# AGENDA REPORT

**Meeting Date:** November 13, 2012

**Item Number:** G–5

**To:** Honorable Mayor & City Council

**From:** Sandra Olivencia-Curtis, Assistant Director of Administrative Services-HR

**Subject:** **POLICE OFFICERS ASSOCIATION – MOU AMENDMENT TO ADDRESS COMPOUNDING ISSUE**

**Attachments:**
1. POA Memorandum of Understanding with Track Changes
2. 2011-2016 POA Memorandum of Understanding and Updated Salary Schedule

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## RECOMMENDATION

City Council approval of the amended Police Officers Association (POA) MOU with modifications to Article 3 –Bonuses.

## INTRODUCTION

Per recent discussion with the City Council regarding the issue of the POA MOU having compounding of assignment bonuses included in the salary matrix, the Council authorized the City's representatives to negotiate the compounding out of the MOU in exchange for an across the board salary increase. The parties met and agreed which caused modifications to Article 3 – Bonuses.

## DISCUSSION

Following the City's receipt of the CalPERS Audit in which CalPERS indicated that there was an inconsistency between the MOU and the method by which the City was reporting compensation earnable on behalf of the members of the POA, there was an analysis conducted (the findings of which were previously reported to the City Council) to assess the reason for the inconsistency. It was determined that the City had reported assignment bonuses on a compounded basis for many years and that the salary matrix the City created for paying the POA members reflects that compounding. That is so even though the MOU did

not explicitly provide for compounding of assignment bonuses. After careful consideration of the issue by the City Council and costing done by the Finance Department, it was determined that the average cost of reporting bonuses on a compounded basis through the salary matrix equaled .65777% of base salary bargaining unit wide. Members with the maximum bonuses possible receive more than .65777% and those with lesser bonuses receive less than .65777%. However, on a bargaining unit wide basis, the cost is .65777%. That is the percentage the Council authorized the negotiators to offer to the POA in exchange for modifying the MOU to make it clear that the compounding of assignment bonuses is ended. This will solve the issue addressed by CalPERS prospectively from the date of City Council approval.

The City is currently in communication with CalPERS representatives to address the issues related to the City's reporting of compounded assignment bonuses in the past. Staff will report back to the City Council on those discussions when they occur and will seek direction when appropriate.

**FISCAL IMPACT**

The modifications to the MOU as a result of this amendment have no fiscal impact since the salary increase is an exact offset to the cost of the compounding.

for Sandra Olivencia-Curtis

Human Resources Approval

Noel Marquis

Finance Approval

# Attachment 1

# MEMORANDUM OF UNDERSTANDING
# (BEVERLY HILLS POLICE OFFICERS' ASSOCIATION)

The Beverly Hills Police Officers' Association, (hereinafter "Association") a formally recognized employee organization, representing all Police Sergeants and Police Officers (hereinafter "police personnel"), and duly authorized representatives of the management of the City of Beverly Hills (hereinafter "City"), have met and conferred in good faith; freely exchanging information, opinions and proposals, and have reached the following understanding on matters within the scope of representation;

Now, therefore, the parties agree and mutually recommend to the City Council of the City of Beverly Hills (hereinafter "City Council") the following for its determination:

A. Integration This document embodies a written memorandum of the entire understanding and mutual agreement of the parties as required by Government Code Section 3505.1 and supersedes all prior Memoranda of Understanding and verbal agreements between the parties hereto.

The City recognizes that certain past practices may be identified during the term of this agreement which should have been included in this document but, due to inadvertent omission, are not set forth herein. Mutual agreement between the parties shall be necessary to implement change to such past practices. All other practices, policies and procedures affecting wages, hours and working conditions may be changed only after a meet and confer process has been conducted between the parties. However, the parties agree neither party may compel the other party to negotiate regarding proposed changes to any matter within the lawful scope of bargaining (wages, hours and other terms and conditions of employment) during the term of this Agreement. This is known as a "zipper clause."

This Memorandum of Understanding is subject to a determination and implementation by the City Council pursuant to Government Code Section 3505.1. Upon determination by the City Council pursuant to Government Code Section 3505.1, the provisions of the City Compensation Plan for police personnel (the "Plan") which are referred to herein shall be modified as set forth herein.

B. Term. Unless otherwise specified herein, this Memorandum of Understanding shall be effective beginning October 8, 2011 and shall expire October 6, 2016.

## 1. SALARIES

Effective January 1, 2014, police personnel shall receive a one percent (1%) base salary increase.

Effective January 1, 2015, police personnel shall receive a two percent (2%) base salary increase.

Effective January 1, 2016, police personnel shall receive a two percent (2%) base salary increase.

## 2. 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 at the first step and shall be eligible to advance through the five (5) steps for Police Officer and six (6) steps for Police Sergeant in their allocated schedules as follows:

1. Probationary Employment

   Unless otherwise provided, every probationary employee shall receive a salary step increase to the next highest step in the prescribed schedule at the completion of the first six (6) months of service.

2. Probationary Period

   The probationary period for newly hired police officers, excluding laterally transferred personnel or promoted personnel, shall be eighteen (18) months.

3. Pre-Service Entry Level Employment

   Each newly hired entry level Police Officer (excluding individuals hired as lateral Police Officers) shall serve as a non-sworn civilian employee until such time as he/she successfully graduates from the Police Academy and is sworn in as a Police Officer. These Pre-Service employees shall receive similar benefits as a sworn Police Officer with the exception of retirement and workers' compensation benefits. Because Pre-Service employees are not sworn, they are considered miscellaneous employees under the Public Employees' Retirement Law and are not eligible for workers' compensation benefits pursuant to Labor Code section 4850.

   The probationary period for Pre-Service entry level Police Officers shall be 18 months from date of hire as a Pre-Service entry level employee.

4. Permanent Employee Advancement

   Unless otherwise provided, every permanent employee shall receive step advancements in the following manner:

   a. Each year on his or her anniversary date in position, an employee shall be eligible for salary step increases for Salary Range P39 Steps I-IV, provided said employee has met the standards as provided through the Employee Evaluation Program.

b. Such an increase is recommended by the employee's supervisor and the Appointing Authority and is approved by the Assistant Director of Administrative Services/ Human Resources and City Manager, where applicable.

In the event an individual is appointed or promoted to any sworn police position at step 3, he/she shall not be eligible for a salary increase after 6 months of service, but shall be eligible for a salary step increase upon the completion of one year of service, provided said employee has met the standards as provided through the Employee Evaluation Program.

5. Temporary Appointment

Temporary appointment 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 positions shall not accrue any paid benefits, leave rights, or rights to permanent appointment. If a temporary employee attains probationary status or if exempt from permanent status, he/she shall not be eligible for any retroactive payment of benefits.

B. Effective Date Of Increase

Approved salary step increases shall be on the first day of the pay period that begins closest to the satisfactory completion of the probation period and on every subsequent anniversary date.

C. Employment At Other Than The First Step

Every original appointment 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.

D. Special Merit Advancement

The City Manager may authorize the advancement of an employee to any step within the prescribed schedule for that position, upon written recommendation of the Appointing Authority, as submitted to the Assistant Director of Administrative Services/Human Resources. Such salary increases shall be effective on the first day of the pay period following the approval of the City Manager if not otherwise specified by the City Manager. When a special merit increase advancement is granted, the City Manager shall indicate what the employee's new anniversary date shall be.

E. Superior-Subordinate Relationships

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 on a permanent basis.

In such a relationship, a superior shall be paid a monthly salary rate above his/her subordinates. When a subordinate's monthly base salary rate is equal to or exceeds that which is being paid to his/her superior, the superior shall receive a special adjustment in an amount which is at least 2.75% above that received by his/her subordinates.

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/her by this section shall be eliminated.

Monthly salary is defined as the base monthly salary paid to a position. Excluded from salary computations for this provision are any bonuses paid, shift differentials, overtime payments, or any additional payment paid to a position.

F. Acting Time

Police Personnel temporarily assigned to a classification higher than his/her regularly assigned classification shall receive acting time compensation while so assigned to the higher position.

This amount shall be 5.5% above his/her present base monthly salary, provided that this additional amount shall not exceed the fifth step nor be lower than the first step of the higher classification. The Assistant Director of Administrative Services/Human Resources and the City Manager shall approve acting time requests.

To be eligible for acting pay, the employee has to meet the criteria for the higher classification and be capable of performing those specific tasks that he/she will be performing during this acting time and which differentiates it from the lower classifications.

Police Personnel assigned to a higher position and receiving acting pay shall not acquire status or credit for service in the higher classification and may be returned to their regular position at any time.

The superior-subordinate relationship salary adjustment shall not be affected as a result of the application of acting time pay.

## 3. BONUSES

No special salary adjustments authorized by this section shall become effective until an official personnel transaction form authorizing the adjustment is approved by the Assistant Director of

Administrative Services/Human Resources. Education and Assignment bonuses will be added to ~~considered part of~~ base pay for calculation of overtime (to be paid at the regular rate of pay as described by the Fair Labor ~~StandardsAct~~Standards Act) and for termination payoffs as described in Article 21 of this MOU.

Travel expense or per diem will not be reimbursed for educational courses taken by an employee where that employee will subsequently receive an education bonus for such education, unless and to the extent such expenses are reimbursed by P.O.S.T. Applications for reimbursement shall be submitted and processed in accordance with the Education and Training Administrative Regulation 3A.2.

A~~B~~. Assignment Bonus

The attached Base Salary and Assignment Bonuses Salary Matrix [A1] ~~salary matrix~~ (Exhibit A to this MOU) includes base salary plus assignment bonuses. Employees (either Police Officers or Police Sergeants) will be placed on the salary matrix at the first range for their rank – which is 39 for Police Officer and 46 for Police Sergeant if they have not earned any assignment bonuses. If they have earned a 2.75% assignment bonus, they will be placed at the second range for their rank which is 40 for Police Officer and 47 for Police Sergeant. If they have earned a 5.5% assignment bonus, they will be placed at the third range for their rank which is 41 for Police Officer and 48 for Police Sergeant. If they have earned a 8.25% assignment bonus, they will be placed at the fourth range (which is the last range) for their rank which is 42 for Police Officer and 49 for Police Sergeant. The fourth range at each rank (representing one or a combination of bonuses of 8.25%) is the highest range that an employee can placed at. Employees cannot earn more than 8.25% in assignment bonuses as set forth below. The following are the available assignment bonuses.

1. Special Tactics Unit

   Four (4) Police Officers and one (1) Sergeant comprise the Special Tactics Unit and shall receive a bonus of 5.5% of their base salary.

2. Detective Assignment

   Police Officers and Sergeants when formally assigned to the Detective Bureau shall receive a bonus of 8.25% of their base salary.

3. Field Training Officer

   There shall be a maximum of 9 Field Training Officers. When assigned to said position, a Police Officer shall receive a bonus of 5.5% of his or her base salary.

4. Motor Bonus

   A. Police Officers and Sergeant(s) assigned to the motor detail shall receive a bonus of 8.25% of their base salary. In addition, police personnel assigned

to the motor detail shall receive 4 hours of compensatory time per month for off-duty time spent maintaining the assigned motorcycle.

B. D.U.I. – Police Officers assigned to the Traffic Bureau – DUI Team shall receive a bonus of 5.5% of his/her base salary.

5. Personnel & Training Bureau

The Sergeant(s) assigned to the Personnel Training Bureau shall receive a 5.5% bonus of their base salary. Police Officers assigned as Background Investigators shall receive a bonus of 5.5% of his/her base salary. The Police Officers assigned to the Personnel & Training Bureau as the Administrative Training Officer shall receive a bonus of 5.5% of his/her base salary.

6. Office of the Chief

A. Professional Standards Unit – The Sergeant assigned to the Professional Standards Unit shall receive a bonus of 8.25% of his/her base salary.

B. Intelligence Unit – The Sergeant assigned to the Intelligence Unit shall receive a bonus of 8.25% of his/her base salary.

7. Traffic/Accident Investigation

The Officers assigned to the traffic and accident investigation function shall receive a 5.5% bonus of their base salary. The Sergeants assigned to the traffic and accident investigation function shall receive an 8.25% bonus of their base salary.

8. Canine Handlers

Police Officers assigned in the canine special assignment shall receive the following compensation, in addition to their regular base pay:

A 5.5% of monthly base salary per month
B. 5.5 hours of compensatory time off per 28 day work period.

The City and Officers understand and agree that this additional compensation is intended to compensate canine officers for all off duty hours spent caring, grooming, feeding and otherwise maintaining their canine unit, in compliance with the FLSA and interpretive cases and rulings.

The parties acknowledge that the FLSA, which governs the entitlement to compensation for canine duties, entitles the parties to agree to a reasonable number of hours per month for the performance of off duty canine duties. The hours derived at in this agreement were determined after an actual inquiry of the Officers assigned in the canine special assignment as addressed by *Leever v. City*

*of Carson City*, 360 F.3d 1014 (9th Cir. 2004). It is the intent of the parties through the provisions of this section to fully comply with the requirements of the FLSA In addition, both parties believe that this section of the MOU does comply with the requirements of the FLSA.

