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Memorandum of Understanding between
The City of Lathrop and
Service Employees International Union Local 1021

Effective: July 1, 2026 through June 30, 2028

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MEMORANDUM OF UNDERSTANDING
BETWEEN THE CITY OF LATHROP AND
SERVICE EMPLOYEE INTERNATIONAL SEIU LOCAL 1021
GENERAL SERVICES BARGAINING UNIT

PREAMBLE

This Memorandum of Understanding (MOU), is made by and between the City of Lathrop (City) and the Service Employees International SEIU Local 1021(SEIU), representing regular employees who are incumbents in regular full-time or part-time (when scheduled to work thirty (30) hours or more per week) positions as defined in this MOU that are in job classifications comprising the General Services Bargaining Unit (Appendix A). This MOU constitutes the result of meeting and conferring in good faith pursuant to the California Government Code Section 3500 et.seq. and the City of Lathrop Employer-Employee Relations Resolution (EERR) establishing the wages, hours and other terms and conditions of employment for employees represented by SEIU.

DURATION

The term of this agreement shall be from July 1, 2026 to June 30, 2028.

PERSONNEL RULES

All references to Personnel Rules are specifically and only to the City of Lathrop Personnel Rules and Regulations adopted by Council Resolution No. 23-5323. To the extent any Personnel Rules and Regulations are adopted by Council Resolution after the effective date of this MOU, they require the meeting and conference with the SEIU on matters within the scope of representation prior to their adoption by Council and their binding of members of this Unit. Personnel Rules following this manner of adoption will then be binding on all members of this Unit even if the Rules are inconsistent with provisions of this MOU.

OTHER POST EMPLOYMENT BENEFITS – "OPEB"

In an effort to maintain fiscal solvency, the City will maintain post-employment benefit obligations in the following manner:

1. Maintain Irrevocable Trust Fund established in FY 2014/15 – Medical Benefits
    a. CalPERS to administer
2. Continue funding OPEB contributions and annual required contributions for term of agreement.
3. Other Post-Employment Benefits "OPEB" obligation -
    a. Medical post-retirement age eligible at 55
        i. All employees retiring after December 31, 2014
        ii. All new hires
    b. Post-retirement medical for all employees retiring after December 31, 2014 and New Hires

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i. Retiree +1
ii. City-paid retiree medical 55-65 = same health benefits premium as active employees; continue existing City & employee contributions; City will pay one half (50%) of the difference in premium increase up to 6.5%; tied to the average plan cost. The City will pay the CalPERS Minimum Employer Contribution (i.e. $149/mo for 2022). For calendar year 2022, $1,865/mo.
iii. Retiree is responsible for paying the cost of medical premiums as established by CalPERS.
iv. The City will process a reimbursement through the designated third-Party Administrator (TPA). The TPA will process the reimbursement to the retiree on or about the 1st of each month.

c. Post-retirement medical for employees who retired on or before December 31, 2014 – No change

4. Maintain Post-Retirement Benefit Schedule
   a. Employees hired prior to July 1, 2014; 100% vested
   b. Employees hired July 1, 2014 or later; 25% @ 5 years; 50% @ 10 years; 100% @ 15 years
   c. The benefit stipend is a dollar amount equal to 100% of active average plan cost, by category; i.e. retiree +1

PROVISIONS

The City and SEIU agree to the following provisions:

1. EMPLOYER-EMPLOYEE RIGHTS AND RESPONSIBILITIES

1.1. Management Rights.

It is understood and agreed that the City retains all of its powers and authority to manage municipal services and the work force performing those services. It is agreed that during the term hereof, the City shall not be required to meet and confer on matters that are solely a function of management, including but not limited to:

1.1.1 Determine and modify the organization of City government and its constituent work units.

1.1.2 Determine the nature, standards, levels and mode of delivery services to be offered to the public.

1.1.3 Determine the methods, means and the numbers and kinds of personnel by which services are to be provided.

1.1.4 Determine whether goods or services shall be made or provided by the City, or shall be purchased, or contracted for.

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1.1.5 Direct employees, including scheduling and assigning work, overtime and work hours. For the purposes of this right, work hours shall not include any change in regularly scheduled work hour that extends for more than one full pay period not shall it include any revision to the 9/80 plan.

1.1.6 Establish employee performance standards and to require compliance therewith.

1.1.7 Relieve employees from duty because of lack of work, or lack of funds or for other legitimate reasons.

1.1.8 Implement rules, regulations and directives consistent with law and the specific provisions of this MOU.

1.1.9 Take all necessary actions to protect the public and carry out its mission in emergencies.

Decisions under this section shall not be subject to the grievance procedure provided in Section 14.

1.2. Employee's Rights-Employer-Employee Relations.

SEIU and the City recognize that each employee shall have the following rights that he/she may exercise in accordance with this MOU, the Employer-Employee Relations Resolution, applicable law, ordinances and rules and regulations:

a) The right to form, join, and participate in the activities of any labor organization of his/her own choosing for the purpose of representation of all matters within the scope of representation.

b) The right to be free from interference, intimidation, restraint, coercion, discrimination, or reprisal on the part of the City, other employees or employee organizations, with respect to his/her membership or non-membership in any employee organization or with respect to any lawful activity.

c) The right to refuse to join or participate in the activities of any employee organization.

1.3. Discrimination of Employment Prohibited.

The City of Lathrop prohibits discrimination in employment as outlined in Chapter 1, Section 6 of the Personnel Rules and Regulations.

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1.4. SEUI Rights.

SEIU shall have the following rights:

1.4.1 REPRESENTATION: To meet and confer in good faith with the City Manager regarding matters within the scope of representation.

1.4.2 ADVANCE NOTICE: Except in cases of emergency, SEIU shall be given five (5) days advance written notice of any ordinance, resolution, rule or regulation, proposal or other action directly relating to matters within the scope of representation proposed to be adopted by the City and shall be given the opportunity to meet and confer in good faith with management prior to its adoption. Written notice will customarily be provided by furnishing SEIU with advance copies of the agenda of the City Council.

In cases of emergency when City management determines that an ordinance, resolution, rule or regulation must be adopted immediately without prior notice or negotiations with SEIU, City management shall provide such notice and opportunity to negotiate at the earliest practicable time following the adoption of such ordinance, rule or regulation, proposal or other action.

1.4.3 REPRESENTATIVE-MEETING ATTENDANCE: SEIU may have two (2) employees who serve as official representatives released from work without loss of compensation when meeting and conferring with management representatives where matters within the scope of representation are being considered. SEIU shall submit a request for such release and shall include a listing of such employees including their titles and departments to the management representative and departments concerned in advance of the meeting. The use of City time for this purpose shall not be excessive, nor shall it unreasonably interfere with the performance of City services as determined by the City.

1.4.4 REIMBURSABLE LONG TERM PAID RELEASE TIME: Pursuant to the provisions of SB 1085/Government Code section 3558.8, the City shall grant an employee, with prior department approval and upon written request of SEIU, a reasonable leave of absence without loss of compensation or other benefits for the purpose of enabling employees to serve as stewards or officers of SEIU. Leave may be granted on a full-time, part-time, periodic or intermittent basis under the following procedures:

a) The Union officer or steward shall submit a written request to Human Resources at least thirty (30) business days in advance of the requested leave. The request shall include dates/duration, name and classification.

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b) No more than one (1) unit member shall be on leave at the same time; and employees must have a minimum overall satisfactory evaluation rating for the most recent evaluation period, and employees cannot be in any probationary status and/or on administrative leave. For any employee going on leave, who is on a medical leave, SEIU will ensure compliance with all medical restrictions.

c) SEIU shall reimburse the City for all benefits and compensation paid to and earned/realized by the employee on leave, including but not limited to all wages and benefits, and including reasonable City administrative fees of $2.50 per employee on leave per pay period. Upon written notice from the City, SEIU agrees to reopen and meet within thirty (30) days of notice regarding administrative fees.

d) Reimbursement by SEIU shall occur within thirty (30) day of the City's billing to SEIU.

e) The leave of absence will be approved only if it does not interfere with the performance of City services and department operations, as determined by the City.

At the conclusion or termination of the leave granted under this section, the officer or steward shall have a right to reinstatement to the same position and location they held prior to such leave.

