



AGENDA REPORT

Meeting Date: March 11, 2009
Item Number: F-14
To: Honorable Mayor & City Council
From: Sandra Olivencia, Assistant Director of Administrative Services/ Human Resources
Subject: MEMORANDUM OF UNDERSTANDING BETWEEN THE BEVERLY HILLS CONFIDENTIAL EMPLOYEES ASSOCIATION OF BEVERLY HILLS AND THE CITY OF BEVERLY HILLS.
Attachments: 1. Redline Agreement
2. Agreement

RECOMMENDATION

Staff recommends that the City Council move to approve the Memorandum of Understanding between the City of Beverly Hills and the Confidential Employees Association.

INTRODUCTION

During 2008 the Confidential Unit petitioned the City to achieve certification as a formalized bargaining unit and the members voted to formalize. They are now recognized as the Beverly Hills Confidential Employees Association. Their existing compensation plan expired October 1, 2008.

Intervening negotiations with the bargaining group resulted in the following modifications to the revised MOU: 1. Five Year Term; 2. Updated language by making sure it is consistent and is current with labor law; 3. Future salary adjustments will be based upon salary surveys with total compensation comparisons to the market so that salaries are at the 75th percentile; 4. A medical benefits program will be provided through a Cafeteria Plan effective January 1, 2010; 5. A two tier retiree medical insurance program will be provided for new or promoted employees effective January 1, 2010; 6. Employees will have an Administrative Leave bank of 67 hours plus an additional 20 hours for those who attend commission meetings after hours; 7. Sick leave payoffs at the time of separation from the City will be 3% or 4% depending on the years of service; 8. New MOU Language was negotiated as a result of the group formalizing.

Through the implementation of salary surveys, the two tier Cafeteria Plan and the two-tier medical retirement program, the City will benefit from the potential of significant future savings while at the same time ensuring competitive employee salaries and benefit packages.

These negotiations have now been concluded resulting in a new agreement, with any adjustments retroactive to October 1, 2008.

DISCUSSION

Key elements of the new MOU include:

1. Five year term effective September 27, 2008 to October 5, 2013.
2. Updated existing compensation plan language, negotiated MOU language and new language that is consistent and current with labor law.
3. Salary adjustments will be based on salary surveys conducted each year. The study will compare six cites and will examine the total compensation of benchmarked classifications.
 - First year of the contract, the City agrees to bring all classifications in the unit which is below the 80th percentile to the 80th percentile.
 - In all subsequent years of the contract, the City agrees to bring all classifications in the unit which are below the 75th percentile to the 75th percentile.
4. Effective January 1, 2010, the City will provide medical benefits through a Cafeteria Plan program:
 - Current employees hired or promoted before December 31, 2009 will receive flexible medical benefits (Two Party PERS Care for medical, family dental and optical) through a Cafeteria Plan.
5. Effective January 1, 2010, the City will provide a two tier Retiree Medical Insurance benefits program:
 - All employees in the unit employed on or before December 31, 2009, who remain employed in the bargaining unit after that date and retire from City service shall continue to be eligible to receive the same level of retiree medical benefits they were eligible to receive before January 1, 2010. (Medical Insurance premium up to one party rate of the PERS Care Plan.)
 - Employees hired or promoted into the unit on or after January 1, 2010 will receive the PERS Care statutory minimum paid by the City. In addition the City shall contribute the sum of \$150.00 per month to a retirement account on behalf of the employee.
6. Confidential employees were given 40 hours of Administrative Leave per calendar year. Those who worked beyond the 40 hours could request an additional 27 hours of leave time. Confidential employees will no longer have to request the additional hours and now have an Administrative Leave bank of

67 hours. In addition, employees that staff after hours commission meetings will receive an additional 20 hours per calendar year of Administrative Leave.

7. All accrued, unused sick leave earned and credited to each employee shall be paid at the following rates at the time of separation: 3% at 10 plus more years of service and 4% at 15 plus more years of service.
8. Association/Dispute Resolution language was added providing for mediation or arbitration of which both are advisory to the City Manager.
9. Addition of an Agency Shop, Savings Clause and Association Related Business language was also added to the agreement as a result of the group formalizing.

FISCAL IMPACT

Under the current policy and past practices, the City has given annual salary increases as well as paid 100% for employee medical benefits, no matter what the increase was from Cal PERS. This negotiated contract caps salaries to the market whereby salaries cannot exceed the 75th percentile of those agencies surveyed. It is only the first year of this negotiated contract that salaries below the 80th percentile will be adjusted. In addition, medical benefits are now capped through a Cafeteria Plan and increases will be part of negotiations rather than automatic. Also, the retiree medical benefits program has been modified to a two tiered program resulting in significant future savings for the City.

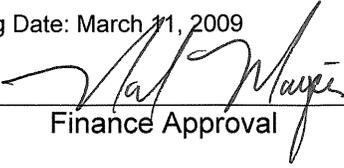
Since the salary surveys are currently being conducted, an estimate of the salary costs for this and next fiscal year has been provided. Medical benefits will remain the same for the next nine months and effective January 1, 2010, the Cafeteria Plan will become effective and the figures provided are estimates based on projections of the fiscal impact of the new program and estimated Cal PERS increases.

The estimated fiscal impact for the negotiated items is as follows:

- Total Compensation Salary Survey adjustment to the 80th percentile for 2008-2009 will be an estimate of \$65,946.
- Total Compensation Salary Survey adjustment to the 75th percentile for 2009-2010 will be an estimate of \$65,946.
- The implementation of the Cafeteria Plan as negotiated will cost the City approximately \$189,720 for the first three years of implementation. However, the ten year projection shows a savings of \$1,289,238..

The above costs are covered in the fiscal year 2008-09 budget and will be included in the budget for fiscal year 2009-10.

Meeting Date: March 11, 2009


Finance Approval


Approved By

Attachment 1

Redline Agreement

Memorandum of Understanding Between the City of Beverly Hills
and
The Beverly Hills Confidential Employees Association

Tentative Agreement – February 18, 2009

The Beverly Hills Confidential Employees Association, a formally recognized employee organization, representing all its members within the Confidential Unit (hereinafter referred to as "Confidential Employees—and duly authorized representatives of the management of the City of Beverly Hills (hereinafter referred to as the "City"), have met and conferred in good faith, freely exchanging information, opinions and proposals, and have reached the following agreement (hereinafter referred to as either agreement or MOU) on matters within the scope of representation. The parties agree that all bargaining unit members are confidential employees under the law and applicable City Council resolution

1. INTEGRATION

This document embodies a written memorandum of the entire understanding and mutual agreement of the parties as required by Government Code § 3505.1 and supersedes all prior written and verbal agreements between the parties hereto. The word "day" in this agreement refers to calendar days unless specifically designated as working days.

It is recognized that there exist now certain past practices or procedures which are in force and effect which affect wages, hours, and working conditions. To that extent, it is agreed that such practices, policies, and procedures shall remain in force and effect during the term of this agreement, unless they are inconsistent with provisions of this M.O.U., or unless changed by the meet & confer process.

2. RECOGNITION CLAUSE

The Association represents all employees in the City of Beverly Hills designated as Confidential. A list of all of the classifications represented by the Association is attached to this MOU as Exhibit A.

3. TERM

This MOU shall be effective September 27, 2008 and shall expire on October 5, 2013.

4. CITY RIGHTS

Except as limited by the specific and express terms of this ~~MOU~~Memorandum of Understanding, the City hereby retains and reserves unto itself all rights, powers, authority, duty and responsibilities confirmed on and vested in it by the law and the Constitution of the State of California and/or United States of America.

The management and the direction of the work force of the City is vested exclusively in the City, and nothing in ~~this MOU~~this Memorandum of Understanding is intended to circumscribe or modify the existing rights of the City including but not limited to the direction of the work of its employees. This includes the right to determine the methods, means, and the number and kinds of personnel by which services are to be provided; to implement rules, regulations, and directives consistent with law and the specific provisions of this MOU and to determine whether goods or services shall be made or provided by the City or shall be purchased or contracted for; and to contract out bargaining unit work.

The City also has the following rights: ~~the right to hire, promote, demote, transfer, assign, schedule and retain employees in positions within the City; subject to the rules and regulations of the City; to reprimand, suspend, reduce in pay withhold salary increases or discharge employees for just and proper cause; to maintain and improve the efficiency of governmental operations; to relieve employees from duties because of lack of work or funds; to take action as may be necessary to carry out the City's mission and services in emergencies; to determine the methods, means and appropriate job classifications; (including content); to direct employees, including scheduling and assigning of work and work hours; to determine the organizational structure and personnel by which the operations are to be carried out; and to establish reasonable performance standards for personnel, including but not limited to qualifications and quantity standards; and to establish employee performance standards and to require compliance therewith.~~

5. SALARY

A. On the effective dates listed below, the City shall implement base salary increases for all unit classifications according to the following schedule:

<u>September 27, 2008</u>
<u>September 26, 2009</u>
<u>September 25, 2010</u>
<u>September 24, 2011</u>
<u>September 22, 2012</u>

Employees in the unit will receive a salary increase on each of the above referred to dates if the total compensation for their classification is below the 80th percentile (for the first year of this Agreement) and the 75th percentile (for the second through fifth year of this Agreement) of total compensation for the surveyed cities.

The 75th and 80th percentiles are calculated by using an excel spreadsheet. The array of total compensation numbers for each classification (either the benchmarks or the other classifications whose compensation is determined by internal relationships to the

benchmarks) are calculated and placed on an excel spreadsheet. The array of total compensation numbers are placed on the excel spreadsheet and then the following formula is run: =percentile(A1:A6,0.75) enter or =percentile(A1:A6,0.80). A6 stands for the six survey agencies.

The total compensation study shall be performed by a hired consulting firm, selected and paid for by the City. If the Association does not agree with the results of the study (i.e., the comparability data or the calculations of the numbers from each agency) or the parties cannot agree to changes to the study, the Association may hire its own consultant to prepare a response to the consultant hired by the City. After the Association's consultant issues his/her report, the parties will once again try to reach an agreement on the results of the total compensation formula. If an agreement still cannot be reached, the parties may either agree to submit the matter to a mediator or proceed to impasse.

For 2008-2009 (the first year of this Agreement) the compensation study will examine the total compensation of benchmarked classifications using the jurisdictions of Santa Monica, Pasadena, Burbank, Culver City, Torrance and Glendale. By June 1, 2009, the Association has the right to inform the City that it wishes to substitute up to three of the survey cities with other cities in Los Angeles or Orange Counties. If any of the six cities are substituted, the six new cities will then be used throughout the remainder of the Agreement as the cities who will be surveyed each year.

For 2008 – 2009, the Association will evaluate the comparability data provided to it by the City (from the six survey agencies) and will then inform the City regarding any differences it may have about the data once those differences are identified by the Association. Once that process is completed, (or if necessary resolved through mediation or impasse) any first year adjustments will be made on a classification by classification basis if appropriate.

For the second year of the Agreement, once the Association identifies any changes to the survey cities (by June 1, 2009) comparability data will be compiled by the City and provided to the Association for its review. The parties will then try and reach an agreement on the comparability data. Once an agreement is reached (or if necessary resolved through mediation or impasse) that comparability data will be used throughout the remainder of this Agreement.

The elements of total compensation will include:

- 1) Monthly Base Salary (Top Step);
- 2) Retirement Benefit, including a) City PERS rate and b) the value of the City paid employee PERS contribution = eight percent (8%);
- 3) The value of the average health insurance plan of all bargaining unit members. To determine the survey agencies' values, the survey will use each agency's plans (including cafeteria dollars offered to employees at the other agencies) with the Confidential Employees' demographics at the time the survey is conducted;
- 4) City Paid Dental top rate;
- 5) City Paid Vision top rate; (Effective with the 2010 salary study, elements 3, 4 and 5 drop out (for purposes of calculating the survey amount for Beverly Hills))

and the average cafeteria plan contribution per employee is substituted in its place.

6) Long Term Disability;

7) Maximum City contribution to Life Insurance valued at 21 cents per \$1,000 of coverage;

8) Maximum City contribution to deferred compensation;

9) Longevity Pay 10th year employee;

10) The dollar value of vacation leave provided to a 10th year employee

11) The dollar value of all holiday pay provided to a 10th year employee

12) The dollar value of 67 hours administrative leave.

I. SALARIES

~~Effective October 1, 2008, Confidential employees shall receive a 7% base salary adjustment. On October 1, 2009, Confidential employees will receive an adjustment of 4%. On October 1, 2010 Confidential employees will receive a 4% base salary adjustment.~~

~~Effective October 1, 2004, Confidential employees shall receive a 3% base salary adjustment. On October 1, 2005, Confidential employees will receive an adjustment of 3% with a 1% deduction to pay for a salary survey to be performed the first year of the agreement. Therefore, on October 1, 2005 Confidential employees will receive a 2% base salary adjustment. On October 1, 2006, a 3% base salary adjustment and on October 1, 2007, a 3% base salary adjustment.~~

~~The City will perform a compensation study the first year this amended plan is in effect and implementation of the study will be during the second and possibly the third year.~~

~~If the salary of a classification is found to be below the average, the salary will be adjusted accordingly. If the salary of a classification is found to be above the average, that classification will not receive the full salary increase for the respective year.~~

IX6. DEFERRED COMPENSATION

~~The City shall contribute \$30.00 per month per employee to the City's deferred compensation program.~~

~~Effective the first pay period after the adoption of this agreement, the City and the Confidential employees agree to reduce the City's contribution to the City Deferred Compensation Program from \$100.00/mo to \$30.00/mo per employee. The reduction of \$70.00/mo will be converted to an incremental \$65.00 in salary for each affected employee. The Confidential employees agree to and understand that the net increase to~~

~~an individual's salary will be less the 7% employer paid contribution to the Public Employees Retirement System.~~

H.—7. APPOINTMENT AND ADVANCEMENT

A. Movement through Range

The City Manager may make appointments to or advancements within the ~~P~~prescribed ranges of specific positions upon evaluation of employee qualifications and performance. Normally, employees shall be appointed in the first step and shall be eligible to be advanced through the five (5) basic steps in their allocated schedules as follows:

1. Probationary Employment

~~Unless otherwise provided, e~~Upon satisfactory completion of six months of employment, every probationary employee shall receive a salary step increase to the next step Step II of the prescribed schedule. only upon satisfactory completion of the prescribed probationary period. The probationary period for all positions in the bargaining unit shall be one year. six months. However, after the satisfactory completion of six months of employment, employees may use any sick leave they have accrued (if appropriate), but may only use accrued vacation after completion of their initial probationary period.