9. Desk Officers

Until June 29, 2016, Police Officers assigned as Desk Officers shall receive a bonus of 5.5% of their base salary. Effective June 30, 2016, the bonus shall be converted to a dollar amount equal to 5.5% of the base salary of a police officer at top step, as of that date.

10. Crime Suppression Unit

Until June 29, 2016, Police Officer(s) and Sergeant(s) assigned to the Crime Suppression Unit shall receive a bonus of 5.5% of his/her base salary. Effective June 30, 2016, the bonus shall be converted to a dollar amount equal to 5.5% of the base salary of a police officer at top step, as of that date.

11. Special Projects Detail

Police Officer(s) assigned to the Special Projects Detail shall receive a bonus of 5.5% of his/her base salary.

12. Crime Prevention Bureau

The Police Sergeant assigned to Crime Prevention shall receive a bonus of 5.5% of his/her base salary. Police Officers assigned as a School Resource Officer or Crime Prevention Officer shall receive a bonus of 5.5% of their base salary. Effective June 30, 2016, the bonus provided to Police Officers assigned as a School Resource Officer shall be converted to a dollar amount equal to 5.5% of the base salary of a police officer at top step, as of that date.

13. Red Light Photo Enforcement Officer

Until June 29, 2016, Police Officers assigned as the Red Light Photo Enforcement Officer shall receive a bonus of 5.5% of their base salary. Effective June 30, 2016, the bonus shall be converted to a dollar amount equal to 5.5% of the base salary of a police officer at top step, as of that date. However, the employees in the assignment as of December 1, 2011 are grandfathered from this change in the value of the bonus. Thus, with respect to employees who were receiving this bonus on December 1, 2011 and are continuously still in the assignment through June 30, 2016, their bonus will continue to be an amount equal to 5.5% of their base salary whereas the bonus for any employee who enters or re-enters this assignment after December 1, 2011 will be the dollar amount described above.

As an example as to how to calculate education and assignment bonuses the parties refer to the

following: If a Range 39, Step 5 Police Officer's base salary is $90,340.94, and this Police Officer receives a 5.5% assignment bonus, his/her combined total of Base Salary Plus assignment bonuses is $90,340.94 (P39, Step 5) + $4,968.75 (5.5% of $90,340.94) = $95,309.69 (P-41, Step 5). If that employee has the maximum education bonus of 13.75%, the education bonus is $13,105.08, which is 13.75% of $95,309.69 and which is reflected separately on the employee's pay stub.

B~~A~~. Education Bonus

Education bonuses as described and calculated below will be paid to employees as a separate amount and not included on the salary matrix as additional ranges. Employee pay stubs will reflect the education bonus separately from the other forms of pay.~~calculation of base salary~~ [A2]

Education bonuses shall not be paid to new police personnel until such personnel are appointed to a permanent sworn safety position.

Police Personnel who have earned an Advanced P.O.S.T. Certificate shall receive a bonus each pay period equal to 2.75% of an amount equal to the employee's base salary plus any assignment bonuses he/she has earned. The parties' Base Salary and Assignment Bonuses S~~s~~alary M~~m~~atrix [A3] (attached hereto as Exhibit A) has each employee's range of Base Salary and Assignment Bonuses. The 2.75% shall be multiplied by the combined amount of base salary plus the employee's earned assignment bonuses, if applicable. Also, Police Personnel who earn a Bachelor's Degree that results from satisfactorily completing a prescribed course of study which can include on-line curriculum from an accredited college or university recognized by Council for Higher Education Accreditation and/or its regional accrediting organizations, or any other college or university approved in advance by the Police Chief and Assistant Director of Administrative Services/Human Resources shall receive a separate bonus each pay period equal to 5.5% of an amount equal to the employee's base salary plus any assignment bonuses he/she has earned as described above.

In addition to the bonuses described above, police personnel who have either (a) each fiscal year complete eighty hours of pre-approved course work, (b) qualify for the education bonus for six years or (c) earn a Master's Degree shall receive an additional bonus each pay period of 5.5% of an amount equal to the employee's base salary plus any assignment bonuses he/she has earned as described above. To qualify, a Masters' Degree must be issued by an accredited college or university recognized by Council for Higher Education Accreditation and/or its regional accrediting organizations or any other college or university approved in advance by the Police Chief and Assistant Director of Administrative Services/Human Resources.

For example, police personnel who have earned an Advanced P.O.S.T. Certificate will receive a bonus of 2.75% of an amount equal to the employee's base salary plus assignment bonuses he/she has earned as described above. If that same employee has earned a Bachelor's Degree in addition to his/her Advanced P.O.S.T. Certificate, he/she is entitled to an additional bonus of 5.5% of an amount equal to the employee's base salary

plus assignment bonuses he/she has earned as described above. Furthermore, he/she can earn an additional bonus each pay period of 5.5% of the employee's base salary plus assignment bonuses he/she has earned as described above if he/she (1) earns a Master's Degree in a field having relevance to police work; (2) has successfully completed 80 hours of pre-approved course work during off-duty hours in the previous year; or (3) has qualified for the continuing education program for six years. Successful completion constitutes a grade C or higher for all courses, not just on an averaging basis. To the extent possible, this qualification period shall be continuous. There may be circumstances which arise precluding an employee from going to school for six continuous years. In the event the employee has to stop his/her education, the employee shall submit the information to the Chief of Police and the Assistant Director of Administrative Services/Human Resources for consideration. Each case will be reviewed individually. While the City intends to apply reasonable standards to these requests, it is also cognizant of the intent of this provision and wants to preclude abuse. Upon the attainment of a Master's Degree or completing six years of qualifying education, the continuing education bonus will become permanent and no further course work is required to keep that bonus. Therefore, the maximum total of the above bonuses (for education) that an employee is capable of receiving is 13.75% of~~above~~ an amount equal to the employee's base salary plus assignment bonuses he/she has earned as described above, computed as follows:

(a) 2.75% for the Advanced P.O.S.T. Certificate
(b) 5.5% for earning a Bachelor's Degree.
(c) 5.5% for earning a Master's Degree, completing 80 hours of pre-approved course work in the previous year, or satisfying the qualifying continuation education requirement for six years.

With each of the examples, the particular percentage (for education bonus) will be multiplied by the sum of~~both~~ base salary and~~plus~~ whatever assignment bonuses he/she has earned as described above.

The City and Association agree to develop criteria to be used in the City's Education & Tuition Reimbursement Administration Regulation to allow for on-line classes and insure that these courses meet acceptable standards.

## 4. RECLASSIFICATION, PROMOTION & Y-RATING

A. Reclassification

When a position is reclassified upward, the incumbent, i.e., the employee in the position, may be appointed to that position, providing that:

1. The incumbent has held the position which was reclassified for a minimum of ninety (90) days prior to the reclassification, and

2. Said employee meets the qualifications established for the position.

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

B. Y Rating

In the event an employee in a position is Y-rated the employee's monthly base salary shall not be increased until the monthly base salary of the position held by that employee meets or exceeds the monthly salary paid to that employee.

C. Promotion

Every employee who is promoted shall serve a probation period as defined in the Personnel System Rules & Regulations. An employee who is promoted or who is in a position which is reclassified upward shall be appointed to the first step of the salary schedule of the new classification or at least 5.5% above the step and schedule of his/her previous classification. Benefits and leave rights shall be available to employees on probation as a result of accepting a promotion.

## 5. MEDICAL INSURANCE

The City contracts with the Public Employees' Retirement System ("P.E.R.S.") for medical insurance. Insurance coverage is effective the first day of the month following the 30 day waiting period. For the period of October 8, 2011 through and including December 31, 2012, the City shall provide medical insurance benefits in accordance with the terms and conditions of the previous Memorandum of Understanding between the ~~partes~~parties covering the term between September 29, 2007 and October 7, 2011, the contents of which are incorporated by reference as though set forth in full.

A. **Health and Welfare Benefits Effective January 1, 2013**

The City shall continue to contract with P.E.R.S 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, 2013, the City will continue to contribute the PERS statutory minimum ($112.00 for 2012, and yet still undetermined for 2013-2016) 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 to the statutory minimum, the City will provide current employees with flexible benefits through a cafeteria plan as provided below.

B **Benefits provided through Cafeteria Plan**

Effective January 1, 2013, the following insurance benefits described in this Article will be provided to employees and eligible dependents through a cafeteria plan adopted in accordance with the provisions of Internal Revenue Code § 125: medical insurance, dental insurance, and optical insurance.

1. **The Purchase of Optional Benefits Through the Cafeteria Plan**:

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

Effective January 1, 2013, each month the City will contribute to the cafeteria plan an amount (which includes the CalPERS statutory minimum) equal to the total of the monthly premiums for (a) the employee plus family category of the PORAC medical insurance plan available through PERS, (b) the employee plus family category of the "S*afety Standard"* Guardian dental plan and (c) the employee plus family category of the *"Safety Standard"* optical VSP to purchase the optional benefits of medical insurance, dental insurance and optical insurance.

Each calendar year during the term of this MOU, starting on January 1, 2013, the City will increase its monthly contribution by an amount equal to 80% of the total net increase over the previous year, if any, in the monthly premium, as of January 1 of each year, attendant to the three designated insurance plans described in the paragraph above. For ~~contrbutions~~contributions effective January 1, 2013, the City will look at the cost of those benefits in 2012 to determine how much of the increase (if any) will be paid by the City and the employee.

Thus, for example, the items in the cafeteria plan for 2012, as described above, equal $1,551.00. If, for 2013, the premiums for the three designated insurance benefits increase by $114 (for a total of $1,165), the City's contribution to the cafeteria plan shall increase by $91.20, which equals 80% of that premium increase. Thus, the 2013 cafeteria contribution would be $1,642.20. The same formula to determine increases in the City's cafeteria plan contribution would apply on a year-to-year basis throughout the term of the MOU, i.e., comparing 2014 costs to 2013 costs. For example, if the monthly premiums for the three designated insurance plans increase by an additional $100 in 2014, the City's monthly cafeteria plan contribution would increase by $80, for a total of $1,722.20. If the premiums for the plans and coverage selected by the employee exceed the amount of the cafeteria plan contribution, those excess premiums shall be the responsibility of the employee as described below.

2. **Medical Insurance**

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

| HMO Plans | PPO Plans |
|---|---|
| 1) Kaiser; | 1) PERS Care; |
| 2) Blue Shield Access +; or | 2) PERS Choice; or |
| 3) Blue Shield Net Value | 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 category, employee + 1 category or employee + family category, except that, an employee may elect not to participate if he/she provides the City with proof that he/she has comparable medical insurance from another source.

3. **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 and, if the amount of the new monthly premium for family coverage shall exceed that due under the former plan, the City's monthly cafeteria plan contribution shall be increased by the amount of the premium increase. Employees will have the options of participating in the employee category, the employee + spouse category, the employee + child(ren) category or the employee + family category. Employees do not have to choose any dental insurance and need not provide proof of dental insurance from another source in order to make that choice.

4. **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 and, if the amount of the new monthly premium for family coverage shall exceed that due under the former plan, the City's monthly cafeteria plan contribution shall be increased by the amount of the premium increase. As with medical insurance, employees have the options of participating in the employee category, the employee + 1 category or the employee + family category. Employees do not have to choose any optical insurance and need not provide proof of optical insurance from another source in order to make that choice.

5. **Employee Contributions for Benefit Options**

If an employee chooses optional benefits whose aggregate cost exceeds the total City contribution to the Cafeteria Plan, the City will automatically deduct the excess amount on a pre-tax basis from the employee's bi-weekly payroll.

6. **The Receipt of Cash Through the Cafeteria Plan**

If they choose optional benefits whose premiums do not equal the City's cafeteria plan contributions, 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:

7. **Receipt of Cash for Opting Out of the Optional Benefits**

Employees who elect not to be covered by one or more 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 | $100.00 |
| 3) | optical insurance | $15.00 |

8. **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. Any such employee shall be eligible to receive in cash the difference between the City's monthly cafeteria plan contribution and the total of the monthly premiums selected by the employees, not to exceed $475, as cash wages:

As an example, assume that the City's monthly cafeteria plan contribution is $1,551.00. If an employee opts out of dental insurance and purchases medical and optical insurance with premiums which add up to $1,363.00, he/she would receive $100.00 (the maximum amount) for opting out of dental insurance. However, if the premiums added up to $1,500,00 (and the maximum amount was $1,551.00) the employee would only receive $51 for opting out of dental insurance, not the $100 because the $51 would cause the employee to reach the cafeteria plan contribution maximum.

9. **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. Any amount allocated but not used within the prescribed time limits shall be forfeited

10. **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. Employees cannot allocate cash contributions made to the cafeteria plan to pay the premiums for this supplemental term life insurance. However, they may, on a post-tax basis, allocate any cash back they receive from the cafeteria plan for that purpose. It must be a deduction from their paycheck.

11. **Deferred Compensation**

Any cash that an employee may receive through the cafeteria plan may not be deferred to the employee's accounts under the City's deferred compensation plans. The employee may, however, be able to elect to increase his/her deferrals to the City's deferred compensation plans from his/her regular wages.

