

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF SEBASTOPOL
AND THE SERVICE EMPLOYEES INTERNATIONAL UNION**

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MEMORANDUM OF UNDERSTANDING

July 1, 2006 to June 30, 2007

The Service Employees' International Union Local 707, hereinafter referred to as SEIU, and representatives of the Sebastopol City Council, hereinafter referred to as CITY, have met and conferred in good faith regarding terms and conditions of employment for the employees in the Union. Throughout the Meet and Confer process, both parties have exchanged information, opinions and proposals and have endeavored to reach agreement on all matters relating to the employment conditions and employer-employee relations of such employees.

SEIU and CITY agree as follows:

I) **TERM** The term of the agreement is one year, beginning July 1, 2006.

II) WAGE PROVISION

A) **WAGE INCREASE** Wage increases are shown in Attachment 1.

B) "Y" rated positions will receive 100% of CPI during the term of this agreement.

C) MW III Step 'D' requires one pre-approved certificate and Step 'E' requires two pre-approved certificates in addition to an above-average performance evaluation. Approved certificates may be obtained prior to the employee becoming eligible for the step increase, but step increases to 'D' and 'E' steps will occur only upon approval by the Department Head, and subject to the approval of the City Manager.

D) Educational Benefit Incentive Pay Employees in the bargaining unit are eligible for the Educational Benefit Incentive Pay provisions contained in the Personnel Resolution.

E) Longevity Pay Employees in the bargaining unit are eligible for the Longevity Pay benefit provisions contained in the Personnel Resolution.

III) RETIREMENT PROVISION

A) CITY and SEIU agree that Public Works and miscellaneous employees represented by SIEU shall be included in the California Public Employees Retirement System "Section 21354 2% @ 55 Full and Modified formula for local miscellaneous members".

B) City shall pay the employee's 7% contribution as a "Tax-Deferred Member Contribution".

C) The "highest 12 months" formula shall be used for calculating the retirement benefit.

- D) City will conduct an informational meeting for all miscellaneous employees regarding a 2.5% at 55 retirement benefit option. Upon receiving a written request from the Union within 30 days of said informational meeting, the City will conduct a vote of all miscellaneous employees prior to the end of 2006 to approve or reject the 2.5% at 55 option. The ballot proposal to employees will ask whether each individual wants to participate in the PERS 2.5% retirement plan at the employee's cost and will require 66-2/3 % of those voting to approve the change. The City will meet and confer with all affected employee organizations in regard to the ballot and the implementation of the change, if any. If agreement is reached with all affected employee organizations, the City will implement the benefit change. SEIU Local 707 represented employees agree that they will be responsible for paying the increase in retirement contribution rates to implement the 2.5% at 55 formula.

IV) HEALTH AND CARE PROVISIONS

- A) Health Insurance CITY agrees to continue to provide a health insurance program provided by participation in the Redwood Empire Municipal Insurance Fund.
- B) Health Care Premiums City will contribute the following maximum amount to premiums for employee health plan as shown in Table 1, Attachment 2.
- C) Payment in Lieu of Health Care Premiums.
- 1) For an employee who can provide the City with proof of medical insurance and who chooses not to participate in the City sponsored medical insurance plan, the City agrees to pay an in-lieu as shown in Table 2, Attachment 2.
 - 2) An employee who has chosen to receive the aforementioned monthly stipend in lieu of receiving medical insurance coverage may elect at the annual open enrollment period to again be covered under the city-sponsored medical insurance plan. No employee will be entitled to receive both medical insurance coverage from the City and the in lieu payment.
- D) **Retiree Health plan:**
- 1) To fund future costs of retiree health premiums, those employees hired after July 1, 2006 may voluntarily participate in the existing benefit plan provided
 - (a) The employee contributes 1% of base salary to a maximum of \$60/month to a retiree health care trust fund, to be matched by an equal city contribution.
 - (b) Employees may only elect to participate in this option within 60 days of their employment starting date.
 - (c) This fund shall be managed separate and apart from the existing funds used for this purpose.
 - (d) An employee who elects to participate in this benefit, but decides at a later date that he/she no longer wishes to continue in this program, may request a

reimbursement of 85% of the contributions that they have made to the fund as of that date.