~~Probationary employees appointed to a step other than the first, shall not be eligible to receive a step increase upon the satisfactory completion of probation. Said employees shall receive increases as stated in H. B of this section.~~

2. ~~Permanent~~ Regular Employee Advancement

Unless otherwise provided, every ~~permanent~~ regular employee (i.e., employees who have successfully completed their probationary period) shall receive step advancements in the following manner:

- a. Each year on his or her anniversary date in the position, an employee shall be eligible for salary step increases for Steps III-V, provided said employee has received an evaluation with an overall rating of at least satisfactory. met the standards as provided through the Employee Evaluation Program. The salary step increase will be effective on the first day of the pay period that begins after his/her anniversary date.

- b. Such an increase is recommended by the employee's supervisor and the Appointing Authority (each employee's Department Head or designee), and is approved by the Director of Human Services Assistant Director of Administrative Services/Human Resources.

B. Employment At Other Than The First Step

Every employment shall be at the first step of the schedule prescribed for the classification unless, upon the recommendation of the Director of Human Services Assistant Director of Administrative Services/Human Resources, the City Manager authorizes hiring at a higher step. Such authorization shall be kept to a minimum and based upon proven inability to recruit at the first step, or upon ascertained special talent and ability of the prospective employee.

~~In the event an employee is appointed to a step above the first, he/she shall not be eligible for a salary step increase upon completion of probation, but~~

C. Application Of Salary Steps To Reclassifications And Promotions

When a position in the unit is reclassified upward to a class having a higher salary, the employee in the position incumbent shall be appointed to the reclassified position, providing that:

1. The employee incumbent has held the position which was reclassified for a minimum of one hundred and eighty (180) ninety (90) days days immediately prior to the reclassification; and

~~2. The employee meets expectations and performs at the level of the considered position; and~~

~~3-2. 2. Said The~~ employee meets the qualifications established for the reclassified position.

If the employee incumbent does not meet both of the above criteria, the reclassified position shall be filled through a recruitment process. Employees shall serve a probation period unless the reclassified position is exempt.

When a position is reclassified downward to a class having a lower salary or is determined by the Council to be excessively compensated, the employee in that position can be appointed to the reclassified position and the salary of the employee in that position incumbent shall be "Y"-rated, which shall freeze the employee's salary and prevent salary advancement

for such position until the schedule for the reclassified position's classification provides a step which exceeds the salary paid to the incumbent. No reduction of salary rate shall result from Y-rating.

In the event an employee is promoted or the position occupied by such an employee is reclassified to a position assigned to a higher salary schedule, and the employee in such incumbent of said position is eligible for appointment to this position, he/she shall be placed at the higher of (a) step 1 of the new classification or (b) at the lowest a step that is at least one step greater than the pay rate 6% above that of the employee was receiving in the previous classification. Under no circumstances will a provided that ~~no~~ rate higher than the fifth step of the respective higher salary schedule ~~shall~~ be paid.

Benefits and leave rights shall be available to all employees on probation as a result of accepting a promotion, if such employee has completed his/her or her initial probation or at least six (6) twelve (12) months of probationary service in City service. Such payment shall be recommended by the Department Head and approved by the Director of Human Services

D. Effective Date Of Automatic Or Merit Step Advancement

All step advancements recommended by the department head appointing authority shall be effective on the anniversary date of the affected employee, ~~except those employees described in subsection B of this section~~ and upon the expiration of each succeeding twelve (12) month period of service thereafter upon the required approval of the Appointing Authority or Director of Human Services Assistant Director of Administrative Services/Human Resources, unless otherwise specifically authorized by the City Manager.

E. Special Merit Step Advancement

~~In the demonstrated instance of clearly superior job performance or to prevent a manifest injustices to the employee by detracting from the concept of equal pay for equal work or related circumstances, or to further the advancement of the public interest, t~~The City Manager may, upon the recommendation of the department head appointing authority and the Director of Human Services Assistant Director of Administrative Services/Human Resources, authorize the advancement of an employee to any of the four (4) steps earlier than he/she the employee would normally be eligible for length of service merit step advancement. Such increases shall be effective on the first day of the pay period following approval by the City Manager, if not otherwise specified by the approving Appointing a Authority. A special merit step advancement shall affect the anniversary

date of an employee causing it to change to the effective date of the special increase.

F. Special Assignment Increase

A special assignment increase may be granted (upon approval of the Assistant Director of Administrative Services/Human Resources) to an employee by an Appointing Authority provided that the employee is clearly performing specific duties above and beyond that required by his/her classification while not assigned or authorized to be filling a position out of classification. The Appointing Authority shall submit his/her recommendation and justification to the ~~Director of Human Services~~Assistant Director of Administrative Services/Human Resources for approval. The Assistant Director of Administrative Services/Human Resources will review the recommendation and determine whether it is warranted given the standards of this section. Said increase shall be at least 6% but not to exceed 10% above the base salary paid to the employee. Annually a review by the Assistant Director of Administrative Services/Human Resources ~~Director of Human Services~~ of the special assignment shall be made to determine if it is still warranted.

~~G. Temporary Or Seasonal Employment~~

~~Temporary or seasonal appointments to a position in any authorized classification shall be made at the first step of the appropriate salary schedule. In the event an appointment is made at other than Step 1, the procedure relative to permanent appointments shall be followed. Persons occupying temporary or seasonal positions shall not accrue any paid benefits, leave right, or tenure right. If a temporary or seasonal employee attains probationary status, or if he/she is exempt from permanent status, he/she shall not be eligible for any retroactive payment of benefits and tenure rights.~~

G. ~~H.~~Part-Time Employment

Part-time appointment (defined as any appointment of less than a 40 hour full time assignment) to a position in any authorized classification shall be made at the first step of the appropriate salary schedule. In the event an appointment is made at other than Step ~~1~~4 the procedure relative to ~~permanent~~ regular appointments shall be followed. Part-time employees shall receive a prorated share of benefits based upon the regularly assigned work hours; said hours to be determined at the time of appointment.

VII. BONUSES

~~No special salary adjustments authorized by this Section shall become effective until an official transaction form authorizing the adjustment is~~

~~approved by the Director of Human Services. Special salary adjustments shall not be treated as part of base salary and shall be excluded in calculating earnings when benefits are involved.~~

~~BONUSES~~

~~No special salary adjustments authorized by this Section shall become effective until an official transaction form authorizing the adjustment is approved by the Assistant Director of Administrative Services Human Resources. Special salary adjustments shall not be treated as part of base salary and shall be excluded in calculating earnings when benefits are involved.~~

H. ~~A.~~ Superior - Subordinate Relationship

For the purpose of this section, a superior-subordinate relationship is defined as a relationship in which a classification has the responsibility for the direct supervision of another classification.

In such a relationship, a superior shall be paid a monthly salary rate above his/her subordinates. When a subordinate's monthly salary rate is equal to or exceeds that which is being paid to his/her superior, the superior shall receive a special adjustment of 3% above the salary of the highest paid subordinate.

At any time the superior's base salary (excluding this salary adjustment) exceeds the base salary of his/her subordinates, the salary adjustment granted to him by this section shall be eliminated.

~~Monthly salary rate is defined as the base monthly salary paid to a position. Excluded from salary computations for this provision are any bonuses paid.~~

I. ~~B.~~ Filling Position Out Of Classification (FPOC)

Every regular Confidential employee temporarily assigned to and working in a classification with a salary schedule above that of the employee's regularly assigned position as the result of special departmental need shall be paid while so assigned at a step within the range for the higher superior classification, after serving eighty hours in any calendar year in the higher classification. When an employee meets these requirements is assigned and performs the duties of the higher classification, the employee shall receive the higher of (a) 10% above the pay rate of his/her regular classification or (b) provided that no rate higher than the fifth step, nor lower than the first step of the salary schedule for the higher classification in which the work is performed is paid, and is consistent with other provisions of this Compensation Plan regulating such assignments. Under no circumstances will a rate higher than the fifth step of the higher salary schedule be paid. No position may be filled out of classification unless established departmental procedures are followed and authorization from the Appointing Authority is obtained.

To be eligible for compensation for filling a position out of classification, acting pay, the employee has to ~~meet the criteria~~ possess the minimum qualifications for the higher classification and be capable of performing those specific tasks which he/she will be performing during this acting time and which differentiates it from the lower classification. Before FPOC status is ~~obtained~~, the necessary personnel forms shall be approved by the Appointing Authority and ~~Director of Human Services~~ Assistant Director of Administrative Services/Human Resources.

Employees assigned to fill positions out of classification shall not acquire status or credit for service in the ~~higher superior~~ classification and may be returned to their regularly assigned position at any time. Employees receiving FPOC pay shall not receive the higher salary when on vacation or ~~extensive~~ sick leave for two weeks or longer.

8. INSURANCE COVERAGES

VI. INSURANCE

A. Medical

The City contracts with the Public Employees' Retirement System for medical insurance. The City shall provide a medical health insurance program to Confidential employees, the cost of which shall be borne by the City. The cost of the coverage may vary, contingent upon the number of dependents claimed. ~~The City shall provide a medical health insurance program to Confidential employees, the cost of which shall be borne by the City. The cost of the coverage may vary, contingent upon the number of dependents claimed.~~ Medical insurance coverage is effective the first day of the month following the thirty (30) day waiting period, provided that the employee has ~~obtained~~ permanent regular or probationary status on the effective date of coverage.

~~————~~ In the event an employee is on leave of absence without pay, as a result of an industrial injury, the City shall pay its contribution toward ~~of~~ the health medical insurance premium of an employee and dependents, if covered, to the limit of one month's contribution coverage for each full year of said employee's City service.

Conversion to the PERS Plan

~~————~~ Effective January 1, 1995, the City agrees to convert Confidential employees from the City's present medical insurance plan to the PERS medical insurance plan. The City agrees to enroll such employees and eligible retirees in the PERS plan as soon as reasonably possible.

The payment of ~~premiums~~ benefits toward this ~~health~~ medical insurance program will be through the administration of a flexible benefit package. The City shall pay ~~\$16.00/month~~ the PERS statutory minimum (\$97.00 for 2008, \$101.00 for 2009, and the yet still undetermined amount for 2010, 2011, 2012 and 2013) on behalf of each participant in this program. A participant is defined as 1) any ~~current~~ employee and dependents, 2) an enrolled retiree and dependents, and 3) a surviving annuitant. In addition to the PERS statutory minimum \$16.00 a month, flexible benefits shall be provided as follows:

1. For ~~active~~ employees, the City shall pay the difference between the PERS statutory minimum \$16.00 and the actual cost of the medical insurance premiums up to full family coverage.
2. For ~~retirees who retired~~ Confidential employees retiring (service retirement only) after July 1, 1981, the City shall continue to pay the difference between the PERS statutory minimum \$16.00 and the actual cost of the medical insurance premium up to the one party rate of the PERS Care Plan ~~under PERS~~. Employees hired or promoted into the Confidential Group on or after January 1, 2000, shall not be eligible for the benefit under this Section A.2.
3. For employees hired or promoted into the Confidential Group on or after January 1, 2000, the retiree ~~health~~ medical insurance benefit shall ~~be read~~ as follows:

To qualify for this benefit, an employee shall:

- a) Complete a minimum of 5 years of full-time employment with the City of Beverly Hills; and
- b) Receive a service retirement from the City of Beverly Hills; and
- c) Not perform any paid work for a PERS contracting agency following retirement from the City of Beverly Hills with the exception of work below 960 hours per fiscal year.

Upon these conditions, the City shall continue to pay a part or all of the difference between the PERS statutory minimum \$16.00 and the actual cost of the medical insurance up to the one single party rate of the PERS Care plan ~~under PERS~~ at the following rate:

- a) The City will pay 25% of the difference east of the insurance premium for employees who have completed 5 years of service with the City of Beverly Hills.

b) The City will pay an additional 5% of the difference cost of the insurance premium for each year of employee service with the City of Beverly Hills, from the sixth year through the twentieth year. Thus, for example, an employee who retires

~~c) Employees who retire, as discussed above,~~ with 20 or more years of service with the City of Beverly Hills will be entitled to receive 100% of the difference cost of the PERS Care single party insurance premium.

~~d)~~ The City will not pay more than 100% of the cost of a retiree's medical insurance premium.

B. Life Insurance

Confidential employees ~~holding permanent or probationary status on July 1, 1983, and thereafter,~~ shall be entitled to a fifty thousand dollar (\$50,000) term life insurance policy under the City's life insurance program. The ~~full~~ premium for such policy shall be paid for by the City under life insurance program of its choosing. ~~Such policy shall take the place of any other policies existing prior to the adoption of this provision.~~ ~~Employees~~ ~~ach such employee~~ shall have the option to purchase additional life insurance at the City's unit cost, if available.

C. Disability Insurance

The City shall provide at the City's cost, a long term disability plan for Confidential employees.

D. Dental Insurance

The City shall provide a dental insurance plan to employees, the cost of which shall be borne by the City. The cost of the coverage may vary, contingent upon the number of dependents claimed.

E. Optical Insurance

The City shall provide at the City's cost, an optical insurance plan to employees, the cost of which shall not exceed ~~\$22.50~~16.00 per month per employee.

F. Health and Welfare Benefits Effective January 1, 2010

The City contracts with the Public Employees' Retirement System for medical insurance coverage of eligible employees and retirees. Eligible new hires are covered under the program on the first day of the month following a 30-day waiting period that begins on the hire date.

Effective January 1, 2010, the City will contribute the PERS statutory minimum on behalf of each participant in the program. A participant is defined as any of the following individuals: (1) a covered employee, (2) a covered retiree, and (3) a covered surviving annuitant of a deceased retiree.

In addition, the City will provide current employees with flexible benefits through a cafeteria plan as provided below.

Any language contained in this MOU which is also contained in the cafeteria plan documents is done so for the convenience of the parties. However, the parties agree that all of the provisions of the cafeteria plan documents (whether included in this MOU or not) are applicable and binding on the parties to this MOU.

1) Cafeteria Plan: The provisions of the Cafeteria Plan are described below.

a) Benefits provided through Cafeteria Plan:

Effective January 1, 2010, the following insurance benefits provided for in this Article will be provided through the provision of a cafeteria plan adopted in accordance with the provisions of IRS Code § 125: medical, dental, and optical. As such, paragraphs D and E of this Article (dental and optical insurance) will be superseded by the provisions of the cafeteria plan on January 1, 2010. The provision of medical insurance to employees (as contained in paragraph A above) will also be superseded by the provisions of the cafeteria plan on that date. Nothing herein will impact the provisions of paragraphs A2 and A3 above as they relates to retiree medical insurance for retirees who retired on or before December 31, 2009.

b) The Purchase of Optional Benefits Through the Cafeteria Plan:

The cafeteria plan offers employees the opportunity to purchase the following optional benefits: medical, dental and optical insurance.

