

Attachment 1

MANAGEMENT AND PROFESSIONAL EMPLOYEES

MEMORANDUM OF UNDERSTANDING

The Management and Professional Employees Association of Beverly Hills, (herein after referred to as "M & P Association") a formally recognized employee organization, representing all of its members within the Management and Professional Unit (herein after referred to as "Employees"), and duly authorized representatives of the Management of the City of Beverly Hills (herein after referred to as "the City") have met and conferred in good faith, fully exchanging information, opinions and proposals, and have reached the following agreement (hereinafter referred to as "MOU" or "agreement") within the scope of representation. A list of all of the classifications represented by the Association is attached to this MOU as Exhibit A.

Now, therefore, the parties agree and mutually recommend to the City Council the following for its determination:

1. Integration. This document embodies a written memorandum of the entire understanding and mutual agreement of the parties as required by Government Code Section 3505, et seq. and supersedes all prior Memoranda of Understanding and verbal agreements between the parties hereto. It is recognized that there exists now certain past practices, policies or procedures that are in force and effect which affect wages, hours and working conditions. To that extent, it is agreed that such practices, policies and procedures shall remain in full force and effect during the entire term of this agreement, unless they are inconsistent with the provisions of this MOU, or unless they are changed by agreement of the parties.
2. Term. Unless otherwise specified herein, this MOU shall be effective October 6, 2013~~September 27, 2008~~ and shall expire on September 30, 2015~~October 5, 2013~~.
3. Definition of the word "Day." The word "day" in this agreement refers to calendar days unless specifically designated as working days.

1. SALARIES

Effective on the first day of the payroll following City Council approval of this MOU, employees will receive a base salary increase of ten percent (10.0%). Any employees in the unit who were subject to having their compensation Y-Rated, on the date of adoption of the MOU by the City Council shall receive an 8.64% base salary increase.

Effective the pay period including October 4, 2014, employees will receive a base salary increase of one percent (1.0%).

A. Total Compensation Survey

1. Effective Dates of Salary Increases if Applicable

On the following effective dates, the City shall implement base salary increases, if applicable, per the terms of the survey described below:

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

A total compensation study shall be performed by a hired consulting firm, selected and paid for by the City, which shall conduct the survey according to the terms prescribed herein. If the Association does not agree with the results of the study it shall provide the City a written statement that outlines the figures or elements it disputes. The Association's written statement may, at its option, include reports from a consultant selected and paid for by it. Thereafter, the parties will meet and confer to attempt to resolve those disputed items. If an agreement still cannot be reached, the parties may agree to submit the matter to a mediator to assist them to reach agreement. If no agreement is reached, or if the parties do not elect to use mediation, the disputed issues shall be submitted to an arbitrator for advisory arbitration. The arbitrator's decision shall be a recommendation to the City Manager who shall render a final administrative decision.

2. Survey Cities

The surveyed jurisdictions for 2008-09 shall be: Santa Monica, Pasadena, Burbank, Torrance and Glendale.

Beginning 2009-10, and continuing each year thereafter, the surveyed cities shall include three cities selected by the Association from the list identified above, plus either one, two or three other cities, at the Association's option, identified by it from cities in Los Angeles or Orange counties. The Association shall notify the City by September 1, 2009 of its selected cities. These survey cities shall be in effect for the duration of this agreement.

3. Time When Surveys Will Be Conducted

Except for the first year of this agreement, the surveys will be completed each year by November 15 and will include raises which are known to take effect during the first payroll period after January 1 of the subsequent year. For the first year only, the survey shall include only those salaries in effect by September 27, 2008. All raises provided to represented classifications shall be retroactive to the dates identified in subsection 1, above.

4. The Elements of Total Compensation Will Include:

- 1) Monthly Base Salary at the Top Step of each classification's salary range;

~~2) The value of the City paid employee (i.e., member) contributions to CalPERS;~~

~~3) The value of the "PERS on PERS" benefit (see Article 7, Section E below). For survey purposes, for those agencies which provide PERS on PERS (including Beverly Hills) there shall be a reflected value of 1.4% of top step base salary for the first three years of this agreement and 1.733 % for the last two years of this agreement;~~

~~4) The value of the average health insurance plan of all bargaining unit members. To determine the survey agencies' values, the survey will use each agency's plans (including cafeteria dollars offered to employees at the other agencies) with the Management and Professional Employees' demographics at the time the survey is conducted;~~

~~5) Maximum City paid Dental Insurance (family plan);~~

~~6) Maximum City paid Vision (family plan);~~

~~(Note: Effective with the 2010 salary study, elements 4, 5 and 6, above, shall not be used for purposes of calculating the survey amount for Beverly Hills and, in its place, the average cafeteria plan contribution per employee is substituted.)~~

~~7) Maximum City Contribution towards Long Term Disability Insurance;~~

~~8) Maximum City provided Life Insurance, valued at 21 cents per \$1,000 of coverage;~~

~~9) Maximum City contribution to deferred compensation;~~

~~10) Longevity Pay according to the amount that would be received by an employee with 15 completed years of service or the City's average longevity pay for all members of the survey agency bargaining unit whatever is higher;~~

~~11) The dollar value of the maximum vacation leave provided to an employee in the unit;~~

~~12) The dollar value of the maximum holiday pay provided to an employee in the unit;~~

~~13) Average City Paid Education and Certification Pays.~~

~~5. Calculation of the Formula~~

~~In the first year of this contract (retroactive to September 27, 2008) the City agrees to implement a base salary increase (if applicable) of whatever amount is necessary to bring each benchmark classification in the unit which is below the 75th percentile in total compensation to the 75th percentile. Non benchmark classifications will receive an increase (if applicable). In addition, the City agrees to pay all employees in the unit who are below the 85th percentile, a lump sum payment equal to the difference between their annual total compensation and that of the 85th percentile. This is one time money which does not impact the base salary of any member of the unit.~~

~~In all subsequent years of this contract, the City agrees to implement a base salary increase of whatever amount is necessary to bring each classification in the unit which is below the 75th percentile in total compensation to the 75th percentile. In addition, all employees in the unit will be eligible to receive an annual pay for performance payment (paid in connection with their evaluation each year) for up to the difference between their~~

~~total compensation and the total compensation of the highest agency in the survey. The specific terms of the pay for performance plan are set forth in Paragraph B of this Article, below.~~

~~NOTE: The 75th and 85th percentile are calculated by using an excel spreadsheet. The array of total compensation numbers for each classification (either the benchmarks or the other classifications whose compensation is determined by internal relationships to the benchmarks) are calculated and placed on an excel spreadsheet. The following formula is then run: “=percentile(A1:A6,0.75)” or “=percentile(A1:A6,0.85)”. A6 stands for the six survey agencies, assuming six agencies are used. Since five agencies are being used in the first year, the formula will say A5. If seven agencies are used in the second year, the formula will say A7.~~

~~6. Annual Negotiations re Survey~~

~~The parties agree that prior to any surveys being completed herein, they must reach mutual agreement on: (1) the identity of the benchmark classifications; (2) the classifications that are comparable to the benchmark classifications from each of the surveyed jurisdictions; (3) internal relationship of non benchmark classifications to benchmark classes or other internal factors; and (4) a satisfactory means to address classifications for which there is no adequate applicable market data.~~