(e) An employee who leaves employment with the City prior to retirement is eligible for a 90% reimbursement of their contributions.

2) Resolution Number 2357 of the City of Sebastopol updates the terms and conditions of the City's "Employee Medical After Retirement" program benefit to bring it into compliance with the Blue Cross and Kaiser medical plans, has been reviewed and approved by the members of SEIU. (See Attachment 5)

E) Health Insurance for Layoffs Employees who are laid off may elect to continue Health Insurance Coverage for themselves and their dependents up to 18 months or until employed, except that the premium cost for such coverage shall be paid by the ex-employee.

F) Dental Benefit The City agrees to provide, at no premium cost to employees and their dependents, a dental service coverage program on a City self-insured basis.

1) The annual aggregate total dental expenses to be paid by the City for the benefit of the bargaining unit shall be as defined in Attachment 3. Upon exceeding of the annual aggregate total, coverage for dental claims submitted for work performed during the balance of the fiscal year shall be paid under the Reduced Schedule of Coverage shown in Attachment 3.

2) The City will pay to the provider direct, the scheduled benefit in full. The employee is responsible to pay the provider any costs in excess of the scheduled benefit.

G) Vision Care Employees in the bargaining unit are eligible for the Vision Care benefit provisions contained in the Personnel Resolution.

V) OTHER COMPENSATION AND BENEFITS

A) Long Term Disability Benefit

1) The City agrees to provide off-the-job disability insurance for eligible employees. Eligibility period to be 30 days.

2) The parties agree that the City will add 100% of the LTD premium to the employee's monthly pay and deduct the same amount for payment of the premium. LTD benefit payments will then become nontaxable to the employee if the benefit is activated during a period of non-industrial disability.

- B) Workers Compensation City agrees to guarantee employees eligible for workers compensation coverage 80% of their regular salary for one year. Employees are entitled to supplement their Workers Compensation benefit using accrued vacation and sick leave.
- C) Life Insurance Employees in the bargaining unit are eligible for the Life Insurance benefit provisions contained in the Personnel Resolution.
- D) Deferred Compensation Employees in the bargaining unit are eligible for the Deferred Compensation benefit provisions contained in the Personnel Resolution.
- E) Overtime Overtime will be paid by CITY for the payroll reporting period during which it is earned, on the subsequent pay check date.
- F) Clothing Allowance The City will pay a clothing allowance to members of this unit except for those whose primary work location is within an office. The clothing allowance will be \$530 per year payable in two equal installments in the first payroll for July and January of each year. Employees may request an advance of up to 50% of the clothing allowance. Advance payments will be deducted from the next scheduled clothing allowance payment or upon separation from employment. In consideration of the clothing allowance, employees will comply with the following dress requirements:
- 1) Work clothes, at the beginning of the day, are to be clean and neat in appearance.
 - 2) Work clothes shall consist of a safety green shirt in one of the following styles:
 - (a) Short sleeve knit shirt ("T" shirt or polo style).
 - (b) Long or short sleeve button shirt.
 - 3) All shirts shall have the City of Sebastopol logo printed on them.
 - 4) City will provide up to six safety green 'T' shirts for each eligible employee as a one time initial purchase in this MOU period. The purchase will be completed as allowed by the vendor.
 - 5) City will arrange for the future bulk purchases of the required uniform shirts printed with the City logo in April of each year. The cost of clothing ordered by each employee will be deducted from the July clothing allowance.
 - 6) Employees shall wear appropriate pants and boots for the nature of the work they are required to perform. Appropriate shorts may be worn in warmer weather. The City retains the right to determine reasonable standards for the benefit of employee safety and city standards.

- G) Tuition Reimbursement City will reimburse employees for tuition and books for attending and completing, with satisfactory grade, work-related educational courses, as approved by Department Head.
- H) Direct Deposit City will provide direct deposit of bi-weekly paychecks in local banks.