Effective January 1, 2010, employees shall be provided with an amount which will total an amount which includes the two party PERS Care, family dental (Guardian) and family optical (VSP) per month to purchase the optional benefits of medical, dental and optical insurance. (For employees who participate in medical insurance through CalPERS, the amount described above will include the

PERS statutory minimum paid by the City.) Each year on January 1, the amount shall be adjusted by the amount of the increase in two-party PERS Care, family dental and family vision.

(1) Medical Insurance

Eligible employees may select any of the following medical insurance plans offered by CalPERS:

<u>HMO Plans</u>	<u>PPO Plans</u>
<u>1) Kaiser;</u>	<u>1) PERS Care;</u>
<u>2) Blue Shield Access +; or</u>	<u>2) PERS Choice; or</u>
<u>3) Blue Shield Net Value</u>	<u>3) PERS Select</u>

If CalPERS changes any of the medical insurance plans by either adding to or deleting the plan options described above, employees will be limited to those plan options offered by CalPERS.

For each of the foregoing plans, employees will also be able to choose the benefit for the employee, employee + 1 or employee + family. Covered employees are required to participate in CalPERS medical insurance under one of the available options. An employee may, however, elect not to participate if he/she provides the City with proof that he/she has comparable medical insurance from another source.

(2) Dental Insurance

Employees shall also have the ability to select from two levels of dental insurance from the City's dental insurance provider, Guardian. The City reserves the right to change dental insurance providers if necessary. If it does, employees will be provided with similar benefits with the new provider. As with medical insurance, employees will have the options of: employee, employee + 1 or employee + family. Employees do not have to choose any dental insurance and need not provide proof of dental insurance from another source.

3) Optical Insurance

Employees shall also have the ability to select from two levels of optical insurance from the City's optical insurance provider, Vision Service Plan (VSP). The City reserves the right to change optical insurance providers if necessary. If it does, employees will be provided with similar benefits with the new provider. As with medical insurance, employees have the options of: employee, employee + 1 or employee + family. Employees do not have to choose any optical insurance and need not provide proof of optical insurance from another source.

c) Employee Contributions for Benefit Options: If an employee chooses optional benefits whose aggregate cost exceeds the total City contributions to the Cafeteria Plan, the City will automatically deduct the excess amount on a pre-tax basis from the employee's bi-weekly payroll.

d) The Receipt of Cash Through the Cafeteria Plan: Employees will be eligible to receive cash (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving one of the optional benefits provided through the plan or if they choose optional benefits that do not cost as much as the maximum dollar amount they receive through the plan as follows:

(1) Receipt of Cash for Opting Out of the Optional Benefits

Employees who elect not to be covered by any of the three optional benefits provided through the cafeteria plan, and meet the opt out requirements, if any, shall receive the following monthly amount as cash wages for each benefit for which the employee opts out:

<u>1) medical insurance</u>	<u>\$450.00</u>
<u>2) dental insurance</u>	<u>\$75.00</u>
<u>3) optical insurance</u>	<u>\$10.00</u>

(2) Maximum Receipt of Cash If Optional Benefits Chosen Result in the Employee Still Having Cafeteria Plan Contributions Available.

The cafeteria plan offers employees the ability to purchase each of the three optional benefits with the City's contribution to the cafeteria plan. Employees

may choose to purchase benefits that cost less than the City's contribution to the cafeteria plan and choose to receive cash wages with their remaining City contribution. An employee who chooses to receive any of the optional benefits under the cafeteria plan shall be eligible to receive up to the following monthly amount as cash wages as long as he/she has not reached the cafeteria plan maximum amount with his/her purchases:

<u>1)</u>	<u>medical insurance</u>	<u>\$350.00</u>
<u>2)</u>	<u>dental insurance</u>	<u>\$50.00</u>
<u>3)</u>	<u>optical insurance</u>	<u>\$5.00</u>

If, after opting out of one or more optional benefits or purchasing optional benefits through the cafeteria plan (under F(1)(d)(1) or F(1)(d)(2) an employee would exceed the City contribution amount to the cafeteria plan through the receipt of the cash wages described herein, the cash wages the employee will be provided is that amount which will bring the employee to the maximum amount as described above.

Thus, for example, (under F(1)(d)(1) above) if an employee (who receives a maximum amount of \$1,543.00) opts out of dental insurance and purchases medical and optical insurance with premiums which add up to \$1,250.00, he/she would receive \$75 for opting out of dental insurance. However, if the premiums added up to \$1,532.00 (and the maximum amount was \$1,543.00) the employee would only receive \$11 for opting out of dental insurance, not the \$75.00 because the \$11 would cause the employee to reach the cafeteria plan contribution maximum.

As another example, (under F(1)(d)(2) above) if an employee hired on February 10, 2010 purchases \$1,400.00 worth of optional benefits per month including medical insurance, (and the maximum amount was \$1543.00) he/she will receive \$143.00 per month in cash. However, if an employee only purchases \$700.00 per month in medical, dental and optical insurance, he/she will receive \$405.00 per month in cash

e) Flexible Spending Accounts: The cafeteria plan will also offer employees the opportunity to participate in both a health care and dependent care flexible spending account (each an FSA) whereby employees will be able to defer up to \$2,500 per year (for the health care FSA) and up to \$5,000 per year (for the dependent care FSA) to pay for any eligible out of pocket expenses related to health care or dependent care on a pre-tax basis. The provisions of both

of these FSA's will be provided in a plan document. The plan document will be available to each eligible employee upon request. Essentially, before January 1 of every year, employees will be able to elect to have their compensation (up to the aforementioned limits) for the upcoming year deducted biweekly and contributed on a pre-tax basis to the FSA. During the year (and for a short grace period thereafter), an employee can receive reimbursements under the FSA for covered expenses incurred during the year, up to the amount of the employee's contributions for the year. The FSA deductions will be withheld from employees' regular payroll.

- 2) Mandatory Health and Welfare Benefits: The following are benefits that all employees are included in at the City's cost: term life insurance (\$50,000.00 policy) and disability insurance which provides two thirds (2/3) of monthly salary up to a maximum of up to \$6,000.00 per month , except as may be provided under the applicable plan document. Paragraphs B and C of this Article will be superseded by the provisions of this paragraph F.(2) on January 1, 2010.
- 3) Supplemental Term Life Insurance: Employees may also purchase supplemental term life insurance, if available, with deductions from their bi-weekly compensation as designated by each employee. Although employees may use cash wages they receive through the cafeteria plan to purchase supplemental term life insurance, they cannot defer cash wages they receive through the cafeteria plan directly into the purchase of supplemental term life insurance. It must be a deduction from their paycheck.
- 4) Deferred Compensation: In accordance with the tax rules, any cash that an employee may receive through the cafeteria plan may not be deferred to the employee's accounts under the City's retirement plans. The employee may, however, be able to elect to increase his/her deferrals to the City's retirement plans from his/her regular wages.
- 5) Benefits if on an Industrial Leave: In the event an employee is on a leave without pay as a result of an industrial injury, the City shall pay the PERS statutory minimum for that employee (assuming the employee wants medical, dental or vision coverage from the City) for the duration of the leave. In addition, outside of PEMHCA, assuming the employee wants to be covered by medical, dental or vision insurance the employee shall receive his/her additional cafeteria plan contribution (up to the maximum amount provided above) amount for one month for each year of full service up to one year. If an employee chooses to opt out of insurance and

receive cash as described above, he/she will be eligible to receive that cash for one month for each year of full service up to one year.

G. Retiree Medical Insurance For Employees Hired Before January 1, 2010

All employees in the unit employed on December 31, 2009, who remain employed in the bargaining unit after that date and retire from City service shall continue to be eligible to receive the same level of retiree medical benefits they were eligible to receive before January 1, 2010. For retirees participating in the CalPERS medical insurance program, the City will pay the statutory minimum. In addition, the City will provide benefits through a medical reimbursement program. In accordance with the tax rules, retirees will not be permitted to participate in the cafeteria plan.

H. Retiree Medical Insurance For Employees Hired On Or After January 1, 2010

Employees hired into the unit on or after January 1, 2010, who retire from the City will receive the PERS statutory minimum paid by the City in accordance with paragraph F.

In addition, for employees hired into the unit as new employees of the City on or after January 1, 2010, in lieu of additional retiree medical insurance benefits, the City shall, while the employees are working for the City, contribute the sum of \$150.00 per month (\$69.23 per pay period) to a retirement account on behalf of such employees. For employees who promote into the unit after January 1, 2010 who were City employees as of December 31, 2009, they will receive retiree medical benefits (based on their years of service with the City) in accordance with the benefits of this MOU as though they were a member of the bargaining unit prior to January 1, 2010.

When such employees retire, they will be able to purchase health insurance by contributing the additional costs for PERS medical, dental and optical insurance they choose.

III.HOURS9. HOURS OF WORK AND WORK SCHEDULES

—The workweek for all members of the unit shall be 168 regularly recurring hours. For employees working the 5/40 or 4/10 work schedule, it shall begin on Sunday at 12:00 a.m. and end at 11:59 p.m. the following Saturday. For employees working the 9/80 work schedule, each employee's designated FLSA workweek (168 hours in length) shall begin exactly four hours after the start time of his/her eight hour shift on the day of the week that corresponds with the employee's alternating regular day off. Every Confidential employee is required to work a ~~minimum of~~ forty (40) hours ~~per work~~ week, unless otherwise provided stipulated by the City Manager.

10. LEAVES OF ABSENCE

AC. Sick Leave

Definitions:

~~For the purposes of this section, the following words are defined as follows:~~

Immediate Family:

~~"Immediate family" shall mean father, mother, brother, sister, spouse, child or registered domestic partner of the employee.~~

Proximate Family:

~~"Proximate family" shall mean grandfather, grandmother, father in law, mother in law, brother in law, sister in law, son in law, and daughter in law of the employee.~~

General

Except as is otherwise provided, all confidential employees each regular or probationary employee shall accrue, use and be compensated for sick leave as follows:

1. Accrual. Each employee shall accrue sick leave at the rate of 3.68 hours for each complete biweekly period of employment. Payroll division records are the final authority for settling disputes regarding accrued and accumulated sick leave ~~and vacation.~~
2. Eligibility for Use New Employees. With the exception of employees who change positions within the unit by promotion, transfer or for some other reason, sick leave accrued shall not be available for use until an employee completes 6 months of employment. ~~Sick leave shall be made available upon completion of probation.~~
3. Sick Leave Usage. Sick leave may be used by the employee when he/she is ill or during a period illness by a child, step child, parent, step parent, spouse or registered domestic partner.

~~3. Illness of Employee. Accumulated sick leave may be used by an employee during any period of illness of the employee. "Illness of the employee" means only a physical impairment of the employee of such character and severity that the employee is actually disabled and confined to his/her home or a hospital (unless otherwise ordered or directed by his/her physician for the purpose of treatment), and does not include impairment caused directly or indirectly by the use of any drug or intoxicating liquor.~~

~~4. Job-Connected Disability. Except as provided herein, no employee shall be entitled to use accumulated sick leave during any period for which he/she is entitled to receive temporary disability indemnity under Division 4 (Section 3201, et. seq.) of the Labor Code of the State. Any employee (except members of the fire or police service entitled to industrial leave benefits of Section 4850 of the Labor Code of the State) entitled to receive such temporary disability indemnity may elect (for a period not to exceed twelve (12) months after he/she first makes such election) to use as much of his/her accumulated sick leave, or accumulated vacation or accumulated compensable overtime which as when added to his/her disability indemnity will result in a payment to him/her of not more than his/her full salary or wage.~~

~~5. Sick Leave Incentive. Confidential employees who accumulate accrued -72 hours or more of unused sick leave during any payroll year may convert shall have the option of being paid in January of the succeeding year for up to 24 hours of the accumulated unused sick leave to cash during the month of January of the following year. Such days not paid for or taken may be accumulated to be used or taken as needed in the future, or paid for in accordance with current 3% - 10 year the sick leave buy back program as referenced in Article 13 of this MOU.~~

B. Vacations

1. Authorization For Taking Vacation

~~With the exception of employees who change positions within the unit by promotion, transfer or for some other reason, Upon completion of probation no employee may take accrued vacation leave until the employee completes his/her probationary period. so computed and earned at time or times All vacation use must be approved by the employee's Department Head Appointing Authority. Employees who change positions within the unit by promotion, transfer or for some other reason are eligible to take vacation during their probationary period.~~

An employee entitled to vacation leave shall make written application therefore in the manner and within the time directed by the Appointing Authority. Every Department Head Appointing

Authority shall establish a vacation schedule for each calendar year based as far as possible upon applications and seniority of the employees concerned but subject to his/her right to plan work under his/her control and to allow vacations when employees can be spared. He/she shall notify every employee as soon as possible whether his/her application is approved, and if not, of the period which is substituted.

2. Vacation Accrual

~~Accumulation~~

~~Vacation Allowances~~

Vacation accrual shall be calculated on the basis of hours. Vacation credit shall accrue biweekly to every member of the bargaining unit employee except hourly paid, seasonal, and temporary employees, at the rates indicated below:

FIRST 4 YEARS OF SERVICE	AFTER 4 YEARS <u>THROUGH 14 YEARS</u> OF SERVICE	AFTER 14 YEARS OF SERVICE
3.07 hours Bi-weekly	4.60 hours Bi-Weekly	6.13 hours Bi-weekly
80 hours/Yr.	120 hours/Yr.	160 hours/Yr.

3. Maximum Accrual of Vacation

Confidential employees with fourteen years of service or less may not accumulate more than 480 hours of vacation. Employees with 480 hours of vacation on the books will not continue to accrue vacation until their balance falls below 480 hours

Confidential employees with more than fourteen years of service whose vacation accumulation at the beginning of a calendar year is less than 480 hours may accumulate annual vacation which will result in their balance being above 480 hours. However, if at the end of any calendar year the vacation accumulation is above 480 hours, they will not continue to accrue vacation until the balance falls below 480 hours, whereupon they will then continue to accrue vacation during that calendar year.

~~Confidential employees shall be entitled to accumulate a bank of accrued vacation up to a maximum of 40 working days in addition to the current year's accrual subject to the following conditions. To reach the maximum of 40~~

~~working days accumulated accrued vacation, an employee may add no more than 5 working days of accrued vacation to the employee's bank of accumulated vacation days per year until the maximum is reached.~~

At the end of each calendar year, upon the employee's request, an employee with 240 hours ~~30 days~~ or more of accumulated vacation can receive cash payment for up to 80 vacation hours earned but not taken during the calendar year.

4. Holidays During Vacations

When a holiday falls within an confidential employee's vacation leave, the day will count as a holiday, not vacation. ~~leave shall be extended by the amount of the holiday time.~~

5. Limit On Payment

No confidential employee shall be paid any more for his/her vacation period than he/she would have received if he/she had worked.