~~In addition to the foregoing, the parties acknowledge that at the completion of their negotiations for this MOU, the City was conducting a classification study. At the completion of that study, the parties agree to re open negotiations regarding the study provided, however, there can be no changes without mutual agreement.~~

~~**B.A. Pay for Performance Program**~~

~~The City of Beverly Hills strives to be a high performance organization, to recognize employees as our most important resource, and to value them for their adaptability, dedication, initiative and contributions to meaningful results. The Management and Professional employees are expected to be among the top performing employees in the City. It is through their leadership and performance that the City can achieve its goal of being a high performance organization. The City agrees that members of the unit shall receive a performance evaluation once each year.~~

~~To achieve the goal of high performance, the parties have established this pay for performance plan. Under the plan any member of the unit ~~(effective with any performance evaluation due on September 26, 2009 or later)~~ shall be eligible to receive an annual lump sum payment effective at the beginning of the payroll period following which the employee's eligibility is established. ~~In determining whether an employee is eligible for pay for performance, the survey in affect on the employee's anniversary date which shows how the employee compares to the top agency for his/her classification will be used.~~~~

Employees are eligible to receive up to five percent (5%) of their base salary for pay for performance in a lump sum payment. The determination as to whether an employee is eligible for pay for performance is based on whether he/she receives a performance evaluation which satisfies the following criteria: 1) the employee receives a total of at least eight points for the Ratings of Performance Categories, valued as follows: two points for each Rating of "exceeds often" and one point for each Rating of "exceeds sometimes"; and 2) the employee does not receive any performance rating of "Unsatisfactory." If the employee is eligible for pay for performance, the evaluator of the employee will determine the appropriate level of pay for performance.

Employees who do not receive their annual performance evaluation within 45 days of its due date, may file a request with the Human Resources Department for issuance of the evaluation, including an assessment of their pay for performance pay. The Human Resources Department will contact the City Manager's office to help ensure the evaluation is issued within 30 days.

The parties agree that to the extent permitted by law, pay for performance pay is special compensation and shall be reported as such pursuant to Title 2 CCR, Section 571(a)(1) Incentive Pay.

Amount of Pay for Performance

~~Pay for performance is separate from, and in addition to, salary increases which may occur as a result of the salary survey or for any other reason provided within this MOU. The payment an employee receives shall be a lump sum amount equal to (depending on performance) 100%, 66% or 33% of the difference between the employee's annual total compensation and that of the highest agency in the annual survey set forth above. If an employee's total compensation is already at or above the top agency in the survey in a particular year, he/she will not be eligible for pay for performance for that year. The maximum amount an employee may receive through the pay for performance program is an amount equal to ten percent (10%) of the top step annual base pay for the employee's classification.~~

~~C. — Pay For Performance Criteria~~

~~In determining whether an employee is eligible for pay for performance, the following criteria will be analyzed:~~

- ~~1. — How well has the employee met and exceeded the goals and objectives of both the employee and the department?~~

~~Employees will be expected to meet goals and objectives. Depending on how well the goals and objectives have been achieved will determine how well this criteria has been satisfied.~~

Each year in meeting with the employee, both the department's and employee's goals and objectives will be identified in writing for the employee. This will include, but not be limited to, a management employee's development of themselves and the employees they manage. This will be a collaborative effort where both the employee and department head will strive to reach an agreement as to the employee's goals and objectives. Ultimately, if an agreement cannot be reached, the Department Head will set forth the goals and objectives he/she has established for the employee. Although the Department Head will identify the goals and objectives for the department he/she can/should receive input from the employee and make any modifications he/she deems appropriate. In assessing the employee's performance on this criteria, the Department Head will go over each goal and objective and identify with as many specific examples as possible how well the goal or objective (both the employee's and department's) has been achieved.

2. How well has the employee kept projects on schedule and on budget?

Management and Professional Employees are responsible for numerous projects in the City. It is their responsibility to ensure that projects are completed timely and within the budgeted resources. The parties recognize that although timely completion and staying within budgeted resources of some projects is beyond the control of the employee, the success of many projects (in terms of timely completion and staying within budget) is driven by the leadership of the Management and Professional employee over the project. The parties recognize that top pay should be reserved for top performers. Top performers take ownership in projects and ensure, to the extent possible, that the employees they manage and supervise to complete a project will do it well and within the established schedule and budget.

As with each of the criteria identified in the pay for performance program it will be the responsibility of the Department Head to identify with as many specific examples as possible how well the employee has met and/or exceeded this criteria.

3. What did the employee do to improve his job? Specifically, what did the employee do to make his/her job more effective for the organization?

Management and Professional Employees are not only expected to perform well, but also to do things to enhance the effectiveness of their positions to the organization. For example, establishing new methods of enhancing productivity or identifying new ways to accomplish the tasks of his/her division more efficiently. Employees are not simply expected to perform their jobs well, but as experts in their jobs, they are expected to objectively identify (for example through training and professional relationships established in their field) how they can be more effective in accomplishing all of the tasks of their jobs.

Again, specific examples should be identified by both the Department Head and employee in assessing this criteria.

4. How well did the employee avoid unnecessary or avoidable problems/conflicts in the community within the department or other City departments?

City departments service demanding residents and members of the business community as well as interface with other city departments who have come to expect top quality service. In interfacing with our community and city departments, it is often the manager who either directly interfaces with the community member or departments or who has responsibility to ensure that the contact with the City or department is smooth with minimal problems or conflicts. Although problems or conflicts will arise, it is the manager who is responsible for ensuring that they are resolved.

This criteria measures whether the manager was able to avoid unnecessary or avoidable problems/conflicts. These are issues which could have been avoided had processes been in place to address the issue before it became a conflict/problem. They are also issues which involve direct communication with a member of the community, the Department or other City departments where, had the matter been handled more tactfully or professionally, the conflict/problem may have been avoided. The parties recognize that not all problems/conflicts will be resolved even with the most professional service. However, striving for the most professional level of service will invariably reduce conflict.

D. Pay For Performance Criteria Will Be Calculated As Follows

For each of the four criteria described above, the Department Head will assign an employee a score between 0 and 5, with 5 being "exceptional"; 4 being "exceeds standards"; 3 being "satisfactory"; and anything less than 2 being less than satisfactory. Department Heads are permitted to use one quarter decimals for scores in between whole numbers. Thus, for example, if an employee deserves a score higher than a 4, but lower than a 5, a department head is permitted to score the employee 4.25, 4.5 or 4.75 for each criteria. Annually employees will be eligible to receive a lump sum payment as follows:

- 1) A score between 16.25 and 20 will be considered "exceptional" as it relates to these criteria and entitle the employee to the maximum pay for performance pay.
- 2) A score between 14.25 and 16 will be considered "exceeds standards" as it relates to these criteria and will entitle the employee to sixty six percent (66%) of the maximum pay for performance pay.
- 3) A score between 12.25 and 14 will be considered "satisfactory" as it relates to these criteria and will entitle the employee to thirty three percent (33%) of the maximum pay for performance pay.
- 4) A score of 12 or below will result in the employee not being eligible for pay for performance pay.