C. **Retiree Medical Insurance**

1) For employees hired prior to July 1, 2012 retiring (service retirement only) after July 1, 1989, through age 70, the City shall pay the difference between the PERS statutory minimum and the actual cost of medical insurance premium up to two-party rate of the PORAC Plan under PERS.

2) For retirees who retired between July 1, 1978 and July 1, 1989, the City shall pay $211/month, through age 65.

3) Employees hired by the City on or after July 1, 2012 who retire from the City will receive the PERS statutory minimum paid by the City. In addition, for employees hired into the unit as new employees on or after July 1, 2012, in lieu of additional retiree medical insurance benefits, the City shall, while the employees are working for the City, contribute the sum of $275.00 per month ($126.92 per pay period) to a retirement account on behalf of such employees. For employees who promote into the unit after July 1, 2012 who were City employees as of June 30, 2012, they will receive retiree medical benefits in accordance with the benefits of this MOU as though they were a member of the bargaining unit prior to July 1, 2012.

4) Retired sworn police personnel who receive a disability retirement on or after July 1, 1987, will be eligible for the PERS health plan (subject to the eligibility requirements of plan) if said employee has 20 years of service with the Beverly Hills Police Department or is over 45 years of age at the time of his or her retirement.

D. **Alternative Retiree Medical Plan**

The parties agree that the City may offer an Alternative Retiree Medical Plan (ARMP) to the members of the POA. The ARMP is a voluntary plan which each member can decide whether to accept or not.

## 6. LIFE INSURANCE

Police personnel shall be entitled to a $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 a life insurance program of its choosing. Such policy shall take the place of any other policies existing prior to the adoption of this provision. Each such employee shall have the option to individually purchase additional life insurance at the City's unit cost, if available.

## 7. DEFERRED COMPENSATION

A. The City shall contribute $320.00 per month on behalf of police officers to the City's deferred compensation program.

B. The City shall contribute $475.00 per month on behalf of police sergeants to the City's deferred compensation program.

## 8. HOLIDAYS

A. Holidays

All probationary and permanent police personnel employees shall be entitled to the following paid holidays if said employee worked the regularly assigned work period the day before and the day after the holiday or was absent on authorized paid leave during said period. Employees assigned to patrol or otherwise on a 3/12 schedule shall receive nine 12 ½ hour holidays, non-patrol employees on a 4/10 schedule shall receive ten 10-hour holidays.

| PATROL | |
|---|---|
| New Year's Day | January 1 |
| Martin Luther King Jr. Day | Third Monday in January |
| President's Day | Third Monday in February |
| Memorial Day | Last Monday in May |
| Independence Day | July 4 |
| Labor Day | First Monday in September |
| Veteran's Day | November 11 |
| Thanksgiving Day | Fourth Thursday in November |
| Christmas Day | December 25 |

| NON-PATROL (4/10 schedule) | |
|---|---|
| New Year's Day | January 1 |
| Martin Luther King Jr. Day | Third Monday in January |
| President's Day | Third Monday in February |
| Memorial Day | Last Monday in May |
| Independence Day | July 4 |
| Labor Day | First Monday in September |

| | |
|---|---|
| Veteran's Day | November 11 |
| Thanksgiving Day | Fourth Thursday in November |
| Day after Thanksgiving | Fourth Friday in November |
| Christmas Day | December 25 |

B. Personal Holiday

Police personnel shall be entitled to one personal paid holiday each fiscal year; for employees assigned to patrol or otherwise on a 3/12 schedule this shall be a 12 ½ hour holiday, for all employees on a 4/10 schedule it shall be a 10 hour holiday. This holiday may be taken at the employee's discretion subject to his/her supervisor's and Appointing Authority's approval. The employee shall request this holiday in writing. This holiday is non-accruable and shall not be paid for if not taken.

## 9. VACATION

A. Authorization For Taking Vacation

Upon completion of 12 months of service and approval of the Appointing Authority or designee, employees may take accrued vacation leave.

An employee entitled to vacation leave 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 much as possible upon application and seniority of the employees concerned and subject to the Appointing Authority's right to plan work under his/her control. He/she shall notify every employee within a reasonable time whether his/her application is approved.

B. Holidays During Vacations

When a holiday falls within an employee's vacation leave, the leave shall be extended by the amount of the holiday time.

C. Vacation Accumulation

Vacation credit shall be accrued bi-weekly to employees at the following rates:

| FIRST 4 YEARS OF SERVICE | AFTER 4 YEARS OF SERVICE | AFTER 14 YEARS OF SERVICE |
|---|---|---|
| 3.07 Hours Bi-weekly | 5.54/Hours Bi-weekly | 7.39 Hours Bi-weekly |
| 80 Hours Year | 144 Hours Year | 192 Hours Year |

Police Personnel with more than four but not more than fourteen years of service may not accumulate more than 432 hours of vacation. Employees with 432 hours of vacation on the books will not continue to accrue vacation until their balance falls below 432 hours

Police Personnel with more than fourteen years of service whose vacation accumulation at the beginning of a calendar year is less than 432 hours may accumulate annual vacation which will result in their balance being above 432 hours. However, if at the end of any calendar year the vacation accumulation is above 432 hours, they will not continue to accrue vacation until the balance falls below 432 hours, whereupon they will then continue to accrue vacation during that calendar year.

D. Briefing Preparation Time

Each calendar year Sergeants will receive prebriefing preparation time. Employees who are at the rank of Sergeant at the beginning of the year shall receive 50 hours of prebriefing preparation time. Employees first entering the classification of Sergeant shall receive (in the year he/she enters the classification) 50 hours of prebriefing preparation time if entering the classification prior to July 1 and 25 hours of prebriefing preparation ~~timeif~~time if entering the classification after June 30. The 50 hours of leave per calendar year is intended to compensate the Sergeants in accordance with the Fair Labor Standards Act. The parties acknowledge that keeping track of pre-briefing hours is difficult and this agreement to pay 50 hours for briefing preparation time each calendar year is intended to comply with 29 CFR section 785.23 of the Department of Labor regulations implementing the FLSA.

## 10. SICK LEAVE

Except as is otherwise provided, police personnel shall accrue, use and be compensated for sick leave as follows:

A. Accrual. Police personnel 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 sick leave and vacation.

B. New Employment. No sick leave may be used by any new employee until he/she has completed six (6) months of employment with the City.

C. Use. Accumulated sick leave may be used by an employee during any period of illness of the employee, spouse, child or registered domestic partner if the illness requires the presence of the employee.

D. Sick Leave Incentive. Police Personnel who accrue 72 hours or more of unused sick leave during any payroll year shall have the option of being paid in January of the succeeding year for up to 24 hours of the accumulated unused sick leave. Such hours not paid for or taken may be accumulated to be used or taken as needed in the future, or paid upon separation as provided for in paragraph 21A.

## 11. 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

Forty (40) hours of bereavement leave, per calendar year, may be used in the event of the death of a family member. 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 Assistant Director of Administrative Services/Human Resources.

## 12. WITNESS LEAVE

Police personnel who are required to serve as a witness pursuant to a lawful subpoena in any judicial or quasi-judicial proceeding in a matter other than one to which the employee is a party, or who are required to serve as a juror, shall be allowed time off without loss of pay to perform such duties. All fees to which the employee is entitled by law for such service shall be paid (less transportation allowance, if any) to the City. This Section is not applicable to those employees participating in judicial or quasi-judicial proceedings that are within the scope of their employment.

## 13. LEAVE WITHOUT PAY

Requests for leaves of absence without pay must be submitted through the chain of command and approved by the Chief of Police or designee and shall be used only if all appropriate accrued leaves have been exhausted. Police Personnel on leaves of absence without pay shall not accrue vacation, leave rights, nor shall the City pay for any fringe benefits. Decisions whether to grant such a leave will be made based on operational needs of the Department.

## 14. UNIFORM ALLOWANCE

A. The City shall furnish the initial uniform and necessary equipment to each sworn Police employee and replace uniform items which are no longer serviceable. The administration of this program is contained in Administrative Regulation 3.B.7.

B. Annual Uniform Allowance – The City shall provide for the payment of $700 per year for uniformed personnel who have successfully completed their initial probation and $800 per year for nonuniformed personnel who have successfully completed their initial probation as a uniform and equipment allowance. The allowance shall be paid annually in January of each fiscal year, except that employees who successfully complete their initial probation during the course of a calendar year shall thereupon receive a pro-rata share of the annual allowance for that year. For example, an employee who successfully

completes entry level probation on October 1, and is entitled to the $700 per year allowance shall then receive a $175 allowance for that year and an additional $700 allowance for the next year.

## 15. OVERTIME

Police personnel shall be paid overtime when required to work holidays, normally scheduled days off, in excess of their normal daily work hours, or in excess of their prescribed work period as specified in Section 17; however, whether extra compensation shall be paid or compensating time off shall be allowed for overtime shall be determined by the Appointing Authority. The maximum amount of compensatory time a sworn police employee can accumulate is 160 hours.

All overtime shall be paid at the regular rate of pay, as defined in the FLSA, which includes all non-discretionary bonuses.

A. Court Time

Police personnel called to appear in court shall receive a minimum of four (4) hours of overtime compensation calculated at the rate of one and one half times their regular rate of pay (hereinafter referred to as time and one half); except, that if the court appearance time is contiguous either before or after, to the employee's assigned shift, the employee will be paid at time and one half for a minimum of one (1) hour or for the actual time spent in court, whichever is greater.

B. Call Back

Police Personnel who are called back to work shall receive a minimum of four hours paid at straight time even if the call back is less than four hours. Police Personnel called back for more than four hours will be paid at time and one half for all hours worked beyond four hours

C. Standby Pay

When, because of anticipated emergency manpower needs, an officer is required to be on call or to stand by, the officer shall receive an amount equal to three hours compensation per day of ordered standby. The hourly rate shall be computed by using the officer's base rate of pay.

If the Officer elects not to remain at home when the officer is ordered to standby or ordered to remain on call, the officer shall provide the department with a telephone number at the location where the officer can be contacted including a cell phone number. Such location shall approximate the response time the officer would have used to travel from home to the department. An officer while on call or on standby shall remain fit for duty.

D. Special Assignments

An employee working a special assignment, as administered by Sections 4/275.05 – 4/275.35 of the Beverly Hills Police Department Manual, shall receive a minimum of four (4) hours of pay at time and one half.

## 16. RETIREMENT

A. Retirement (PERS%)

1. Until December 31, 2015, the City shall pay an amount equal to nine percent (9%) of the individual gross salaries of police personnel to the California Public Employees' Retirement System (P.E.R.S.) on behalf of such personnel members in lieu of their individual retirement contribution obligation. Effective January 1, 2016, employees shall pay one percent (1%) of their gross salary towards the member contribution to P.E.R.S.. Thus, effective January 1, 2016, the City shall pay an amount equal to eight percent (8%) of the individual gross salaries of police personnel to P.E.R.S. on behalf of such personnel members in lieu of their individual retirement contribution obligation. The City shall "pick up" pursuant to Internal Revenue Code Section 414(h)(2) the amount of the employee-paid member contribution to enable the employee's taxable income to be reduced by the amount of the employee-paid contribution. Although the parties believe that the pick up of the employee paid retirement contribution is pre-tax, the parties agree that the City is not responsible for the tax treatment of that contribution and the Association holds the City harmless from any liability related to a determination that such contributions is not a pre-tax contribution.

2. For purposes of this Section, "gross salaries" shall mean "compensation earnable" as defined in Section 20636 of the California Government Code.

3. Effective January 1, 2014, in accordance with Section 20156(f) of the California Government Code, employees shall pay to CalPERS on a pre-tax basis pursuant to a cost-sharing arrangement to fund the retirement formulas described herein an amount equal to one percent (1%) of their gross salaries. Effective January 1, 2015, the employees' contribution shall be increased by an additional two percent of gross salaries, for a total of three percent (3%)of their gross salaries. Although the parties believe that the cost sharing contribution is pre-tax, the parties agree that the City is not responsible for the tax treatment of that contribution and the Association holds the City harmless from any liability related to a determination that such contributions is not a pre-tax contribution.

B. Survivor's Continuance

The City's contract with the Public Employees' Retirement System provides for the Survivor's Continuance for sworn police personnel.

C. 3% at 50 Formula

The City's contract with P.E.R.S provides for the 3% at 50 retirement formula set forth in California Government Code Section 21362.2 for all current sworn police personnel hired prior to July 1, 2012.

D. 3% at 55 Formula – For Employees Hired On Or After July 1, 2012

The City will amend its contract with P.E.R.S. to provide for the 3% at 55 retirement formula set forth in California Government Code section 21363.1 for employees hired on or after July 1, 2012.

E. PERS Benefit Provided by Government Code section 20636(c)(4)

Pursuant to Government Code section 20636(c)(4), the City shall pay (as already provided by subdivision A of this article) and report to P.E.R.S. as compensation earnable the monetary value of contributions paid by the City on behalf of each employee (as described in subparagraph A1 above and known as "employer-paid member contribution") covered by this MOU. For purposes of this agreement this benefit shall be known as "PERS on PERS".