VI) HOURS OF WORK AND PAID LEAVE

- A) Regular Hours of Work The regular work schedule for bargaining unit employees will be the 9/80 schedule.
- B) Flexible Work Schedule
- 1) The City recognizes that flexible scheduling of work hours which accommodate the personal needs of employees may be of benefit to both the City and the employee, and may be in accordance with the “Trip reduction Program” of the City. Unit members may voluntarily work a flexible schedule so long as the needs of the City are being met. A flexible schedule may include a 4/10 work schedule or changes in starting or ending times of the workday, and may be on an intermittent, seasonal, or ongoing basis.
 - 2) Requests for flexible schedules shall be evaluated by the Department Head. Requests may be submitted by individual employees or groups of employees who share common assignments. Different types of schedules may be implemented depending on the employees’ assignments. An employee or group of employees requesting flexible schedules shall demonstrate as part of their request that the public service needs of the City will continue to be met, and that all employees requesting the change in schedule are in agreement with the flexible scheduling arrangements. Requests meeting these criteria shall not be arbitrarily denied.
 - 3) Flexible scheduling arrangements may be discontinued due to a change in personnel, the request of the employee or employees, or in the sole discretion of the City, that City services are being adversely affected. In the case of discontinuance, employees shall revert to the regular 9/80 work schedule.
 - 4) No flexible scheduling arrangement shall result in an employee earning mandatory overtime for a regular 40 hour work week. Also, employees working a 4/10 schedule will receive holiday pay as if they were working the standard 9/80 schedule and may use vacation pay to make up for holiday time off during their 4/10 schedule to make up for a 40 hour work week. For unit members working flexible schedules, the normal workweek may be redefined pursuant to the Fair Labor Standards Act.

- C) Vacation Employees in the bargaining unit are subject to the Vacation provisions contained in the Personnel Resolution.
- 1) Vacation Accrual Limits Employees may accrue a vacation time off balance maximum of 200 hours or up to two times their annual vacation accrual rate whichever is greater. Under special circumstances approved in advance by the City Manager, employees may accrue beyond the maximum for a defined period of time. Employees currently in excess of their maximum accrual limit will have until June 30, 2007 to reduce their balance below the accrual limit. Prior to June 30, 2007, employees may contribute vacation time to their deferred compensation plan to bring their balance below the maximum accrual rate.
 - 2) Cash in Lieu of Vacation Pay Beginning July 1, 2004, the City will set aside the sum of \$25,000, annually, for payment of cash in lieu of accrued vacation to all eligible City employees, subject to the following limitations:
 - (a) Employees must maintain a minimum of 100 hours of accrued vacation in order to be eligible to request a cash-in-lieu payment.
 - (b) For accrued balances in excess of 100 hours, employees may request a cash in lieu payment for up to 40 hours of vacation in any fiscal year.
 - (c) City will set aside a total of \$25,000 per fiscal year (\$15,000 in October, and \$10,000 in April) for payment of cash in lieu of vacation. City will accept written requests for cash in lieu of vacation between October 1 and October 15. If all requests total an amount greater than \$15,000, approved requests will be pro-rated accordingly. If total requests are less than \$15,000, the unused amount will be rolled toward to the period of April 1 through April 15 for disbursement according to the same procedure. In no event shall the total amount of in-lieu payments exceed \$25,000 in any fiscal year.
 - (d) Employees shall designate the payroll date on which they wish to receive the cash payment, at the time of the request.
 - (e) Employees may rescind their request, in writing, at any time prior to the closing of the payroll period for which the payment was requested.
- D) Holidays Employees in the bargaining unit are subject to the Holidays provisions contained in the Personnel Resolution, except that Columbus Day is not a paid holiday for this unit (see E. ii, below).
- E) Floating Holidays
- 1) Employees in the bargaining unit are subject to the Floating Holidays provisions contained in the Personnel Resolution.
 - 2) Employees in this bargaining unit shall receive one extra Floating Holiday per year, in lieu of a paid holiday on Columbus Day.

- F) Sick Leave Employees in the bargaining unit are subject to the Sick Leave provisions contained in the Personnel Resolution.
- G) Voting Leave Employees in the bargaining unit are subject to the Voting Leave provisions contained in the Personnel Resolution.