E. Pay For Performance Will be Determined At the Time of Each Employee Receives His/Her Annual Performance Evaluation

Every year, as part of each employee's annual performance evaluation, Department Heads will be responsible for evaluating the criteria within the pay for performance program for each of the Management & Professional employees within their department over whom they supervise.

At the meeting, not only will the Department Head go over his/her performance evaluation with the employee, but will go over each of the four criteria of the pay for performance program. The meeting will be set up in advance to give the employee the opportunity to prepare for the meeting. It is expected that the employee will be prepared with a self-evaluation of his/her performance as it relates to each of the four pay for performance program criteria identified herein. Both Department Heads and employees will be expected to use specific examples to set forth their respective assessments of the employee's performance on each of the four criteria.

Within ten calendar days after the meeting has been completed, the Department Head will consider all of the information discussed, including the information provided at the meeting by the employee, and will then issue his/her final assessment of the four criteria. If it is determined that the employee is eligible for pay for performance, the employee will receive a one time payment of the applicable pay for performance.

F. Employee's Right to Challenge Decision re Pay for Performance

If an employee disagrees with the assessment of his/her Department Head, he/she may identify the reasons for his/her disagreement in writing. The Department Head will consider the employee's disagreement and also respond in writing. The Department Head's decision at that point will be final. For the pay for performance program to be successful, both the City and the Association must feel that employees are being assessed fairly and objectively based exclusively on performance.

2. APPOINTMENT AND ADVANCEMENT

A. Appointments

The Appointing Authority (as defined throughout this MOU as each employee's Department Head or designee), with the approval of the Assistant Director of Administrative Services/Human Resources or the City Manager, as required, may make appointments to or advancements within the prescribed salary schedule for any management or professional position. Normally, every appointment will be made at the first step of the salary prescribed. However, in the event an appointment is made at other than Step 1, the following procedure shall be adhered to:

- 1) The Appointing Authority shall submit, in writing, to the Assistant Director of Administrative Services/Human Resources, recommendations and justification for appointment at other than Step 1. Appointments to

Step 2 or Step 3 require the approval of the Assistant Director of Administrative Services/Human Resources.

- 2) Appointments to Step 4 or Step 5 shall require the additional approval of the City Manager.

B. Merit Step Advancement

- 1) Unless otherwise provided by this MOU, every employee shall receive step advancements in the following manner:

Upon successful completion of the six months of service in his/her assignment in a classification in this unit, an employee shall receive (effective on the first day of the pay period that begins after the six month period) a salary step increase to Step 2 of the prescribed schedule. Subsequently, each year on his/her anniversary date in a position, the employee shall (effective on the first day of the pay period that begins after his/her anniversary date) be eligible for salary step increases for Steps 3 through 5, provided that the employee has received an evaluation with an overall rating of at least satisfactory; such increase is recommended by the employee's supervisor and the Appointing Authority and is approved by the Assistant Director of Administrative Services/Human Resources. Movement between Step 2 and 3, Step 3 and 4 and Step 4 and 5 are in one year increments unless otherwise approved by a Department Head who may recommend movement of more than one step.

In the event an employee is appointed to a step above the first, he/she shall not be eligible for a salary step increase after six months, but shall be eligible for a salary step increase upon the completion of one year of service. (on the first day of the pay period that begins after one year of service has been completed) provided the employee has received an evaluation with an overall rating of at least satisfactory.

C. Special Merit Advancement

The City Manager may authorize the advancement of an employee to any step within the prescribed schedule for that employee's current 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 by the City Manager if not otherwise specified by the City Manager. A special merit advancement shall affect the anniversary of an employee, causing it to change to the effective date of the special merit advancement.

D. Salary Review

A member of the Association is permitted to make a request by December 15 of any year to have his/her salary reviewed by the City Manager or designee who will consider the request and respond by prior to the City Council budget presentation ~~March 15~~ as to whether an increase is warranted. The City Manager's decision is totally within his/her

discretion and not subject to challenge or appeal per the dispute resolution process of the parties.

E. Superior - Subordinate Relationships

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

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

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

Excluded from salary computations are any bonuses paid, shift differentials, overtime payments, or any additional payment paid to a position.

F. Merit Bonus Program

The Merit Bonus is designed to recognize the exceptional performance of Management & Professional Employees. An Appointing Authority may make a recommendation to the City Manager, as submitted through the Human Resources Office, that an employee receive an amount equal to 1-10% of his/her base salary for such exceptional performance.

The bonus will be reviewed annually and shall not be treated as base salary. This bonus shall be in addition to any other provided by this MOU.

3. RECLASSIFICATION, PROMOTION, AND Y-RATING

A. Reclassification

When a position in the unit is reclassified upward, the employee in the position may be appointed to the reclassified position, providing that:

- 1) The employee has held the position which was reclassified for a minimum of ninety (90) days immediately prior to the reclassification; and
- 2) The employee meets the qualifications established for the reclassified position.

If the employee does not meet both of the above criteria, the reclassified position shall be filled through a recruitment process.

B. Y-Rating

The City may offer to “Y”-rate an employee whose position has been eliminated, reclassified downward or for some other reason which has caused the compensation of a position to be reduced. 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 exceeds the monthly salary paid to that employee.

C. Compensation After Promotion Or Upward Reclassification

Every employee who is promoted or who is appointed to 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, whichever is higher.

4. WORK WEEK AND WORK SCHEDULES

The workweek for all members of the unit shall be 168 regularly recurring hours. For employees working the 5/8 or 4/10 work schedule, it shall begin on Sunday at 12:00 a.m. and end at 11:59 p.m. the following Saturday. For employees working the 9/80 work schedule, each employee's designated FLSA workweek (168 hours in length) shall begin exactly four hours after the start time of his/her eight hour shift on the day of the week that corresponds with the employee's alternating regular day off.

Every Employee is required to work a forty (40) hour workweek, unless otherwise provided by the City Manager.

- A 5/8 schedule consists of a weekly work schedule of 5 consecutive workdays, of 8 consecutive work hours each.
- A 9/80 schedule consists of alternate workweeks of 4 consecutive workdays of 9 consecutive hours each, followed by 5 consecutive workdays 4 consecutive days of which consist of 9 consecutive work hours each and 1 day of 8 consecutive work hours.
- A 4/10 schedule consists of a weekly work schedule of 4 consecutive workdays of 10 consecutive work hours each.

The Department Head retains the right to make de minimis changes to the start time of the employee(s) work schedule (i.e., changing the start time of an employee's workday by one hour or less from its regularly appointed time).

However, any other changes to an employee(s) work schedule may be made by mutual agreement of the parties. In the event a major schedule change (i.e., from a 4/10 to a 9/80

or vice versa) is proposed within a department or city wide, to which the employee(s) has objections or concerns, the Association may request to meet and confer prior to the implementation of the new schedule and the City will meet within 14 days.