The City shall not be liable for any act, omission or injury suffered by any employee of the City if that act, omission or injury occurs during the course and scope of the employee's leave under this section to work for SEIU. To the extent that the City is held liable for any such act, omission or injury, SEIU shall indemnify and hold harmless the City.

1.4.5 REPRESENTATIVES ACCESS TO EMPLOYEES

a) Authorized representatives of SEIU (employed by SEIU) shall be allowed reasonable access to members of the unit at their work locations during the working hours of the employees. The authorized representative shall give advance notice to the Department Head when contacting the departmental employees during their duty period.

b) Reasonable solicitation for membership or other internal SEIU business or campaigning shall be conducted only during the non-duty hours of all employees concerned, so long as normal work functions of City are not interfered with.

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1.4.6 REIMBURSABLE SHORT TERM PAID RELEASE TIME:

a) SEIU representatives shall be allocated a total of eighty (80) hours of reimbursable short term paid release time for Union business for this bargaining unit for each 365-day period or part thereof under this Memorandum. The Union shall pay to the City the cost of such representatives' City salary for this period in cash or method to be agreed upon by the Human Resources Division and SEIU.

1.4.7 SHOP STEWARDS: Shop stewards (City employees) employed and recognized by City may assist employees in resolving complaints and grievances at the lowest possible administrative level of review. Stewards will be allowed a reasonable amount of City time, provided that the work of the employee and the service to the public are not unduly impaired, to investigate process and meet with management on a complaint or grievance. Such time shall not exceed four hours per case. Stewards my use City time to meet with management only at the first or second level of review of the grievance procedure.

a) RELEASE TIME: A request for release time for the purposes outlined above shall be made prior to taking the release time. Such a request shall not be unreasonable denied.

b) NUMBER OF STEWARDS: SEIU may have four (4) Stewards in this unit to represent employees at City work sites. However, the SEIU may only have two (2) Stewards when meeting with Management or when meeting in one worksite. SEIU shall provide a current list of all designated Stewards to the City Manager or designee at the beginning of each calendar year and whenever there is a change in the list of Stewards. The list shall show the employee name, classification, department and work location and normal work hours are to be covered. No Steward shall be recognized as such by the City without a written request from SEIU.

1.4.8 SEIU-CITY FACILITIES USE: City facilities shall be available to SEIU as follows:

1. <u>City Buildings:</u> SEIU may be granted the use of City buildings, but not City equipment, for meetings composed of City employees within the bargaining unit provided space can be made available without interfering with City needs. SEIU shall obtain the permission of the designated City official for the use of such facilities.

2. <u>Bulletin Boards:</u> SEIU shall be allowed reasonable use of City bulletin boards to provide information to members with prior approval of the City Manager or his/her designee under the following conditions:

(a) Material shall be posted on space as designated.

(b) Posted material shall bear the name of SEIU.

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(c) Posted material shall not be misleading, contain any deliberate misstatements and/or violate any Federal, State or County laws.

(d) Material shall be neatly displayed and shall be removed when no longer timely.

1.4.9 EMPLOYEE PAYROLL DEDUCTIONS: SEIU shall have the right to a payroll deduction for its members in this unit including regular dues, voluntary COPE deductions, assessments, employee benefit program costs, and any other contribution towards a SEIU program or fund as specified by SEIU for all employees who have given written authorization.

1.4.10 DUES AND BENEFIT DEDUCTIONS: Regular dues and employee benefit program costs may be deducted from the employee's individual paycheck. Except as otherwise provided in this MOU, payroll deductions shall be made only upon the revocable written authorization of the individual employee.

A continuation of SEIU payroll deductions, without resigning a payroll deduction card, shall be allowed after an employee returns from a leave of absence.

1.4.11 SEPARATION FROM UNIT: The provisions of this Agreement shall not apply during periods that an employee is separated from the representation unit but shall be reinstated upon the return of the employee to the representation unit. The term "separation" includes transfer out of the unit, layoff and leave of absence with duration of more than thirty (30) days. "Separation" does not include an employee assigned to work above class (see Section 4.1.3).

1.4.12 FORFEITURE OF DEDUCTIONS: If the balance of an employee's wages, after all other involuntary and insurance premium deductions are made in any one pay period, is not sufficient to pay deductions required by this Agreement, no such deduction shall be made for that period.

1.4.13 HOLD HARMLESS: The authorization for payroll deductions described in this agreement shall specifically require the employee to agree to hold the City harmless from all claims, demands, suits or other forms of liability that may arise against the City for or on account of any deduction made from the wages of such employee.

1.4.14 SEIU shall defend, indemnify and hold the City harmless against any and all claims, demands, suits, orders, judgments or other forms of liability, including attorney's fees, which shall arise out of or by reason of, action taken or not taken by the City under this Agreement. This includes not only the City's reasonable attorney fees and costs but the reasonable cost of management preparation time as well. The City shall notify SEIU of such costs on a case-by-case basis.

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1.4.15 PRIVATIZATION: In the event the City proposes to privatize any portion of SEIU's represented bargaining unit, the parties agree to meet and confer on the impact of such action in accordance with the Meyers, Milias & Brown Act (MMBA) to allow SEIU to offer alternatives to privatization.

Should the parties be unable to reach an amicable agreement, it is agreed that the parties shall utilize the services of State Mediation and Conciliation Services to help mediate an agreement. The final recommendation of the mediator shall not be binding upon the parties but shall be weighted heavily by both parties and submitted to the Lathrop City Council for final disposition.

1.4.16 BARGAINING UNIT REPORTS: At least every 120 days, the City will furnish SEIU with the information specified below, on file with the City for all employees employed in bargaining units represented by SEIU. The information provided will include:

- Name
- Job Title
- Department
- Work Location
- Work Phone Number
- Work Email Address
- Home Phone Number
- Personal Cellular Phone Number
- Personal Email Address
- Home Address

2. INSURANCE

2.1 Effective Date of Coverage.

The effective date of coverage for new employee members in the health, dental, and vision insurance plans provided employees shall be in the month next following the date of appointment to employment as a regular employee, who is eligible for the stated insurance coverage.

2.2 Health Insurance Options.

The City shall provide an option for health insurance coverage for eligible employees and his/her eligible dependents. All health and health-related plan or benefit years shall coincide with the calendar year.

2.2.1 PREMIUM: City will increase the maximum amount that it will pay for all health-related benefits (medical, dental, vision). Effective July 1, 2026 and for the duration of the MOU, the City will increase the maximum amount that it will pay for all health-related benefits (medical, dental and vision) to one half (1/2) of any premium increases during the term of this MOU, but not to exceed an annual increase of six and one half percent (6.5%).

2.2.2 METHOD FOR INCREASE: The increase in the maximum amount shall be benchmarked against the EMPLOYEE rate.

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2.2.3 TIERED PREMIUM: For employee's who elect medical coverage the City shall contribute an additional premium amount on a monthly basis for employees covering eligible dependents.

a. An additional $200/ month for EMPLOYEE PLUS ONE coverage
b. An additional $300/ month for FAMILY coverage

2.2.4 CAFETERIA OPTION: Upon first providing proof of medical, dental and vision insurance coverage to the City' s Human Resource Department, whether it be from the employee' s Cafeteria Benefits Plan or a spouse/partner/parent's employer provided health benefit program, a representative employee may elect to use up to 35% of the City' s health plan contribution to the Cafeteria Benefits Plan for one or more of the following purposes:

a) Payments on the employee' s behalf to the City of Lathrop' s deferred compensation providers;

b) Payment to the City's 125 plan administrator for reimbursement of the Internal Revenue Code 125 eligible dependent care; or

c) As a taxable cash payment of the unused balance.

2.3 Dental and Vision Insurance.

The City provides dental and vision insurance that is on a calendar plan year. When an employee enrolls in either program, he/she is expected to remain enrolled during the term of this MOU, unless a permissible event, as described in the plan, allows the employee to withdraw or modify coverage.

2.4 Life Insurance.

Employees with more than 30 days of employment with the City shall receive a benefit value equal to one year's annual salary of group term life insurance coverage.

2.5 State Disability Insurance.

Employees shall purchase, at the employee's expense, State Disability Insurance (SDI). SDI provides weekly benefits in the event an employee is unable to work due to an illness or injury that is not job-related. Employees receiving benefits from SDI and who are supplementing those benefits with accrued leave time to receive a full paycheck shall receive the City's contribution to their health, dental, vision, and life insurance, if applicable.

