

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF YORBA LINDA
and
YORBA LINDA MID-MANAGEMENT ASSOCIATION

OCTOBER 1, 2014 TO SEPTEMBER 30, 2016

MEMORANDUM OF UNDERSTANDING

BETWEEN

**CITY OF YORBA LINDA
(hereinafter called "City")**

and

**YORBA LINDA MID-MANAGEMENT ASSOCIATION
(hereinafter called "Association")**

ARTICLE I

REPRESENTATION UNIT

It is recognized that the Yorba Linda Mid-Management Association ("Association") is the employee organization which has the right to meet and confer in good faith with the City on behalf of the mid-management employees of the City of Yorba Linda whose classifications are listed in Exhibit "A" of this agreement.

ARTICLE II

TERM

The term of this agreement will be for the period of October 1, 2014 through September 30, 2016.

ARTICLE III

COMPENSATION

Effective October 1, 2014, each classification in the bargaining unit shall be adjusted by a 3% cost-of-living adjustment (COLA).

Effective October 1, 2015, each classification in the bargaining unit shall be adjusted by a 1.5% COLA.

ARTICLE IV
RETIREMENT

Employment with CITY is subject to the California Public Employees' Pension Reform Act of 2013 (hereinafter "PEPRA") and the California Public Employees Retirement System (hereinafter "CalPERS").

Pursuant to PEPRA, individuals who are employed by any public employer before January 1, 2013, and who become employed by CITY for the first time on or after January 1, 2013, shall be subject to the retirement plan that was available to comparable CITY safety or non-safety employees as of December 31, 2012, if the individual was subject to reciprocity with CalPERS.

Pursuant to PEPRA, individuals who were previously employed by CITY, and who become reemployed by CITY after January 1, 2013, shall be subject to the retirement plan that was in effect at the time they separated from the employment of CITY, regardless of the length in the break of service.

PEPRA requires a different benefit plan for CITY employees who are hired on or after January 1, 2013, and who are new employees and new members on or after January 1, 2013.

PEPRA defines a "new employee" to mean either of the following: an employee, including one who is elected or appointed, of a public employer who is employed for the first time by any public employer on or after January 1, 2013, and who was not employed by any other public employer prior to the that date. A "new employee" also means an employee, including one who is elected or appointed, of a public employer who is employed for the first time by any public employer on or after January 1, 2013, and who was employed by another public employer prior to that date, but who was not subject to reciprocity.

PEPRA defines a "new member" to mean an individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who is not a member of any other public retirement system prior to that date; an individual who

becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was a member of another public retirement system prior to that date that was not subject to reciprocity; or an individual who was an active member in a retirement system and who had a break in service of more than six months before returning to active membership in that same retirement system with a new employer.

Effective January 1, 2013, public employers that offer a defined benefit plan shall only offer the defined benefit formulas to new members established pursuant to PEPRA.

Effective January 1, 2013, each retirement system that offers a defined benefit plan for non-safety members who are new members, is required to use the formula set forth in PEPRA. To receive full benefits, the non-safety employee must be 62, at which time he/she receives 2% of the member's final compensation.

In CITY, the new miscellaneous formula for new members first hired on or after January 1, 2013, is 2% at 62.

Equal sharing of normal costs between public employers and public employees shall be the standard for new members. The standard shall be that employees pay at least 50% of normal costs. Employers cannot pay any of the required employee contribution for new employees who are also new members.

The "normal cost" is defined as the annual actuarially determined normal cost for the defined benefit plan of an employer expressed as a percentage of payroll.

New members shall have an initial contribution rate of at least 50% of the normal cost rate for that defined benefit plan, rounded to the nearest quarter of 1%, or the current contribution rate of similarly situated employees (miscellaneous members), whichever is higher. The contribution shall not be paid by the employer on the employee's behalf.

Once the new member's contribution rate is established, the employee's contribution rate can automatically be adjusted upwards or downwards, but only if the normal cost rate increases or decreases by more than 1% of payroll above or below the normal cost rate in effect at the time the employee contribution rate is first established, or the normal cost rate in effect at the time of the last adjustment of the employee contribution rate.