5. LEAVES

A. Holidays

All 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:

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

If the following holidays (January 1, July 4, November 11, and December 25) fall on a Saturday, the preceding Friday shall be considered the holiday; if the holiday falls on a Sunday, the following Monday shall be considered the holiday. If a holiday falls on a day which is an off day for employees working the 9/80 or 4/10 work schedules, the employee shall receive a floating holiday in lieu of the holiday. Floating holidays may be taken at each employee's discretion, subject to approval of the Department Head or designee. Generally, these floating holidays may be used after the holiday has occurred unless the employee requests to use the floating day contiguous to the actual holiday. If an employee does not use his/her floating holidays earned within the calendar year (with the exception of those floating holidays which are earned in November or December, in which case the employee will be able to use the floating holiday from that year for the first two months of the following year) in which the employee has received it, he/she will not earn an additional floating holiday in the next calendar year. The parties encourage employees in the unit to use their floating holidays. Since floating holidays cannot be removed from an employee once earned, and the parties do not want employees to ever have more floating holidays on the books than would be received within the current year, a floating holiday carried over at the end of the year results in the employee being unable to earn that holiday in the next calendar year. Department Heads or designees will not act unreasonably in granting requests to use floating holidays.

B. Personal Holiday

Employees shall be entitled to two additional paid holidays each fiscal year. These holidays may be taken at the employee's discretion subject to his/her Appointing

Authority's or designee's approval. The employee shall request these holidays in writing. If an employee does not use his/her personal holidays earned within the fiscal calendar year, he/she will not earn an additional personal holiday in the next fiscal calendar year. The parties encourage employees in the unit to use their personal holidays. Department Heads or designees will not act unreasonably in granting requests to use personal holidays.

C. Vacation

1. Authorization for Taking Vacation

Employees hired into this bargaining unit from outside the City must complete six months of service and obtain approval from the Appointing Authority, to take accrued vacation leave. However, if a bargaining unit member is promoted to another position within the unit, is transferred within the unit, or changes positions within the unit, he/she may be authorized to take vacation without having to wait six months

An employee entitled to vacation shall make written application therefore in the manner and within the time directed by the Appointing Authority. Every Appointing Authority or designee shall establish a vacation schedule for each calendar year based on employee requests and seniority and subject to the Appointing Authority's right to plan work under his/her control. Once vacation is approved it cannot be rescinded because an employee with more seniority requests vacation during the same time period. The Appointing Authority shall notify employees within a reasonable time whether their application is approved.

2. Holidays During Vacations

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

3. Vacation Accumulation

Vacation credit shall be accrued bi-weekly by Employees at the following rates:

FIRST YEAR OF SERVICE	BEGINNING THE 2ND YEAR THROUGH THE END OF THE 14TH YEAR OF SERVICE	BEGINNING THE 15TH YEAR OF SERVICE
3.07 Hours	4.60 Hours	6.13 Hours
Bi-weekly	Bi-weekly	Bi-weekly
80 hrs/year	120 hrs/year	160 hrs/year

Employees who have not completed more than four but not more than fourteen years of service may not accumulate more than 400 hours of vacation at any time. Such employees with 400 hours of accumulated vacation on the books will not continue to accrue vacation until their balance falls below 400 hours.

Employees with more than fourteen years of service whose vacation accumulation at the beginning of a calendar year is less than 400 hours may accumulate annual vacation which will result in their balance being above 400 hours. However, if at the end of any calendar year the vacation accumulation is above 400 hours, they will not continue to accrue vacation until the balance falls below 400 hours, whereupon they will then continue to accrue vacation during that calendar year.

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

D. Sick Leave

Every Employee shall accrue sick leave at the rate of 3.68 hours for each complete bi-weekly period of employment. Sick leave shall be made available for employees to use upon the completion of six (6) months service in City employment.

1. Job Connected Disability

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

2. Sick Leave Incentive

| Employees who accumulate 72 hours or more of sick leave in any fiscal-payroll year, may receive cash payment for up to 24 hours of such sick leave during the month of January of the next succeeding year. The sick leave shall be paid at the employee's then existing rate of pay. The limit of payoff shall be 24 hours per year.

E. Bereavement Leave

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

Up to a maximum of forty (40) hours of bereavement leave, per calendar year, (regardless of the number of family deaths) may be used in the event of the death of a family

member. In the event an employee needs additional time off for this 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.

F. Witness Leave

Any employee who is 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 is required to serve as a juror, shall be allowed time off without loss of pay to perform such duties. In addition, per California Labor Code § 230(b) an employee shall be allowed time off but with loss of pay, if the employee is a party to the matter for reasons other than actions within the scope of the employee's current or past public employment. All fees to which the employee is entitled by law for such 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.

Upon receipt of a jury summons, Employees should notify their appointing authority so that the request for jury duty can be considered relative to the pending projects of the department. This notification will give the appointing authority and employee an opportunity to discuss whether or not a postponement is necessary.

G. Professional Development Program

- 1) A City-paid Professional Development leave of absence (sabbatical leave) program shall be established with the following privileges and restrictions:

The granting of sabbatical leaves shall be at the sole discretion of the City Manager and not subject to a challenge, appeal or grievance if denied.

- 2) Approval of requests for sabbatical leave shall be based on the following criteria:
 - a. Content of a leave program with a basic requirement that the program be designed to professionally develop the employee in a manner potentially beneficial to his/her city employment.
 - b. A plan for maintaining work continuity of the employee's duties and responsibilities during his/her absence, with emphasis placed on development of subordinates through training assignments.
 - c. Coordination with departmental priorities and workload.
 - d. Employee's performance record.

- (1) Sabbatical leaves may allow up to Five Hundred Dollars (\$500) for expenses.

Sabbatical leaves shall be restricted to one (1) leave, up to ninety calendar days, for each Employee each five (5) years, with not more than five (5) such employees participating in any one (1) year.

- (2) Each participant in Sabbatical Leave Programs shall submit to the City Manager reports summarizing his/her activities prior to final approval of such programs.
- (3) Typical Sabbatical Leave Programs might include internships, on-loan executive programs, educational programs, travel study programs, or authorship sabbaticals.

H. Leave Without Pay

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

I. Administrative Leave

Each Employee will be granted 80 hours of Administrative Leave each calendar year (all of which is available for use starting on January 1 of each year, but which accrues (for purposes of cash-out in case a unit member leaves the City) pro-rata during each pay period throughout the year) pursuant to the following:

Administrative Leave shall be granted in recognition of work performed above normal work hours and the nature of the work performance and expectations placed upon Employees. Use of administrative leave shall be approved by the employee's department head or designee, noting the needs of the department and the necessity of having Management and Professional personnel available for the effective functioning of the department.