VII) STANDBY AND CALL-IN PROVISION

- A) Weekly Standby pay will be \$290 for each seven day work period. For each City Holiday and scheduled Friday off that occurs during the designated standby period (Monday through Friday) the employee shall be paid an additional \$110.00.
- B) An employee in the Public Works Department who is required and expected to be immediately available after normal working hours on weekdays, weekends, and holidays, in the event of an emergency, and who is assigned the duty of checking on City water wells, sewer lift stations, Ives Pool, park restrooms and other duties assigned by the Public Works Superintendent shall be considered to be on standby duty. Immediate response time is understood to be as maximum of 30 minutes to the reporting site.
- C) While an employee is on standby duty they shall be considered to be employed by the City, and they shall adhere to all rules and regulations for employee conduct regarding behavior, alcohol and drug use. Permission shall be obtained by the Superintendent prior to allowing passengers in a City vehicle who are not employed by the City.
- D) Any deviation from the standby duty scheduling roster shall be reported to either the Maintenance Supervisor or the Superintendent, and to the Police Department. This will insure that the employee can be contacted by their supervisor or the Police Department, if necessary. In order to receive auto dialer alarms, the second standby pager shall be carried by the employee filling in for the originally-scheduled standby person.
- E) Overtime shall be paid for each initial emergency call in, at a minimum of two hours at the overtime rate (one and one-half times hourly pay.) If subsequent call-ins are received during the initial two-hour period, which result in work exceeding the initial two hours, the employee shall be compensated at the overtime rate for the actual number of hours spent on that call. Subsequent emergency call-ins that are received after cessation of work from prior call-ins shall be compensated as described in Section G below.
- F) Employees will be paid for all travel time for call-ins up to 30 minutes as stipulated in Section B, above. Weekend and holiday schedules duties, such as checking the reads at the wells, lift stations and pool, and cleaning the restrooms and emptying garbage in the parks, shall begin no later than 10 a.m., unless prohibited due to emergency call-ins.

- G) Employees shall be compensated their hourly overtime rate beginning when they start traveling to the corporation yard or call-in site, and shall not be compensated for an additional call-in until two hours expires from the time they logged in on the initial call. If, after two hours, and additional call-in is received, the employee shall begin a subsequent two hour call-in period.
- H) Phone work compensation for employees who are not called-in, but who are contacted to resolve work problems will be paid for a minimum of one (1) hour's pay at the overtime rate, for telephone calls received or made during the one-hour period. In the event a later telephone call is received, after the cessation of work from the prior one-hour of telephone work time, the employee shall be paid for an additional one hour at the overtime rate for all telephone calls made or received during the next hour. Phone work compensation may only be authorized and/or initiated by either the Public Works Superintendent, Maintenance Supervisor, or Senior Maintenance Worker. For purposes of compensation a phone call of less than one minute shall be considered "de minimis" and not compensable. Multiple "de minimis" phone call will be considered in the aggregate, and shall be compensable phone work compensation.
- I) Standby assignments will be rotated as equitably as possible among qualified employees who are able to perform the work.
- J) Commencement and cessation of call-in begins with leaving home (or wherever the employee is located) to respond to the employer's request to work, and ends upon the employee's arrival at home. Travel time is understood to be a maximum of 30 minutes each way. Employees on standby duty must be within 30 minutes travel time of the City, or at home.

VIII) LAYOFF PROVISION

- A) Causes for Layoff An employee may be subject to layoff by the City Manager because of changes in duties or organization, abolishment of position, shortage of work or funds, or completion of work. Notice of such termination will be given to the employee at least thirty (30) days prior to the effective date of layoff Such determination shall not be subject to appeal.
- B) Order of Layoff The order of layoff shall be in reverse order of seniority in the affected classification. "Seniority" shall be defined as length of employment with the City. Seniority shall be calculated on the basis of an employee's time served in paid status as a probationary or regular employee, and time served on military leave of absence.
- C) Right of Displacement Employees subject to layoff shall be entitled to displace a less senior employee from a position in a lower classification in the same department, provided the employee meets the minimum qualifications for the position; any employee

displaced under this subsection is an employee subject to layoff and is entitled to all the rights provided by this Section, including the right to displace another employee.