The employee contributions for new members may be more than one-half of the normal cost rate if the increase has been agreed to through the collective bargaining process subject to several restrictions.

Final compensation for new members shall now mean the highest average annual pensionable compensation earned by the member during a period of at least 36 consecutive months (or three school years if applicable), immediately preceding his or her retirement. The member also has the option of designating an alternative 36 consecutive month period during the member's applicable service.

Classic Members

This retirement plan only applies to classic members within the meaning of PEPR. Classic members are those individuals employed by CITY prior to January 1, 2013. Classic members are also those individuals who are hired by CITY after January 1, 2013, and who were employed by another public agency prior to January 1, 2013, and who had membership with a previous reciprocal retirement system.

The City of Yorba Linda shall contribute the total amount of the employees' share of the retirement program (PERS) in the name of the employee. The City shall provide a retirement benefit package for the employees which is based on single highest year compensation and includes unused sick leave credit, post-retirement survivor allowance and 1959 Survivors Benefits.

Effective July 2013, classic members shall contribute 2.5% to PERS towards the employer share, and CITY shall contribute the balance of the employee's and employer's share of the contribution to PERS pursuant to Government Section Code 20516(a).

Effective July 2014, classic members shall contribute an additional 2.5% to PERS for a total of 5.0% PERS towards the employer's share, and CITY shall contribute the balance of the employee's and employer's share of the contribution to PERS pursuant to Government Section Code 20516(a).

Starting in July 2015, classic members shall contribute an additional 1% to PERS towards the employer share for a total of 6.0% PERS contribution towards the employer's share, and CITY shall contribute the balance of the employee's and employer's share of the contribution to PERS pursuant to Government Section Code 20516(a).

Starting in July 2016, classic members shall contribute an additional 1% to PERS for a total of 7.0% PERS contribution towards the employer's share, and CITY shall contribute the balance of the employee's and employer's share of the contribution to PERS pursuant to Government Section Code 20516(a).

As of August 7, 2007, the City pays and reports the value of Employer Paid Member Contribution (EPMC) to CalPERS as additional compensation for each employee. This benefit shall consist of paying 7% of the normal contributions for employees, and reporting this 7% as compensation earnable.

New Members

This retirement plan only applies to new members hired by CITY on or after January 1, 2013.

The member contribution rate has been determined by CalPERS to be 6.75% of reportable compensation. The member contribution rate may change over time if the total normal cost rate for new miscellaneous members fluctuates by more than 1% of payroll over the estimated initial normal cost of 13.3% of payroll. The total normal cost rate will be impacted over time by the actual demographics of CITY's miscellaneous plan and the actuarial assumptions used in the funding of the retirement benefits. The member rate will be reviewed once a year by CalPERS when the actuarial valuation of CITY's miscellaneous plan is performed.

CITY shall promptly notify Association and the affected member of any change in the member contribution rate imposed by CalPERS during the term of this MOU. Any such change in the member contribution rate is mandatory, and it shall be implemented by City in accordance with the CalPERS notification. Any change in the member

contribution rate during the term of this MOU imposed by CalPERS shall not be subject to the meet and confer process, and the parties specifically agree that changes in the member contribution rate for new members are outside the scope of representation.

Final compensation for new members shall now mean the highest average annual pensionable compensation earned by the member during a period of at least 36 consecutive months, immediately preceding his or her retirement. The member also has the option of designating an alternative 36 consecutive month period during the member's applicable service.

These benefits are not available to limited service employees as defined in Section 4 of this Resolution.

ARTICLE V
HEALTH INSURANCE

The City shall provide the PERS Health Plan for medical insurance. The City shall pay toward the annual cost of the health plan in accordance with the following schedule:

Regular, competitive service employees

Effective January 1, 2015, the maximum monthly benefit for employees hired prior to July 1, 2001 shall be \$1,352 per month. Effective January 1, 2016 the maximum monthly benefit for employees hired prior to July 1, 2001 shall be \$1,387 per month.