C. Administrative Leave ~~ADMINISTRATIVE LEAVE~~

Administrative Leave shall be granted in recognition of overtime ~~work performed above normal work hours~~ and the nature of the work performance and expectations placed upon Confidential employees. Use of Administrative Leave shall be approved by the employee's Appointing Authority or designee Appointing Authority, noting the needs of the department.

Each Confidential employee will be granted ~~40~~ ~~80~~ 67 hours Administrative Leave each calendar year. However, employees in the following classifications shall receive an additional 20 hours of administrative leave each year (for a total of 87 hours per year) in recognition of the additional time they spend taking minutes after regular hours at commission or board meetings: Executive Assistant I - Community Development, Executive Assistant I - City Clerk and Executive Assistant II - Community Services. pursuant to the following:

Confidential employees accrue a pro-rata amount of administrative leave each pay period during the year. However, during the year, an employee may use the administrative leave that he/she has already accrued or will accrue for the remainder of the year. If an employee leaves the City's employ in the middle of the year, he/she will only be able to cash out the amount he/she has accrued up to the date of his/her separation from City service.

Administrative Leave as provided herein is non cumulative between calendar years. At the end of each calendar year, upon an employee's request, the employee will receive cash payment for up to 27 40 hours Administrative Leave not taken as time off during the calendar year

~~An additional 27 hours of Administrative Leave may be granted to a Confidential employee for recognition of the extraordinary hours worked above the employees normal work schedule. The appointing authority may make a request of the City Manager for the additional Administrative Leave, up to 27 hours, may be granted to a Confidential employee.~~

~~At the end of each calendar year, upon employee's request, the employee will receive cash payment for up to 27 hours Administrative Leave earned but not taken as time off during the calendar year.~~

AD. Holidays

1. Accrual and Use of Holidays

~~Every~~ All Confidential employees shall be entitled to the following paid holidays if such employee worked the normally assigned duty period the work day before and the work day after the holiday, or was absent on authorized paid leave during said periods:

New Year's Day	January 1
Martin Luther King Day	3 rd Monday in January
President's Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1 st Monday in September
Veteran's Day	November 11
Thanksgiving Day	4 th Thursday in November
Day after Thanksgiving	<u>Day after the 4th Thursday</u> Friday in November
Christmas Day	December 25

Every confidential employee whose regular work schedule is a five (5) day per week or 9/80 schedule, Monday through Friday, will observe holidays as follows:

If the holiday falls Monday through Friday, one work day off is granted with pay on the day on which the holiday falls.

If the following holidays (January 1, July 4, November 11, and December 25) fall on a Saturday, the preceding Friday shall be considered the holiday; if the holiday falls on Sunday, the following Monday shall be considered the holiday. If a holiday falls on a day which is an off work day for employees working the

~~9/80~~ an alternate work schedule, the employee's 9/80 day is either Monday or Friday, the employee shall receive a floating holiday at ~~straight time~~ in lieu of the holiday. Floating holidays may be taken at ~~the each~~ employee's² discretion, subject to approval of the ~~supervisor and Department Head~~ Appointing Authority or designee. Generally, these floating holidays may be used after the holiday has occurred unless the employee requests to use the floating day contiguous to the actual holiday. If an employee does not use his/her floating holidays within the calendar year (with the exception of those floating holidays which are earned in November and December, in which case the employee will be able to use the floating holiday from that year for the first two months of the following year) in which the employee has received it, he/she will not earn an additional floating holiday in the next calendar year. The parties encourage employees in the unit to use their floating holidays. Since floating holidays cannot be removed from an employee once earned, and the parties do not want employees to have more floating holidays on the books than would be received within the current year, a floating holiday carried over at the end of the year results in the employee being unable to earn that holiday in the next calendar year. Appointing Authorities or designees will not act unreasonably in granting requests to use floating holidays Said holiday is non-accruable and shall not be paid for if not taken during the ~~calendar fiscal~~ year. Said holiday(s) shall be non-accruable and must be used in the ~~calendar fiscal~~ year in which it was earned.

2. Personal Holiday

Upon satisfactory completion of a probation period, Confidential employees shall be entitled to ~~one two~~ additional paid personal holidays (9 hours) (based on the number of hours the employee is scheduled to work on the day) per calendar fiscal year. ~~Confidential employees shall receive an additional 9 hour personal holiday effective July 1, 2000.~~ Said holiday may be taken at the employee's discretion subject to supervisor and Department Head approval. Employee shall request said holiday in writing. If an employee does not use his/her personal holiday within the calendar year in which the employee has received it, he/she will not earn an additional personal holiday in the next calendar year. The parties encourage employees in the unit to use their personal holidays. Since a personal holiday cannot be removed from an employee once earned, and the parties do not want employees to ever have more than two personal holidays on the books, a personal holiday carried over at the end of the year results in the employee being unable to earn that holiday in the next calendar year. Appointing Authorities or designees will not act unreasonably in granting requests to use personal holidays.

3. Potential Work on a Holiday

Because of operational need employees may be required to work on a holiday. An employee who is required to work on a holiday by his/her supervisor will be paid his/her holiday pay for the day. In addition, the employee will receive straight time pay for any hours he/she works on the holiday.-. Notwithstanding, the foregoing provisions of this series, each department shall require such employees as may be necessary for efficient operation to work on any holiday or period of normal time off.

E. Bereavement Leave

~~Bereavement leave is an absence occasioned by the death of a member of the immediate or proximate family of the employee.~~

~~Forty (40) hours of bereavement leave, per calendar year, may be used in the event of the death of a family member, herein defined as a spouse, parent, brother, sister, child, grandparent, in-law or registered domestic partner of the employee. In the event an employee needs additional time off for this leave, he/she may use up to 40 hours of sick leave per calendar year.~~

~~Requests for bereavement leave shall be made in writing, when feasible and shall be approved by the appointing authority and the Director of Human Services. In the event the emergency required the presence of employee, and he/she could not prospectively make a request, subsequent approval must still be obtained in writing. Bereavement leave is an absence occasioned by the death of a family member, herein defined as a spouse, parent, brother, sister, child, step-child, grandparent, in-law or registered domestic partner of the employee~~

Up to a maximum of forty (40) hours of bereavement leave, per calendar year, (regardless of the number of family member deaths) may be used in the event of the death of a family member. In the event an employee needs additional time off for this purpose, he/she may use up to 40 hours of sick leave per calendar year.

Requests for bereavement leave shall be made in writing, when feasible and shall be approved by the appointing authority and the Assistant Director of Administrative Services/Human Resources.

F. Leave Without Pay

~~Leaves of absence without pay shall be used only if all accrued leaves have~~

~~been exhausted. Employees on leaves of absence without pay shall not accrue vacation, leave rights, nor shall the City pay for any fringe benefits.~~

Requests for leaves of absence without pay must be submitted to each employee's supervisor and approved by the employee's Appointing Authority or designee and shall be used only if all appropriate accrued leaves (e.g., sick leave may not be exhausted if the leave is not for a medical purpose) have been exhausted. Confidential employees on leave of absence without pay shall not accrue vacation, leave rights, nor shall the City pay for any fringe benefits, except as required by law. Decisions whether to grant such a leave will be made based on operational needs of the Department.

GF. Disability Leave

Salary continuance for Industrial Disability Leave

All ~~terms definitions~~ contained in this section and the determination thereof shall be as defined by the provisions of Division 4 of the California Labor Code, Sections 3201 *et. seq.*

~~The City shall provide to each regular employee extended disability salary continuance in the event that an eligible employee sustains an injury arising from the course and scope of employment. Administration and application of this program shall be under the direction of the Director of Human Services.~~

In the event of a bona fide work-incurred injury by a confidential employee, the City shall continue to pay the gross salary, less legally required deductions, to the injured employee for a period not to exceed ten (10) ~~full~~ working days, ~~or a portion thereof.~~ Employees covered under this program shall not receive a monetary amount greater than they would ~~normally~~ receive if they had been working under normal conditions. Any disability indemnity received by the employee from the State of California for the purpose of ensuring a weekly or monthly income as the result of the same work-incurred injury for which the employee is receiving extended disability salary continuance from the City, shall be paid to the City for the first ten (10) working days of absence due to injury in order to qualify for this program.

For an employee to qualify for this program, Department Head Appointing Authorities must notify Human Resources Services in writing immediately upon receiving knowledge of work-incurred injury. ~~Human Services will contact physicians and medical treatment centers as may be appropriate to determine the severity and scope of injury and probable length of absence of the employee. Human Services will so inform the Department Head~~

~~and request all forms necessary; such forms must be approved by Department Heads and the Director of Human Services~~

Should an injured employee's period of absence exceed ten (10) working days, payment under this program will cease. ~~and An employee eligible to receive temporary disability indemnity may then utilize accrued accumulated sick and vacation leave which when added to his/her temporary disability indemnity payments will add up to full salary, and receive any appropriate disability indemnity benefits from the State of California; An employee who if they elects not to utilize accrued leave while receiving temporary disability indemnity payments must notify the Human Resources Office, the Human Services office must be so notified.~~

An employee eligible for this program ~~may shall~~ be required to be examined by City authorized physicians at the discretion of the ~~Department Head Appointing Authority and Director of Human Services~~ Risk Management Division of Administrative Services for the purpose of determining eligibility for ~~the applicability to governing policies of~~ this program.

HG. Witness Leave

Any confidential employee who is required to serve as a witness pursuant to ~~a~~ a lawful subpoena in any judicial or quasi judicial proceeding in a manner other than one to which the employee is a party, or who is required to serve as a juror, shall be allowed time off without loss of pay to perform such duties. In addition, per California Labor Code § 230(b) an employee shall be allowed time off but with loss of pay, if the employee is a party to the matter for reasons other than actions within the scope of the employee's current or past public employment. All fees to which the employee is entitled by law for such services shall be paid (less transportation allowance, if any) to the City. This section H is not applicable to those employees participating in judicial or quasi judicial proceedings that are within the scope of their employment.

11.- RETIREMENT

A. Retirement Formula

The City contracts with CalPERS to provide the 2.5% at 55 retirement formula set forth in California Government Code Section 21354.4. The City shall pay the 8% required employee contribution to CalPERS on behalf of each confidential employee.

B. Single Highest Year

The City's contract with the CalPERS provides for the "Single Highest Year retirement benefit for miscellaneous employees of which Confidential employees are included pursuant to Government Code section 20042. Retirement benefits are based on the highest annual compensation for the one year during the employee's membership in CalPERS.

C. Military Buy Back

The City's contract with the CalPERS provides for the military buy back option to a maximum of four (4) years buy back time. The entire cost of this buy back shall be borne by those Confidential employees taking advantage of this buy back option.

D. 1959 Survivor's Benefit

The City's contract with CalPERS provides Level 4 coverage under the 1959 Survivor's Benefit pursuant to Government Code section 21574.

E. Pre-Retirement Option 2 Benefit

The City's contract with CalPERS provides the Pre-Retirement Optional Settlement 2 Benefit as set forth in Government Code Section 21548 for Confidential employees.

VIII. RETIREMENT

~~Effective on or before June 30, 2001, the City shall amend its contract with PERS to implement the 2% at 55 retirement formula set forth in California Government Code Section 21354. The City shall continue to pay the 7% employee contribution to PERS on behalf of each Confidential employee.~~

~~Effective as soon as feasible, the City shall amend its contract with the Public Employees' Retirement System to implement the 2.5% at 55 retirement formula set forth in California Government Code Section 21354.4.~~

~~1959 Survivors benefit~~

~~The City shall amend its contract with the Public Employees Retirement System to provide for Level 4 coverage under the 1959 Survivor's Benefit.~~

~~Pre Retirement Option 2W Benefit~~

~~The City shall amend its contract with the Public Employees Retirement System to provide for Pre Retirement Optional Settlement 2W Benefit as set forth in Government Code Section 21548.~~

~~All PERS benefits shall be provided in accord with the requirements of the Public Employees' Retirement Law, commencing at Government Code Section 20000, and all applicable regulations and procedures of PERS, which shall prevail in the event of conflict with the provisions of this compensation plan.~~

12. GRIEVANCES AND DISCIPLINE

~~X~~ ADVISORY ARBITRATION

~~*** Attach Grievance Policy***~~

~~The City and the Confidential Employees agree that G~~grievances, as defined in section III.A. of Administrative Regulation Number 3B.2, and appeals in connection with disciplinary actions, as defined in subsection (a) of Municipal Code Section 2-5.2085, shall be submitted to advisory arbitration.

Representatives from the City and the ~~Confidential Employees~~ employee group shall attempt to agree upon the person who shall serve as the advisory arbitrator. If the parties cannot agree on the arbitrator, he or she shall be selected from a panel of seven names to be supplied by the ~~State Mediation Service~~. The party filing the grievance or the disciplinary appeal shall strike the first name from the panel. The parties shall alternate striking names from the panel until one name remains who shall be the advisory arbitrator. ~~For grievances involving Association representation, T~~he costs of the advisory arbitrator shall be shared equally by the City and the ~~Confidential Employees Association~~ employee group. ~~If an employee is pursuing a grievance without the Confidential Employee Association representation, however, the employee shall be personally responsible for his or her one-half share of the costs of the advisory arbitrator. For disciplinary appeals, the City and the Confidential Employees Association shall equally share the costs of the advisory arbitrator.~~

~~After a hearing on a grievance or disciplinary appeal, T~~he arbitrator shall issue a written advisory opinion to the City Manager, and shall provide copies to the ~~Confidential e~~Employees Association (or employee if proceeding on his/her own), the applicable ~~Department Head~~ Appointing Authority, the City Manager and the ~~Department Office~~ of Human ~~Resources~~Services. Within ten (10) days from the receipt of the advisory arbitration's ~~opinion decision~~, the ~~Confidential e~~Employees Association (or employee if proceeding on his/her own) and the applicable ~~Department Head~~ Appointing Authority may submit to the City Manager a brief statement, not exceeding ~~three (3)~~ three (3) double-spaced pages, stating whether they believe the advisory arbitrator's ~~opinion decision~~ is correct or not and the bases for their positions. Within 45 days of receipt of the advisory arbitrator's opinion, the City Manager shall issue a written decision and send such decision to the ~~Department Office~~ of Human ~~Resources~~Services. The ~~Department Office~~ of Human ~~Resources~~Services shall provide copies to the ~~Confidential Employees Association, the~~ employee and to the applicable City Appointing Authority.