D) Reemployment Rights

- 1) Employees who are laid off pursuant to this Section are eligible for reemployment for a period of twenty-four (24) months from the date of termination, and will be offered reemployment in preference to new applicants. The right to reemployment is limited to the filling of vacancies (created either by termination or new approval) in the same job classification from which the employee was actually laid off.
- 2) Reemployment offers shall be made in the reverse order of layoff, and shall be made via first class mail to the employee's last known address. It is the responsibility of the employee to provide the City with a current address for the purpose of notification pursuant to this Section.
- 3) Acceptance of the reemployment offer must be received by the City Manager within twenty (20) days of the date of mailing. Failure to accept the offer within that time period will be deemed a refusal.
- 4) Employees on the reemployment list may refuse an offer of reemployment; however, refusal of three (3) offers of reemployment shall automatically cause removal from the list and the loss of reemployment rights.
- 5) Reemployment of a regular employee within the reemployment period shall result in reinstatement of the seniority, sick leave and salary placement in effect at the time of lay-off. The interval of lay-off status shall not be considered a break in service, but employees shall not earn salary, sick leave, vacation or benefits during that period.

IX) FURLOUGH POLICY Employees within the bargaining unit are subject to the provisions of the Furlough Policy contained in Attachment 4.

X) UNION RIGHTS

- A) Exclusive Right to Represent The Union and its authorized representatives have the exclusive right to represent members of the bargaining unit on all matters within the scope of representation.
- B) Employee Contact Union paid staff is permitted to contact represented employee during normal business hours on matters within the scope of representation subject to prior arrangements being made with the designated management representative of the employees being contacted.

- C) Meeting Space Upon request of Union, the City may provide meeting space outside working hours, provided such space is available and Union complies with all departmental rules and policies of the City.
- D) Communications City will furnish adequate bulletin board space measuring no less than 36 X 48 inches. Bulletin boards shall be located in mutually acceptable areas and shall when reasonably possible, be out of plain view of the public. All materials to be posted on said boards shall be in good taste and strictly impersonal in nature and limited to the legitimate business of Union. Prior to posting, any material shall be plainly and legibly initialed by an authorized representative of Union.
- E) Union Officers The City agrees to authorize members of the Union Board of Directors, time to attend to his/her Union business. Total time spent shall not exceed 40 hours in aggregate in any fiscal year. Union shall provide monthly reporting to the City, the names and hours used by Union officers during City hours. In all cases, the Union officer shall secure permission from his/her supervisor before leaving a work assignment.
- F) Job Steward The City recognizes the need and affirms the right of Union to designate Job Stewards from among employees in the bargaining unit to handle grievances pertaining to this agreement. Union may designate one (1) Job Steward to represent bargaining unit employees in grievance procedures. For this purpose, the City shall grant the Job Steward a reasonable amount of time not to exceed one (1) hour per grievance. The City will not take reprisal against Job Stewards for their lawful activities as provided for under this agreement and State law.
- G) Dues Check Off - Union Members The City agrees to deduct all Union dues, insurance premiums and Assessments from the pay of those employees who have authorized that such deduction be made. The amounts deducted shall be remitted promptly to the Union or its designees, with an alphabetical list of the employees from whom deducted.
- H) Non-Union Members Service Fee At the request of SEIU, the City agrees to deduct from monthly pay of full-time City employees in the unit who are not a member of SEIU, a monthly service fee, determined annually by an analysis of chargeable and non-chargeable activities conducted by SEIU, and forward to SEIU for representation. In no event shall the service fee exceed SEIU unit membership dues.
- I) Maintenance of Membership All Union members who have authorized in writing, or who may thereafter authorize in writing the deduction of these Union dues, shall remain on payroll deduction for the term of this Memorandum or so long as they are members of the representative units.
- J) Bargaining Unit Composition This Memorandum of Understanding refers to that unit of public works and miscellaneous employees of the City of Sebastopol for which

the City Council acknowledged SCOPE, now known as SEIU, as the recognized employee organization for said public works and miscellaneous employees listed below.