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2.6 Flexible Benefits.

Employees shall have the option to participate in a flexible benefit program (as allowed and prescribed by Section 125 of the Internal Revenue Code and applicable IRC sections and regulations) that permits the payment of unreimbursed eligible dependent care costs and/or insurance premiums excess from Section 2.2.1 with pre-tax dollars. This flexible benefit program may be expanded, provided that there is no cost to the City, to include other unreimbursed expenses permitted by the Internal Revenue Code and its related regulations. Any Internal Revenue Code amendments that affect these deductible medical expenses and/or City liability shall void that portion of the flexible benefit program.

The City and SEIU shall jointly form a committee to investigate methods of providing a cafeteria plan to allow flexibility in choosing benefits. If such a plan is developed which will result in no cost to the City but which is supported by a majority of the employees, the City will consider implementing said plan.

2.7 Continuation of Insurance Benefits While on Leave of Absence.

When an employee is on an authorized leave of absence without pay, the employee shall be allowed at the employee's own expense to remain under the health, dental, vision and life insurance coverage for up to twenty-six (26) bi-weekly pay periods provided that such employee shall pay the applicable premiums at least two (2) weeks prior to the premium due date. Specific arrangements for such coverage shall be made with the Finance Department.

Employees who must pay either all or a portion of their health, vision, dental and life benefits shall either arrange for the payment to be deducted from their paychecks or, if the amount of the paycheck is not sufficient, pay those benefits to the Human Resources Department twice per month at least two (2) weeks prior to the premium due date. Failure to pay for these benefits two (2) weeks prior to each premium due date shall result in cancellations of the insurance.

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3. LEAVES FROM EMPLOYMENT

3.1 Vacation

Except as specified below, regular, full-time employees shall accrue and accumulate vacation according to the following schedule:

Years of Service	Maximum Bi-Weekly Accrual	Maximum Annual Hours Accrual	Maximum Accumulated Hours ("cap")
0-4	3.077	80	240
5-9	4.615	120	360
10 +	6.152	160	480

Part-time employees scheduled to work at least 30 hours per week will earn vacation at the above rates, prorated proportionately.
Temporary, and part-time employees working less than 30 hours per week do not receive vacation time but may be allowed to leave without pay for needed vacation time.

Employees shall begin to accrue vacation leave on the date of initial employment with the City of Lathrop on a bi-weekly basis at the rate based on tenure of employment.

For all work groups, employees will submit vacation requests in writing to their Supervisor or designee and Supervisors will respond in writing within 15 days of receipt with confirmation that the request has been approved or denied. Employees have the ability to cancel vacation time they have scheduled. If the employee wishes to cancel previously authorized time off, the employee will notify their Supervisor in writing fifteen (15) calendar days prior to the start of the scheduled vacation unless unusual circumstances prevent them from giving notice. Vacation schedules will be discussed in department meetings; however, the Department Head will make the final determination.

All vacation time must be scheduled in advance with the Department Head and should be taken at a time that does not unnecessarily burden the department. As much as possible and as work scheduling permits, an employee may take multiple weeks of vacation when properly scheduled with the Department Head. All leave shall be approved by submitting a completed and authorized "Leave of Absence Form" to the Department Head for approval. Leave equaling one week or more should be scheduled at least one month in advance; however, two weeks advance notice is required. Earlier scheduling of leave is encouraged in order to allow Supervisors time to reassign work load. Failure to schedule leave one month in advance shall not be used as grounds for denial of the vacation, but anticipated workload and staffing issues may be grounds for denial of the vacation.

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Employees are eligible to take accrued vacation time after completion of their first probationary period. An employee may take some accrued vacation time prior to having completed the initial probationary period if approved by the Department Head. Use of vacation time prior to completion of the probationary period shall only be allowed if the situation requiring the taking of the vacation time is an emergency, or if taking the vacation time was negotiated prior to employment.

Employees may accrue vacation time to a maximum of three (3) times their current annual accrual rate. Any employee exceeding this maximum accrual on December 31 of each year shall discontinue accruing vacation until such time as their total accrual drops below the maximum accrual limit. An employee's accrual limit may exceed the maximum limit during the year; however, the employee shall discontinue accruing vacation on December 31 of each year if their accrual exceeds the maximum limit.

Non-exempt employees who are over the vacation maximum accrual limit as of January 1 will be able to buy back up to forty (40) hours of vacation time per year and will be paid out during pay period one.

Employees who have a scheduled vacation canceled during the months of November and December due to an emergency, may have their maximum vacation accrual temporarily increased. In this case, the employee must meet the following conditions:

a. The employee's vacation accrual must be above the maximum on December 31 of that year.

b. The Department Head must determine that there was no other available time during the months of November and December when the vacation time could be rescheduled.

c. The maximum accrual extension must be approved by the City Manager.

d. The provisions for discontinuing accrual based on exceeding the maximum limit will be waived for one year. The provisions for discontinuing accrual based on maximum limit shall be enforced the following year.

Employees are entitled to all accrued vacation leave upon their separation as a City employee.

Any compensatory time shall be taken before vacation time.

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3.2 Sick Leave

3.1.1 ACCRUAL: The granting of sick leave with pay is a privilege and not a right. Sick leave may only be used in cases of necessity and actual illness or disability of the employee or family member needing care. The City of Lathrop shall adhere to applicable appropriate state and federal mandated leave laws.

Regular, full-time employees may begin to accumulate sick leave on the date of hire at a rate of eight (8) hours per month (3.6923 hours per pay period). Part-time employees scheduled to work at least 30 hours per week will earn sick leave at the above rate, prorated proportionately. Temporary, and part-time employees working less than 30 hours per week do not receive sick leave but may be allowed to leave without pay. Employees accumulate an unlimited amount of unused sick leave. An employee may begin to utilize accumulated sick leave after having completed three (3) full pay periods of employment.

3.1.2 SICK LEAVE USAGE: Any employee needing to be absent from work because of a sick leave circumstance shall arrange for a telephone report to his/her Supervisor by the beginning of the scheduled workday or shift (no later than the start of the work shift) to ensure coverage can be arranged. Each department is to have a designated call-in number for employees, with the ability to accept messages, designated by the immediate Supervisor to report absences. If unable to reach a Supervisor, employees are to call the Human Resources Department and report the absence; leaving a message if no answer.

If a sick leave circumstance requires an employee to be away from work for a period beyond the individual's accumulated sick leave, the time away from work may be taken as vacation time or compensatory time if either is available. When all paid leave is exhausted, leave without pay may be given.

Upon return to duty after sick leave, the employee shall complete a leave form to be signed by the Department Head and forwarded to Payroll.

Any employee who is absent from work for a period of three consecutive work shifts without notifying his/her Supervisor shall be separated from employment with the City. This separation shall be defined as a voluntary resignation and as such shall not be subject to the grievance process in Section 14.

Sick leave may be authorized for any of the following reasons:

a. Illness, injury or quarantine of the employee;

b. Medical, dental or optical care of the employee;

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c. Illness, injury, or quarantine of a member of the employee's immediate family living in the household that requires the employee to tend, care for, or otherwise provide for the care of such person, up to a maximum of forty-eight (48) hours in a fiscal year for full-time employees; part-time employees prorated proportionately based on number of hours worked.

d. Illness, injury, or quarantine during an authorized vacation as evidenced by satisfactory proof attesting to the nature and length of disability. Use of sick leave for non-emergency medical, dental or optical care during an authorized vacation period is not permitted.

e. An amount sufficient which, when added to an employee's disability indemnity under Worker's Compensation, will result in a payment to the employee not more than the employee's regular salary.

f. An amount sufficient which, when added to an employee's disability indemnity under State Disability Insurance (if applicable), will result in a payment to the employee not more than the employee's regular salary.

3.1.3 SICK LEAVE EXCLUSION: No employee shall be entitled to sick leave because of any of the following:

a. Any illness or injury caused by the employee's misconduct;

b. Illness, injury, or quarantine or disability while on leave without pay;

c. An employee who is scheduled to work on a regular holiday who is absent on that holiday due to illness, injury, or quarantine shall not be permitted to use sick leave but shall be deemed to have used the regular holiday.