Administrative Leave as provided herein is non cumulative between calendar years. At the end of each calendar year, upon employee request, the employee will receive cash payment for up to 40 hours administrative leave earned but not taken as time off during the calendar year. If, after cashing out up to 40 hours of Administrative Leave an employee still has Administrative Leave on the books, for the following calendar year he/she will only accrue (during each pay period) that amount of Administrative Leave

which (when added to the carried over Administrative Leave from the prior calendar year) will result in the employee accruing 80 hours of leave. For example, if an employee has 60 hours of Administrative Leave at the end of the year and cashes out 40 of those hours, in the following calendar year, he/she will accrue 60 hours of Administrative Leave. This is so, notwithstanding that he/she may use his/her annual allotment of such leave during any time during the year

6. INSURANCE PROGRAM

A. Medical Insurance

~~The City contracts with the Public Employees' Retirement System for medical insurance. Insurance coverage is effective the first day of the month following the 30-day waiting period~~

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

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

- ~~1) For current employees, the City shall pay the difference between the PERS statutory minimum and the actual cost of medical insurance premiums up to full family coverage.~~
- ~~2) For retirees who retired (service retirement only) after July 1, 1981, with the exception of those employees hired or promoted into the bargaining unit on or after December 2, 1997, the City shall continue to pay the difference between the PERS statutory minimum and the actual cost of the medical insurance premium up to the two party rate of the PERS Care Plan under PERS. In the event of the death of a retired employee, the City shall continue to pay the single party coverage for the spouse up to the rate of the PERS Care Plan under PERS medical.~~
- ~~3) For employees hired or promoted into the Management & Professional group on or after December 2, 1997, the retiree health insurance benefit shall read as follows:~~

~~To qualify for this benefit, an employee shall:~~

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- a. ~~Complete a minimum of 5 years of full time employment with the City of Beverly Hills which need not be entirely within the bargaining unit; and~~
- b. ~~Receive a service retirement from the City of Beverly Hills; and~~
- e. ~~Not perform any paid work in excess of 960 hours per fiscal year for a PERS contracting agency following retirement from the City of Beverly Hills.~~

~~Upon these conditions, the City shall continue to pay the difference between the PERS statutory minimum and the actual cost of medical insurance up to the single party rate of the PERSCare plan under PERS medical at the following rate:~~

- a. ~~The City will pay 25% of the cost of the insurance premium~~
- b. ~~The City will pay an additional 5% of the cost of the insurance premium for each year of employee total service with the City of Beverly Hills up to 20 years. For example, the City will pay 40% of the cost of the insurance premium after the completion of eight years, 60% after the completion of 12 years, 80% after the completion of 16 years and 100% after the completion of 20 years.~~
- e. ~~Employees who retire, as discussed above, with 20 or more years of total service with the City of Beverly Hills will be entitled to receive 100% of the cost of the difference between the PERS statutory minimum and the actual cost of the medical insurance up to the PERSCare single party insurance premium.~~
- d. ~~The City will not pay more than 100% of the cost of a retiree's insurance premium.~~

B. Dental Insurance

~~The City shall contribute per employee the actual cost of the dental insurance up to the family coverage dental premium in the City dental plan.~~

C. Life Insurance

~~Employees shall be entitled to a one hundred thousand dollars (\$100,000), term life insurance policy under the City's life insurance program. The premium for such policy shall be paid for by the City under the life insurance program of its choosing. Each such employee shall have the option to purchase additional life insurance at the City's unit cost, if available.~~

D. Disability Leave Extended Disability Salary Continuance

~~In the event of a work-incurred injury sustained by an employee, the City shall continue to pay the gross salary, less legally required deductions, to the injured employee for a period not to exceed ten (10) working days.~~

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

~~For any employee to qualify for this program, the Appointing Authority must notify Human Resources in writing immediately upon receiving knowledge of a work incurred injury.~~

E. Disability Insurance

~~The City shall provide at the City's cost long term disability insurance for Employees. This insurance provides for 2/3 of monthly salary up to a maximum of \$6,000 per month, except as may be provided under the applicable plan document.~~

F. Optical Insurance

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

G. A. Health and Welfare Benefits Effective January 1, 2010

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

~~Effective January 1, 2010, † The City will contribute the PERS statutory minimum on behalf of each participant in the program. A participant is defined as any of the following individuals: (1) a covered employee, (2) a covered retiree, and (3) a covered surviving annuitant of a deceased retiree. In addition, the City will provide current employees with flexible benefits through a cafeteria plan as provided below.~~

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

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

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a. Benefits provided through Cafeteria Plan:

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

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

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

~~Effective January 1, 2010, e For the remainder of calendar year 2013, employees hired or promoted into the Management & Professional group on or before December 31, 2009 shall be provided with an amount which will total an amount which includes the family PERS Care, family dental (Guardian) and family optical (VSP) per month to purchase the optional benefits of medical, dental and optical insurance. (For employees who participate in medical insurance through CalPERS, the amount described set forth below ~~above~~ will include the PERS statutory minimum paid by the City.) Each year on January 1, the amount shall be adjusted by the amount of the increase in family PERS Care, family dental and family vision.~~

Effective January 1, 2014, employees shall be provided with the amount of \$1873.00 for the purchase of the optional medical, dental and optical insurance benefits.

Effective January 1, 2015, employees shall be provided with the amount of \$2,100.00 for the purchase of the optional medical, dental and optical insurance benefits.

~~For employees hired or promoted into the Management & Professional group after December 31, 2009, the amount they shall be provided for the purchase of optional benefits will total an~~

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

(1) Medical Insurance

Eligible employees may select any of the HMO and PPO ~~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, employee + 1 or employee + family. Covered employees are required to participate in CalPERS medical insurance under one of the available options. An employee may, however, elect not to participate if he/she provides the City with proof that he/she has comparable medical insurance from another source.

(2) Dental Insurance

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

(3) Optical Insurance

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

- c. Employee Contributions for Benefit Options: If an employee chooses optional benefits whose aggregate cost exceeds the total City contributions to the Cafeteria Plan, the City will automatically deduct the excess amount on a pre-tax basis from the employee's bi-weekly payroll.
- d. The Receipt of Cash Through the Cafeteria Plan: Employees will be eligible to receive cash up to a maximum of \$500 per month (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving one of the optional benefits provided through the plan or if they choose optional benefits that do not cost as much as the maximum dollar amount they receive through the plan, as follows:

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

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

- | | | |
|--|------------------|---------------------|
| 1) <u>medical insurance</u> | ————— | \$500.00 |
| 2) <u>dental insurance</u> | ————— | \$125.00 |
| 3) <u>optical insurance</u> | ————— | \$15.00 |

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

~~The cafeteria plan offers employees the ability to purchase each of the three optional benefits with the City's contribution to the cafeteria plan. Employees may choose to purchase benefits that cost less than the City's~~

~~contribution to the cafeteria plan and choose to receive cash wages with their remaining City contribution. An employee who chooses to receive any of the optional benefits under the cafeteria plan shall be eligible to receive up to \$500.00 as cash wages as long as he/she has not reached the cafeteria plan maximum amount with his/her purchases:~~

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

~~Thus, for example, (under G(1)(d)(1) above) if an employee (eligible to receive \$1,961.00, for example) opts out of dental insurance and purchases medical and optical insurance with premiums which add up to \$1,250.00, he/she would receive \$125 for opting out of dental insurance. However, if the premiums added up to \$1,950.00, the employee would only receive \$11 for opting out of dental insurance, not the \$125 because the \$11 would cause the employee to reach the cafeteria plan contribution maximum.~~

~~As another example, (under G(1)(d)(2) above) if an employee hired on February 10, 2010 (and eligible to receive \$1,961.00, for example) purchases \$1,818.00 worth of optional benefits per month including medical insurance, he/she will receive \$143.00 per month in cash. However, if an employee only purchases \$700.00 per month in medical, dental and optical insurance, he/she will receive \$500.00 per month in cash.~~