- 1) SEIU is recognized as the employee organization for public works and miscellaneous unit consisting of:
 1. Maintenance Worker I
 2. Maintenance Worker II
 3. Maintenance Worker III
 4. Public Works/Planning Technician
 5. Landscape Maintenance Worker

XI) MISCELLANEOUS

- A) CITY and SEIU agree in the meantime, that there are in existence other City Personnel Ordinances, Resolutions and Policies that have heretofore applied to the employees and do not need to be enumerated in detail herein in order to continue to be effective. CITY agrees that whenever information is presented to them by SEIU or by any other source showing such regulations referred to above, conflicts with this Memorandum of Understanding, then this Memorandum of Understanding shall take precedence.
- B) SEIU to work cooperatively with CITY to make revisions to the CITY Personnel Resolution.
- C) PREPARATION OF COMPREHENSIVE MEMORANDUM OF UNDERSTANDING
The parties agree that upon the successful completion of negotiations for the period beginning July 1, 2006, a comprehensive MOU will be the ratified document. The existing Employee Handbook will no longer be in effect or apply in any way to the members of this bargaining unit. Personnel Resolution 2357 as amended will be the only basis for personnel policies containing the terms and conditions of employment as modified by the current MOU in force between the SEIU and the City of Sebastopol.

XII) SEVERABILITY In the event that any portion of this memorandum of Understanding is declared invalid, it shall not affect the validity of any other portion of the Memorandum of Understanding not invalidated.

IN WITNESS WHEREOF, the undersigned parties hereby agree to the aforementioned terms and conditions contained within this Memorandum of Understanding dated _____.

CITY OF SEBASTOPOL

SERVICE EMPLOYEES'
INTERNATIONAL UNION – LOCAL 707

Sam Pierce, Mayor Date

Bill Steck, General Manager Date

Dave Brennan, City Manager Date

Eric Scott, Maintenance Worker III Date

Sue Kelly, Assistant to City Manager Date

Randy Bratton, Maintenance Worker III Date

Approved to the Sebastopol City Council on March 6, 2007.

ATTACHMENT 1
WAGE INCREASE

Effective July 1, 2006, all members of this bargaining unit will receive a 3.2% COLA.

On January 1, 2007, an equity adjustment of 2% will be provided to Maintenance Worker I and II Classifications.

ATTACHMENT 2
HEALTH CARE PREMIUMS

**TABLE 1
SCHEDULE OF HEALTH CARE PREMIUMS**

Coverage	06/07 Premium	City Payment	Employee Payment
Blue Cross			
EE	374.52	374.52	0.00
EE+1	786.51	746.51	40.00
Full Family	1,123.62	983.62	140.00
Kaiser			
EE	362.97	362.07	0.00
EE+1	724.14	704.14	20.00
Full Family	1024.66	981.66	43.00

**TABLE 2
IN-LIEU PAYMENT FOR HEALTH CARE PREMIUMS**

Coverage	In-Lieu Benefit*	Salary Benefit
Full Family	\$300.00	\$275.00
Employee + 1	\$228.00	\$209.00
Employee Only	\$109.00	\$100.00

*Examples of in-lieu benefits are: deferred compensation, other medical expenses, life insurance, long-term care insurance and any other city-approved benefit program.

**ATTACHMENT 3
DENTAL BENEFIT**

Procedure	Regular Schedule of Coverage	Reduced Schedule of Coverage
Diagnostic and Preventative, Basic, Crown & Casts	90% of usual, customary and reasonable charges	80% of usual, customary and reasonable charges
Prosthodontic	90%	50%
Orthodontic Procedures	90%	50%
Orthodontic Lifetime Maximum	\$3,000 per person	\$3,000 per person
Fiscal Year Maximum	EE \$1,300 EE+1 \$1,750 FF \$785 each	Same
Annual Aggregate Group Limit for Reduced Coverage	\$8,000	

ATTACHMENT 4 FURLOUGH POLICY

City of Sebastopol Employee Furlough Program

Purpose:

To define and establish a program and procedure that allows for employees currently employed with the City of Sebastopol to be furloughed from work on an unpaid basis. It is anticipated that such unpaid Furlough time may be necessary due to insufficient funding available to support full time staffing. This policy, which is subject to meet and confer, is a possible alternative to layoff due to lack of funds. This policy may only be implemented upon mutual agreement between the City of Sebastopol and SEIU Local 707.

II Policy:

. The number of hours when employees may be required to take time off without pay will be determined at the time of implementation, but no more than 40 hours for full time employees or proportion thereof for part time employees.