F. Single Highest Year

The City's contract with the Public Employees' Retirement System provides for the "Single Highest Year" retirement benefit for current sworn police personnel hired prior to July 1, 2012 pursuant to California Government Code Section 20042.

G. Highest Average Annual Compensation During Three Consecutive Years of Employment – For Employees Hired on or After July 1, 2012

The City will amend its contract with P.E.R.S. to provide for retirement benefits based on the highest annual average compensation earnable during the three consecutive years of employment immediately preceding the effective date of his or her retirement or as designated by the employee in accordance with Government Code Section 20037 for employees hired on or after July 1, 2012.

H Military Buy-Back

The City's contract with the Public Employees' Retirement System provides for the military buy back option to a maximum of four (4) years buy back time. The entire cost of this buy back program, including any cost burden on the City, shall be borne by those police personnel taking advantage of this buy back option.

I. 1959 Survivor's Benefit

The City provides Level 4 coverage under the 1959 Survivors Benefit.

J. Reopener

If, at any time during the term of the MOU, there is legislation, a regulation issued in the California Code of Regulations or case law, that requires employees to pay (during the term of the MOU) additional contributions to their P.E.R.S. retirement or reduces employee cost sharing (during the term of the MOU), the City or the Association may demand to reopen the MOU to address the impact of the legislation, regulation or case law. This reopener will not be triggered if the aforementioned changes in the law provide that modifications to employee or employer retirement contributions are subject to collective bargaining or if such modifications would not go into effect during the term of the MOU.

## 17. WORK SCHEDULE

Current Work Schedules

Every sworn police safety employee is required to work a minimum forty (40) hour week, unless otherwise provided herein. Those employees assigned to the Patrol Division shall work the 3/12 work schedule, except those employees assigned to Motors, who shall work a 4/10 work schedule. Those employees assigned to a 4/10 work schedule shall work 4 days per week, 10 hours per day.

Flexible scheduling on the use of two-man patrol vehicles in the early morning hours shall be the decision of the Watch Commander. There shall be no automatic doubling up of personnel and such assignments may be made based upon available personnel and the ability to provide adequate patrol coverage throughout the City.

For those employees assigned to the 3/12 work schedule, overtime shall be defined as all time worked and/or regarded as having been worked because of a paid leave of absence in excess of the scheduled daily work shift and/or 160 hours in a 28-day work period. For those employees assigned to a 4/10 work schedule, overtime shall be defined as all time worked and/or regarded as having been worked because of a paid leave of absence in excess of the regularly scheduled work day or 40 hours in a seven day work period.

Pursuant to Section 7(k) of the FLSA, the City has adopted a 28-day work period.

## 18. ASSIGNMENTS

It is the policy of the Beverly Hills Police Department that selection of employees for special assignments will be made by following the procedure indicated below.

A. When an opening for a special assignment is available or imminent, the Police Chief or Division Commander shall request interested personnel to submit a memorandum requesting assignment to the vacant position.

B. Officers submitting requests shall indicate their reasons and qualifications for the new assignment in memorandum form to their immediate supervisor.

C. Supervisors shall review requests after which they shall attach a memorandum of their own, which includes any comments they have and a recommendation of the officer for the position applied for.

D. After reviewing all requests for special assignment the Police Chief or Division Commander will have the option of (a) making the selection based on the information submitted or (b) establishing an oral board for the purpose of interviewing all candidates and receiving recommendations from the oral board and then making selection.

E. Notwithstanding the above, the Police Chief shall retain the right to assign personnel to special assignments without following the above procedures when the Police Chief feels such action is in the best interests of the Department.

F. Within 10 days after an employee is informed that the employee was not chosen for an assignment, the employee may ask the Division Commander or the Superior officer who effectively made the selection, for the reason the employee was not selected. The Division Commander or the Superior officer shall respond within 10 working days.

## 19. COMPENSATORY TIME - BOARD MEMBERS

Association Time

Beverly Hills Police Association Board members, subject to the approval of the Police Chief or designee, shall be allowed a reasonable period of time without loss of compensation for the sole and exclusive purpose of conducting transactions of the Beverly Hills Police Officers' Association. Said amount of time shall not exceed one (1) hour per day for each Board member and an aggregate not to exceed five hundred (500) hours per year for all such Board members provided every reasonable effort is made to conduct Association meetings and/or business on nonduty time. Permission to attend Association meetings on duty must be obtained 48 hours in advance from Police Chief or designee. Permission to conduct Association business on duty must be obtained in advance from the Police Chief or designee. Approval to conduct Association business or attend Association meetings is conditioned upon field and/or assignment conditions.

As part of the five hundred hours per year paid release time for Association Board members, up to a total maximum of six (6) days (either 8 hour or 10 hour shifts may be considered (1) day) may be used to attend police related conferences, seminars or conventions. Permission to attend such conferences or conventions must be obtained two (2) weeks in advance from the Police Chief or designee.

## 20. OVERPAYMENT

In the event Sworn Police personnel are overpaid due to an error of the City or employee, repayment shall be made in a similar manner as the overpayment was received unless extraordinary circumstances prevent that from occurring or unless the overpayment was the result of an inappropriate action of the employee.

## 21. SEPARATION FROM CITY SERVICE

A. Sick Leave Pay-Off

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 qualified to receive sick leave pay off.

1. Employees who have achieved ten (10) or more continuous years of service shall be eligible for sick leave pay upon separation of employment with the City at the rate of three percent (3%) of accrued, unused sick leave per full year of service. Sick leave shall be calculated at the rate of pay, including all bonuses, received by the employee at the time of his/her separation.

2. Police personnel who have achieved twenty (20) or more continuous years of service shall be eligible for sick leave pay upon separation of employment with the City at the rate of four percent(4%) of accrued, unused sick leave per full year of service. Sick leave shall be calculated at the rate of pay, including all bonuses, received by the employee at the time of his/her separation.

   Police personnel eligible to receive sick leave pay shall receive said pay at the time of termination. At no time can the percentage of sick leave payoff exceed 100%.

B. Vacation Pay-Off

Police personnel who terminate from City service shall receive an amount equal to accrued unused vacation at the time of termination. The rate of payoff shall be based on the rate of pay at the time of separation.

C. Conversion of Sick Leave to Deferred Compensation

Police personnel may convert accumulated sick leave to salary. The extra pay may only be used to fund "catch-up" contributions to deferred compensation. The following restrictions apply to this program:

1. The employee shall have a minimum of 15 years of service with the City of Beverly Hills.

2. The individual's sick leave accrual balance cannot be reduced below 500 hours.

3. The conversion is limited to no more than three consecutive years, and the conversion can be used only for funding the deferred compensation "catch-up".

4. The conversion shall not exceed the amount which will bring the annual deferral to the maximum allowed by law.

5. The conversion will be at the then existing sick leave payoff percentage.

## 22. ADMINISTRATIVE APPEAL PROCESS

The following administrative appeal process is established pursuant to Government Code § 3304.5. It shall supplement, though not replace, the existing disciplinary appeal process which was agreed to by the parties on November 7, 2006. This procedure shall not apply to disciplinary actions for which officers already are entitled to receive an appeal hearing pursuant to that agreement for disciplinary transfer, step reduction, suspension, demotion and dismissal.

A. Right to Administrative Appeal Under this Procedure

1. Any public safety officer (as that term is defined by Government Code § 3301) who is subjected to punitive action (within the meaning of Government Code § 3303) other than dismissal, demotion, step reduction, suspension or disciplinary transfer or who is subjected to an action which may lead to punitive action, shall be entitled to receive an administrative appeal under this procedure. The officer shall not be entitled to appeal the action prior to its imposition, i.e., an officer shall not be entitled to receive a hearing akin to a *Skelly* hearing or other pre-disciplinary appeal hearing prior to imposition of the punitive action.

2. Officers subjected to dismissal, demotion, step reduction, suspension or disciplinary transfer shall continue to be entitled to an appeal in accordance with existing procedures.

B. Notice of Appeal

1. Within five (5) calendar days of receipt by an officer of notification of punitive action as set forth above, the officer shall notify the Assistant Director of Administrative Services/Human Resources in writing of the officer's intent to appeal the punitive action.

2 The notice of appeal shall specify the action being appealed and the substantive and procedural grounds for the appeal.

C. Hearing Officer

1. The City Manager shall have twenty-one (21) calendar days from receipt of the notice of appeal to designate himself/herself as the hearing officer or appoint a neutral hearing officer who is not embroiled in the controversy, i.e., a person who did not initiate or authorize the action in question.

2. The hearing officer appointed by the City Manager shall serve in an advisory capacity and shall be responsible for making recommended findings of fact and issuing an advisory decision to the City Manager. The City Manager may adopt, modify, or reject the hearing officer's recommendations and advisory decision and the City Manager's decision shall be final and binding.

D. Burden of Proof/Persuasion

1. If the action being appealed does not involve allegations of misconduct (i.e., allegations that the officer has violated one or more federal, state, or local laws, and/or City or Police Department regulations, procedures, or rules) the limited purpose of the hearing shall be to provide the officer the opportunity to establish a record of the circumstances surrounding the action. The City's burden shall be satisfied if the City establishes that the action was reasonable, even though reasonable persons might disagree about whether the action was the best one under the circumstances.

   For example, if the Police Department effected a non-disciplinary transfer of an officer out of a premium pay assignment with the intent of affording other officers the opportunity to work in the assignment, the decision would not be subject to being overturned as long as it was reasonable, even if one or more persons might disagree with the decision.

2. If the punitive action involves charges of misconduct, (i.e., allegations that the officer has violated one or more laws, regulations, procedures, or rules), the City shall have the burden of proving by a preponderance of the evidence the facts which form the basis for the charge of misconduct and the burden of persuasion that the punitive action was reasonable under the circumstances.

   For example, if an officer received a written reprimand for unauthorized absence from work then the City would bear the burden of proving that the officer was absent from work without authorization and that a written reprimand was reasonable under the circumstances.

E Conduct of Hearing

1. The formal rules of evidence do not apply, although the hearing officer shall have discretion to exclude evidence which is incompetent, irrelevant or cumulative.

2. The parties may present opening statements.

3. The parties may present evidence through documents and testimony.

   a. Witnesses shall testify under oath.

   b. The hearing officer shall issue subpoenas for documents or testimony upon reasonable request of the parties.

4. The parties shall be entitled to confront and cross-examine witnesses.

5. Following the presentation of evidence, if any, the parties may submit oral and/or written closing argument for consideration by the hearing officer.

F Recording of the Hearing

If the punitive action involves an allegation of misconduct, then the hearing shall be stenographically recorded by a certified court reporter. Otherwise, the hearing may be tape recorded. The per diem cost of the court reporter shall be equally borne by the parties. The cost to receive a transcript of the hearing shall be borne by the party requesting the transcript.

G Representation

The officer may be represented by an association representative or attorney of his or her choice at all stages of the proceedings. All costs associated with such representation shall be borne by the officer.

The City shall also be entitled to representation at all stages of the proceedings.

H Decision

1. If a hearing officer is appointed by the City Manager, the hearing officer shall issue his/her advisory decision in writing within sixty (60) calendar days of the submission of the case by the parties for decision. The written decision shall set forth proposed findings of fact and a proposed decision.

2. Within ten (10) calendar days of receipt of the advisory decision, the City Manager shall serve the parties with written notice of his/her decision adopting, modifying, or rejecting the hearing officer's recommendations and decision. If the City Manager modifies, or rejects the hearing officer's decision, then he or she shall review the entire record prior to making a decision.

3. If the City Manager hears the appeal him/herself, he/she will issue his/her decision within sixty (60) calendar days of the submission of the case by the parties for decision. The written decision shall set forth his/her findings of fact and final decision.

4. The decision shall be served by first class mail, postage pre-paid, upon the officer as well as his/her attorney or representative, shall be accompanied by an affidavit or certificate of mailing, and shall advise the police personnel that the time within which judicial review of the decision may be sought is governed by Code of Civil Procedure § 1094.6.

Until approved by the City Council, this document is not a contract but a written Memorandum prepared pursuant to the requirements of Government Code Section 3505.1 for presentation to the City Council for its determination.

This Memorandum is signed on this ___th day of ~~January~~ November 2012.

| City of Beverly Hills Representatives | Beverly Hills Police Officers Association |
|---|---|
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

# Attachment 2

# MEMORANDUM OF UNDERSTANDING
# (BEVERLY HILLS POLICE OFFICERS' ASSOCIATION)

The Beverly Hills Police Officers' Association, (hereinafter "Association") a formally recognized employee organization, representing all Police Sergeants and Police Officers (hereinafter "police personnel"), and duly authorized representatives of the management of the City of Beverly Hills (hereinafter "City"), have met and conferred in good faith; freely exchanging information, opinions and proposals, and have reached the following understanding on matters within the scope of representation;

Now, therefore, the parties agree and mutually recommend to the City Council of the City of Beverly Hills (hereinafter "City Council") the following for its determination:

A. Integration This document embodies a written memorandum of the entire understanding and mutual agreement of the parties as required by Government Code Section 3505.1 and supersedes all prior Memoranda of Understanding and verbal agreements between the parties hereto.