The City Manager may accept, reject or modify the advisory arbitrator's opinion or any part thereof. If the City Manager modifies the advisory opinion, he/she may increase, decrease or otherwise modify the penalty or relief as recommended by the arbitrator. In no case, however, may the City Manager increase the penalty above that imposed by the Appointing Authority. The City Manager's decision shall be final and binding. In reaching his/her decision, the City Manager shall review the advisory arbitrator's opinion, the brief statements (if any) on the advisory arbitrator's opinion decision submitted by the parties to the City Manager, and the evidence, both documentary and testimonial, and arguments presented to the advisory arbitrator.

XI. 13. BENEFIT PAY-OFF UPON SEPARATION FROM CITY SERVICE

A. Vacation Payment

~~_____ All confidential employees Every employee who is dismissed or resigns for a cause other than fraud against the City or an act, for which he/she would owe the City money in an amount equal to or in excess of the value of earned vacation, who separate from City service shall be paid for accrued accumulated~~ vacation.

B. Sick Leave Payment

~~_____ Effective January 1, 1978, all sick leave shall accrue at the rate and be subject to the restrictions described in this Compensation Plan.~~

~~_____ All accrued, unused sick leave earned and credited at the date of separation from City service to each employee shall be the basis for determining the amount to be paid to each employee who qualifies to receive sick leave pay.~~

See Association's Proposal

All accumulated sick leave at the date of separation from City service shall be the basis for determining the amount to be paid to each employee who qualifies to receive sick leave pay-off.

Only employees who have ten (10) or more continuous years of City service shall be eligible for sick leave pay-off upon separation from employment with the City. Employees with less than ten (10) years of continuous service shall not be eligible to receive any pay-off for unused sick leave.

Employees with at least ten (10) but less than fifteen (15) years of continuous service shall be eligible to receive payment for accumulated sick leave at the rate of three percent (3%) per full year of service. For employees with fifteen (15) or more years of continuous service, the rate for accumulated sick leave is four

percent (4%). However, the maximum rate of sick leave payoff shall not exceed 100%. Sick leave shall be calculated at the rate of pay, including all bonuses, received by the employee at the time of his/her separation. For example, an employee with twelve full years of continuous City service at the time of separation would receive a pay-off for thirty-six percent (36%) (12 x 3%) of his/her accumulated sick leave, and an employee with eighteen years of continuous City service at the time of separation would receive a pay-off for seventy-two percent (72%) (18 x 4%) of his/her accumulated sick leave.

~~Employees who have achieved ten (10) or more years of service and are listed on the City's active payroll as of September 12, 1972, shall be eligible for sick leave pay upon termination of employment with the City. Only employees with ten (10) or more years of service (as defined in this Compensation Plan) shall be eligible for sick leave pay.~~

~~Employees with less than ten (10) years of service at termination of employment shall receive no terminal sick leave pay.~~

~~The rate of sick leave pay shall be calculated as follows: (3%) of accrued unused sick leave per full year of service. Sick leave shall be calculated at the rate of pay received by the employee at the time of his/her termination.~~

~~Each employee eligible to receive sick leave pay shall receive said pay at the time of termination.~~

C. Severance Payment

~~In addition to the present layoff provisions of the Personnel Rules, any Confidential employees who are laid off shall receive severance pay of one days of their current salary for each year of service with the City, up to a maximum of ten (10) days of salary, equal to the amount being earned at the time of layoff, shall be paid to those employees who are being laid off, for each consecutive year of City service up to and including ten (10) years.~~

14.- AGENCY SHOP

A. Legislative Authority

The parties mutually understand and agree that as a result of State of California adoption of SB 739, all full time and part-time benefited employees represented by the City of Beverly Hills Confidential Employees Association have the right to join or not join the Association. However, the enactment of a local "Agency Shop" requires that as a condition of continuing employment, employees in the respective bargaining unit must either join the Association or pay to the Association a service fee in lieu thereof. Such service fee shall be established by the Association, and shall not exceed the standard initiation fee, periodic dues and general assessments of the Association.

B. Association Dues/Service Fees

Effective July 1, 2008, the Human Resources Office shall provide all current full time benefited employees and any full time and part-time benefited employees hired thereafter, with an authorization notice advising them that Agency Shop for the Association has been enacted pursuant to state law and an agreement exists with the Association, and that all employees subject to the Agreement must either join the Association, pay a service fee to the Association, or provide proof of membership in a religious organization which holds historic opposition to membership in a labor organization. Such notice shall include a form for the employee's signature authorizing a payroll deduction of Association dues, a service fee or a charitable contribution equal to the service fee. Said employees shall have 14 calendar days from the date they receive the form to fully execute it and return it to the City Human Resources Office.

If the form is not completed properly or returned within 14 calendar days, the City shall commence and continue a payroll deduction of service fees from the regular biweekly paychecks of such employee. The effective date of Association dues, service fee, or charitable contribution shall begin no later than the beginning of the first pay period commencing 14 calendar days after receipt of the authorization form by the employee.

The employee's earnings must be sufficient after the other legal and required deductions are made to cover the amount of the dues or fees authorized. When an employee is in a non-pay status for an entire pay period, no withholding will be made to cover the pay period from future earnings. In the case of an employee in a non-pay status only during part of the pay period, whose salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other legal and required deductions (including health care and insurance deductions) have priority over Association dues and service fees.

C. Religious Exemption

Any employee who is a member of a bona fide religion, body or sect that has historically held conscientious objections to joining or financially supporting public employee organizations shall upon presentation of active membership in such religion, body, or sect, not be required to join or financially support any public employee organization as a condition of employment. The employee may be required, in lieu of periodic dues, initiation fees or agency shop fees, to pay sums equal to the dues, initiation fees or agency shop fees to a nonreligious, non-labor charitable fund exempt from taxation under

Section 501(c) ©(3) of the Internal Revenue Code, chosen by the employee from a list of at least three of these funds, designated in a memorandum of understanding between the City and the Association, or if the memorandum of understanding fails to designate the funds, then to any such fund chosen by the employee. Proof of the payments shall be made on a monthly basis to the City as a condition of continued exemption from the requirement of financial support to the Association.

Declarations of or applications for religious exemption and any other supporting documentation shall be forwarded to the Association within 14 calendar days of receipt by the City. The Association shall have 14 calendar days after receipt of a request for religious exemption to challenge any exemption granted by the City. If challenged, the deduction to the charity of the employee's choice shall commence but shall be held in escrow pending resolution of the challenge. Charitable contributions shall be made by regular payroll deductions only.

—D. Rescission

The agency shop provision in this memorandum of understanding may be rescinded by a majority vote of all the employees in the unit covered by the memorandum of understanding, provided that:

A request for such a vote is supported by a petition containing the signatures of at least 30 percent of the employees in the unit;

The vote is by secret ballot;

The vote may be taken at any time during the term of the memorandum of understanding, but in no event shall there be more than one rescission vote taken during that term. Notwithstanding the above, the City and the Association may negotiate, and by mutual agreement provide for, an alternative procedure or procedures regarding a vote on an agency shop agreement.

If a "rescission vote" is approved by unit members during the term of a current memorandum of understanding, the Association agrees not to petition for or seek Agency Shop status for the duration of the current memorandum of understanding.

E. Indemnification

The Association shall indemnify, defend, and hold the City harmless against any liability arising from any claims, demands, or other action relating to the City's compliance with the agency fee obligation including claims relating to the Association's use of monies

collected under these provisions. The City reserves the right to select and direct legal counsel in the case of any challenge to the City's compliance with the agency fee obligation, and the Association agrees to pay any attorney, arbitrator or court fees related thereto.

F. Election

Prior to the implementation of this provision, the Association conducted an election at an open meeting held on May 13, 2008 to which the Association invited each eligible bargaining unit member, whether or not he/she is a current Association dues paying member. All eligible unit members in attendance were allowed to participate during discussion and voting, irrespective of current membership in the Association. A ballot was signed in support of an Agency Shop for the Confidential Association and a representative of the City has concluded that the majority of signatures casted prevail.

15. SAVINGS CLAUSE

If any benefit or provision of this MOU is deemed by a court of competent jurisdiction to be illegal or otherwise unenforceable, the remaining benefits or provisions of the MOU shall remain in full force and effect. In the event of such invalidation the City and Association shall meet and confer in good faith concerning the invalidation of the provision, including whether a replacement benefit or provision is appropriate.

This MOU is prepared pursuant to the requirements of Government Code Section 3505.1 for presentation to the City Council for its approval.

16. ASSOCIATION RELATED BUSINESS

A. Association Representatives

The Association shall submit a current list of Association representatives (Board Members and alternates) to the Assistant Director of Administrative Services/Human Resources ("Director") or designee . Any changes to this list shall be submitted to the Director or designee within ten (10) working days following such changes.

B. Representational Time-Off

The City shall allow three Association employee representatives reasonable time off without loss of compensation or other benefits while formally meeting and conferring with representatives of the City on matters within the scope of

representation or as may be required by the Grievance Procedure or to represent an employee in a disciplinary matter.

C. Use of City Facilities

Representatives of the Association may use City facilities for general membership meetings with the City as long as approval and prior clearance from the Director or designee are obtained. The Association may hold meetings during the noon hour in facilities that are available, subject to approval by the Director or designee.

D. Association Business and Training

The Association shall have a bank of 150 hours per contract year for use in conducting Association business. These hours cannot be carried over into the next contract year. The President of the Association may be asked to provide a record of the time used by the Director at any time and shall produce such record in a reasonable period of time. Association representatives utilizing this time shall notify their supervisors and shall endeavor to provide as much advance notice as possible.

This Memorandum is signed on this _____ day of March, 2009.

City of Beverly Hills Beverly Hills Confidential

_____ Employees Association

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Exhibit A – List of Classifications Represented by the Confidential Employees Association

Executive Assistant I

Executive Assistant II

Executive Assistant III

Human Resource Associate I

Human Resource Associate II

Human Resource Associate III

Human Resource Specialist

Office Assistant I

Office Assistant II

Office Assistant III

Risk Management Coordinator

Staff Assistant

Attachment 2

Agreement

Memorandum of Understanding Between the City of Beverly Hills

and

The Beverly Hills Confidential Employees Association

The Beverly Hills Confidential Employees Association, a formally recognized employee organization, representing all its members within the Confidential Unit (hereinafter referred to as "Confidential Employees" and duly authorized representatives of the management of the City of Beverly Hills (hereinafter referred to as the "City"), have met and conferred in good faith, freely exchanging information, opinions and proposals, and have reached the following agreement (hereinafter referred to as either agreement or MOU) on matters within the scope of representation. The parties agree that all bargaining unit members are confidential employees under the law and applicable City Council resolution.

1. INTEGRATION

This document embodies a written memorandum of the entire understanding and mutual agreement of the parties as required by Government Code § 3505.1 and supersedes all prior written and verbal agreements between the parties hereto. The word "day" in this agreement refers to calendar days unless specifically designated as working days.

2. RECOGNITION CLAUSE

The Association represents all employees in the City of Beverly Hills designated as Confidential. A list of all of the classifications represented by the Association is attached to this MOU as Exhibit A.

3. TERM

This MOU shall be effective September 27, 2008 and shall expire on October 5, 2013.

4. CITY RIGHTS

Except as limited by the specific and express terms of this MOU, the City hereby retains and reserves unto itself all rights, powers, authority, duty and responsibilities confirmed on and vested in it by the law and the Constitution of the State of California and/or United States of America.

The management and the direction of the work force of the City is vested exclusively in the City, and nothing in this MOU is intended to circumscribe or modify the existing rights of the City including but not limited to the direction of the work of its employees. This includes the right to determine the methods, means, and the number and kinds of personnel by which services are to be provided; to implement rules, regulations, and directives consistent with law and the specific provisions of this MOU and to determine

whether goods or services shall be made or provided by the City or shall be purchased or contracted for; and to contract out bargaining unit work.

The City also has the following rights: to hire, promote, demote, transfer, assign, schedule and retain employees in positions within the City; subject to the rules and regulations of the City; to reprimand, suspend, reduce in pay withhold salary increases or discharge employees for just and proper cause; to maintain and improve the efficiency of governmental operations; to relieve employees from duties because of lack of work or funds; to take action as may be necessary to carry out the City's mission and services in emergencies; to determine the methods, means and appropriate job classifications (including content); to direct employees, including scheduling and assigning of work and work hours; to determine the organizational structure and personnel by which the operations are to be carried out; to establish reasonable performance standards for personnel, including but not limited to qualifications and quantity standards; and to establish employee performance standards and to require compliance therewith.

5. SALARY

On the effective dates listed below, the City shall implement base salary increases for all unit classifications according to the following schedule:

September 27, 2008
September 26, 2009
September 25, 2010
September 24, 2011
September 22, 2012

Employees in the unit will receive a salary increase on each of the above referred to dates if the total compensation for their classification is below the 80th percentile (for the first year of this MOU) and the 75th percentile (for the second through fifth year of this MOU) of total compensation for the surveyed cities.

The 75th and 80th percentiles are calculated by using an excel spreadsheet. The array of total compensation numbers for each classification (either the benchmarks or the other classifications whose compensation is determined by internal relationships to the benchmarks) are calculated and placed on an excel spreadsheet. The array of total compensation numbers are placed on the excel spreadsheet and then the following formula is run: =percentile (A1:A6,0.75) enter or =percentile (A1:A6,0.80). A6 stands for the six survey agencies.

The total compensation study shall be performed by a hired consulting firm, selected and paid for by the City. If the Association does not agree with the results of the study (i.e., the comparability data or the calculations of the numbers from each agency) or the parties cannot agree to changes to the study, the Association may hire its own consultant to prepare a response to the consultant hired by the City. After the Association's consultant issues his/her report, the parties will once again try to reach an agreement on the results of the total compensation formula. If an agreement still cannot be reached, the parties may either agree to submit the matter to a mediator or proceed to impasse.

For 2008-2009 (the first year of this Agreement) the compensation study will examine the total compensation of benchmarked classifications using the jurisdictions of Santa Monica, Pasadena, Burbank, Culver City, Torrance and Glendale. By June 1, 2009, the Association has the right to inform the City that it wishes to substitute up to three of the survey cities with other cities in Los Angeles or Orange Counties. If any of the six cities are substituted, the six new cities will then be used throughout the remainder of the MOU as the cities who will be surveyed each year.

For 2008 – 2009, the Association will evaluate the comparability data provided to it by the City (from the six survey agencies) and will then inform the City regarding any differences it may have about the data once those differences are identified by the Association. Once that process is completed, (or if necessary resolved through mediation or impasse) any first year adjustments will be made on a classification by classification basis if appropriate.

For the second year of the MOU, once the Association identifies any changes to the survey cities (by June 1, 2009) comparability data will be compiled by the City and provided to the Association for its review. The parties will then try and reach an agreement on the comparability data. Once an agreement is reached (or if necessary resolved through mediation or impasse) that comparability data will be used throughout the remainder of this MOU.