The City will meet and confer with employee bargaining units to discuss the implementation procedure and policy concerns that may arise during those meetings. In the interest of efficiency, the meet and confer meetings will be initiated 60 days prior to and concluded 30 days before the proposed implementation date.

III Procedure:

- a. The employee will have the right to return to the same position, subject to the terms and conditions herein.
- b. The reduction in pay for employees shall be prorated among all the pay periods for the full fiscal year or that portion of the fiscal year remaining should the program be implemented mid-year.
- c. Furlough time may be used in conjunction with paid holidays, accumulated vacation, CTO or administrative leave.
- d. Paid leave and Furloughed time taken together in any pay period shall not exceed the total number of the employee's regularly scheduled hours in the pay period.
- e. Credits toward sick leave, vacation and holiday eligibility shall accrue during the furlough period as though the employee were on paid status.
- f. Furlough time shall apply toward time in service for step advancement, completion of probation, and toward seniority for purposes of layoff. Furlough time will not affect an

- employee's salary anniversary date.
- g. An employee will continue to receive a full year's PERS service credit.
 - h. Other paid leave time may not be used in lieu of Furlough time.
 - i. Furlough time shall not be used in conjunction with Worker's Compensation or other leave without pay.
 - j. The employee may request that a lump sum deduction be made to their pay for Furlough time in lieu of a prorated reduction of pay subject to approval by the Finance Director.
 - k. In the event an employee separates during the Fiscal Year, the Finance Department shall reconcile the number of Furlough hours and the number of Furlough hours which have been taken, and shall pay the employee the value of any Furlough hours which have not been taken. Employee will pay to the City, through an adjustment of his/her final paycheck, for any Furlough hours taken which exceed the value of pay reductions to the date of separation.
 - l. While an employee is on Furlough Leave, the Department will not utilize temporary employees to backfill the furloughed employee, except with the City Manager's prior approval.
 - m. Any dispute between an employee and his or her department head regarding the implementation and application of this policy shall be resolved by the City Manager.
 - n. Any dispute not resolvable by the City Manager may be submitted to binding arbitration under the grievance procedure of the MOU.

ATTACHMENT 5
RETIREMENT MEDICAL
RESOLUTION NO. 5543
SECTION XIV
INSURANCE COVERAGES

A. Health Insurance for Active Employees

1. City shall pay monthly premiums as defined in MOU's for a City-sponsored group health plan for employee and qualifying dependents.

B. Health Insurance for Retired Employees

A retired employee is defined as receiving retirement benefits from (PERS) Public Employee Retirement System.

1. **For SPOA employees who retired prior to July 1, 1997; and all other employees who retired prior to July 1, 1998:** City will pay for health insurance coverages, for past and future retirees, for both the employee and dependents providing the employee has had at least 10 years of prior employment, with the City of Sebastopol and has been covered by a City-sponsored group health plan for the 24 months preceding retirement. The City will pay premium costs up to a maximum as follows:

Single person, under age of 65:	\$61.71/mo.
Single person, over age of 65:	52.80/mo.
With spouse, both under age of 65:	135.85/mo.
With spouse, one over age 65:	114.51/mo.
With spouse, both over age 65:	105.60/mo.

2. **For SPOA Employees retiring after July 1, 1997; and for all other employees retiring after April 1, 1998:** City will pay for Police Bargaining Unit Members who retire after July 1, 1997, and for all other employees who retire after April 1, 1998, the following amount for retiree health insurance premium. Coverage shall be available to employees who have had 10 years full-time paid employment with benefits, with the City; and were covered under a City-sponsored group health plan immediately prior to retirement. Any time spent in a paid part-time or non-paid part-time position will not count towards the 10 year minimum. The City will pay premium costs up to a maximum as follows:

Single person, under age 65:	\$131.56/mo.
Single person, over age 65:	148.15/mo.
Employee +1, both over age 65:	311.10/mo.
Employee +1, one over age 65:	298.89/mo.

Employee +1, both under age 65: 276.27/mo.

C. Payments for the retiree's share of the premium are due no later than 60 days from the due date (first day in the coverage month). Retirees will be dropped from the health insurance plan for non-payment of their share of the premium after 60 days, unless prior arrangements have been made.