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

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

2. Mandatory Health and Welfare Benefits: The following are benefits that all employees are included in at the City's cost: term life insurance (\$100,000 policy) and disability insurance which provides for two-thirds (2/3) of monthly salary up to a maximum of ~~\$6,07,500.00~~ per month, except as may be provided under the applicable plan document. This plan has a 30-day elimination period. Employees may use accrued leaves to supplement payments received by the disability insurance plan. However, the employee may not receive more than 100% of their regular wages. Paragraphs C and E of this Article will be superseded by the provisions of this paragraph G.(2) on January 1, 2010.
3. Supplemental Term Life Insurance: Employees may also purchase supplemental term life insurance, if available, with deductions from their bi-weekly compensation as designated by each employee. Although employees may use cash wages they receive through the cafeteria plan (if applicable) to purchase supplemental term life insurance, they cannot defer cash wages they receive through the cafeteria plan directly into the purchase of supplemental term life insurance. It must be a deduction from their paycheck.
4. Deferred Compensation: In accordance with the tax rules, any cash that an employee may receive through the cafeteria plan may not be deferred to the employee's accounts under the City's retirement plans. The employee may, however, be able to elect to increase his/her deferrals to the City's retirement plans from his/her regular wages.
5. Benefits if on an Industrial Leave: In the event an employee is on a leave without pay as a result of an industrial injury, the City shall pay the PERS statutory minimum for that employee (assuming the employee wants medical, dental or vision coverage from the City) for up to the duration of the leave. In addition, outside of PEMHCA, assuming the employee wants to be covered by medical, dental or vision insurance the employee shall receive his/her additional cafeteria plan contribution (up to the maximum amount provided above) amount for one month for each year of full service up to one year. If an employee chooses to opt out of insurance

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

Disability Leave Extended Disability - Salary Continuance

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In the event of a work-incurred injury sustained by an employee, the City shall continue to pay the gross salary, less legally required deductions, to the injured employee for a period not to exceed ten (10) working days.

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

For any employee to qualify for this program, the Appointing Authority must notify Human Resources in writing immediately upon receiving knowledge of a work incurred injury.

B. Retiree Medical Insurance

H. For Employees Hired or Promoted into the Unit after July 1, 1981 and Prior to December 2, 1997. By the City Before January 1, 2010

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For employees hired or promoted into the bargaining unit between July 1, 1981 and December 2, 1997, the City shall (as a retiree medical benefit) pay the difference between the PERS statutory minimum and the actual cost of the medical insurance premium up to the two party rate of the PERS-Care Plan under PERS. The employee will receive a check for the difference between the two party rate of the PERS Care Plan and the PERS statutory minimum and the City will pay the statutory minimum directly to PERS. In the event of the death of a retired employee, the City shall continue to pay the single party coverage for the spouse up to the rate of the PERS Care Plan.

For employees hired or promoted into the Management & Professional unit between December 2, 1997 and December 31, 2009, the retiree health insurance benefit is as follows:

To qualify for this benefit, an employee shall:

- a. Complete a minimum of five (5) years of full-time employment with the City of Beverly Hills which need not be entirely within the bargaining unit; and

- b. Receive a service retirement from the City of Beverly Hills; and
- c. Not perform any paid work in excess of 960 hours per fiscal year for a PERS contracting agency following retirement from the City of Beverly Hills.

Upon these conditions, subject to the provisions below, the City shall pay the difference between the PERS statutory minimum and the actual cost of medical insurance up to the single party rate of the PERSCare plan (the employee will receive a check for the difference between the single party rate of the PERS Care Plan and the PERS statutory minimum and the City will pay the statutory minimum directly to PERS) as follows:

- a. The City will pay 25% of the cost of the insurance premium
- b. The City will pay an additional 5% of the cost of the insurance premium for each year of employee total service with the City of Beverly Hills up to 20 years. For example, the City will pay 40% of the cost of the insurance premium after the completion of eight years, 60% after the completion of 12 years, 80% after the completion of 16 years and 100% after the completion of 20 years.
- c. Employees who retire, as discussed above, with 20 or more years of total service with the City of Beverly Hills will be entitled to receive 100% of the cost of the difference between the PERS statutory minimum and the actual cost of the medical insurance up to the PERSCare-single party insurance premium with the City paying the statutory minimum to PERS.
- d. The City will not pay more than 100% of the cost of a retiree's insurance premium.

- ~~1) All employees employed by the City on or before December 31, 2009, shall maintain their existing entitlements to retiree medical benefits.~~
- ~~2) For retirees and their dependents participating in the CalPERS medical insurance program, the City will pay the statutory minimum. In addition, the City will provide benefits through a medical reimbursement program.~~
- ~~3) Retirees and their dependents will not be permitted to receive cash back options per the cafeteria plan.~~

Retiree Medical Insurance

- I. For Employees Hired On Or After January 1, 2010

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

In addition, for employees hired into the unit as new employees of the City on or after January 1, 2010, in lieu of additional retiree medical insurance benefits, the City shall, while the employees are working for the City, contribute the sum of \$300 per month (\$138.46 per pay period) to a retirement account on behalf of such employees.

For employees who promote into the unit after January 1, 2010 who were City employees as of December 31, 2009, they will receive retiree medical benefits (based on their years of service with the City) in accordance with the benefits of this MOU as though they were a member of the bargaining unit prior to January 1, 2010.

~~J.~~ Retirees Purchasing Additional Insurance If Funds Are Insufficient to Cover Cost of Chosen Benefits

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Any retiree who whose City contribution for retiree medical, dental and/or vision insurance is insufficient to cover the actual cost of such insurance for the retiree and his/her eligible dependents can purchase such insurance through CalPERS by paying the additional amount in excess of the City contributions.

Alternative Retiree Medical Program

Notwithstanding any provision above, employees in the unit who have previously voluntarily chosen to participate in the Alternative Retiree Medical Program (ARMP) will not receive retiree medical benefits from the City. Their choice of ARMP was made in lieu of receipt of the retiree medical benefit provided above.

7. RETIREMENT

The City contracts with CalPERS for retirement benefits. The definitions of "new member" and "classic member" are set forth in Appendix B to this MOU.

~~A.~~ **For "Classic Member" Employees As Defined By The Public Employees' Pension Reform Act of 2013 (PEPRA)**

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~~A.~~ Retirement Formula

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

~~B.~~ **Single Highest Year**

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The City's contract with the CalPERS provides for the "Single Highest Year" final compensation period for classic member eEmployees, per Government Code Section 20042

Payment of Employee/Member Contribution

Classic Members will pay their 8% Member Contribution on the first day of the pay period following Council approval of this MOU. The City has adopted the CalPERS resolution in accordance with IRS Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis.

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B. For "New Members" As Defined By the Public Employees' Pension Reform Act of 2013 (PEPRA)

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Retirement Formula

Unit members who are defined as "new members" under the PEPRA, are covered by the 2% @ 62 formula provided for by the Public Employees' Retirement Law at Government Code section 7522.20(a).

Retirement Benefit Calculation Period

For unit members defined as "new members" under the PEPRA such employees' final compensation will be 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 any other three consecutive year period chosen by the employee as set forth in Government Code section 7522.32(a).

Payment of Employee/Member Contribution

Effective October 5, 2013 new member employees are responsible for paying the employee contribution of one-half of the total normal cost of the plan, as defined by CalPERS, through a payroll deduction. This amount will be determined by CalPERS in the future. The City has adopted the CalPERS resolution in accordance with IRS Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis.