The elements of total compensation will include:

1. Monthly Base Salary (Top Step);
2. Retirement Benefit, including a) City PERS rate and b) the value of the City paid employee PERS contribution = eight percent (8%);
3. The value of the average health insurance plan of all bargaining unit members. To determine the survey agencies' values, the survey will use each agency's plans (including cafeteria dollars offered to employees at the other agencies) with the Confidential Employees' demographics at the time the survey is conducted;
4. City paid Dental top rate;
5. City paid Vision top rate; (Effective with the 2010 salary study, elements 3, 4 and 5 drop out (for purposes of calculating the survey amount for Beverly Hills) and the average cafeteria plan contribution per employee is substituted in its place.
6. Long Term Disability;
7. Maximum City contribution to Life Insurance valued at 21 cents per \$1,000 of coverage;
8. Maximum City contribution to deferred compensation;
9. Longevity Pay 10th year employee;
10. The dollar value of vacation leave provided to a 10th year employee;
11. The dollar value of all holiday pay provided to a 10th year employee;
12. The dollar value of 67 hours administrative leave.

6. DEFERRED COMPENSATION

The City shall contribute \$30.00 per month per employee to the City's deferred compensation program.

7. APPOINTMENT AND ADVANCEMENT

A. Movement through Range

The City Manager may make appointments to or advancements within the prescribed ranges of specific positions upon evaluation of employee qualifications and performance. Normally, employees shall be appointed in the first step and shall be eligible to be advanced through the five (5) basic steps in their allocated schedules as follows:

1. Probationary Employment

Upon satisfactory completion of six months of employment, every probationary employee shall receive a salary step increase to the next step of the prescribed schedule. The probationary period for all positions in the bargaining unit shall be one year. However, after the satisfactory completion of six months of employment, employees may use any sick leave they have accrued (if appropriate), but may only use accrued vacation after completion of their initial probationary period.

2. Regular Employee Advancement

Unless otherwise provided, every regular employee (i.e., employees who have successfully completed their probationary period) shall receive step advancements in the following manner:

- a. Each year on his or her anniversary date in the position, an employee shall be eligible for salary step increases for Steps III-V, provided said employee has received an evaluation with an overall rating of at least satisfactory. The salary step increase will be effective on the first day of the pay period that begins after his/her anniversary date.
- b. Such an increase is recommended by the employee's supervisor and the Appointing Authority (each employee's Department Head or designee), and is approved by the Assistant Director of Administrative Services/Human Resources.

B. Employment At Other Than The First Step

Every employment shall be at the first step of the schedule prescribed for the classification unless, upon the recommendation of the Assistant Director of Administrative Services/Human Resources, the City Manager authorizes hiring at a higher step. Such authorization shall be kept to a minimum and based upon proven

inability to recruit at the first step, or upon ascertained special talent and ability of the prospective employee.

C. Application Of Salary Steps To Reclassifications And Promotions

When a position in the unit is reclassified upward to a class having a higher salary, the employee in the position shall be appointed to the reclassified position, providing that:

1. The employee has held the position which was reclassified for a minimum of one hundred and eighty (180) days immediately prior to the reclassification;
2. The employee meets the qualifications established for the reclassified position.

If the employee does not meet both of the above criteria, the reclassified position shall be filled through a recruitment process. Employees shall serve a probation period unless the reclassified position is exempt.

When a position is reclassified downward to a class having a lower salary or is determined by the Council to be excessively compensated, the employee in that position can be appointed to the reclassified position and the salary of the incumbent shall be "Y"-rated, which shall freeze the employee's salary and prevent salary advancement for such position until the schedule for the reclassified position's classification provides a step which exceeds the salary paid to the incumbent. No reduction of salary rate shall result from "Y"-rating.

In the event an employee is promoted or the position occupied by such an employee is reclassified to a position assigned to a higher salary schedule, and the employee in such position is eligible for appointment to this position, he/she shall be placed at the higher of (a) step 1 of the new classification or (b) at the lowest step that is at least one step greater than the pay rate the employee was receiving in the previous classification. Under no circumstances will a rate higher than the fifth step of the higher salary schedule be paid.

Benefits and leave rights shall be available to all employees on probation as a result of accepting a promotion, if such employee has completed his/her or her initial probation or at least twelve (12) months of probationary service in City service.

D. Effective Date Of Merit Step Advancement

All step advancements recommended by the appointing authority shall be effective on the anniversary date of the affected employee, and upon the expiration of each succeeding twelve (12) month period of service thereafter upon the required approval of the Appointing Authority or Assistant Director of Administrative Services/Human Resources, unless otherwise specifically authorized by the City Manager.

E. Special Merit Step Advancement

The City Manager may, upon the recommendation of the appointing authority and the Assistant Director of Administrative Services/Human Resources, authorize the advancement of an employee to any of the four (4) steps earlier than the employee would normally be eligible for length of service merit step advancement. Such increases shall be effective on the first day of the pay period following approval by the City Manager, if not otherwise specified by the Appointing Authority. A special merit step advancement shall affect the anniversary date of an employee causing it to change to the effective date of the special increase.

F. Special Assignment Increase

A special assignment increase may be granted (upon approval of the Assistant Director of Administrative Services/Human Resources) to an employee by an Appointing Authority provided that the employee is clearly performing specific duties above and beyond that required by his/her classification while not assigned or authorized to be filling a position out of classification. The Appointing Authority shall submit his/her recommendation and justification to the Assistant Director of Administrative Services/Human Resources for approval. The Assistant Director of Administrative Services/Human Resources will review the recommendation and determine whether it is warranted given the standards of this section. Said increase shall be 6% above the base salary paid to the employee. Annually a review by the Assistant Director of Administrative Services/Human Resources of the special assignment shall be made to determine if it is still warranted.

G. Part-Time Employment

Part-time appointment (defined as any appointment of less than a 40 hour full time assignment) to a position in any authorized classification shall be made at the first step of the appropriate salary schedule. In the event an appointment is made at other than Step I the procedure relative to regular appointments shall be followed. Part-time employees shall receive a prorated share of benefits based upon the regularly assigned work hours; said hours to be determined at the time of appointment.

H. Superior - Subordinate Relationship

For the purpose of this section, a superior-subordinate relationship is defined as a relationship in which a classification has the responsibility for the direct supervision of another classification.

In such a relationship, a superior shall be paid a monthly salary rate above his/her subordinates. When a subordinate's monthly salary rate is equal to or exceeds that which is being paid to his/her superior, the superior shall receive a special adjustment of 3% above the salary of the highest paid subordinate.

At any time the superior's base salary (excluding this salary adjustment) exceeds the base salary of his/her subordinates, the salary adjustment granted to him by this section shall be eliminated.

I. Filling Position Out Of Classification (FPOC)

Every regular Confidential employee temporarily assigned to and working in a classification with a salary schedule above that of the employee's regularly assigned position as the result of special departmental need shall be paid while so assigned at a step within the range for the higher classification, after serving eighty hours in any calendar year in the higher classification. When an employee meets these requirements the employee shall receive the higher of (a) 10% above the pay rate of his/her regular classification or (b) the first step of the salary schedule for the higher classification. Under no circumstances will a rate higher than the fifth step of the higher salary schedule be paid. No position may be filled out of classification unless established departmental procedures are followed and authorization from the Appointing Authority is obtained.

To be eligible for compensation for filling a position out of classification, the employee has to possess the minimum qualifications for the higher classification and be capable of performing those specific tasks which he/she will be performing during this acting time and which differentiates it from the lower classification. Before FPOC status is attained, the necessary personnel forms shall be approved by the Appointing Authority and Assistant Director of Administrative Services/Human Resources. Employees assigned to fill positions out of classification shall not acquire status or credit for service in the higher classification and may be returned to their regularly assigned position at any time. Employees receiving FPOC pay shall not receive the higher salary when on vacation or sick leave for two weeks or longer.

8. INSURANCE COVERAGES

A. Medical

The City contracts with the Public Employees' Retirement System for medical insurance. The City shall provide a medical health insurance program to Confidential employees, the cost of which shall be borne by the City. The cost of the coverage may vary, contingent upon the number of dependents claimed. Medical insurance coverage is effective the first day of the month following the thirty (30) day waiting period, provided that the employee has attained regular or probationary status on the effective date of coverage.

In the event an employee is on leave of absence without pay, as a result of an industrial injury, the City shall pay its contribution toward the medical insurance premium of an employee and dependents, if covered, to the limit of one month's contribution for each full year of said employee's City service.

The payment of premiums toward this medical insurance program will be through the administration of a flexible benefit package. The City shall pay the PERS statutory minimum (\$97.00 for 2008, \$101.00 for 2009, and the yet still undetermined amount for 2010, 2011, 2012 and 2013) on behalf of each participant in this program. A participant is defined as 1) any employee and dependents, 2) an enrolled retiree and dependents, and 3) a surviving annuitant. In addition to the PERS statutory minimum, flexible benefits shall be provided as follows:

1. For employees, the City shall pay the difference between the PERS statutory minimum and the actual cost of the medical insurance premium up to full family coverage.
2. For retirees who retired (service retirement only) after July 1, 1981, the City shall continue to pay the difference between the PERS statutory minimum and the actual cost of the medical insurance premium up to the one party rate of the PERS Care Plan. Employees hired or promoted into the Confidential Group on or after January 1, 2000, shall not be eligible for the benefit under this Section A.2.
3. For employees hired or promoted into the Confidential Group on or after January 1, 2000, the retiree medical insurance benefit shall be as follows:

To qualify for this benefit, an employee shall:

- a. Complete a minimum of 5 years of full-time employment with the City of Beverly Hills; and
- b. Receive a service retirement from the City of Beverly Hills; and
- c. Not perform any paid work for a PERS contracting agency following retirement from the City of Beverly Hills with the exception of work below 960 hours per fiscal year.

Upon these conditions, the City shall continue to pay a part or all of the difference between the PERS statutory minimum and the actual cost of the medical insurance up to the one party rate of the PERS Care plan at the following rate:

- a. The City will pay 25% of the difference
- b. The City will pay an additional 5% of the difference for each year of employee service with the City of Beverly Hills, from the sixth year through the twentieth year. Thus, for example, an employee who retires with 20 or more years of service with the City of Beverly Hills will be entitled to receive 100% of the difference

The City will not pay more than 100% of the cost of a retiree's medical insurance premium.

B. Life Insurance

Confidential employees shall be entitled to a fifty thousand dollar (\$50,000) term life insurance policy under the City's life insurance program. The premium for such policy shall be paid for by the City under life insurance program of its choosing. Employees shall have the option to purchase additional life insurance at the City's unit cost, if available.

C. Disability Insurance

The City shall provide at the City's cost, a long term disability plan for Confidential employees.

D. Dental Insurance

The City shall provide a dental insurance plan to employees, the cost of which shall be borne by the City. The cost of the coverage may vary, contingent upon the number of dependents claimed.

E. Optical Insurance

The City shall provide at the City's cost, an optical insurance plan to employees, the cost of which shall not exceed \$22.50 per month per employee.

F. Health and Welfare Benefits Effective January 1, 2010

The City contracts with the Public Employees' Retirement System for medical insurance coverage of eligible employees and retirees. Eligible new hires are covered under the program on the first day of the month following a 30-day waiting period that begins on the hire date.

Effective January 1, 2010, the City will contribute the PERS statutory minimum on behalf of each participant in the program. A participant is defined as any of the following individuals: (1) a covered employee, (2) a covered retiree, and (3) a covered surviving annuitant of a deceased retiree.

In addition, the City will provide current employees with flexible benefits through a cafeteria plan as provided below.

Any language contained in this MOU which is also contained in the cafeteria plan documents is done so for the convenience of the parties. However, the parties agree that all of the provisions of the cafeteria plan documents (whether included in this MOU or not) are applicable and binding on the parties to this MOU.

1. Cafeteria Plan: The provisions of the Cafeteria Plan are described below.
 - a. Benefits provided through Cafeteria Plan:

Effective January 1, 2010, the following insurance benefits provided for in this Article will be provided through the provision of a cafeteria plan adopted in accordance with the provisions of IRS Code § 125: medical, dental, and optical. As such, paragraphs D and E of this Article (dental and optical insurance) will be superseded by the provisions of the cafeteria plan on January 1, 2010. The provision of medical insurance to employees (as contained in paragraph A above) will also be superseded by the

provisions of the cafeteria plan on that date. Nothing herein will impact the provisions of paragraphs A2 and A3 above as they relates to retiree medical insurance for retirees who retired on or before December 31, 2009.

b. The Purchase of Optional Benefits Through the Cafeteria Plan:

The cafeteria plan offers employees the opportunity to purchase the following optional benefits: medical, dental and optical insurance.

Effective January 1, 2010, employees shall be provided with an amount which will total an amount which includes the two party PERS Care, family dental (Guardian) and family optical (VSP) per month to purchase the optional benefits of medical, dental and optical insurance. (For employees who participate in medical insurance through CalPERS, the amount described above will include the PERS statutory minimum paid by the City.) Each year on January 1, the amount shall be adjusted by the amount of the increase in two-party PERS Care, family dental and family vision.

(1) Medical Insurance

Eligible employees may select any of the following medical insurance plans offered by CalPERS:

HMO Plans

- 1) Kaiser;
- 2) Blue Shield Access +; or
- 3) Blue Shield Net Value

PPO Plans

- 1) PERS Care;
- 2) PERS Choice; or
- 3) PERS Select

If CalPERS changes any of the medical insurance plans by either adding to or deleting the plan options described above, employees will be limited to those plan options offered by CalPERS.

For each of the foregoing plans, employees will also be able to choose the benefit for the employee, employee + 1 or employee + family. Covered employees are required to participate in CalPERS medical insurance under one of the available options. An employee may, however, elect not to participate if he/she provides the City with proof that he/she has comparable medical insurance from another source.

(2) Dental Insurance

Employees shall also have the ability to select from two levels of dental insurance from the City's dental insurance provider, Guardian. The City reserves the right to change dental insurance providers if necessary. If it does, employees will be provided with similar benefits with the new provider. As with medical insurance, employees will have the options of: employee, employee + 1 or employee + family. Employees do not have to choose any dental insurance and need not provide proof of dental insurance from another source.