3.1.4 SICK LEAVE VERIFICATION: Any use of sick leave, including maternity, paternity and parenting leave, which results in absence from work exceeding three (3) successive work shifts may be required to be supported by a medical certificate or other evidence acceptable to the Supervisor. This evidence may be required on the first working day the employee returns to work. The Supervisor or Department Head may ask for medical evidence of illness for any use of sick leave is the request for evidence is made to the employee prior to his/her returning to work following the illness, or if the Supervisor has a suspicion of sick leave abuse.

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3.1.5 SICK LEAVE ABUSE: Sick leave abuse may include use of sick leave accruals for other than qualified sick leave as defined herein; excessive use of sick leave; and/or consistent patterns of sick leave on certain days. These may be grounds for determination of sick leave abuse. Determination of sick leave abuse will be cause for discipline in accordance with disciplinary procedures. More than four (4) separate incidents of sick leave use in a twelve-month period may be sick leave abuse if there is no clear reason for the number of absences. A series of doctor's appointments that are scheduled in advance or other pre-scheduled absences shall not be considered in determining whether or not sick use abuse has occurred. This section shall be administered so as not to conflict with any provisions of FMLA.

3.1.6 SICK LEAVE CONVERSION: Employees eligible to accumulate sick leave may at the end of each calendar year convert some of the unused sick leave accumulated during each calendar year to vacation leave provided:

a) A full-time employee has an accumulated balance of unused sick leave of more than ninety-six (96) hours; conversion does not reduce unused sick leave hours below ninety-six (96) hours; and the employee has not used more than forty (40) hours of sick leave during the prior calendar year. A maximum of forty (40) hours of sick leave may be converted, but will be reduced hour for hour by sick leave used by the employee during the calendar year. If an employee uses forty (40) or more hours of sick leave during the year, no sick leave may be converted.

b) Once an employee has met the criteria for his or her particular category of employment, the sick leave conversion will automatically take place and the employee will be able to notice the additional vacation hours on his/her check stub or other record. Any sick leave converted shall be added to accrued vacation and be governed by the vacation accrual limits and usage rules. Conversion of sick leave shall be done after the last pay period of each calendar year.

3.1.7 SICK LEAVE TERMINATION: An employee voluntarily leaving City employment, shall not be compensated for unused sick leave.

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3.4 Holiday

3.4.1 REGULAR HOLIDAYS: The following days are established as regular holidays for employees:

HOLIDAY	DATE OBSERVED
New Year's Day	January 1
Martin Luther King, Jr. Day	3rd Monday in January
Washington's Birthday	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September
Veterans' Day	November 11
Thanksgiving Day	4th Thursday in November
Day after Thanksgiving	Day after the 4th Thursday in November
Christmas Eve	December 24
Christmas	December 25
New Year's Eve	December 31

3.4.2 REGULAR HOLIDAY – WEEKEND OBSERVANCE: When a regular holiday falls on a Saturday, the preceding Friday shall be observed as the holiday. When a regular holiday falls on a Sunday, the following Monday shall be observed as the holiday. If December 24 or December 31 falls on a Friday, the preceding Thursday will be observed as the holiday. Whenever a holiday observance under this section fall on another City scheduled day off, the holiday shall be moved to the next preceding work day (in the case of a Saturday holiday) or the next following work day (in the case of a Sunday holiday).

3.4.3 REGULAR HOLIDAY COMPENSATION: An employee whose regularly scheduled day off falls on a regular holiday shall be entitled to accrue nine (9) hours, or eight (8) hours, depending upon the shift worked, of regular holiday time. In addition to regular salary paid as a result of working on a scheduled holiday, any employee who is required to work on a regular holiday shall have the option of being compensated for the hours worked on such holiday, or may accrue the time as compensatory time. Compensation shall include Holiday Pay plus time and one half for the number of hours actually worked.

3.4.4 FLOATING HOLIDAY: Employees shall be entitled to one (1) floating holiday (8, 9, 10 or 12 hours based on employee schedule) each Fiscal Year. Floating Holiday time shall be accrued during the pay period that includes July 1st. New employees hired after July 1st shall not accrue a floating holiday until the following July 1st.

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Floating holidays accrued shall be available for use the first day following the pay period in which they are accrued, and shall be scheduled at a time mutually agreed upon between the employee and Supervisor/Department Head.

Floating holiday hours must be used in the fiscal year they are received. Any floating holiday hours remaining at June 30th shall be rolled over into the employee's vacation bank.

3.5 Bereavement Leave

Regular full-time employees who suffer a death in their immediate family, as defined by this section, may be allowed up to three (3) work days of scheduled work time of funeral leave with pay, at his/her request for bereavement, or to attend the funeral of a member of the immediate family. In the event that out-of-state travel is necessary, employees may be allowed five (5) scheduled City workdays for each occurrence. This leave shall not be charged against sick or accrued vacation leave, but shall be counted as additional paid time away from work. In addition, employees may use an additional two (2) days accrued sick leave, vacation leave, or compensatory time for bereavement or the funeral of an immediate family member. Employees must take this leave within a seven consecutive day period and will be paid only for days and hours they were scheduled to work. Leave shall be used within 30 days of the death.

For the purposes of this rule only, the term immediate family includes: spouse, child, parent, sibling, grandparent, great grandparent, grandchild or step or foster derivative of the above of the employee's or the employee's spouse's, mother, father, brother or sister-in-law, domestic partner, or any permanent resident in the employee's personal household.

3.6 Military Leave

The City will follow all Federal, State and local laws applicable to military leave.

3.7 Leave of Absence Without Pay

Any employee may be granted leave without pay for up to one (1) month with the approval of the Department Head. Any leave without pay in excess of one month must be approved in advance by the City Manager. The employee must make a written request to the Department Head stating the reasons why he/she needs to be granted the leave without pay. The Department Head shall either approve or disapprove the employee's request upon the grounds of whether or not the request will benefit both the City and the employee. During any leave without pay exceeding one full pay period, except for suspensions because of discipline, the employee shall be responsible for payment of premiums for health, dental, vision, life, and disability insurance benefits. All leave shall be approved by submitting a completed Leave of

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Absence form to the Department Head for approval. Leave without pay shall only be granted when all other eligible leave has been exhausted.

The City and SEIU agree that decisions made under this section are not subject to grievance procedure in Section 14.

No employee who has been granted a leave of absence without pay shall accrue any vacation or sick leave during the time of such leave nor shall such time count toward gaining permanent status.

3.8 Family Medical Leave Act

All employees who have:

a. been employed by the City for at least twelve (12) months, and

b. been employed for at least 1,250 hours during the 12 months immediately preceding the commencement of leave shall be entitled to 12 workweeks of unpaid leave in any rolling 12-month period for the following purposes:

- because of the birth of the employee's child or the placement of a child with the employee for adoption or foster care; or
- to care for a spouse, parent, child or domestic partner; or
- because of the employee's serious health condition that renders the employee unable to perform the employee's job functions.

Concurrent with and in coordination with the above, employees may use accrued leave balances as follows:

a. For any care provided to a child, spouse, parent or domestic partner, employee may utilize no more than 48 hours of accrued sick leave in any one calendar year for full-time employees; part-time employees prorated proportionately based on number of hours worked.

b. For disability related to pregnancy, the City shall coordinate with any State disability insurance as set forth herein. An eligible employee shall be able to use sick leave, vacation, compensatory time and/or management leave for such coordination.

c. For any other leave taken pursuant to this provision, sick, vacation, compensatory time and/or management leave balances may be used.

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During the period of time covered by the Family Medical Leave Act (FMLA), the City shall continue to pay the employee's insurance costs (medical, dental, vision and life) but the employee may be required to reimburse the City if the employee fails to return to work.

During the period of time covered by FMLA, the employee shall not earn sick leave or vacation time unless the employee is using paid leave time as FMLA time.

The City shall, at all times, comply with State and Federal regulations for FMLA.

3.9 School Activities

The City shall comply with any federal or state law requiring an employer to grant time off to participate in a child's school activities. Current state law provides that parents may take up to 40 hours per year, but not more than 8 hours per month, to participate in their children's school activities. Employees working a shift greater than 8 hours per day may take one full shift per month, subject to the 40-hour maximum. An employee may use accrued vacation, compensatory or regular holiday time or he/she may request to take unpaid leave, as provided in Section 3.6.