The City recognizes that certain past practices may be identified during the term of this agreement which should have been included in this document but, due to inadvertent omission, are not set forth herein. Mutual agreement between the parties shall be necessary to implement change to such past practices. All other practices, policies and procedures affecting wages, hours and working conditions may be changed only after a meet and confer process has been conducted between the parties. However, the parties agree neither party may compel the other party to negotiate regarding proposed changes to any matter within the lawful scope of bargaining (wages, hours and other terms and conditions of employment) during the term of this Agreement. This is known as a "zipper clause."

This Memorandum of Understanding is subject to a determination and implementation by the City Council pursuant to Government Code Section 3505.1. Upon determination by the City Council pursuant to Government Code Section 3505.1, the provisions of the City Compensation Plan for police personnel (the "Plan") which are referred to herein shall be modified as set forth herein.

B. Term. Unless otherwise specified herein, this Memorandum of Understanding shall be effective beginning October 8, 2011 and shall expire October 6, 2016.

## 1. SALARIES

Effective January 1, 2014, police personnel shall receive a one percent (1%) base salary increase.

Effective January 1, 2015, police personnel shall receive a two percent (2%) base salary increase.

Effective January 1, 2016, police personnel shall receive a two percent (2%) base salary increase.

## 2. 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 at the first step and shall be eligible to advance through the five (5) steps for Police Officer and six (6) steps for Police Sergeant in their allocated schedules as follows:

1. Probationary Employment

   Unless otherwise provided, every probationary employee shall receive a salary step increase to the next highest step in the prescribed schedule at the completion of the first six (6) months of service.

2. Probationary Period

   The probationary period for newly hired police officers, excluding laterally transferred personnel or promoted personnel, shall be eighteen (18) months.

3. Pre-Service Entry Level Employment

   Each newly hired entry level Police Officer (excluding individuals hired as lateral Police Officers) shall serve as a non-sworn civilian employee until such time as he/she successfully graduates from the Police Academy and is sworn in as a Police Officer. These Pre-Service employees shall receive similar benefits as a sworn Police Officer with the exception of retirement and workers' compensation benefits. Because Pre-Service employees are not sworn, they are considered miscellaneous employees under the Public Employees' Retirement Law and are not eligible for workers' compensation benefits pursuant to Labor Code section 4850.

   The probationary period for Pre-Service entry level Police Officers shall be 18 months from date of hire as a Pre-Service entry level employee.

4. Permanent Employee Advancement

   Unless otherwise provided, every permanent employee shall receive step advancements in the following manner:

   a. Each year on his or her anniversary date in position, an employee shall be eligible for salary step increases for Salary Range P39 Steps I-IV, provided said employee has met the standards as provided through the Employee Evaluation Program.

b. Such an increase is recommended by the employee's supervisor and the Appointing Authority and is approved by the Assistant Director of Administrative Services/ Human Resources and City Manager, where applicable.

In the event an individual is appointed or promoted to any sworn police position at step 3, he/she shall not be eligible for a salary increase after 6 months of service, but shall be eligible for a salary step increase upon the completion of one year of service, provided said employee has met the standards as provided through the Employee Evaluation Program.

5. Temporary Appointment

Temporary appointment 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 positions shall not accrue any paid benefits, leave rights, or rights to permanent appointment. If a temporary employee attains probationary status or if exempt from permanent status, he/she shall not be eligible for any retroactive payment of benefits.

B. Effective Date Of Increase

Approved salary step increases shall be on the first day of the pay period that begins closest to the satisfactory completion of the probation period and on every subsequent anniversary date.

C. Employment At Other Than The First Step

Every original appointment 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.

D. Special Merit Advancement

The City Manager may authorize the advancement of an employee to any step within the prescribed schedule for that position, upon written recommendation of the Appointing Authority, as submitted to the Assistant Director of Administrative Services/Human Resources. Such salary increases shall be effective on the first day of the pay period following the approval of the City Manager if not otherwise specified by the City Manager. When a special merit increase advancement is granted, the City Manager shall indicate what the employee's new anniversary date shall be.

E. Superior-Subordinate Relationships

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 on a permanent basis.

In such a relationship, a superior shall be paid a monthly salary rate above his/her subordinates. When a subordinate's monthly base salary rate is equal to or exceeds that which is being paid to his/her superior, the superior shall receive a special adjustment in an amount which is at least 2.75% above that received by his/her subordinates.

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/her by this section shall be eliminated.

Monthly salary is defined as the base monthly salary paid to a position. Excluded from salary computations for this provision are any bonuses paid, shift differentials, overtime payments, or any additional payment paid to a position.

F. Acting Time

Police Personnel temporarily assigned to a classification higher than his/her regularly assigned classification shall receive acting time compensation while so assigned to the higher position.

This amount shall be 5.5% above his/her present base monthly salary, provided that this additional amount shall not exceed the fifth step nor be lower than the first step of the higher classification. The Assistant Director of Administrative Services/Human Resources and the City Manager shall approve acting time requests.

To be eligible for acting pay, the employee has to meet the criteria for the higher classification and be capable of performing those specific tasks that he/she will be performing during this acting time and which differentiates it from the lower classifications.

Police Personnel assigned to a higher position and receiving acting pay shall not acquire status or credit for service in the higher classification and may be returned to their regular position at any time.

The superior-subordinate relationship salary adjustment shall not be affected as a result of the application of acting time pay.

## 3. BONUSES

No special salary adjustments authorized by this section shall become effective until an official personnel transaction form authorizing the adjustment is approved by the Assistant Director of

Administrative Services/Human Resources. Education and Assignment bonuses will be added to base pay for calculation of overtime (to be paid at the regular rate of pay as described by the Fair Labor Standards Act) and for termination payoffs as described in Article 21 of this MOU.

Travel expense or per diem will not be reimbursed for educational courses taken by an employee where that employee will subsequently receive an education bonus for such education, unless and to the extent such expenses are reimbursed by P.O.S.T. Applications for reimbursement shall be submitted and processed in accordance with the Education and Training Administrative Regulation 3A.2.

A. Assignment Bonus

The attached Base Salary and Assignment Bonuses Salary Matrix (Exhibit A to this MOU) includes base salary plus assignment bonuses. Employees (either Police Officers or Police Sergeants) will be placed on the salary matrix at the first range for their rank – which is 39 for Police Officer and 46 for Police Sergeant if they have not earned any assignment bonuses. If they have earned a 2.75% assignment bonus, they will be placed at the second range for their rank which is 40 for Police Officer and 47 for Police Sergeant. If they have earned a 5.5% assignment bonus, they will be placed at the third range for their rank which is 41 for Police Officer and 48 for Police Sergeant. If they have earned a 8.25% assignment bonus, they will be placed at the fourth range (which is the last range) for their rank which is 42 for Police Officer and 49 for Police Sergeant. The fourth range at each rank (representing one or a combination of bonuses of 8.25%) is the highest range that an employee can placed at. Employees cannot earn more than 8.25% in assignment bonuses as set forth below. The following are the available assignment bonuses.

1. Special Tactics Unit

   Four (4) Police Officers and one (1) Sergeant comprise the Special Tactics Unit and shall receive a bonus of 5.5% of their base salary.

2. Detective Assignment

   Police Officers and Sergeants when formally assigned to the Detective Bureau shall receive a bonus of 8.25% of their base salary.

3. Field Training Officer

   There shall be a maximum of 9 Field Training Officers. When assigned to said position, a Police Officer shall receive a bonus of 5.5% of his or her base salary.

4. Motor Bonus

   A. Police Officers and Sergeant(s) assigned to the motor detail shall receive a bonus of 8.25% of their base salary. In addition, police personnel assigned to the motor detail shall receive 4 hours of compensatory time per month for off-duty time spent maintaining the assigned motorcycle.

B. D.U.I. – Police Officers assigned to the Traffic Bureau – DUI Team shall receive a bonus of 5.5% of his/her base salary.

5. Personnel & Training Bureau

The Sergeant(s) assigned to the Personnel Training Bureau shall receive a 5.5% bonus of their base salary. Police Officers assigned as Background Investigators shall receive a bonus of 5.5% of his/her base salary. The Police Officers assigned to the Personnel & Training Bureau as the Administrative Training Officer shall receive a bonus of 5.5% of his/her base salary.

6. Office of the Chief

A. Professional Standards Unit – The Sergeant assigned to the Professional Standards Unit shall receive a bonus of 8.25% of his/her base salary.

B. Intelligence Unit – The Sergeant assigned to the Intelligence Unit shall receive a bonus of 8.25% of his/her base salary.

7. Traffic/Accident Investigation

The Officers assigned to the traffic and accident investigation function shall receive a 5.5% bonus of their base salary. The Sergeants assigned to the traffic and accident investigation function shall receive an 8.25% bonus of their base salary.

8. Canine Handlers

Police Officers assigned in the canine special assignment shall receive the following compensation, in addition to their regular base pay:

A 5.5% of monthly base salary per month
B. 5.5 hours of compensatory time off per 28 day work period.

The City and Officers understand and agree that this additional compensation is intended to compensate canine officers for all off duty hours spent caring, grooming, feeding and otherwise maintaining their canine unit, in compliance with the FLSA and interpretive cases and rulings.

The parties acknowledge that the FLSA, which governs the entitlement to compensation for canine duties, entitles the parties to agree to a reasonable number of hours per month for the performance of off duty canine duties. The hours derived at in this agreement were determined after an actual inquiry of the Officers assigned in the canine special assignment as addressed by *Leever v. City of Carson City*, 360 F.3d 1014 (9th Cir. 2004). It is the intent of the parties through the provisions of this section to fully comply with the requirements of the

FLSA In addition, both parties believe that this section of the MOU does comply with the requirements of the FLSA.

9. Desk Officers

Until June 29, 2016, Police Officers assigned as Desk Officers shall receive a bonus of 5.5% of their base salary. Effective June 30, 2016, the bonus shall be converted to a dollar amount equal to 5.5% of the base salary of a police officer at top step, as of that date.

10. Crime Suppression Unit

Until June 29, 2016, Police Officer(s) and Sergeant(s) assigned to the Crime Suppression Unit shall receive a bonus of 5.5% of his/her base salary. Effective June 30, 2016, the bonus shall be converted to a dollar amount equal to 5.5% of the base salary of a police officer at top step, as of that date.

11. Special Projects Detail

Police Officer(s) assigned to the Special Projects Detail shall receive a bonus of 5.5% of his/her base salary.

12. Crime Prevention Bureau

The Police Sergeant assigned to Crime Prevention shall receive a bonus of 5.5% of his/her base salary. Police Officers assigned as a School Resource Officer or Crime Prevention Officer shall receive a bonus of 5.5% of their base salary. Effective June 30, 2016, the bonus provided to Police Officers assigned as a School Resource Officer shall be converted to a dollar amount equal to 5.5% of the base salary of a police officer at top step, as of that date.

13. Red Light Photo Enforcement Officer

Until June 29, 2016, Police Officers assigned as the Red Light Photo Enforcement Officer shall receive a bonus of 5.5% of their base salary. Effective June 30, 2016, the bonus shall be converted to a dollar amount equal to 5.5% of the base salary of a police officer at top step, as of that date. However, the employees in the assignment as of December 1, 2011 are grandfathered from this change in the value of the bonus. Thus, with respect to employees who were receiving this bonus on December 1, 2011 and are continuously still in the assignment through June 30, 2016, their bonus will continue to be an amount equal to 5.5% of their base salary whereas the bonus for any employee who enters or re-enters this assignment after December 1, 2011 will be the dollar amount described above.

As an example as to how to calculate education and assignment bonuses the parties refer to the following: If a Range 39, Step 5 Police Officer's base salary is $90,340.94, and this Police Officer receives a 5.5% assignment bonus, his/her combined total of Base Salary Plus

assignment bonuses is $90,340.94 (P39, Step 5) + $4,968.75 (5.5% of $90,340.94) = $95,309.69 (P-41, Step 5). If that employee has the maximum education bonus of 13.75%, the education bonus is $13,105.08, which is 13.75% of $95,309.69 and which is reflected separately on the employee's pay stub.

B. Education Bonus

Education bonuses as described and calculated below will be paid to employees as a separate amount and not included on the salary matrix as additional ranges. Employee pay stubs will reflect the education bonus separately from the other forms of pay.

Education bonuses shall not be paid to new police personnel until such personnel are appointed to a permanent sworn safety position.

Police Personnel who have earned an Advanced P.O.S.T. Certificate shall receive a bonus each pay period equal to 2.75% of an amount equal to the employee's base salary plus any assignment bonuses he/she has earned. The parties' Base Salary and Assignment Bonuses Salary Matrix (attached hereto as Exhibit A) has each employee's range of Base Salary and Assignment Bonuses. The 2.75% shall be multiplied by the combined amount of base salary plus the employee's earned assignment bonuses, if applicable. Also, Police Personnel who earn a Bachelor's Degree that results from satisfactorily completing a prescribed course of study which can include on-line curriculum from an accredited college or university recognized by Council for Higher Education Accreditation and/or its regional accrediting organizations, or any other college or university approved in advance by the Police Chief and Assistant Director of Administrative Services/Human Resources shall receive a separate bonus each pay period equal to 5.5% of an amount equal to the employee's base salary plus any assignment bonuses he/she has earned as described above.