D. **Disqualifying Events Under a City-sponsored Health Plan:** Health Insurance coverage shall continue until a disqualifying event occurs, except for COBRA health insurance coverage continuation. Disqualifying events shall include:

For Retiree:

- i. Death of retired employee (Subscriber).
- ii. Termination of retired status of employee by reinstatement to full-time employment with the City.
- iii. Non-payment of retiree share of premium to City.

For Dependents:

- iv. Divorce from the retired employee.
- v. Dissolution of legally registered and valid domestic partnership from the retired employee.
- vi. When the retired employee's child turns 19, or 25 provided they are enrolled as a full-time student.

E. All dependents who are terminated from a City-sponsored Health Plan may be eligible for COBRA Health Insurance coverage continuation. Those individuals covered under a City-sponsored group health plan who are cancelled due to non-payment of premium, will not be eligible for COBRA Health Insurance continuation.

F. Whenever a disqualifying event occurs, health insurance coverage and the city contribution towards premium shall be either terminated or adjusted to the current status of the retired employee. City contribution towards health insurance premium shall not be increased if the retired employee adds a family member after the effective date of retirement.

G. **Notification of Dependent Changes** It is the full responsibility of the retiree to notify the City of any dependent status changes, as they occur. In the event the retiree neglects to notify the City of a dependent loss, the retiree will be liable to reimburse the City for the full amount of the health insurance premium paid, and future costs, to cover that dependent on the policy, until the dependent is dropped from coverage.

H. **Insurance Coverage for Surviving Family Members** Enrolled family members may continue health insurance coverage in both plans, after the retired employee's death. This continuation will end the date the surviving spouse remarries. A new dependent acquired during this continuation is not eligible to be enrolled as a family member. In the event of

loss of coverage, the surviving family members who were previously covered under a City Health Plan, will be offered COBRA for up to 36 months, at their expense.

- I. **COBRA Continuation** Generally COBRA Health Insurance continuation is offered to retirees and dependents when a loss of coverage occurs, due to a qualifying event. Dependents are entitled to COBRA health insurance continuation for 36 months, at their cost plus 2% administrative fee, based on a qualifying event. Non-payment of premium is not considered a qualifying event, and a retiree and their dependent(s) dropped from a City-sponsored group health plan for non-payment of premium, is not eligible for, and will not be offered COBRA, as defined in the Health Insurance Policy Agreements.
- J. **Re-Enrollment** Retired employees covered under a City-sponsored group health plan may change City Health Insurance plans once per year during open enrollment which occurs in June, for coverage effective July. Once a retired employee voluntarily drops a City health insurance plan or is dropped because of non-payment of employee share of premium, or COBRA expiration, they will not be able to re-enroll in a City-sponsored group health plan in the future, as defined in the Health Insurance Policy Agreements.
- K. **Private Plan Reimbursement** If a retiree is not covered under a City-sponsored group health plan, they are entitled to receive the city-paid health insurance premium contribution, if they submit receipts to the City for reimbursement, in a timely manner. The City will reimburse up to the defined benefit level in sections 1 or 2, once per calendar quarter, after receipts are submitted. The City will not consider requests for reimbursements that exceed one year after the month of coverage. The City will not be responsible for reminding retirees to submit their paid receipts for reimbursement.
- L. **Positions Ineligible for Coverage** Certain positions are not eligible for medical benefit after retirement. Those positions include: Reserve Police Officers, Volunteer Firefighters, Crossing Guards, Per Diem Dispatchers, Temporary positions, and all other non-salary part-time positions. Any time served in these positions will not count towards the 10 year minimum full-time service to be eligible for health insurance coverage after retirement.
- M. **Insurance Plan Limitations** The City will provide retirees health insurance coverage in accordance with each insurance group plan agreement. At no point will the City ever provide a benefit greater than what is defined in any of the insurance group plan agreements. If a change occurs to the group plan agreement, that change will take precedence over language defined in this resolution.

BE IT ALSO RESOLVED that this Resolution supersedes all previous resolutions defining medical retirement benefits.

ADOPTED BY CITY COUNCIL ON the 18th Day of July, 2006.