(3) Optical Insurance

Employees shall also have the ability to select from two levels of optical insurance from the City's optical insurance provider, Vision Service Plan (VSP). The City reserves the right to change optical insurance providers if necessary. If it does, employees will be provided with similar benefits with the new provider. As with medical insurance, employees have the options of: employee, employee + 1 or employee + family. Employees do not have to choose any optical insurance and need not provide proof of optical insurance from another source.

c. Employee Contributions for Benefit Options: If an employee chooses optional benefits whose aggregate cost exceeds the total City contributions to the Cafeteria Plan, the City will automatically deduct the excess amount on a pre-tax basis from the employee's bi-weekly payroll.

d. The Receipt of Cash Through the Cafeteria Plan: Employees will be eligible to receive cash (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving one of the optional benefits provided through the plan or if they choose optional benefits that do not cost as much as the maximum dollar amount they receive through the plan as follows:

(1) Receipt of Cash for Opting Out of the Optional Benefits

Employees who elect not to be covered by any of the three optional benefits provided through the cafeteria plan, and meet the opt out requirements, if any, shall receive the following monthly amount as cash wages for each benefit for which the employee opts out:

- 1) medical insurance \$450.00
- 2) dental insurance \$75.00
- 3) optical insurance \$10.00

(2) Maximum Receipt of Cash If Optional Benefits Chosen Result in the Employee Still Having Cafeteria Plan Contributions Available.

The cafeteria plan offers employees the ability to purchase each of the three optional benefits with the City's contribution to the cafeteria plan. Employees may choose to purchase benefits that cost less than the City's contribution to the cafeteria plan and choose to receive cash wages with their remaining City contribution. An employee who chooses to receive any of the optional benefits under the cafeteria plan shall be eligible to receive up to the following monthly amount as cash wages as long as he/she has not reached the cafeteria plan maximum amount with his/her purchases:

- 1) medical insurance \$350.00
- 2) dental insurance \$50.00
- 3) optical insurance \$5.00

If, after opting out of one or more optional benefits or purchasing optional benefits through the cafeteria plan (under F(1)(d)(1) or F(1)(d)(2) an employee would exceed the City contribution amount to the cafeteria plan through the receipt of the cash wages described herein, the cash wages the employee will be provided is that amount which will bring the employee to the maximum amount as described above.

Thus, for example, (under F(1)(d)(1) above) if an employee (who receives a maximum amount of \$1,543.00) opts out of dental insurance and purchases medical and optical insurance with premiums which add up to \$1,250.00, he/she would receive \$75 for opting out of dental insurance. However, if the premiums added up to \$1,532.00 (and the maximum amount was \$1,543.00) the employee would only receive \$11 for opting out of dental insurance, not the \$75.00 because the \$11 would cause the employee to reach the cafeteria plan contribution maximum.

As another example, (under F(1)(d)(2) above) if an employee hired on February 10, 2010 purchases \$1,400.00 worth of optional benefits per month including medical

insurance, (and the maximum amount was \$1543.00) he/she will receive \$143.00 per month in cash. However, if an employee only purchases \$700.00 per month in medical, dental and optical insurance, he/she will receive \$405.00 per month in cash

- e. Flexible Spending Accounts: The cafeteria plan will also offer employees the opportunity to participate in both a health care and dependent care flexible spending account (each an FSA) whereby employees will be able to defer up to \$2,500 per year (for the health care FSA) and up to \$5,000 per year (for the dependent care FSA) to pay for any eligible out of pocket expenses related to health care or dependent care on a pre-tax basis. The provisions of both of these FSA's will be provided in a plan document. The plan document will be available to each eligible employee upon request. Essentially, before January 1 of every year, employees will be able to elect to have their compensation (up to the aforementioned limits) for the upcoming year deducted biweekly and contributed on a pre-tax basis to the FSA. During the year (and for a short grace period thereafter), an employee can receive reimbursements under the FSA for covered expenses incurred during the year, up to the amount of the employee's contributions for the year. The FSA deductions will be withheld from employees' regular payroll.
2. Mandatory Health and Welfare Benefits: The following are benefits that all employees are included in at the City's cost: term life insurance (\$50,000.00 policy) and disability insurance which provides two thirds (2/3) of monthly salary up to a maximum of up to \$6,000.00 per month, except as may be provided under the applicable plan document. Paragraphs B and C of this Article will be superseded by the provisions of this paragraph F(2) on January 1, 2010.
 3. Supplemental Term Life Insurance: Employees may also purchase supplemental term life insurance, if available, with deductions from their bi-weekly compensation as designated by each employee. Although employees may use cash wages they receive through the cafeteria plan to purchase supplemental term life insurance, they cannot defer cash wages they receive through the cafeteria plan directly into the purchase of supplemental term life insurance. It must be a deduction from their paycheck.
 4. Deferred Compensation: In accordance with the tax rules, any cash that an employee may receive through the cafeteria plan may not be deferred to the employee's accounts under the City's retirement plans. The employee may, however, be able to elect to increase his/her deferrals to the City's retirement plans from his/her regular wages.

5. Benefits if on an Industrial Leave: In the event an employee is on a leave without pay as a result of an industrial injury, the City shall pay the PERS statutory minimum for that employee (assuming the employee wants medical, dental or vision coverage from the City) for the duration of the leave. In addition, outside of PEMHCA, assuming the employee wants to be covered by medical, dental or vision insurance the employee shall receive his/her additional cafeteria plan contribution (up to the maximum amount provided above) amount for one month for each year of full service up to one year. If an employee chooses to opt out of insurance and receive cash as described above, he/she will be eligible to receive that cash for one month for each year of full service up to one year.

G. Retiree Medical Insurance For Employees Hired Before January 1, 2010

All employees in the unit employed on December 31, 2009, who remain employed in the bargaining unit after that date and retire from City service shall continue to be eligible to receive the same level of retiree medical benefits they were eligible to receive before January 1, 2010. For retirees participating in the CalPERS medical insurance program, the City will pay the statutory minimum. In addition, the City will provide benefits through a medical reimbursement program. In accordance with the tax rules, retirees will not be permitted to participate in the cafeteria plan.

H. Retiree Medical Insurance For Employees Hired On Or After January 1, 2010

Employees hired into the unit on or after January 1, 2010, who retire from the City will receive the PERS statutory minimum paid by the City in accordance with paragraph F.

In addition, for employees hired into the unit as new employees of the City on or after January 1, 2010, in lieu of additional retiree medical insurance benefits, the City shall, while the employees are working for the City, contribute the sum of \$150.00 per month (\$69.23 per pay period) to a retirement account on behalf of such employees. For employees who promote into the unit after January 1, 2010 who were City employees as of December 31, 2009, they will receive retiree medical benefits (based on their years of service with the City) in accordance with the benefits of this MOU as though they were a member of the bargaining unit prior to January 1, 2010.

When such employees retire, they will be able to purchase health insurance by contributing the additional costs for PERS medical, dental and optical insurance they choose.

9. HOURS OF WORK AND WORK SCHEDULES

The workweek for all members of the unit shall be 168 regularly recurring hours. For employees working the 5/40 or 4/10 work schedule, it shall begin on Sunday at 12:00 a.m. and end at 11:59 p.m. the following Saturday. For employees working the 9/80 work schedule, each employee's designated FLSA workweek (168 hours in length) shall begin exactly four hours after the start time of his/her eight hour shift on the day of the

week that corresponds with the employee's alternating regular day off. Every Confidential employee is required to work a forty (40) hour workweek, unless otherwise provided by the City Manager.

10. LEAVES OF ABSENCE

A. Sick Leave

Except as is otherwise provided, all confidential employees shall accrue, use and be compensated for sick leave as follows:

1. Accrual. Each employee shall accrue sick leave at the rate of 3.68 hours for each complete biweekly period of employment. Payroll division records are the final authority for settling disputes regarding accrued and accumulated sick leave.
2. Eligibility for Use. With the exception of employees who change positions within the unit by promotion, transfer or for some other reason, sick leave accrued shall not be available for use until an employee completes 6 months of employment.
3. Sick Leave Usage. Sick leave may be used by the employee when he/she is ill or during a period illness by a child, step child, parent, step parent, spouse or registered domestic partner.
4. Job-Connected Disability. Except as provided herein, no employee shall be entitled to use accumulated sick leave during any period for which he/she is entitled to receive temporary disability indemnity under Division 4 (Section 3201, et. seq.) of the Labor Code of the State. Any employee entitled to receive such temporary disability indemnity may elect (for a period not to exceed twelve (12) months after he/she first makes such election) to use as much of his/her accumulated sick leave or vacation which when added to his/her disability indemnity will result in a payment to him/her of not more than his/her full salary or wage.
5. Sick Leave Incentive. Confidential employees who accumulate 72 hours or more of unused sick leave during any payroll year may convert up to 24 hours of the accumulated unused sick leave to cash during the month of January of the following year. Such days not paid for or taken may be accumulated to be used or taken as needed in the future, or paid for in accordance with the sick leave buy back program as referenced in Article 13 of this MOU.

B. Vacations

1. Authorization For Taking Vacation

With the exception of employees who change positions within the unit by promotion, transfer or for some other reason, no employee may take accrued vacation until the employee completes his/her probationary period. All vacation use must be approved by the employee's Appointing Authority. Employees who change positions within the unit by promotion, transfer or for some other reason are eligible to take vacation during their probationary period.

An employee entitled to vacation shall make written application therefore in the manner and within the time directed by the Appointing Authority. Every Appointing Authority shall establish a vacation schedule for each calendar year based as far as possible upon applications and seniority of the employees concerned but subject to his/her right to plan work under his/her control and to allow vacations when employees can be spared. He/she shall notify every employee as soon as possible whether his/her application is approved, and if not, of the period which is substituted.

2. Vacation Accrual

Vacation accrual shall be calculated on the basis of hours. Vacation credit shall accrue biweekly to every member of the bargaining unit at the rates indicated below:

FIRST 4 YEARS OF SERVICE	AFTER 4 YEARS THROUGH 14 YEARS OF SERVICE	AFTER 14 YEARS OF SERVICE
3.07 hours Bi-weekly 80 hours/Yr.	4.60 hours Bi-Weekly 120 hours/Yr.	6.13 hours Bi-weekly 160 hours/Yr.

3. Maximum Accrual of Vacation

Confidential employees with fourteen years of service or less may not accumulate more than 480 hours of vacation. Employees with 480 hours of vacation on the books will not continue to accrue vacation until their balance falls below 480 hours.

Confidential employees with more than fourteen years of service whose vacation accumulation at the beginning of a calendar year is less than 480 hours may accumulate annual vacation which will result in their balance being above 480 hours. However, if at the end of any calendar year the vacation accumulation is above 480 hours, they will not continue to accrue vacation until the balance falls below 480 hours, whereupon they will then continue to accrue vacation during that calendar year.

At the end of each calendar year, upon the employee's request, an employee with 240 hours or more of accumulated vacation can receive cash payment for up to 80 vacation hours earned but not taken during the calendar year.

4. Holidays During Vacations

When a holiday falls within a confidential employee's vacation, the day will count as a holiday, not vacation.

5. Limit On Payment

No confidential employee shall be paid any more for his/her vacation period than he/she would have received if he/she had worked.

C. Administrative Leave

Administrative Leave shall be granted in recognition of work performed above normal work hours and the nature of the work performance and expectations placed upon Confidential employees. Use of Administrative Leave shall be approved by the employee's Appointing Authority or designee noting the needs of the Department.

Each Confidential employee will be granted 67 hours Administrative Leave each calendar year. However, employees in the following classifications shall receive an additional 20 hours of administrative leave each year (for a total of 87 hours per year) in recognition of the additional time they spend taking minutes after regular hours at commission or board meetings: Executive Assistant I - Community Development, Executive Assistant I - City Clerk and Executive Assistant II - Community Services.

Confidential employees accrue a pro-rata amount of administrative leave each pay period during the year. However, during the year, an employee may use the administrative leave that he/she has already accrued or will accrue for the remainder of the year. If an employee leaves the City's employ in the middle of the year, he/she will only be able to cash out the amount he/she has accrued up to the date of his/her separation from City service. Administrative Leave as provided herein is non cumulative between calendar years. At the end of each calendar year, upon an employee's request, the employee will receive cash payment for up to 27 hours Administrative Leave not taken as time off during the calendar year.

D. Holidays

1. Accrual and Use of Holidays

All Confidential employees shall be entitled to the following paid holidays if such employee worked the normally assigned duty period the work day before and the work day after the holiday, or was absent on authorized paid leave during said periods:

New Year's Day	January 1
Martin Luther King Day	3rd Monday in January
Presidents' Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veterans' Day	November 11
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	Day after the 4th Thursday in November
Christmas Day	December 25

Every confidential employee whose regular work schedule is a five (5) day per week or 9/80 schedule, Monday through Friday, will observe holidays as follows:

If the holiday falls Monday through Friday, one work day off is granted with pay on the day on which the holiday falls.

If the following holidays (January 1, July 4, November 11, and December 25) fall on a Saturday, the preceding Friday shall be considered the holiday; if the holiday falls on Sunday, the following Monday shall be considered the holiday. If a holiday falls on a day which is an off work day for employees working an alternate work schedule, the employee shall receive a floating holiday in lieu of the holiday. Floating holidays may be taken at each employee's discretion, subject to approval of the Appointing Authority or designee. Generally, these floating holidays may be used after the holiday has occurred unless the employee requests to use the floating day contiguous to the actual holiday. If an employee does not use his/her floating holidays within the calendar year (with the exception of those floating holidays which are earned in November and December, in which case the employee will be able to use the floating holiday from that year for the first two months of the following year) in which the employee has received it, he/she will not earn an additional floating holiday in the next calendar year. The parties encourage employees in the unit to use their floating holidays. Since floating holidays cannot be removed from an employee once earned, and the parties do not want employees to have more floating holidays on the books than would be received within the current year, a floating holiday carried over at the end of the year results in the employee being unable to earn that holiday in the next calendar year. Appointing Authorities or designees will not act unreasonably in granting requests to use floating holidays. Said holiday is non-accruable and shall not be paid for if not taken during the calendar year. Said holiday(s) shall be non-accruable and must be used in the calendar year in which it was earned.

2. Personal Holiday

Upon satisfactory completion of a probation period, Confidential employees shall be entitled to two additional paid personal holidays (based on the number of hours the employee is scheduled to work on the day) per calendar year. Said holiday may be taken at the employee's discretion subject to supervisor and Department Head approval. Employee shall request said holiday in writing. If an employee does not use his/her personal holiday within the calendar year in which the employee has received it, he/she will not earn an additional personal holiday in the next calendar year. The parties

encourage employees in the unit to use their personal holidays. Since a personal holiday cannot be removed from an employee once earned, and the parties do not want employees to ever have more than two personal holidays on the books, a personal holiday carried over at the end of the year results in the employee being unable to earn that holiday in the next calendar year. Appointing Authorities or designees will not act unreasonably in granting requests to use personal holidays.

3. Potential Work on a Holiday

Because of operational need employees may be required to work on a holiday. An employee who is required to work on a holiday by his/her supervisor will be paid his/her holiday pay for the day. In addition, the employee will receive straight time pay for any hours he/she works on the holiday.

E. Bereavement Leave

Bereavement leave is an absence occasioned by the death of a family member, herein defined as a spouse, parent, brother, sister, child, step-child, grandparent, in-law or registered domestic partner of the employee.