In addition to the bonuses described above, police personnel who have either (a) each fiscal year complete eighty hours of pre-approved course work, (b) qualify for the education bonus for six years or (c) earn a Master's Degree shall receive an additional bonus each pay period of 5.5% of an amount equal to the employee's base salary plus any assignment bonuses he/she has earned as described above. To qualify, a Masters' Degree must be issued by an accredited college or university recognized by Council for Higher Education Accreditation and/or its regional accrediting organizations or any other college or university approved in advance by the Police Chief and Assistant Director of Administrative Services/Human Resources.

For example, police personnel who have earned an Advanced P.O.S.T. Certificate will receive a bonus of 2.75% of an amount equal to the employee's base salary plus assignment bonuses he/she has earned as described above. If that same employee has earned a Bachelor's Degree in addition to his/her Advanced P.O.S.T. Certificate, he/she is entitled to an additional bonus of 5.5% of an amount equal to the employee's base salary plus assignment bonuses he/she has earned as described above. Furthermore, he/she can earn an additional bonus each pay period of 5.5% of the employee's base salary plus assignment bonuses he/she has earned as described above if he/she (1) earns a Master's

Degree in a field having relevance to police work; (2) has successfully completed 80 hours of pre-approved course work during off-duty hours in the previous year; or (3) has qualified for the continuing education program for six years. Successful completion constitutes a grade C or higher for all courses, not just on an averaging basis. To the extent possible, this qualification period shall be continuous. There may be circumstances which arise precluding an employee from going to school for six continuous years. In the event the employee has to stop his/her education, the employee shall submit the information to the Chief of Police and the Assistant Director of Administrative Services/Human Resources for consideration. Each case will be reviewed individually. While the City intends to apply reasonable standards to these requests, it is also cognizant of the intent of this provision and wants to preclude abuse. Upon the attainment of a Master's Degree or completing six years of qualifying education, the continuing education bonus will become permanent and no further course work is required to keep that bonus. Therefore, the maximum total of the above bonuses (for education) that an employee is capable of receiving is 13.75% of an amount equal to the employee's base salary plus assignment bonuses he/she has earned as described above, computed as follows:

(a) 2.75% for the Advanced P.O.S.T. Certificate
(b) 5.5% for earning a Bachelor's Degree.
(c) 5.5% for earning a Master's Degree, completing 80 hours of pre-approved course work in the previous year, or satisfying the qualifying continuation education requirement for six years.

With each of the examples, the particular percentage (for education bonus) will be multiplied by the sum of base salary and whatever assignment bonuses he/she has earned as described above.

The City and Association agree to develop criteria to be used in the City's Education & Tuition Reimbursement Administration Regulation to allow for on-line classes and insure that these courses meet acceptable standards.

## 4. RECLASSIFICATION, PROMOTION & Y-RATING

A. Reclassification

When a position is reclassified upward, the incumbent, i.e., the employee in the position, may be appointed to that position, providing that:

1. The incumbent has held the position which was reclassified for a minimum of ninety (90) days prior to the reclassification, and

2. Said employee meets the qualifications established for the position.

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

B. Y Rating

In the event an employee in a position is Y-rated the employee's monthly base salary shall not be increased until the monthly base salary of the position held by that employee meets or exceeds the monthly salary paid to that employee.

C. Promotion

Every employee who is promoted shall serve a probation period as defined in the Personnel System Rules & Regulations. An employee who is promoted or who is in a position which is reclassified upward shall be appointed to the first step of the salary schedule of the new classification or at least 5.5% above the step and schedule of his/her previous classification. Benefits and leave rights shall be available to employees on probation as a result of accepting a promotion.

## 5. MEDICAL INSURANCE

The City contracts with the Public Employees' Retirement System ("P.E.R.S.") for medical insurance. Insurance coverage is effective the first day of the month following the 30 day waiting period. For the period of October 8, 2011 through and including December 31, 2012, the City shall provide medical insurance benefits in accordance with the terms and conditions of the previous Memorandum of Understanding between the parties covering the term between September 29, 2007 and October 7, 2011, the contents of which are incorporated by reference as though set forth in full.

A. **Health and Welfare Benefits Effective January 1, 2013**

The City shall continue to contract with P.E.R.S 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, 2013, the City will continue to contribute the PERS statutory minimum ($112.00 for 2012, and yet still undetermined for 2013-2016) 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 to the statutory minimum, the City will provide current employees with flexible benefits through a cafeteria plan as provided below.

B **Benefits provided through Cafeteria Plan**

Effective January 1, 2013, the following insurance benefits described in this Article will be provided to employees and eligible dependents through a cafeteria plan adopted in accordance with the provisions of Internal Revenue Code § 125: medical insurance, dental insurance, and optical insurance.

1. **The Purchase of Optional Benefits Through the Cafeteria Plan**:

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

Effective January 1, 2013, each month the City will contribute to the cafeteria plan an amount (which includes the CalPERS statutory minimum) equal to the total of the monthly premiums for (a) the employee plus family category of the PORAC medical insurance plan available through PERS, (b) the employee plus family category of the "S*afety Standard"* Guardian dental plan and (c) the employee plus family category of the *"Safety Standard"* optical VSP to purchase the optional benefits of medical insurance, dental insurance and optical insurance.

Each calendar year during the term of this MOU, starting on January 1, 2013, the City will increase its monthly contribution by an amount equal to 80% of the total net increase over the previous year, if any, in the monthly premium, as of January 1 of each year, attendant to the three designated insurance plans described in the paragraph above. For contributions effective January 1, 2013, the City will look at the cost of those benefits in 2012 to determine how much of the increase (if any) will be paid by the City and the employee.

Thus, for example, the items in the cafeteria plan for 2012, as described above, equal $1,551.00. If, for 2013, the premiums for the three designated insurance benefits increase by $114 (for a total of $1,165), the City's contribution to the cafeteria plan shall increase by $91.20, which equals 80% of that premium increase. Thus, the 2013 cafeteria contribution would be $1,642.20. The same formula to determine increases in the City's cafeteria plan contribution would apply on a year-to-year basis throughout the term of the MOU, i.e., comparing 2014 costs to 2013 costs. For example, if the monthly premiums for the three designated insurance plans increase by an additional $100 in 2014, the City's monthly cafeteria plan contribution would increase by $80, for a total of $1,722.20. If the premiums for the plans and coverage selected by the employee exceed the amount of the cafeteria plan contribution, those excess premiums shall be the responsibility of the employee as described below.

2. **Medical Insurance**

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

| HMO Plans | PPO Plans |
|---|---|
| 1) Kaiser; | 1) PERS Care; |
| 2) Blue Shield Access +; or | 2) PERS Choice; or |
| 3) Blue Shield Net Value | 3) PERS Select |
| | 4) PORAC |

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 category, employee + 1 category or employee + family category, except that, an employee may elect not to participate if he/she provides the City with proof that he/she has comparable medical insurance from another source.

3. **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 and, if the amount of the new monthly premium for family coverage shall exceed that due under the former plan, the City's monthly cafeteria plan contribution shall be increased by the amount of the premium increase. Employees will have the options of participating in the employee category, the employee + spouse category, the employee + child(ren) category or the employee + family category. Employees do not have to choose any dental insurance and need not provide proof of dental insurance from another source in order to make that choice.

4. **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 and, if the amount of the new monthly premium for family coverage shall exceed that due under the former plan, the City's monthly cafeteria plan contribution shall be increased by the amount of the premium increase. As with medical insurance, employees have the options of participating in the employee category, the employee + 1 category or the employee + family category. Employees do not have to choose any optical insurance and need not provide proof of optical insurance from another source in order to make that choice.

5. **Employee Contributions for Benefit Options**

If an employee chooses optional benefits whose aggregate cost exceeds the total City contribution to the Cafeteria Plan, the City will automatically deduct the excess amount on a pre-tax basis from the employee's bi-weekly payroll.

6. **The Receipt of Cash Through the Cafeteria Plan**

If they choose optional benefits whose premiums do not equal the City's cafeteria plan contributions, 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:

7. **Receipt of Cash for Opting Out of the Optional Benefits**

Employees who elect not to be covered by one or more 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 | $100.00 |
| 3) | optical insurance | $15.00 |

8. **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. Any such employee shall be eligible to receive in cash the difference between the City's monthly cafeteria plan contribution and the total of the monthly premiums selected by the employees, not to exceed $475, as cash wages:

As an example, assume that the City's monthly cafeteria plan contribution is $1,551.00. If an employee opts out of dental insurance and purchases medical and optical insurance with premiums which add up to $1,363.00, he/she would receive $100.00 (the maximum amount) for opting out of dental insurance. However, if the premiums added up to $1,500,00 (and the maximum amount was $1,551.00) the employee would only receive $51 for opting out of dental insurance, not the $100 because the $51 would cause the employee to reach the cafeteria plan contribution maximum.

9. **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. Any amount allocated but not used within the prescribed time limits shall be forfeited

10. **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. Employees cannot allocate cash contributions made to the cafeteria plan to pay the premiums for this supplemental term life insurance. However, they may, on a post-tax basis, allocate any cash back they receive from the cafeteria plan for that purpose. It must be a deduction from their paycheck.

11. **Deferred Compensation**

Any cash that an employee may receive through the cafeteria plan may not be deferred to the employee's accounts under the City's deferred compensation plans. The employee may, however, be able to elect to increase his/her deferrals to the City's deferred compensation plans from his/her regular wages.

C. **Retiree Medical Insurance**

1) For employees hired prior to July 1, 2012 retiring (service retirement only) after July 1, 1989, through age 70, the City shall pay the difference between the PERS statutory minimum and the actual cost of medical insurance premium up to two-party rate of the PORAC Plan under PERS.

2) For retirees who retired between July 1, 1978 and July 1, 1989, the City shall pay $211/month, through age 65.

3) Employees hired by the City on or after July 1, 2012 who retire from the City will receive the PERS statutory minimum paid by the City. In addition, for employees hired into the unit as new employees on or after July 1, 2012, in lieu of additional retiree medical insurance benefits, the City shall, while the employees are working for the City, contribute the sum of $275.00 per month ($126.92 per pay period) to a retirement account on behalf of such employees. For employees who promote into the unit after July 1, 2012 who were City employees as of June 30, 2012, they will receive retiree medical benefits in accordance with the benefits of this MOU as though they were a member of the bargaining unit prior to July 1, 2012.

4) Retired sworn police personnel who receive a disability retirement on or after July 1, 1987, will be eligible for the PERS health plan (subject to the eligibility requirements of plan) if said employee has 20 years of service with the Beverly Hills Police Department or is over 45 years of age at the time of his or her retirement.

D. **Alternative Retiree Medical Plan**

The parties agree that the City may offer an Alternative Retiree Medical Plan (ARMP) to the members of the POA. The ARMP is a voluntary plan which each member can decide whether to accept or not.

## 6. LIFE INSURANCE

Police personnel shall be entitled to a $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 a life insurance program of its choosing. Such policy shall take the place of any other policies existing prior to the adoption of this provision. Each such employee shall have the option to individually purchase additional life insurance at the City's unit cost, if available.

## 7. DEFERRED COMPENSATION

A. The City shall contribute $320.00 per month on behalf of police officers to the City's deferred compensation program.

B. The City shall contribute $475.00 per month on behalf of police sergeants to the City's deferred compensation program.

## 8. HOLIDAYS

A. Holidays

All probationary and permanent police personnel employees shall be entitled to the following paid holidays if said employee worked the regularly assigned work period the day before and the day after the holiday or was absent on authorized paid leave during said period. Employees assigned to patrol or otherwise on a 3/12 schedule shall receive nine 12 ½ hour holidays, non-patrol employees on a 4/10 schedule shall receive ten 10-hour holidays.

| PATROL | |
|---|---|
| New Year's Day | January 1 |
| Martin Luther King Jr. Day | Third Monday in January |
| President's Day | Third Monday in February |
| Memorial Day | Last Monday in May |
| Independence Day | July 4 |
| Labor Day | First Monday in September |
| Veteran's Day | November 11 |
| Thanksgiving Day | Fourth Thursday in November |
| Christmas Day | December 25 |

| NON-PATROL (4/10 schedule) | |
|---|---|
| New Year's Day | January 1 |
| Martin Luther King Jr. Day | Third Monday in January |
| President's Day | Third Monday in February |
| Memorial Day | Last Monday in May |
| Independence Day | July 4 |
| Labor Day | First Monday in September |

| | |
|---|---|
| Veteran's Day | November 11 |
| Thanksgiving Day | Fourth Thursday in November |
| Day after Thanksgiving | Fourth Friday in November |
| Christmas Day | December 25 |

B. Personal Holiday

Police personnel shall be entitled to one personal paid holiday each fiscal year; for employees assigned to patrol or otherwise on a 3/12 schedule this shall be a 12 ½ hour holiday, for all employees on a 4/10 schedule it shall be a 10 hour holiday. This holiday may be taken at the employee's discretion subject to his/her supervisor's and Appointing Authority's approval. The employee shall request this holiday in writing. This holiday is non-accruable and shall not be paid for if not taken.