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In addition, new members will pay additional amount for their retirement contribution as cost sharing in accordance with Government Code section 20516(f). That amount will be the difference between the half the normal cost amount and eight percent so that their total retirement contribution will be eight percent (8%).

C. Optional Benefits For All Employees

1. 1959 Survivor's Benefit

The City is under contract with CalPERS which provides level 4 coverage under the 1959 Survivor's Benefit, per Government Code section 21574.

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2. Pre-Retirement Option 2 Benefit

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

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3. Military Service Credit

The City's contract with CalPERS provides the Military Service Credit option set forth in Government Code section 21024.

4. Pre-Retirement Death Benefits

The City's contract with CalPERS provides the benefit known as the pre-retirement death benefits to continue after remarriage of survivor as set forth in Government Code section 21551.

5. Cost of Living Allowance

The City's contract with CalPERS provides the benefit known as the 2% Cost of Living Allowance Increase as set forth in Government Code section 21329.

6. Retired Death Benefit

The City's contract with CalPERS provides the \$500 Retired Death benefit as set forth in Government Code section 21620.

7. Prior Service

The City's contract with CalPERS provides the prior service benefit as set forth in Government Code section 20055.

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

~~Effective November 1, 2008, pursuant to Government Code section 20636(c)(4), the City shall pay and report to CalPERS as compensation earnable the monetary value of the employer paid member contribution on behalf of each employee. (For purposes of this agreement this shall be known as "PERS on PERS".)~~

8. **CAR ALLOWANCE AND MILEAGE**

Car allowances shall be paid to employees pursuant to the provisions of Administrative Regulation 3A.4. There shall be no changes to AR 3A.4 without the agreement of the parties.

The parties agree that the City will amend the Administrative regulation addressing vehicle allowance to reflect that proposed changes to the regulation will be submitted by employees to their Department Head by February 1 each year. The regulation shall provide that the Department Head, in consultation with Administrative Services - Finance and Human Resources, will render a written decision with reasons within 30 calendar days. The decision is not grievable.

9. MANAGEMENT RIGHTS

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

The management and the direction of the work force of the City is vested exclusively in the City, and nothing in this MOU is intended to circumscribe or modify the existing rights of the City including but not limited to the direction of the work of its employees; the right to layoff hire, promote, demote, transfer, assign, schedule (except as otherwise provided within this MOU); suspend or discharge employees at will since all employees in the bargaining unit are at-will employees; to maintain and improve the efficiency of governmental operations; to subcontract out any services which the City deems appropriate to contract out; to relieve employees from duties because of lack of work or funds with no right of appeal to take action as may be necessary to carry out the City's mission and services in emergencies; to determine the methods, means and appropriate job classifications, organizational structure and personnel by which the operations are to be carried out; and to establish reasonable performance standards for personnel, including but not limited to qualifications and quantity standards. If the City subcontracts out any bargaining unit work, the City shall present the M&P Association with any request for proposal being publicly disseminated. The M&P Association shall also receive copies from the City of all RFP submissions within one week of the close of the time for RFP's to be submitted. In addition to the foregoing, the parties agree that the City may demand to meet and confer over the subject of furloughs.

10. ASSOCIATION/CITY DISPUTE RESOLUTION

The City and M&P Association agree that the cause of quality public services for the citizens of Beverly Hills can be materially assisted through the timely resolution of employment disputes in the least formalistic way possible, and through the maintenance of high employee morale. To that end, the City and M&P Association hereby agree to establish the Association/City Dispute Resolution program. Any alleged violation, misinterpretation or misapplication of past practices and this MOU that cannot be settled informally with discussions between the Association and the Assistant Director of Administrative Services/Human Resources may be submitted by the Association or an

individual employee to the mediation and arbitration processes described below. Any such alleged violation, misinterpretation or misapplication of past practices and this MOU must be filed within 60 days of the date the employee or Association had actual notice or was provided with sufficient information that they should have known of their right to file as a grievance/dispute.

The City will request a list of seven mediators/arbitrators from the State Mediation and Conciliation Service. Once the list is received, the parties will flip a coin as to who shall strike first. After the parties have stricken names from the list, a mediator/arbitrator will be chosen. The parties will then cooperate with each other and coordinate a date for a mediation/arbitration with the chosen mediator/arbitrator. The mediator/arbitrator will first attempt to mediate a settlement of the dispute, but if mediation fails, he/she will prepare a written report, after conducting a hearing on the issue, of his/her findings and proposed resolution of the dispute for submission to the City Manager. The City Manager shall accept, reject or modify the arbitrator's proposed resolution. If the City Manager fails to accept, reject or modify the arbitrator's resolution within thirty (30) days of receipt by the City Manager, it shall be deemed accepted.

11. EXEMPT/ AT-WILL EMPLOYMENT

Employees are exempt from Civil Service, and serve at the will and pleasure of the appointing authority pursuant to Beverly Hills Municipal Code Section 2-5.206. At will employment is defined by Labor Code § 2922. The parties acknowledge that all bargaining unit employees are at-will as defined by section 2922.

12. SAVINGS CLAUSE

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

13. DUES/FEES DEDUCTION

The City agrees that it shall, upon the written request of the Association's President, deduct dues and/or fees from the payroll checks of employees employed in classifications represented by the Association, and to transfer the total sum of the dues and/or fees deducted to the Association on a biweekly basis. Dues and/or fees may be specified by the Association to be a flat dollar amount or a percentage of salary. Dues deductions shall be authorized in writing by the individual employee.

14. AGENCY SHOP

The Association and the City have agreed that employees in classifications recognized to be represented by the Association must, as a condition of employment, either join the association and pay to it membership dues or not join the association and pay to it a

representational fee in accordance with California Government Code section 3502.5. In addition, employees belonging to a bona fide religion that has as one of its principal tenant a prohibition against supporting employee organizations can claim a religious exemption and make a charitable donation equal to the representational fee in a manner proscribed by section 3502.5. The parties agree that the charitable donation may be made to the American Red Cross, American Cancer Society or the United Way.

15. SEPARATION FROM CITY SERVICE

A. Sick Leave Pay-Off

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

Employees who have seven (7) or more continuous years of service shall be eligible for sick leave pay-off upon separation from employment with the City.

The rate of sick leave payoff shall be calculated as follows:

- For the first 7 full years of service - 21% of accumulated sick leave.
- For each year after the seventh year - 5% of accumulated sick leave per full year of service to a maximum of 79%. The maximum rate of sick leave payoff when this paragraph and the preceding paragraph are combined is 100%.
- Sick leave payoff shall be calculated at the rate of pay received by the employee at the time of separation. Each employee eligible to receive sick leave payoff shall receive the payoff at the time of separation.

B. Vacation Pay-Off

An Employee who separates from City service shall receive an amount equal to accumulated vacation at the time of separation. The rate of payoff shall be calculated at the rate of pay at the time of separation. An employee shall not have the option of utilizing accumulated vacation, in lieu of receiving vacation pay-off at the time of separation.

16. DEFERRED COMPENSATION

A. City Contribution

The City shall contribute \$50.00 per month on behalf of each Employee to the City's deferred compensation program.

B. Conversion of Sick Leave to Deferred Compensation

Employees may choose to contribute part of their accumulated sick leave to deferred compensation. The contributed sick leave may only be used to fund "catch up" contributions to deferred compensation. The following restrictions apply to this program.