Up to a maximum of forty (40) hours of bereavement leave, per calendar year, (regardless of the number of family member deaths) may be used in the event of the death of a family member. In the event an employee needs additional time off for this purpose, he/she may use up to 40 hours of sick leave per calendar year.

Requests for bereavement leave shall be made in writing, when feasible and shall be approved by the appointing authority and the Assistant Director of Administrative Services/Human Resources.

F. Leave Without Pay

Requests for leaves of absence without pay must be submitted to each employee's supervisor and approved by the employee's Appointing Authority or designee and shall be used only if all appropriate accrued leaves (e.g., sick leave may not be exhausted if the leave is not for a medical purpose) have been exhausted. Confidential employees on leave of absence without pay shall not accrue vacation, leave rights, nor shall the City pay for any fringe benefits, except as required by law. Decisions whether to grant such a leave will be made based on operational needs of the Department.

G. Disability Leave

Salary Continuance for Industrial Disability Leave

All terms contained in this section and the determination thereof shall be as defined by the provisions of Division 4 of the California Labor Code, Sections 3201 *et. seq.*

In the event of a bona fide work-incurred injury by a confidential employee, the City shall continue to pay the gross salary, less legally required deductions, to the injured

employee for a period not to exceed ten (10) working days. Employees covered under this program shall not receive a monetary amount greater than they would receive if they had been working under normal conditions. Any disability indemnity received by the employee from the State of California for the purpose of ensuring a weekly or monthly income as the result of the same work-incurred injury for which the employee is receiving extended disability salary continuance from the City, shall be paid to the City for the first ten (10) working days of absence due to injury in order to qualify for this program.

For an employee to qualify for this program, Appointing Authorities must notify Human Resources in writing immediately upon receiving knowledge of work-incurred injury.

Should an injured employee's period of absence exceed ten (10) working days, payment under this program will cease. An employee eligible to receive temporary disability indemnity may then utilize accumulated sick and vacation which when added to his/her temporary disability indemnity payments will add up to full salary. An employee who elects not to utilize accrued leave while receiving temporary disability indemnity payments must notify the Human Resources Office.

An employee eligible for this program may be required to be examined by city authorized physicians at the discretion of the Appointing Authority and Risk Management Division of Administrative Services for the purpose of determining eligibility for this program.

H. Witness Leave

Any confidential employee who is required to serve as a witness pursuant to a lawful subpoena in any judicial or quasi-judicial proceeding in a manner other than one to which the employee is a party, or who is required to serve as a juror, shall be allowed time off without loss of pay to perform such duties. In addition, per California Labor Code § 230(b) an employee shall be allowed time off, but with loss of pay, if the employee is a party to the matter for reasons other than actions within the scope of the employee's current or past public employment. All fees to which the employee is entitled by law for such services shall be paid (less transportation allowance, if any) to the City. This section H is not applicable to those employees participating in judicial or quasi-judicial proceedings that are within the scope of their employment.

11. RETIREMENT

A. Retirement Formula

The City contracts with CalPERS to provide the 2.5% at 55 retirement formula set forth in California Government Code Section 21354.4. The City shall pay the 8% required employee contribution to CalPERS on behalf of each confidential employee.

B. Single Highest Year

The City's contract with the CalPERS provides for the "Single Highest Year" retirement benefit for miscellaneous employees of which Confidential employees are included

pursuant to Government Code section 20042. Retirement benefits are based on the highest annual compensation for the one year during the employee's membership in CalPERS.

C. Military Buy Back

The City's contract with the CalPERS provides for the military buy back option to a maximum of four (4) years buy back time. The entire cost of this buy back shall be borne by those Confidential employees taking advantage of this buy back option.

D. 1959 Survivor's Benefit

The City's contract with CalPERS provides Level 4 coverage under the 1959 Survivor's Benefit pursuant to Government Code section 21574.

E. Pre-Retirement Option 2 Benefit

The City's contract with CalPERS provides the Pre-Retirement Optional Settlement 2 Benefit as set forth in Government Code section 21548 for Confidential employees.

12. GRIEVANCES AND DISCIPLINE

The City and the Confidential employees agree that grievances, as defined in section III.A. of Administrative Regulation Number 3B.2, and appeals in connection with disciplinary actions, as defined in subsection (a) of Municipal Code Section 2-5.208, shall be submitted to advisory arbitration.

Representatives from the City and the Confidential Employees shall attempt to agree upon the person who shall serve as the advisory arbitrator. If the parties cannot agree on the arbitrator, he or she shall be selected from a panel of seven names to be supplied by the State Mediation Service. The party filing the grievance or the disciplinary appeal shall strike the first name from the panel. The parties shall alternate striking names from the panel until one name remains who shall be the advisory arbitrator. For grievances involving Association representation, the costs of the advisory arbitrator shall be shared equally by the City and the Confidential Employees Association. If an employee is pursuing a grievance without the Confidential Employee Association representation, however, the employee shall be personally responsible for his or her one-half share of the costs of the advisory arbitrator. For disciplinary appeals, the City and the Confidential Employees Association shall equally share the costs of the advisory arbitrator.

After a hearing on a grievance or disciplinary appeal, the arbitrator shall issue a written advisory opinion to the City Manager, and shall provide copies to the Confidential Employees Association (or employee if proceeding on his/her own), the applicable Appointing Authority, the City Manager and the Office of Human Resources. Within ten (10) days from the receipt of the advisory arbitration's opinion, the Confidential Employees Association (or employee if proceeding on his/her own) and the applicable Appointing Authority may submit to the City Manager a brief statement, not exceeding three (3) double-spaced pages, stating whether they believe the advisory arbitrator's

opinion is correct or not and the bases for their positions. Within 45 days of receipt of the advisory arbitrator's opinion, the City Manager shall issue a written decision and send such decision to the Office of Human Resources. The Office of Human Resources shall provide copies to the Confidential Employees Association, the employee and to the applicable City Appointing Authority.

The City Manager may accept, reject or modify the advisory arbitrator's opinion or any part thereof. If the City Manager modifies the advisory opinion, he/she may increase, decrease or otherwise modify the penalty or relief as recommended by the arbitrator. In no case, however, may the City Manager increase the penalty above that imposed by the Appointing Authority. The City Manager's decision shall be final and binding. In reaching his/her decision, the City Manager shall review the advisory arbitrator's opinion, the brief statements (if any) on the advisory arbitrator's opinion submitted by the parties to the City Manager, and the evidence, both documentary and testimonial, and arguments presented to the advisory arbitrator.

13. BENEFIT PAY-OFF UPON SEPARATION FROM CITY SERVICE

A. Vacation Payment

All Confidential employees who separate from City service shall be paid for accumulated vacation.

B. Sick Leave Payment

All accrued, unused sick leave at the date of separation from City service shall be the basis for determining the amount to be paid to each employee who qualifies to receive sick leave pay.

All accumulated sick leave at the date of separation from City service shall be the basis for determining the amount to be paid to each employee who qualifies to receive sick leave pay-off.

Only employees who have ten (10) or more continuous years of City service shall be eligible for sick leave pay-off upon separation from employment with the City. Employees with less than ten (10) years of continuous service shall not be eligible to receive any pay-off for unused sick leave.

Employees with at least ten (10) but less than fifteen (15) years of continuous service shall be eligible to receive payment for accumulated sick leave at the rate of three percent (3%) per full year of service. For employees with fifteen (15) or more years of continuous service, the rate for accumulated sick leave is four percent (4%). However, the maximum rate of sick leave payoff shall not exceed 100%. Sick leave shall be calculated at the rate of pay, including all bonuses, received by the employee at the time of his/her separation. For example, an employee with twelve full years of continuous City service at the time of separation would receive a pay-off for thirty-six percent (36%) (12 x 3%) of his/her accumulated sick leave, and an employee with eighteen years of continuous City service

at the time of separation would receive a pay-off for seventy-two percent (72%) (18 x 4%) of his/her accumulated sick leave.

C. Severance Payment

In addition to the layoff provisions of the Personnel Rules, any Confidential employees who are laid off shall receive one day of their current salary for each year of service with the City, up to a maximum of ten (10) days of salary.

14. AGENCY SHOP

A. Legislative Authority

The parties mutually understand and agree that as a result of State of California adoption of SB 739, all full time and part-time benefited employees represented by the City of Beverly Hills Confidential Employees Association have the right to join or not join the Association. However, the enactment of a local "Agency Shop" requires that as a condition of continuing employment, employees in the respective bargaining unit must either join the Association or pay to the Association a service fee in lieu thereof. Such service fee shall be established by the Association, and shall not exceed the standard initiation fee, periodic dues and general assessments of the Association.

B. Association Dues/Service Fees

Effective July 1, 2008, the Human Resources Office shall provide all current full time benefited employees and any full time and part-time benefited employees hired thereafter, with an authorization notice advising them that Agency Shop for the Association has been enacted pursuant to state law and an agreement exists with the Association, and that all employees subject to the Agreement must either join the Association, pay a service fee to the Association, or provide proof of membership in a religious organization which holds historic opposition to membership in a labor organization. Such notice shall include a form for the employee's signature authorizing a payroll deduction of Association dues, a service fee or a charitable contribution equal to the service fee. Said employees shall have 14 calendar days from the date they receive the form to fully execute it and return it to the City's Human Resources Office.

If the form is not completed properly or returned within 14 calendar days, the City shall commence and continue a payroll deduction of service fees from the regular biweekly paychecks of such employee. The effective date of Association dues, service fee, or charitable contribution shall begin no later than the beginning of the first pay period commencing 14 calendar days after receipt of the authorization form by the employee.

The employee's earnings must be sufficient after the other legal and required deductions are made to cover the amount of the dues or fees authorized. When an employee is in a non-pay status for an entire pay period, no withholding will be made to cover the pay period from future earnings. In the case of an employee in a non-pay status only during part of the pay period, whose salary is not sufficient to cover the full withholding, no deduction shall be made. In this connection, all other legal and required deductions

(including health care and insurance deductions) have priority over Association dues and service fees.

C. Religious Exemption

Any employee who is a member of a bona fide religion, body or sect that has historically held conscientious objections to joining or financially supporting public employee organizations shall upon presentation of active membership in such religion, body, or sect, not be required to join or financially support any public employee organization as a condition of employment. The employee may be required, in lieu of periodic dues, initiation fees or agency shop fees, to pay sums equal to the dues, initiation fees or agency shop fees to a nonreligious, non-labor charitable fund exempt from taxation under Section 501(c) (3) of the Internal Revenue Code, chosen by the employee from a list of at least three of these funds, designated in a memorandum of understanding between the City and the Association, or if the memorandum of understanding fails to designate the funds, then to any such fund chosen by the employee. Proof of the payments shall be made on a monthly basis to the City as a condition of continued exemption from the requirement of financial support to the Association.

Declarations of or applications for religious exemption and any other supporting documentation shall be forwarded to the Association within 14 calendar days of receipt by the City. The Association shall have 14 calendar days after receipt of a request for religious exemption to challenge any exemption granted by the City. If challenged, the deduction to the charity of the employee's choice shall commence but shall be held in escrow pending resolution of the challenge. Charitable contributions shall be made by regular payroll deductions only.

D. Rescission

The agency shop provision in this MOU may be rescinded by a majority vote of all the employees in the unit covered by the MOU, provided that:

A request for such a vote is supported by a petition containing the signatures of at least 30 percent of the employees in the unit;

The vote is by secret ballot;

The vote may be taken at any time during the term of the MOU, but in no event shall there be more than one rescission vote taken during that term. Notwithstanding the above, the City and the Association may negotiate, and by mutual agreement provide for, an alternative procedure or procedures regarding a vote on an agency shop agreement.

If a "rescission vote" is approved by unit members during the term of a current memorandum of understanding, the Association agrees not to petition for or seek Agency Shop status for the duration of the current memorandum of understanding.

E. Indemnification

The Association shall indemnify, defend, and hold the City harmless against any liability arising from any claims, demands, or other action relating to the City's compliance with the agency fee obligation including claims relating to the Association's use of monies collected under these provisions. The City reserves the right to select and direct legal counsel in the case of any challenge to the City's compliance with the agency fee obligation, and the Association agrees to pay any attorney, arbitrator or court fees related thereto.

F. Election

Prior to the implementation of this provision, the Association conducted an election at an open meeting held on May 13, 2008 to which the Association invited each eligible bargaining unit member, whether or not he/she is a current Association dues paying member. All eligible unit members in attendance were allowed to participate during discussion and voting, irrespective of current membership in the Association. A ballot was signed in support of an Agency Shop for the Confidential Employees Association and a representative of the City has concluded that the majority of signatures casted prevail.

15. SAVINGS CLAUSE

If any benefit or provision of this MOU is deemed by a court of competent jurisdiction to be illegal or otherwise unenforceable, the remaining benefits or provisions of the MOU shall remain in full force and effect. In the event of such invalidation the City and Association shall meet and confer in good faith concerning the invalidation of the provision, including whether a replacement benefit or provision is appropriate.

This MOU is prepared pursuant to the requirements of Government Code Section 3505.1 for presentation to the City Council for its approval.

16. ASSOCIATION RELATED BUSINESS

A. Association Representatives

The Association shall submit a current list of Association representatives (Board Members and alternates) to the Assistant Director of Administrative Services/Human Resources ("Director") or designee. Any changes to this list shall be submitted to the Director or designee within ten (10) working days following such changes.

B. Representational Time-Off

The City shall allow three Association employee representatives reasonable time off without loss of compensation or other benefits while formally meeting and conferring with representatives of the City on matters within the scope of representation or as may be required by the Grievance Procedure or to represent an employee in a disciplinary matter.

C. Use of City Facilities

Representatives of the Association may use City facilities for general membership meetings with the City as long as approval and prior clearance from the Director or designee are obtained. The Association may hold meetings during the noon hour in facilities that are available, subject to approval by the Director or designee.

D. Association Business and Training

The Association shall have a bank of 150 hours per contract year for use in conducting Association business. These hours cannot be carried over into the next contract year. The President of the Association may be asked to provide a record of the time used by the Director at any time and shall produce such record in a reasonable period of time. Association representatives utilizing this time shall notify their supervisors and shall endeavor to provide as much advance notice as possible.

This Memorandum is signed on this _____ day of March, 2009.

City of Beverly Hills

Beverly Hills Confidential Employees Association

Exhibit A – List of Classifications Represented by the Confidential Employees Association

Executive Assistant I
Executive Assistant II
Executive Assistant III
Human Resource Associate I
Human Resource Associate II
Human Resource Associate III
Human Resource Specialist
Office Assistant I
Office Assistant II
Office Assistant III
Risk Management Coordinator
Staff Assistant