3.10 Leave for Promotional Examinations

Employees shall be allowed the necessary time off with pay to participate in promotional examinations for the City, which are held during the regular work hours.

3.11 Catastrophic Leave Program

3.10.1 CONDITIONS OF PARTICIPATION

Application for receipt of catastrophic leave donations will be processed by the Human Resources Department of the City.

A City employee becomes eligible to receive catastrophic leave donations when:

(1) An employee has exhausted, or will soon exhaust all of his/her accrued leave, as a result of a verifiable long-term illness or injury suffered by the employee.

a) Employees may donate accrued vacation, or compensatory time: sick leave may not be donated.

b) Donations may be made in whole hour increments from a minimum of four (4) hours to a maximum of sixteen (16) hours per donor.

c) Donors must have an overall leave balance of 80 hours remaining after donated time has been deducted.

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d) Once donated to an individual, donated leave cannot be reclaimed by the donor.

e) Cumulative total of donated time received by the employee cannot exceed the minimum amount of time needed by verification of the doctor.

3.10.2 PROCESSING OF DONATIONS

Upon receipt of an application for use of this section, Human Resources shall verify that the employee has a long-term illness or injury that requires leave under this program.

Upon verification, Human Resources shall notify Payroll of the eligibility of the employee to receive catastrophic leave donations.

Upon receipt of donation authorizations, Payroll shall take the following actions:

a) Verify that the donating employee has the minimum leave balance required for the donation and convert donated time at the hourly rate of the donor and subtract from the designated leave category. Pay supplements which are a percentage of base salary (except above class pay and special assignment pay) shall be added to the base salary prior to converting the value of the donated time to the recipient.

b) Convert donated dollars as computed above to work hours at the hourly rate of the recipient, and add the recipient's sick leave balance.

c) Notify Departments of changes in leave balances by noting payroll adjustments for the next payday.

d) Retain a confidential file of donation authorization.

3.10.3 TREATMENT OF DONATED TIME

Donated time is treated as sick leave accrued by the recipient of the donation. Donated time does not alter the employment rights of the recipient, nor extend or alter limitations otherwise applicable to Leaves of Absence of Sick Leave, except as noted in this agreement.

Employees who are utilizing donated sick leave hours will continue to accrue vacation and sick leave in accordance with the provisions of this MOU; however, they will not be eligible to receive sick leave conversion as permitted in Section 3.2.6.

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4. COMPENSATION

4.1 Salaries

4.1.1 COST OF LIVING INCREASES:

The City will provide a cost-of-living adjustment beginning the first full pay period of July:

- July 2026 4%
- July 2027 4%

4.1.2 STANDBY PAY: Full-time employees shall receive $5.00 per hour as standby compensation for all hours they are assigned to standby except for those hours actually worked and for which the normal pay is received.

4.1.3 CALL BACK: All off duty emergency call backs shall be compensated for a minimum of three hours per occurrence at the rate of one and one half time the employee's current hourly rate of compensation. Employees called back shall be allowed to leave when the job requiring the call back has been completed. If the call back work assignment and the employee's regular work shift overlap the employee shall be paid the call back rate of time and one half their hourly rate prior to and/or after his/her regular shift time. The regular shift shall continue until the employee's regular shift ends. Trainings, meetings or other pre-scheduled events do not qualify an employee for call back pay under this article. Travel time is not included as part of call back pay.

4.1.4 WORK ABOVE CLASS: The City shall encourage training of employees for advancement by providing the opportunity to work above class to each eligible employee who desires such opportunity. For purposes of the provision, 'eligible employee refers to an employee in the same class series who is qualified to perform the class duties. For purposes of the provision, the reference to training does not require the City to offer or conduct any specific informal or formal instruction.

The City agrees to provide out of class compensation after the completion of more than 10 consecutive days of working out of class or more than 20 accumulative days of working out of class per fiscal year. Out of class compensation is to be a minimum salary increment of 5 percent or the lowest step of the higher range, whichever is greater. Where no class exists, the Employee and/or SEIU shall submit a request for the 5% consideration.

Employees who are working out of class shall be able to initiate a job review/re-classification to determine if their duties have changed significantly to warrant a new job description.

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4.1.5 EXTENDED HOURS REST PERIOD: A minimum rest period of 8 hours will be provided for the employee. If the employee is required to work overtime causing less than an 8-hour rest period, the City will allow the employee to modify their schedule to allow for the 8-hour rest period with no charge to the employee's time off bank.

4.2 Deferred Compensation Contribution

The City of Lathrop maintains three (3) voluntary, employee only Section 457 Deferred Compensation Plans. The City, at its sole discretion, shall have the right at any time during the period covered by this agreement to develop charges necessary for the administration of the plan or plans, and implement said charges for active and inactive participants, to be paid by active and inactive participants. In any case, the charge shall not exceed the actual cost to the City for administration of the plan or plans as computed by the Finance Director under standard accounting practices for cost allocation purposes.

Before implementing a payroll deduction charge, the City will make every effort to negotiate with the plan vendors and/or third party administrator to recoup the City cost from their management fees.

4.3 Severance Procedures

4.3.1 When an employee separates from the City for any reason, the City shall:

a. Collect all equipment, identification cards, and keys from the employee; delete employee security codes from the computer system and collect any other items or activities identified by the Department Head or City Manager to facilitate the employee leaving City employment and protect the security of the City.

b. Conduct at the discretion of the City Manager, an exit interview with the employee. Such interviews may be conducted by the City Manager, Administrative Services Director, or the Department Head.

c. Pay the employee all accrued vacation leave, compensatory time, and all hours worked that were not previously compensated up to the date and time of separation.

d. Obtain written approval from an employee before withholding from the final paycheck monies owed the City by the employee to recover monies for such items including but not limited to:

1. Travel advances
2. City credit card use

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3. Misappropriated City assets
4. Any City property not returned to the City
5. Overpayment of salary or benefits
6. Educational reimbursements received

Release of the employee's final pay check does not waive the City's right to pursue the recovery of the items listed above, or any other monies owed by the employee to the City.

4.3.2 An employee may elect to have funds withheld from his/her final paycheck as payment for the continuation of employee benefits as provided by law or contracts, including health insurance.

4.3.3 The City shall not provide to employees separating from employment after the date of separation:

a. Any paid allowances, such as vehicle, uniform, etc.
b. Additional leave and holiday benefits on paid severance.
c. The cash value of contribution to any benefits other than retirement and Medicare.

4.3.4 The City should make final payment to a voluntarily separated employee during the next regularly scheduled pay day unless the Department Head requests a prompter payment.

4.4 Bilingual Pay

The City agrees to pay $60 per pay period for employees, who demonstrate proficiency, as compensation for using their skills in a language other than English under the following conditions:

a. The employee must be certified to speak, write and read in the language for which pay is be provided; and

b. Following a request by the employee, the Department Head, as approved by the City Manager, must determine that the language is a certified language and that there is a benefit to the City for the employee to provide translation services in the language for which compensation is requested; and

c. The City has approved the certification process to be used by the employee in advance of the certification being obtained.

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4.5 Salary Plan

The City diligently strives to pay competitive market salaries to its employees. In order to achieve this, the City Administration has devised a City-wide salary plan based upon competitive market values.

4.5.1 A classification and salary plan shall be established according to City Ordinance. The salary plan shall be administered by the City Manager

4.5.2 At least once annually, all salary ranges shall be reviewed by the City Manager. This review may include a salary survey from some or all positions in the City. After review of salary ranges, the City Manager may make recommendations to the City Council for market and/or cost-of-living adjustments to salary ranges and the incumbents of those ranges. Individual positions may be market adjusted only with the approval of the City Manager and within budget constraints as approved by the City Council.

4.5.3 Salary Plan: Salaries, including merit step increases, shall be administered pursuant to Personnel Rule 6.2 with the base City-wide salary plan being that which was adopted by City Council Resolution 10-2943.