- 1) The employee must have a minimum of 15 years of service with the City of Beverly Hills.
- 2) The employee's sick leave balance cannot be reduced below 500 hours by the contribution.
- 3) The contribution is limited to no more than three consecutive years (although an employee may contribute more than three years over his/her career), and the contribution can be used only for funding the deferred compensation "catch-up".
- 4) A contribution shall not exceed the amount which will bring the annual deferral to the maximum allowed by law.
- 5) The contribution will be calculated at the then existing sick leave payoff percentage.

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

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

City of Beverly Hills _____ Management & Professional
Representatives _____ Employees Association

MANAGEMENT AND PROFESSIONAL EMPLOYEES ASSOCIATION

Charles Ackerman

Date

Brenda Lavender

Date

Brad Meyerowitz

Date

Robert Wexler

Date

FOR THE CITY OF BEVERLY HILLS

Sandra Olivencia-Curtis

Date

Peter Brown

Date

EXHIBIT A — LIST OF CLASSIFICATIONS REPRESENTED BY THE ASSOCIATION

BUILDING & SAFETY

Plan Review Manager
 Supervising Plan Review Engineer
 Sr. Plan Review Engineer/Architect
 Plan Review Engineer/Architect
 Building Inspection Manager
 Code Enforcement Manager
 Permit (Center) Manager
 Plan Review Engineer/Architect

Library Services Manager
 Librarian-III

CULTURAL & RECREATION

Park & Urban Forest Manager
 Community Outreach Manager
 Community & Cultural Services Administrator
 Recreation Services Manager

FISCAL & BUDGET

Real Estate/Property Manager
 Accounting Manager
 Principal Accountant
 Senior Budget & Financial Analyst
 Budget & Financial Analyst
 Revenue Manager
 Revenue Investigator
 Safety Officer

PLANNING

Principal Planner
 Environmental Project Manager
 Senior Planner
 Associate Planner

GENERAL/HR ADMINISTRATION

Personnel Manager
 Assistant to the City Manager
 Training & Organizational Development
 Coord. Senior Management Analyst
 Office Manager
 Records & Archives Manager
 Management Analyst

SAFETY SUPPORT

Assistant Division Commander
 Records & Jail Manager
 Communication & ID Bureau Manager
 EMS Coordinator (Fire)

PUBLIC WORKS ENGINEERING

Project Manager
 Principal Civil Engineer
 Traffic Engineer
 Associate Project Manager
 Civil Engineer
 Project Administrator
 Transportation Planner

INFORMATION TECHNOLOGY

IT Operations Officer
 Multimedia Services Manager
 IT Systems Architect
 Business Info Systems Administrator
 Network Administrator
 Client Support Administrator
 GIS Integrator
 Systems Integrator
 Web Applications Integrator
 Security Administrator
 Art Director

PUBLIC WORKS MAINTENANCE

Water Operations Manager
 Parking Operations Manager
 Transportation & Operations Manager
 Solid Waste Manager
 Vehicle Maintenance Manager
 Plant Engineer
 Facilities Maintenance Manager
 Street Superintendent
 Water Quality Specialist

LIBRARY

EXHIBIT A – LIST OF CLASSIFICATIONS REPRESENTED BY THE ASSOCIATION

Accounting Manager	IT Systems Architect	Recreation Services Manager	Formatted	... [1]
Admin Services Manager	Librarian III	Revenue Operations Investigator	Formatted	... [35]
Art Director	Library Circulation Supervisor	Revenue Manager	Formatted	... [68]
Assistant Division Commander	Library Services Manager	Revenue Officer	Formatted	... [2]
Assistant Property Manager	Management Analyst	Revenue Operations Administrator	Formatted	... [36]
Assistant to the City Manager	Marketing and Economic Sustainability Manager	Risk Management Specialist	Formatted	... [69]
Associate Planner	Multimedia Services Manager	Safety Officer	Formatted	... [3]
Associate Project Manager	Network Administrator	Security Administrator	Formatted	... [37]
Audit and Permit Admin	Office Manager	Senior Budget & Financial Analyst	Formatted	... [70]
Budget & Financial Analyst	Operations Manager	Senior Contract Administrator	Formatted	... [4]
Building Inspection Manager	Organizational Development Manager	Senior Librarian	Formatted	... [71]
Business Info Systems Administrator	Park & Urban Forest Manager	Senior Management Analyst	Formatted	... [38]
Civil Engineer	Parking Operations Manager	Senior Planner	Formatted	... [5]
Client Support Administrator	Parking Services Manager	Senior Transportation Engineer	Formatted	... [72]
Code Enforcement Manager	Permit (Center) Manager	Senior Plan Review Engineer/Architect	Formatted	... [39]
Community Development Information Coordinator	Plan Review and Building Inspection Manager	Solid Waste Manager	Formatted	... [6]
Communication & ID Bureau Manager	Plan Review Engineer/Architect	Street Superintendent	Formatted	... [73]
Community & Cultural Services Administrator	Plan Review Manager	Supervising Building Inspector	Formatted	... [40]
Community Outreach Manager	Plan Reviewer	Supervising Plan Review Engineer	Formatted	... [41]
Deputy City Clerk	Plant Engineer	Support Services Manager	Formatted	... [7]
E-Government Manager	Principal Accountant	Sustainability Programs Manager	Formatted	... [74]
Emergency Medical Services (EMS) Programs Administrator	Principal Auditor	Systems Integrator	Formatted	... [42]
Environmental Project Manager	Principal Civil Engineer	Technology Operations Officer	Formatted	... [8]
Facilities Maintenance Manager	Principal Planner	Traffic Engineer	Formatted	... [75]
Fleet Manager	Project Administrator	Transportation & Operations Manager	Formatted	... [43]
Geographic Information Systems (GIS) Coordinator	Project Manager	Transportation Planner	Formatted	... [9]
Human Resources Analyst	Public Information Manager	Urban Designer	Formatted	... [76]
Human Resources Manager	Public Relations Manager	Utility Billing & Customer Services Manager	Formatted	... [44]
Human Services Administrator	Real Estate/Property Manager	Water Operations Manager	Formatted	... [10]
Human Services Outreach Manager	Records & Archives Manager	Water Quality Specialist	Formatted	... [77]
IT Operations Officer	Records & Jail Manager	Web Applications Integrator	Formatted	... [45]
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Exhibit B - Definitions of “New Member” and “Classic Member” Per the Public Employees’ Pension Reform Act of 2013 – PEPR.A.

The parties acknowledge that the PEPR.A controls over definitions such as “new member” and “classic member” and put their understanding of the definitions in their MOU for informational purposes so that employees understand their retirement benefits.

New Member

Government Code section 7522.04(f) defines “new member” as follows:

(f) "New member" means any of the following:

(1) An individual who becomes a member of any public retirement system for the first time on or after January 1, 2013, and who was not a member of any other public retirement system prior to that date.

(2) An individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was a member of another public retirement system prior to that date, but who was not subject to reciprocity under subdivision (c) of Section 7522.02.

(3) An individual who was an active member in a retirement system and who, after a break in service of more than six months, returned to active membership in that system with a new employer.

Classic Member

CalPERS refers to all members who do not fit the definition of new member as a classic member