agreeing to meet and confer on any issue(s) within the scope of representation during the term of this agreement. Where this MOU conflicts with the Human Resources Rules and Regulations, the terms of this MOU shall control.

ARTICLE XII. SAVINGS PROVISION

If any provisions of this Memorandum of Understanding are held to be contrary to law by a court of competent jurisdiction or invalidated by state or federal law, such provisions will not be deemed valid and subsisting except to the extent permitted by law, but all other provisions will continue in full force and effect. Should the State of California adopt legislation forbidding or economically penalizing the CITY for granting any compensation increases called for in this agreement, the compensation increase shall be suspended. The CITY and Association shall meet and confer regarding any suspended compensation increases.

ARTICLE XIII. TERM

This Memorandum of Understanding represents the entire Agreement between the CITY and GMA on subjects contained herein and shall become in full force and effect on July 1, 202~~2~~5 unless otherwise noted, and shall continue in full force and effect until Midnight June 30, 202~~5~~8. The GMA shall provide the CITY with its proposals for the period beginning July 1, 202~~5~~8 no later than April 1, 202~~5~~8. The parties agree to begin the meet and confer process by April 30, 202~~5~~8.

FOR THE CITY OF GILROY	FOR THE GILROY MANAGEMENT ASSOCIATION (GMA)
Signature/Date	Signature/Date
<hr/> Charles Sakai, Negotiations Legal Counsel for the City of Gilroy/Chief Negotiator	<hr/> Mark O'Connell <u>Tony Silva</u> , Labor Relations Representative for GMA/Chief Negotiator
<hr/> Jimmy Forbis, City Administrator	<hr/> Jason Smith <u>Hipolito Olmos</u> , GMA President
<hr/> LeeAnn McPhillips, Administrative Services & Human Resources Director/Risk Manager	<hr/> Adam Henig <u>Carina Baksa</u> , GMA <u>Vice President</u> Secretary/Treasurer
<hr/> Harjot Sangha, Finance Director	<hr/> Hipolito Olmos <u>Patricia Vigil</u> , GMA Negotiator <u>Secretary/Treasurer</u>