Employees hired on or after July 1, 2001 shall not be eligible for health insurance described above. Effective January 1, 2015, the City shall contribute \$1,130 per month toward a "cafeteria plan". Effective January 1, 2016, the City shall contribute \$1,165 per month toward a "cafeteria plan". The cafeteria plan is utilized first to pay health insurance premiums; any residual amount may be received as cash or applied toward the employee's deferred compensation.

Employees hired prior to July 1, 2001, may exercise a one-time election to join the cafeteria plan set forth above. The election, once made, is irrevocable.

Retired, competitive service employees and employees' dependents Retirees and their dependents are eligible to participate in the PERS Health Plan. The maximum monthly benefit for retirees shall be (up to) \$1,167.00 for retirees and their dependents that are eligible to participate in the PERS Health Plan. The City will pay a percentage of the PERS Health Plan Premium on behalf of the retiree and their dependents (the percentage covered by the City shall increase each year in accordance with PERS Health Plan rate formula.)

ARTICLE VI

DENTAL AND VISION INSURANCE/EMPLOYEE ASSISTANCE PROGRAM

The City shall provide a self-insured indemnity plan for dental and vision insurance and employee assistance program benefits for the following classes of employees and their dependents. The City shall pay toward the annual cost of the dental, vision and employee assistance program in accordance with the following schedule:

1. Regular, competitive service employees and employees' dependents: 100% of the insurance premium.
2. Retired, competitive service employees and employees' dependents: eligible to participate in the City's self-insured dental and vision plans and employee assistance program. The City will pay a percentage of the dental and vision insurance and employee assistance program premium on behalf of the retiree and their dependents (the percentage covered by the City may increase each year in accordance with the PERS Health Plan rate formula) .

ARTICLE VII

LIFE INSURANCE

The CITY shall provide life insurance on the life of each regular, permanent, competitive service mid-management employee and pay the full annual premium therefore. The

face amount of said policies shall be equal to the employee's annual salary and increasing it to the nearest one-thousand dollars (\$1,000). Additional life insurance coverage may be purchased if the employee pays for the additional premium. Upon separation from employment, continuation life insurance coverage may be purchased if the employee pays for the additional premium.

ARTICLE VIII

SECTION 125 PLAN

The CITY shall provide a Section 125 Plan for employees to seek reimbursement for expenses relating to medical and dependent care. Any administrative fees associated with the Section 125 Plan shall be paid by the employee.

ARTICLE IX

9/80 WORK SCHEDULE

The City shall implement a 9/80 work schedule which consists of two consecutive work periods containing the equivalent of nine work days instead of ten in a two week period. Employees will work eight days for nine hours per day and one day for eight hours, for a total of eighty hours in two consecutive work periods. Exceptions to the 9/80 work schedule shall be those employees determined by the City Manager to be necessary in order to maintain specific City operations and service levels.

ARTICLE X

VACATION LEAVE

All regular, permanent, competitive service mid-management employees may accumulate an amount up to double their annual accrual. Any excess "carryover" must be approved by the City Manager. Once the maximum accrual is reached, there is no more accrual of vacation until one goes below the maximum and has "cap room" to accrue.

Typically, any unused vacation time above one-half of the employee's annual vacation accrual may be subject to buyback. The buyback will be based on the number of unused vacation hours multiplied by the employee's hourly rate. In order to be eligible for the

yearly buyback, an employee must utilize a minimum of forty (40) hours of vacation in the preceding year.

ARTICLE XI

MEDICAL (SICK) LEAVE

All regular, permanent, competitive service mid-management employees shall accrue annual medical (sick) leave at a rate of eight (8) hours per calendar month. Said employees shall be paid upon termination any accumulated, unused medical leave at the rate of 10% after five (5) years of service; 25% after ten (10) years of service; 50% after fifteen (15) years of service; and 75% after twenty (20) years of service. Upon retirement, unused medical leave shall be paid at a rate of 100% only if the employee contributes the entire amount of the funds into a Retirement Health Savings Plan implemented by the City.