4.5.4 For the duration of this agreement, there shall be no classification or compensation study.

4.5.5 The City agrees to maintain an open discussion with SEIU regarding the salary plan.

4.6 Special Class Driver's License Pay

5% Special Class Driver's License Pay as compensation to maintenance and utilities employees who obtain and maintain a Class B Driver' s license to perform their duties where there is an operational need;

5. DAYS AND HOURS OF WORK – OVERTIME

5.1 Work Week

Unless otherwise provided for in this MOU or in any City Council Ordinance or Resolution, the base compensation for employees shall be deemed to be per bi-weekly pay period of eighty (80) working hours. The base compensation provided should be payment in full for all services rendered to the City except as otherwise provided.

5.2

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Working Hours

Normal work schedules will involve an eight (8) to twelve (12) hour block of time between the hours of 5:00 a.m. and 6:00 p.m., Monday through Friday, not including lunch break.

Positions assigned to Parks, Recreation and Maintenance Services Department may work traditional, non-traditional and split-shift hours including weekdays, weekends, evenings and holidays.

5.3 Overtime

The City of Lathrop will compensate City employees for all hours worked, including overtime hours worked in compliance with the Fair Labor Standards Act (FLSA).

An employee who works beyond the specified numbers of hours in the pay period shall receive compensation at the rate of one and one-half times the regular base pay. All time in paid status, with the exception of vacation, sick and compensatory time taken shall be deemed time worked. Compensatory time may be given in lieu of paid overtime at the discretion of the Department Head. All employees earning compensatory time may only accumulate eighty (80) hours. Employees who accumulate over the maximum hours (80) shall be paid for over-time hours in excess of the maximum.

Overtime work must be approved by the Department Head or his/her designee, prior to being worked. The Department Head shall make sure that appropriate and accurate records are kept of all overtime hours worked and any compensatory time earned. Failure to have overtime approved in advance, except for call-back time, will not prevent the City from compensating the employee for the time worked; however, disciplinary action may be taken for working unauthorized hours.

Upon termination of employment, any unused compensatory time shall be paid at a rate of pay equal to his/her current rate of pay at termination. Employees requesting time off from work shall use compensatory time before accrued vacation. Use of compensatory time should not create a situation where overtime for other personnel within in the Department or within the City is necessary to maintain operations.

Every effort will be made to ensure that there is not unscheduled mandatory overtime. Should unusual circumstances arise that necessitate unscheduled overtime, it will be assigned fairly. It is understood by both parties that employees may have compelling personal or professional obligations that may hinder their ability to work overtime without advance notice. Such obligations shall not subject employees to discipline. This does not apply to employees who work in positions which by job description, are required to participate in stand-by and are compensated accordingly, or in the event of an unforeseen emergency.

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Employee shall not be required to attend events for work without pay.

When a part-time employee is required to work more than normally scheduled hours, those hours will be recorded as "Comp Time as Straight" on the time sheet. These hours may be paid or may be banked for use at a future time, as agreed to by the employee and his/her Department Head. The administration of this time shall follow the same expectations as is provided for in Section 5 of the MOU. Whenever such employee works more than forty (40) hours in a pay period, overtime at time and one-half shall be compensated.

Each Department Head shall ensure that accurate records are kept of all hours worked by each employee within the Department. Such records shall differentiate between scheduled hours and overtime hours worked and all leave hours taken per work period for each employee. Copies of all time worked records shall be submitted to the Finance Department at the end of each pay period or each work period. These records shall be maintained in accordance with the records retention policy.

Hours worked shall be documented and compensated in fifteen (15) minute intervals. For example, an employee working more than five (5) minutes in a fifteen (15) minute interval shall be compensated for fifteen (15) minutes.

5.4 Meals and Rest Period

5.4.1 REST PERIODS: To promote maximum productivity and morale, it is the policy that when City operations permit, each employee shall be entitled to two (2) rest periods not exceeding fifteen (15) minutes each, during a regular shift. When City operations permit such rest periods are to be taken as nearly as possible in the middle of each segment of each employee's workday. Time allowed for rest periods may not be accumulated from one half of the workday to another, nor may rest periods be used to alter an employee's normal work hours and meal periods.

Unless a Supervisor specifically requires an employee to miss a scheduled break, rest periods shall not be combined with a lunch period or otherwise banked. If an emergency arises which requires that an employee miss a scheduled break, the two scheduled breaks may be combined provided operational requirements allow and provided the missed break is taken on the same day it was missed.

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5.1.1 MEAL DURING OVERTIME: Meals that must be consumed on the job after the normal workday and while working in an overtime situation are not to be considered as an interruption of overtime work performed. The City shall neither pay for nor provide meals, nor is an employee who takes a break for a meal to be considered as being in paid status. An employee, upon request, shall be allowed to take a thirty (30) minute meal break after two (2) hours overtime and every four (4) hours thereafter. The City retains the right to refuse requests for meal breaks in the event of emergency.

The Supervisor may establish a lunch schedule for all employees, generally between the hours of 11:00 a.m. and 2:00 p.m.

5.5 Changes to Work Hours

With the approval of the City Manager, Department Heads shall set employee work schedules. Employees will be provided with a work schedule at the time of hire. Any changes to the assigned work schedules shall be made with input from impacted staff. The City shall provide a 30-day notice of any changes but may make temporary changes lasting less than 30 days to the work schedule. It is understood that employees may not be able to accommodate immediate changes to their work schedule. In making changes, the City shall give consideration to prior commitments of the employees. Normal work schedules for employees at City Hall will involve an eight (8) to, twelve (12) hour block of time between the hours of 500 a.m. and 6:00 p.m., Monday through Friday, not including lunch break. Should circumstances arise that necessitate work schedules other than the above SEIU and the Employer will reach agreement prior to implementation. The Department Head shall obtain approval for other schedules from the City Manager. Scheduled days off in a workweek shall be consecutive.

5.6 Witness Duty

Any employee who shall be called as a witness in a case arising out of and in the course of the employee's City employment shall be deemed to be on duty and there shall be no loss of pay. Compensation for mileage and subsistence shall not be considered as a fee and shall be retained by the employee, unless the employee uses a City vehicle to report for the court appearance.

The requirement to appear as a witness requires a subpoena. The party issuing the subpoena shall be required to pay witness fees to the City as set forth in the Government Code. All witness fees shall be paid prior to the employee appearing as a witness. An employee called as a witness in any other matter not arising out of and in the course of the employee's City employment shall be deemed off duty.

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6. SALARY ADMINISTRATION

6.1 Salary Upon Appointment

Salary upon appointment shall be administered pursuant to Personnel Rule 6.2

6.2 Step Increases- Regular Employees

Salary upon appointment shall be administered pursuant to Personnel Rule 6.2

All employees eligible for a step increase shall receive their step increase effective on his/her Performance Review Date (PRD) following ratification of the Memorandum of Understanding and subsequent PRDs.

6.3 Salary Step on Promotion

Salary upon appointment shall be administered pursuant to Personnel Rule 6.2

6.4 Order of Adjustment

Whenever an employee is promoted and receives a range change or the employee's position is reclassified to a class having a higher salary range, on the employee's merit anniversary day, the employee shall first receive the merit advancement increase to which he/she may be entitled and then receive such increases to which he/she may be entitled in the following order: salary adjustment, reclassification, promotion.

6.5 Under-filling

A positon may be under-filled to provide career development opportunities if the Department Head deems that workloads can be satisfactorily managed and staff is able to provide appropriate training and supervision or if, after the recruitment process, a qualified applicant is not available. An under-filled position will be on a six (6) month trainee period during which time the salary shall be fifteen (15) percent below the starting salary for that position. At the end of a satisfactory six (6) month trainee period, the employee shall be eligible to move to the first step in the range for that position and begin the regular employee probationary period as a promoted employee. At any time during the trainee period, the Department Head may determine to return the employee to filling the under-filled position to his or her regular position.

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6.6 Trial Period

Employees who change positions or who are promoted, shall have the option of returning to their old position for the duration of the hiring process. Before a final offer of employment is made to an applicant, the promoted employee will be given a one-day notification and opportunity to retreat to their former position.

7. RETIREMENT

7.1 Retirement Formula and Cost Sharing Agreement

The City of Lathrop participates in the California Public Employees Retirement System (CalPERS) as follows:

7.1.1 For full-time or otherwise qualified employees hired before December 31, 2009, the City contracts with CalPERS to provide 2%@55 formula based on the average of the highest three (3) years of final compensation.