## 9. VACATION

A. Authorization For Taking Vacation

Upon completion of 12 months of service and approval of the Appointing Authority or designee, employees may take accrued vacation leave.

An employee entitled to vacation leave 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 much as possible upon application and seniority of the employees concerned and subject to the Appointing Authority's right to plan work under his/her control. He/she shall notify every employee within a reasonable time whether his/her application is approved.

B. Holidays During Vacations

When a holiday falls within an employee's vacation leave, the leave shall be extended by the amount of the holiday time.

C. Vacation Accumulation

Vacation credit shall be accrued bi-weekly to employees at the following rates:

| FIRST 4 YEARS OF SERVICE | AFTER 4 YEARS OF SERVICE | AFTER 14 YEARS OF SERVICE |
|---|---|---|
| 3.07 Hours Bi-weekly | 5.54/Hours Bi-weekly | 7.39 Hours Bi-weekly |
| 80 Hours Year | 144 Hours Year | 192 Hours Year |

Police Personnel with more than four but not more than fourteen years of service may not accumulate more than 432 hours of vacation. Employees with 432 hours of vacation on the books will not continue to accrue vacation until their balance falls below 432 hours

Police Personnel with more than fourteen years of service whose vacation accumulation at the beginning of a calendar year is less than 432 hours may accumulate annual vacation which will result in their balance being above 432 hours. However, if at the end of any calendar year the vacation accumulation is above 432 hours, they will not continue to accrue vacation until the balance falls below 432 hours, whereupon they will then continue to accrue vacation during that calendar year.

D. Briefing Preparation Time

Each calendar year Sergeants will receive prebriefing preparation time. Employees who are at the rank of Sergeant at the beginning of the year shall receive 50 hours of prebriefing preparation time. Employees first entering the classification of Sergeant shall receive (in the year he/she enters the classification) 50 hours of prebriefing preparation time if entering the classification prior to July 1 and 25 hours of prebriefing preparation time if entering the classification after June 30. The 50 hours of leave per calendar year is intended to compensate the Sergeants in accordance with the Fair Labor Standards Act. The parties acknowledge that keeping track of pre-briefing hours is difficult and this agreement to pay 50 hours for briefing preparation time each calendar year is intended to comply with 29 CFR section 785.23 of the Department of Labor regulations implementing the FLSA.

## 10. SICK LEAVE

Except as is otherwise provided, police personnel shall accrue, use and be compensated for sick leave as follows:

A. Accrual. Police personnel 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 sick leave and vacation.

B. New Employment. No sick leave may be used by any new employee until he/she has completed six (6) months of employment with the City.

C. Use. Accumulated sick leave may be used by an employee during any period of illness of the employee, spouse, child or registered domestic partner if the illness requires the presence of the employee.

D. Sick Leave Incentive. Police Personnel who accrue 72 hours or more of unused sick leave during any payroll year shall have the option of being paid in January of the succeeding year for up to 24 hours of the accumulated unused sick leave. Such hours not paid for or taken may be accumulated to be used or taken as needed in the future, or paid upon separation as provided for in paragraph 21A.

## 11. 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

Forty (40) hours of bereavement leave, per calendar year, may be used in the event of the death of a family member. 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 Assistant Director of Administrative Services/Human Resources.

## 12. WITNESS LEAVE

Police personnel who are required to serve as a witness pursuant to a lawful subpoena in any judicial or quasi-judicial proceeding in a matter other than one to which the employee is a party, or who are required to serve as a juror, shall be allowed time off without loss of pay to perform such duties. All fees to which the employee is entitled by law for such service shall be paid (less transportation allowance, if any) to the City. This Section is not applicable to those employees participating in judicial or quasi-judicial proceedings that are within the scope of their employment.

## 13. LEAVE WITHOUT PAY

Requests for leaves of absence without pay must be submitted through the chain of command and approved by the Chief of Police or designee and shall be used only if all appropriate accrued leaves have been exhausted. Police Personnel on leaves of absence without pay shall not accrue vacation, leave rights, nor shall the City pay for any fringe benefits. Decisions whether to grant such a leave will be made based on operational needs of the Department.

## 14. UNIFORM ALLOWANCE

A. The City shall furnish the initial uniform and necessary equipment to each sworn Police employee and replace uniform items which are no longer serviceable. The administration of this program is contained in Administrative Regulation 3.B.7.

B. Annual Uniform Allowance – The City shall provide for the payment of $700 per year for uniformed personnel who have successfully completed their initial probation and $800 per year for nonuniformed personnel who have successfully completed their initial probation as a uniform and equipment allowance. The allowance shall be paid annually in January of each fiscal year, except that employees who successfully complete their initial probation during the course of a calendar year shall thereupon receive a pro-rata share of the annual allowance for that year. For example, an employee who successfully

completes entry level probation on October 1, and is entitled to the $700 per year allowance shall then receive a $175 allowance for that year and an additional $700 allowance for the next year.

## 15. OVERTIME

Police personnel shall be paid overtime when required to work holidays, normally scheduled days off, in excess of their normal daily work hours, or in excess of their prescribed work period as specified in Section 17; however, whether extra compensation shall be paid or compensating time off shall be allowed for overtime shall be determined by the Appointing Authority. The maximum amount of compensatory time a sworn police employee can accumulate is 160 hours.

All overtime shall be paid at the regular rate of pay, as defined in the FLSA, which includes all non-discretionary bonuses.

A. Court Time

Police personnel called to appear in court shall receive a minimum of four (4) hours of overtime compensation calculated at the rate of one and one half times their regular rate of pay (hereinafter referred to as time and one half); except, that if the court appearance time is contiguous either before or after, to the employee's assigned shift, the employee will be paid at time and one half for a minimum of one (1) hour or for the actual time spent in court, whichever is greater.

B. Call Back

Police Personnel who are called back to work shall receive a minimum of four hours paid at straight time even if the call back is less than four hours. Police Personnel called back for more than four hours will be paid at time and one half for all hours worked beyond four hours

C. Standby Pay

When, because of anticipated emergency manpower needs, an officer is required to be on call or to stand by, the officer shall receive an amount equal to three hours compensation per day of ordered standby. The hourly rate shall be computed by using the officer's base rate of pay.

If the Officer elects not to remain at home when the officer is ordered to standby or ordered to remain on call, the officer shall provide the department with a telephone number at the location where the officer can be contacted including a cell phone number. Such location shall approximate the response time the officer would have used to travel from home to the department. An officer while on call or on standby shall remain fit for duty.

D. Special Assignments

An employee working a special assignment, as administered by Sections 4/275.05 – 4/275.35 of the Beverly Hills Police Department Manual, shall receive a minimum of four (4) hours of pay at time and one half.

## 16. RETIREMENT

A. Retirement (PERS%)

1. Until December 31, 2015, the City shall pay an amount equal to nine percent (9%) of the individual gross salaries of police personnel to the California Public Employees' Retirement System (P.E.R.S.) on behalf of such personnel members in lieu of their individual retirement contribution obligation. Effective January 1, 2016, employees shall pay one percent (1%) of their gross salary towards the member contribution to P.E.R.S.. Thus, effective January 1, 2016, the City shall pay an amount equal to eight percent (8%) of the individual gross salaries of police personnel to P.E.R.S. on behalf of such personnel members in lieu of their individual retirement contribution obligation. The City shall "pick up" pursuant to Internal Revenue Code Section 414(h)(2) the amount of the employee-paid member contribution to enable the employee's taxable income to be reduced by the amount of the employee-paid contribution. Although the parties believe that the pick up of the employee paid retirement contribution is pre-tax, the parties agree that the City is not responsible for the tax treatment of that contribution and the Association holds the City harmless from any liability related to a determination that such contributions is not a pre-tax contribution.

2. For purposes of this Section, "gross salaries" shall mean "compensation earnable" as defined in Section 20636 of the California Government Code.

3. Effective January 1, 2014, in accordance with Section 20156(f) of the California Government Code, employees shall pay to CalPERS on a pre-tax basis pursuant to a cost-sharing arrangement to fund the retirement formulas described herein an amount equal to one percent (1%) of their gross salaries. Effective January 1, 2015, the employees' contribution shall be increased by an additional two percent of gross salaries, for a total of three percent (3%)of their gross salaries. Although the parties believe that the cost sharing contribution is pre-tax, the parties agree that the City is not responsible for the tax treatment of that contribution and the Association holds the City harmless from any liability related to a determination that such contributions is not a pre-tax contribution.

B. Survivor's Continuance

The City's contract with the Public Employees' Retirement System provides for the Survivor's Continuance for sworn police personnel.

C. 3% at 50 Formula

The City's contract with P.E.R.S provides for the 3% at 50 retirement formula set forth in California Government Code Section 21362.2 for all current sworn police personnel hired prior to July 1, 2012.

D. 3% at 55 Formula – For Employees Hired On Or After July 1, 2012

The City will amend its contract with P.E.R.S. to provide for the 3% at 55 retirement formula set forth in California Government Code section 21363.1 for employees hired on or after July 1, 2012.

E. PERS Benefit Provided by Government Code section 20636(c)(4)

Pursuant to Government Code section 20636(c)(4), the City shall pay (as already provided by subdivision A of this article) and report to P.E.R.S. as compensation earnable the monetary value of contributions paid by the City on behalf of each employee (as described in subparagraph A1 above and known as "employer-paid member contribution") covered by this MOU. For purposes of this agreement this benefit shall be known as "PERS on PERS".

F. Single Highest Year

The City's contract with the Public Employees' Retirement System provides for the "Single Highest Year" retirement benefit for current sworn police personnel hired prior to July 1, 2012 pursuant to California Government Code Section 20042.

G. Highest Average Annual Compensation During Three Consecutive Years of Employment – For Employees Hired on or After July 1, 2012

The City will amend its contract with P.E.R.S. to provide for retirement benefits based on the highest annual average compensation earnable during the three consecutive years of employment immediately preceding the effective date of his or her retirement or as designated by the employee in accordance with Government Code Section 20037 for employees hired on or after July 1, 2012.

H Military Buy-Back

The City's contract with the Public Employees' Retirement System provides for the military buy back option to a maximum of four (4) years buy back time. The entire cost of this buy back program, including any cost burden on the City, shall be borne by those police personnel taking advantage of this buy back option.

I. 1959 Survivor's Benefit

The City provides Level 4 coverage under the 1959 Survivors Benefit.

J. Reopener

If, at any time during the term of the MOU, there is legislation, a regulation issued in the California Code of Regulations or case law, that requires employees to pay (during the term of the MOU) additional contributions to their P.E.R.S. retirement or reduces employee cost sharing (during the term of the MOU), the City or the Association may demand to reopen the MOU to address the impact of the legislation, regulation or case law. This reopener will not be triggered if the aforementioned changes in the law provide that modifications to employee or employer retirement contributions are subject to collective bargaining or if such modifications would not go into effect during the term of the MOU.

## 17. WORK SCHEDULE

Current Work Schedules

Every sworn police safety employee is required to work a minimum forty (40) hour week, unless otherwise provided herein. Those employees assigned to the Patrol Division shall work the 3/12 work schedule, except those employees assigned to Motors, who shall work a 4/10 work schedule. Those employees assigned to a 4/10 work schedule shall work 4 days per week, 10 hours per day.

Flexible scheduling on the use of two-man patrol vehicles in the early morning hours shall be the decision of the Watch Commander. There shall be no automatic doubling up of personnel and such assignments may be made based upon available personnel and the ability to provide adequate patrol coverage throughout the City.

For those employees assigned to the 3/12 work schedule, overtime shall be defined as all time worked and/or regarded as having been worked because of a paid leave of absence in excess of the scheduled daily work shift and/or 160 hours in a 28-day work period. For those employees assigned to a 4/10 work schedule, overtime shall be defined as all time worked and/or regarded as having been worked because of a paid leave of absence in excess of the regularly scheduled work day or 40 hours in a seven day work period.

Pursuant to Section 7(k) of the FLSA, the City has adopted a 28-day work period.

## 18. ASSIGNMENTS

It is the policy of the Beverly Hills Police Department that selection of employees for special assignments will be made by following the procedure indicated below.

A. When an opening for a special assignment is available or imminent, the Police Chief or Division Commander shall request interested personnel to submit a memorandum requesting assignment to the vacant position.

B. Officers submitting requests shall indicate their reasons and qualifications for the new assignment in memorandum form to their immediate supervisor.

C. Supervisors shall review requests after which they shall attach a memorandum of their own, which includes any comments they have and a recommendation of the officer for the position applied for.

D. After reviewing all requests for special assignment the Police Chief or Division Commander will have the option of (a) making the selection based on the information submitted or (b) establishing an oral board for the purpose of interviewing all candidates and receiving recommendations from the oral board and then making selection.

E. Notwithstanding the above, the Police Chief shall retain the right to assign personnel to special assignments without following the above procedures when the Police Chief feels such action is in the best interests of the Department.

F. Within 10 days after an employee is informed that the employee was not chosen for an assignment, the employee may ask the Division Commander or the Superior officer who effectively made the selection, for the reason the employee was not selected. The Division Commander or the Superior officer shall respond within 10 working days.