Employees are eligible to accumulate a maximum of 2,500 hours of medical leave. Employees hired on or after July 1, 2001 shall not be eligible for the payoff of unused accumulated medical leave upon separation from employment.

ARTICLE XII

BEREAVEMENT LEAVE

Upon request, regular, permanent competitive service miscellaneous employees shall receive necessary time off with pay, not to exceed three (3) days in any one (1) instance, to attend to a member of their immediate family who has become critically ill to the point where death is imminent, or to arrange for or attend a funeral of a member of their immediate family. However, upon request, should the employee have to travel outside of a 500-mile radius, then the employee shall receive necessary time off with pay, not to exceed (5) days in any (1) instance. For purposes of this section, immediate family shall mean father, father-in-law, mother, mother-in-law, step parent, brother, sister, wife, husband, child, grandparent, grandchild or legal guardian or person that has dependency upon you.

ARTICLE XIII
AUTOMOBILE ALLOWANCE

All regular, permanent, competitive service mid-management employees may claim automobile reimbursement for the use of his/her own private automobile in the course of his/her City employment or on City business. Such use of a private vehicle shall only be when the City vehicle is not available for transportation. Reimbursement at a rate consistent with the Internal Revenue Service standard may be approved for use of private vehicles on City business within the City or within a radius of sixty (60) miles there from.

ARTICLE XIV
GOLDEN HANDSHAKE

Should the City plan a reorganization, the City agrees to discuss the implementation of a Golden Handshake with bargaining unit representatives.

ARTICLE XV
ADMINISTRATIVE LEAVE

All mid-management employees are entitled to administrative leave up to 80 hours per fiscal year. Administrative leave is subject to approval by the Department Head. Unused administrative leave cannot be carried over to the next fiscal year nor can it be bought back.

ARTICLE XVI
BILINGUAL PAY

Employees designated by the City Manager shall receive bilingual pay in the amount of \$40 per pay period.

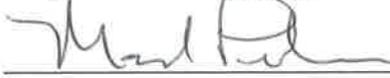
ARTICLE XVII
APPROVAL

It is the understanding of the City and the Association that the Memorandum of Understanding has no force or effect whatsoever unless and until signed by the City

Manager of the City of Yorba Linda and the principal representatives of the Association and ratified by the City Council. IN WITNESS WHEREOF, the parties hereto executed this Memorandum of Understanding for the period of October 1, 2014 through September 30, 2016, this 12 day of May, 2015.

CITY OF YORBA LINDA

YORBA LINDA MID-MANAGEMENT ASSOC.

By 
Signature
MARK PILONI
Printed Name
CITY MANAGER
Title

By 
Signature
Amanda Jimenez
Printed Name
President
Title

By 
Signature
DAVID CHRISTIAN
Printed Name
ASST. CITY MANAGER
Title

By 
Signature
David Brantley
Printed Name
Treasurer
Title

By 
Signature
MAURA ADAMS
Printed Name
ASST. TO THE CITY MANAGER
Title

By 
Signature
Lucy Salvado
Printed Name
Vice President
Title

By _____
Signature

Printed Name

Title

By _____
Signature

Printed Name

Title

EXHIBIT "A"

Adult Services Manager
Assessment District Manager
Assistant City Engineer
Assistant to the City Manager
Assistant Library Director
Building Official
Children Services Manager
Circulation and Technical Services Manager
City Clerk
Executive Assistant
Financial Services Manager
Economic Development Manager
Information and Technology Services Manager
Management Analyst
MIS Manager
Parks & Facilities Maintenance Superintendent
Parks & Recreation Superintendent
Principal Planner
Public Information Officer
Public Works Superintendent
Recreation Superintendent
Senior Civil Engineer
Senior Community Preservation Officer

Senior Planner

Traffic Engineering Manager