- Effective the pay period including 1/1/16 Employees will contribute 7% of the Employee share and there will be no City pick up of Employee share.

7.1.2 For full-time or otherwise qualified employees hired on or between January 1, 2010 and December 31, 2012, or new employees hired on or after January 1, 2013 who qualify as a Classic Employee pursuant to CalPERS regulations, the City contracts with CalPERS to provide 2%@60 formula based on the average of the highest three (3) years of final compensation.

- Effective the pay period including 1/1/16 Employees will contribute 7% of the Employee share and there will be no City pick up of Employee share.

7.1.3 For full-time or otherwise qualified employees who are hired on or after January 1, 2013 or previous CalPERS members hired on or after January 1, 2013 who are not qualified as Classic Employees pursuant to CalPERS regulations, CalPERS has by statute implemented a 2%@62 formula based on the average of the highest three (3) years of final compensation.

- Employees shall pay 50% of the normal cost rate as determined by CalPERS.

7.1.4 Employee contributions toward the Employee share shall occur pre-tax pursuant to 414(h)(2) of the Internal Revenue Code.

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8. TRAINING AND EDUCATION

8.1 Driver Training

When requested, all City employees will participate in the City Defensive Driver's Training Program as a mandatory requirement of being an employee of the City.

8.2 Educational Reimbursement Program

In accordance with the City's Tuition Reimbursement Program, employees are eligible to receive tuition reimbursement for educational purposes which are intended to improve his/her ability to accomplish his/her City job for courses taken on the employee's own time. Courses taken at any college or university, business or technical school, or courses given by a recognized correspondence school shall be recognized when they are:

a. Related to the employee's current position within the City
b. Related to the employee's potential development within the City
c. Part of a program leading to a degree relating to the employee's position or possible development within the City

Reimbursement must be recommended by the Department Head and approved by the City Manager prior to enrollment. Requests are to be submitted on the approved form. Requests will be returned to the employee within fourteen (14) calendar days of submittal. Payment of education funds is discretionary with a Department Head within appropriate budget limits:

a. Costs not to exceed a maximum of $3,000 per calendar year, per employee; including books and materials and lab fees.
b. Employee's time and travel are at employee's own expense.
c. Class time must be on employee's own time, unless the Department Head approves an exception.
d. A passing grade of C or better, or a certificate of completion, is required in each course for reimbursement.

The City shall reimburse the employee within (30) calendar days of submitting the necessary documentation. If an employee voluntarily separates within one year of receiving the educational reimbursement, he/she must reimburse the City of Lathrop within one year from the separation date.

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9. WORKER'S COMPENSATION AND EMPLOYEE SAFETY

9.1 Worker's Compensation

Under California law, an employee who is injured or becomes ill out of or in the course and scope of employment is entitled to temporary disability (TD) payments only after a waiting period of three (3) days has elapsed. Prior to the commencement of TD payments, an employee may use accumulated leave to make salary whole.

Employees who are receiving TD payments under Division 4 or Division 4.5 of the Labor Code shall accumulate vacation (including seniority credit for the purposes of vacation accrual under Section 3.1), holidays and sick leave during such period of time that they are drawing such temporary disability indemnity. The City shall continue to provide health, dental, vision and life insurance plans coverage for such employees as if they were on payroll as regular employees.

9.2 Workers' Compensation Leave

The City shall grant an employee time off with pay for workers' compensation related doctor appointments.

9.3 Disputes Involving Safety Issues

The City shall comply with all applicable laws and regulations pertaining to workplace health and safety. No employee shall be subject to discrimination or retaliation as prohibited by applicable law for reporting any health and safety concerns.

10. EVALUATIONS AND PERSONNEL FILES

10.1 Employee Performance Evaluation

Performance appraisals shall be performed for all employees. Performance appraisals should be performed at least annually on the employee's Performance Review Date (PRD) and may take place more often. (For work above class assignments, refer back to Section 4.1.3). The Employer shall make a good faith effort to bring all performance issues to the attention of the affected employee in a timely manner and as soon as possible after the Supervisor becomes aware of such issues.

The employee and Supervisor shall discuss and sign the performance appraisal at the end of the appraisal meeting. If the employee disagrees with the appraisal, he/she shall have the opportunity to rebut the appraisal and have the rebuttal placed in his/her

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personnel file with the appraisal within ten (10) workdays. The Department Head must review and sign the performance appraisal and the City Manager must approve the Personnel Action Form before any salary action or corrective action may be taken. Any Corrective Action shall be separate and apart from the performance appraisal. Performance evaluations are not subject to the grievance process.

10.2 Employee Personnel Files

Employees shall have the right to review and at their own expense obtain copies of their personnel files maintained by the City. An employee's representative may inspect the contents of an employee member of this bargaining unit's personnel files upon signed and dated authorization by the employee. Authorization shall be valid for sixty (60) calendar days from the date of signature.

Documents not available for inspection include records relating to investigation of a possible criminal offense, letters of reference, ratings, reports or records that were: A) obtained prior to the employee's employment, B) prepared by identifiable examination committee members, and C) obtained in connection with a promotional examination, or other legally privileged records.

An employee shall have the right to submit written comments regarding any document placed in his/her personnel file within ten (10) workdays of such placement and to have such comments included in his/her personnel file along with the document. If the employee files such comments, the Department Head and/or City Manager will then have ten (10) workdays to file a response; this will end the response period for the specific document. Written comments shall be submitted to the Administrative Services Director.

11. EMPLOYEE PROPERTY AND EQUIPMENT

11.1 Boot Allowance

The City shall provide every employee who is required to wear protective boots with a boot allowance of $350 per year. To receive this allowance, the employee shall:

(1) Purchase 1 pair of boots and the option to purchase 1 pair of insoles meeting defined safety specifications; and
(2) Present proof of purchase, including cost.

In the event the employee selects boots from a vendor provided by the City, the cost of boots shall be paid directly by the City and the employee shall receive no further allowance.

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12. REHIRE OF EMPLOYEES/LAYOFFS

12.1 Rehire of Employees

Individuals, who satisfactorily complete an original probationary period and subsequently separate from City employment in good standing, may be eligible for rehire without competing through the open public recruitment, into any similar City position for which they qualify. The decision to rehire a previous full-time or part-time employee shall always be at the option of the Department Head or a designated representative, subject to the approval of the City Manager. Rehiring of a previous employee shall be subject to all other provisions of employment with the City including, but not limited to, the successful completion of a pre-employment physical drug screen.

In the instance of an employee who has been laid off due to a reduction in force or termination of a position, such employee shall be considered eligible for rehire if he/she has had satisfactory or above performance evaluations for the two most recent evaluations. If an opening occurs in a job previously held by an employee who was separated due to reduction in force or termination of a position within two years of separation, that employee shall be notified by regular mail and offered the opportunity to return to City employment and given two weeks in which to respond to said offer. If no response is received within the two week period or the former employee declines to return to the City, he/she shall thereafter be considered as a new candidate for re-employment. Acceptance of the offer of employee shall require that the former employee return to work within three (3) weeks of acceptance.

Employees who are rehired shall be considered, for the purposes of vacation accrual, length of service, etc., to have worked for the City since the original date of hire, less any time during which the employee was not working for the City.

12.2 Lay Off Procedures and Bumping Rights

Any permanent full-time City employee who is to be laid off or dismissed for other than disciplinary reasons shall be given fifteen (15) calendar days' notice and allowed to take time as a severance offering. This provision does not apply to probationary or contract employees.

12.2.1 Statement of Intent.

Whenever the City eliminates a position or has a reduction in force due to reduced work, reduced revenues, or other reasons, or when in the judgment of the City Manager, it becomes necessary to abolish any position of employment, the employee holding such position may be laid off or demoted, without disciplinary action and without the right of appeal. This does not negate any State or Federal rights.

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12.2.2 Notification

Employees to be laid off shall be given, whenever possible, at least fifteen (15) calendar days' prior notice, which shall include an opportunity to submit in writing or meet with the Administrative Services Director regarding the reasons for the layoff and his/her seniority and bumping rights. The Administrative Services Director will render a reply in writing within seven (7) calendar days after receiving the employee's response.