## 19. COMPENSATORY TIME - BOARD MEMBERS

Association Time

Beverly Hills Police Association Board members, subject to the approval of the Police Chief or designee, shall be allowed a reasonable period of time without loss of compensation for the sole and exclusive purpose of conducting transactions of the Beverly Hills Police Officers' Association. Said amount of time shall not exceed one (1) hour per day for each Board member and an aggregate not to exceed five hundred (500) hours per year for all such Board members provided every reasonable effort is made to conduct Association meetings and/or business on nonduty time. Permission to attend Association meetings on duty must be obtained 48 hours in advance from Police Chief or designee. Permission to conduct Association business on duty must be obtained in advance from the Police Chief or designee. Approval to conduct Association business or attend Association meetings is conditioned upon field and/or assignment conditions.

As part of the five hundred hours per year paid release time for Association Board members, up to a total maximum of six (6) days (either 8 hour or 10 hour shifts may be considered (1) day) may be used to attend police related conferences, seminars or conventions. Permission to attend such conferences or conventions must be obtained two (2) weeks in advance from the Police Chief or designee.

## 20. OVERPAYMENT

In the event Sworn Police personnel are overpaid due to an error of the City or employee, repayment shall be made in a similar manner as the overpayment was received unless extraordinary circumstances prevent that from occurring or unless the overpayment was the result of an inappropriate action of the employee.

## 21. SEPARATION FROM CITY SERVICE

A. Sick Leave Pay-Off

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 qualified to receive sick leave pay off.

1. Employees who have achieved ten (10) or more continuous years of service shall be eligible for sick leave pay upon separation of employment with the City at the rate of three percent (3%) of accrued, unused sick leave per full year of service. Sick leave shall be calculated at the rate of pay, including all bonuses, received by the employee at the time of his/her separation.

2. Police personnel who have achieved twenty (20) or more continuous years of service shall be eligible for sick leave pay upon separation of employment with the City at the rate of four percent(4%) of accrued, unused sick leave per full year of service. Sick leave shall be calculated at the rate of pay, including all bonuses, received by the employee at the time of his/her separation.

   Police personnel eligible to receive sick leave pay shall receive said pay at the time of termination. At no time can the percentage of sick leave payoff exceed 100%.

B. Vacation Pay-Off

Police personnel who terminate from City service shall receive an amount equal to accrued unused vacation at the time of termination. The rate of payoff shall be based on the rate of pay at the time of separation.

C. Conversion of Sick Leave to Deferred Compensation

Police personnel may convert accumulated sick leave to salary. The extra pay may only be used to fund "catch-up" contributions to deferred compensation. The following restrictions apply to this program:

1. The employee shall have a minimum of 15 years of service with the City of Beverly Hills.

2. The individual's sick leave accrual balance cannot be reduced below 500 hours.

3. The conversion is limited to no more than three consecutive years, and the conversion can be used only for funding the deferred compensation "catch-up".

4. The conversion shall not exceed the amount which will bring the annual deferral to the maximum allowed by law.

5. The conversion will be at the then existing sick leave payoff percentage.

## 22. ADMINISTRATIVE APPEAL PROCESS

The following administrative appeal process is established pursuant to Government Code § 3304.5. It shall supplement, though not replace, the existing disciplinary appeal process which was agreed to by the parties on November 7, 2006. This procedure shall not apply to disciplinary actions for which officers already are entitled to receive an appeal hearing pursuant to that agreement for disciplinary transfer, step reduction, suspension, demotion and dismissal.

A. Right to Administrative Appeal Under this Procedure

1. Any public safety officer (as that term is defined by Government Code § 3301) who is subjected to punitive action (within the meaning of Government Code § 3303) other than dismissal, demotion, step reduction, suspension or disciplinary transfer or who is subjected to an action which may lead to punitive action, shall be entitled to receive an administrative appeal under this procedure. The officer shall not be entitled to appeal the action prior to its imposition, i.e., an officer shall not be entitled to receive a hearing akin to a *Skelly* hearing or other pre-disciplinary appeal hearing prior to imposition of the punitive action.

2. Officers subjected to dismissal, demotion, step reduction, suspension or disciplinary transfer shall continue to be entitled to an appeal in accordance with existing procedures.

B. Notice of Appeal

1. Within five (5) calendar days of receipt by an officer of notification of punitive action as set forth above, the officer shall notify the Assistant Director of Administrative Services/Human Resources in writing of the officer's intent to appeal the punitive action.

2 The notice of appeal shall specify the action being appealed and the substantive and procedural grounds for the appeal.

C. Hearing Officer

1. The City Manager shall have twenty-one (21) calendar days from receipt of the notice of appeal to designate himself/herself as the hearing officer or appoint a neutral hearing officer who is not embroiled in the controversy, i.e., a person who did not initiate or authorize the action in question.

2. The hearing officer appointed by the City Manager shall serve in an advisory capacity and shall be responsible for making recommended findings of fact and issuing an advisory decision to the City Manager. The City Manager may adopt, modify, or reject the hearing officer's recommendations and advisory decision and the City Manager's decision shall be final and binding.

D. Burden of Proof/Persuasion

1. If the action being appealed does not involve allegations of misconduct (i.e., allegations that the officer has violated one or more federal, state, or local laws, and/or City or Police Department regulations, procedures, or rules) the limited purpose of the hearing shall be to provide the officer the opportunity to establish a record of the circumstances surrounding the action. The City's burden shall be satisfied if the City establishes that the action was reasonable, even though reasonable persons might disagree about whether the action was the best one under the circumstances.

   For example, if the Police Department effected a non-disciplinary transfer of an officer out of a premium pay assignment with the intent of affording other officers the opportunity to work in the assignment, the decision would not be subject to being overturned as long as it was reasonable, even if one or more persons might disagree with the decision.

2. If the punitive action involves charges of misconduct, (i.e., allegations that the officer has violated one or more laws, regulations, procedures, or rules), the City shall have the burden of proving by a preponderance of the evidence the facts which form the basis for the charge of misconduct and the burden of persuasion that the punitive action was reasonable under the circumstances.

   For example, if an officer received a written reprimand for unauthorized absence from work then the City would bear the burden of proving that the officer was absent from work without authorization and that a written reprimand was reasonable under the circumstances.

E Conduct of Hearing

1. The formal rules of evidence do not apply, although the hearing officer shall have discretion to exclude evidence which is incompetent, irrelevant or cumulative.

2. The parties may present opening statements.

3. The parties may present evidence through documents and testimony.

   a. Witnesses shall testify under oath.

   b. The hearing officer shall issue subpoenas for documents or testimony upon reasonable request of the parties.

4. The parties shall be entitled to confront and cross-examine witnesses.

5. Following the presentation of evidence, if any, the parties may submit oral and/or written closing argument for consideration by the hearing officer.

F Recording of the Hearing

If the punitive action involves an allegation of misconduct, then the hearing shall be stenographically recorded by a certified court reporter. Otherwise, the hearing may be tape recorded. The per diem cost of the court reporter shall be equally borne by the parties. The cost to receive a transcript of the hearing shall be borne by the party requesting the transcript.

G Representation

The officer may be represented by an association representative or attorney of his or her choice at all stages of the proceedings. All costs associated with such representation shall be borne by the officer.

The City shall also be entitled to representation at all stages of the proceedings.

H Decision

1. If a hearing officer is appointed by the City Manager, the hearing officer shall issue his/her advisory decision in writing within sixty (60) calendar days of the submission of the case by the parties for decision. The written decision shall set forth proposed findings of fact and a proposed decision.

2. Within ten (10) calendar days of receipt of the advisory decision, the City Manager shall serve the parties with written notice of his/her decision adopting, modifying, or rejecting the hearing officer's recommendations and decision. If the City Manager modifies, or rejects the hearing officer's decision, then he or she shall review the entire record prior to making a decision.

3. If the City Manager hears the appeal him/herself, he/she will issue his/her decision within sixty (60) calendar days of the submission of the case by the parties for decision. The written decision shall set forth his/her findings of fact and final decision.

Until approved by the City Council, this document is not a contract but a written Memorandum prepared pursuant to the requirements of Government Code Section 3505.1 for presentation to the City Council for its determination.

This Memorandum is signed on this ___th day of November 2012.

| City of Beverly Hills Representatives | Beverly Hills Police Officers Association |
| --- | --- |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |
| _____ | _____ |

## Police - Officer - Salary Matrix (Base Salary and Assignment Bonus) - No Compounding

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | |
|---|---|---|---|---|---|---|
| **P- 39** | 72,714.96 | 76,769.55 | 81,050.22 | 85,569.58 | 90,340.94 | **BASE SALARY** |
| Monthly | 6,059.58 | 6,397.46 | 6,754.18 | 7,130.80 | 7,528.41 | |
| Bi-Weekly | 2,796.73 | 2,952.67 | 3,117.32 | 3,291.14 | 3,474.65 | |
| Hourly | 34.9591 | 36.9084 | 38.9665 | 41.1392 | 43.4331 | |
| **P- 40** | 74,714.62 | 78,880.71 | 83,279.10 | 87,922.74 | 92,825.31 | **Base salary plus 2.75% assignment bonus** |
| Monthly | 6,226.22 | 6,573.39 | 6,939.92 | 7,326.90 | 7,735.44 | |
| Bi-Weekly | 2,873.64 | 3,033.87 | 3,203.04 | 3,381.64 | 3,570.20 | |
| Hourly | 35.9205 | 37.9234 | 40.0380 | 42.2705 | 44.6276 | |
| **P- 41** | 76,714.28 | 80,991.87 | 85,507.98 | 90,275.90 | 95,309.69 | **Base salary plus 5.5% assignment bonus** |
| Monthly | 6,392.86 | 6,749.32 | 7,125.66 | 7,522.99 | 7,942.47 | |
| Bi-Weekly | 2,950.55 | 3,115.07 | 3,288.77 | 3,472.15 | 3,665.76 | |
| Hourly | 36.8819 | 38.9384 | 41.1096 | 43.4019 | 45.8220 | |
| **P- 42** | 78,713.95 | 83,103.04 | 87,736.86 | 92,629.07 | 97,794.07 | **Base salary plus 8.25% assignment bonus** |
| Monthly | 6,559.50 | 6,925.25 | 7,311.41 | 7,719.09 | 8,149.51 | |
| Bi-Weekly | 3,027.46 | 3,196.27 | 3,374.49 | 3,562.66 | 3,761.31 | |
| Hourly | 37.8432 | 39.9534 | 42.1812 | 44.5332 | 47.0164 | |

**Exhibit A**

## Police - Sergeant - Salary Matrix (Base Salary and Assignment Bonus) - No Compounding

| | Step 1 | Step 2 | Step 3 | Step 4 | Step 5 | Step 6 | |
|---|---|---|---|---|---|---|---|
| **P 46** | 87,921.80 | 92,824.32 | 98,000.21 | 103,464.70 | 109,233.89 | 115,324.77 | **BASE SALARY** |
| Monthly | 7,326.82 | 7,735.36 | 8,166.68 | 8,622.06 | 9,102.82 | 9,610.40 | |
| Bi-Weekly | 3,381.61 | 3,570.17 | 3,769.24 | 3,979.41 | 4,201.30 | 4,435.57 | |
| Hourly | 42.2701 | 44.6271 | 47.1155 | 49.7426 | 52.5163 | 55.4446 | |
| **P 47** | 90,339.65 | 95,376.99 | 100,695.21 | 106,309.98 | 112,237.82 | 118,496.20 | **Base salary plus 2.75% assignment bonus** |
| Monthly | 7,528.30 | 7,948.08 | 8,391.27 | 8,859.16 | 9,353.15 | 9,874.68 | |
| Bi-Weekly | 3,474.60 | 3,668.35 | 3,872.89 | 4,088.85 | 4,316.84 | 4,557.55 | |
| Hourly | 43.4325 | 45.8543 | 48.4112 | 51.1106 | 53.9605 | 56.9693 | |
| **P 48** | 92,757.50 | 97,929.66 | 103,390.22 | 109,155.26 | 115,241.76 | 121,667.64 | **Base salary plus 5.5% assignment bonus** |
| Monthly | 7,729.79 | 8,160.81 | 8,615.85 | 9,096.27 | 9,603.48 | 10,138.97 | |
| Bi-Weekly | 3,567.60 | 3,766.53 | 3,976.55 | 4,198.28 | 4,432.38 | 4,679.52 | |
| Hourly | 44.5950 | 47.0816 | 49.7068 | 52.4785 | 55.4047 | 58.4941 | |
| **P 49** | 95,175.35 | 100,482.33 | 106,085.23 | 112,000.54 | 118,245.69 | 124,839.07 | **Base salary plus 8.25% assignment bonus** |
| Monthly | 7,931.28 | 8,373.53 | 8,840.44 | 9,333.38 | 9,853.81 | 10,403.26 | |
| Bi-Weekly | 3,660.59 | 3,864.71 | 4,080.20 | 4,307.71 | 4,547.91 | 4,801.50 | |
| Hourly | 45.7574 | 48.3088 | 51.0025 | 53.8464 | 56.8489 | 60.0188 | |

**Exhibit A**