12.2.3. Vacancy and Demotion.

Except as otherwise provided, whenever there is a layoff under this Rule, the City shall first demote to a vacancy, if any, in a lower class for which the employee to be laid off is qualified. All persons so demoted shall have their names placed on the City's reemployment list.

12.2.4 Employee Rights.

A permanent employee affected by layoff shall have the right to displace an employee who has less seniority in a lower class in the same class series or in a lower classification in which the affected employee once had permanent status. Seniority includes all periods of full-time service with the City.

12.2.5 Seniority

In order to retreat to a former or lower class or series as defined in job descriptions, an employee must have more seniority than at least one (1) of the incumbents in the retreat class, and shall request displacement action in writing to the Administrative Services Director within five working days of receipt of notice of layoff. Notice of layoff shall include a notice of the rights set forth in this rule.

a) Employees retreating to a lower or similar class shall be placed at the salary step representing the least loss of pay. In no case shall the salary be increased above that received in the class from which the employee was laid off.

b) Employees retreating to a lower or similar class shall serve a probationary period in the new class unless they have previously successfully completed a probationary period in the class or the class series.

c) In cases where there are two (2) or more employees in the class from which the layoff is to be made, the employee with the least seniority shall be laid off. The only exception to this is if there is an employee in the class who, within the 12 months immediately previous, has been placed on "imposition of review" status due to employee discipline, such an employee shall be considered less senior for purposes of layoffs. If no employees within the

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class fit such criteria, or after all so-rated employees have been laid off, layoffs shall be in inverse order of the employees' seniority in that or a higher class.

12.2.5 Employment Status.

a) Only permanent full-time employees and permanent part-time employees as defined in Rule 3.7 shall be entitled to any rights under this Rule.

12.2.6 Reemployment List.

a) The names of persons laid off in accordance with these rules shall be entered on a reemployment list. Lists from different Departments or at different times for the same class of position shall be combined into a single list. Such lists shall be used when a vacancy arises in the same or lower class of position before certification is made from an eligible list.

b) Names of persons laid off shall be carried on a reemployment list for two (2) years, except when that person's appointed to permanent positions at the same level from which they were laid off shall, upon such appointment, be dropped from the list. Persons who refuse reemployment shall be dropped from the list. Persons reemployed in a lower class, or on a temporary basis, shall be continued on the list for the higher position for two (2) years. The City Manager may extend the duration of a reemployment list.

13. SUBSTANCE ABUSE REFERRALS

The City and SEIU jointly recognize the value of the City's Employee Assistance Program offered through the Central San Joaquin Valley Risk Management Authority in the evaluation and resolution of employee problems associated with substance abuse.

14. GRIEVANCE PROCEDURE

14.1 Purpose

Grievance procedures for employees are provided herein:

a) To promote improved employer-employee relations by establishing grievance procedures on matters for which appeal or hearing is not provided by other regulations.

b) To afford employees individually a systematic means of obtaining further consideration of problems after every other reasonable effort has failed to resolve them through informal discussions.

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c) To provide that grievances shall be settled as near as possible to the point of origin.

d) To provide that grievance shall be heard and settled as informally as possible.

14.2

Matters Subject To Grievance Procedures

An employee shall have the right to submit a written grievance regarding a claimed violation of this MOU or the Personnel Rules and Regulations. The grievance process shall not be applicable to employee discipline, to employee evaluations, or any disputes resolved through another City process.

14.3 Employee Rights

Eligible employees are entitled to:

a) Assistance by an SEIU representative who may act as an advocate or advisor at any level of grievance, or who may be present at any formal grievance meeting with a Department Head, or City Manager.

b) A reasonable amount of time during work hours to prepare a formal grievance.

c) Freedom from reprisal for using the grievance system.

d) The right to call other employees as witnesses at a hearing during the formal grievance process.

e) The right to have their grievance presented and acted upon in a timely manner. The time limits specified below may be extended to a definite date by mutual agreement of the employee and reviewer concerned.

14.4 Informal Grievance Procedure

14.4.1 An employee should first attempt to resolve a grievance or complaint through discussion with his/her immediate Supervisor without undue delay, but within ten (10) calendar days of the issue or the employee's first awareness of the issue. If, after such discussion, he/she does not believe that the problem has been satisfactorily resolved, he/she shall have the right to discuss it with the Supervisor's immediate superior, if any, without undue delay, but within ten (10) calendar days after initial Supervisory discussion. Every effort should be made to find an acceptable solution by informal means at the most immediate level of supervision. If he/she is not in agreement with the

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decision reached through such discussion, he/she shall have the right to file a formal grievance in writing within ten (10) calendar days after receiving the informal decision of his/her superior or superiors. An informal grievance shall not be taken above the Department Head.

14.4.2 All informal grievances should be documented by the Supervisor and any other Supervisors involved.

14.5 Formal Grievance Procedure

14.5.1 Department Review

a) If, after receiving a decision on an informal grievance, an employee desires to proceed with the formal grievance process, the grievance shall be presented in writing to the employee's Department Head, who may discuss the grievance with the employee, SEIU representative, if any, and with other appropriate persons. Said grievance must be submitted within thirty (30) calendar days after the employee receives the decision on the informal grievance. The grievance shall include the following information:

i The specific section of the Rules and Regulations at issue;
ii Facts supporting the grievance including dates, times, documents, and witnesses; and
iii The remedy sought

b) The Department Head shall render a decision and comments in writing and return them to the employee within fifteen (15) calendar days after receiving the grievance.

c) If the employee does not agree with the decision reached, or if no answer has been received within fifteen (15) calendar days, the employee may present the grievance in writing to the City Manager or designee. Any such grievance shall be presented within ten (10) calendar days after receipt of the Department Head decision.

d) Failure of the employee to take further action within ten (10) calendar days after receipt of the decision, or within a total of twenty-five (25) calendar days if no decision is rendered, will constitute withdrawal of the grievance.

14.5.2 City Manager Review

a) Upon receiving the grievance, the City Manager shall provide a written response to the employee within fifteen (15) calendar days.

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The City Manager may respond based on 1) a review of the grievance file, 2) a meeting with the employee, employee representative, if any, and with other appropriate persons; or both.

b) If the employee does not agree with the decision reached, or if no answer has been received within fifteen (15) calendar days, the employee and/or City may request the matter be heard by a mediator. This request shall occur within fifteen (15) calendar days of the City Manager's written response

c) Upon request of mediation, the City shall arrange for the matter to be heard by a mediator from the State Mediation and Conciliation Service as soon as possible. Any costs associated with this mediation step shall be split between the City and the SEIU. The mediator shall attempt to negotiate a solution to the grievance. If agreement is not reached, the mediator shall issue a non-binding, written recommendation to the City Manager regarding the accuracy of the circumstances leading to the grievance and the disposition of the grievance including recommended discipline. The mediator shall make fact findings in support of his/her recommendations.

d) Upon receipt of the mediator's recommendation, the City Manager shall discuss the grievance with the employee, the SEIU representative, if any, and with all other appropriate persons.

e) The City Manager shall render a final decision in writing to the employee within twenty (20) calendar days after receiving the mediator's recommendation. The City Manager may, accept, reject or modify the recommendation of the mediator. The decision of the City Manager is final.

15. PROCEDURES FOR DISCIPLINARY ACTION

The following procedure shall be applicable to regular full-time and part-time employees; provided the part-time employees work thirty (30) or more hours per week. The following procedure shall be used for disciplinary actions regarding performance salary reduction, suspension, demotion, and termination of an employee.

a. Employee shall be served with a mailed Notice of Intent to Discipline (Notice).

b. The Notice of proposed discipline shall include:

i. A statement of the nature of the proposed action.

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ii. A statement of the reasons for the proposed action, including the specific acts or omissions giving rise to the proposed action.

iii. A copy of any documents or other written materials upon which the disciplinary action was fully or in part based.

iv. A statement advising the employee of his/her right to appeal such action and the right to SEIU representation.

v. The date, time and location of the Skelly Response meeting, and the name of the Skelly Officer.

c. In those extraordinary circumstances wherein the City Manager determines immediate disciplinary action is necessary as a result of accusations involving misappropriations of public funds or property or action which would constitute a felony or misdemeanor involving moral turpitude, or where the employee's presence on the job is deemed to be a threat to the safety of other employees or members of the public, the City Manager may place the employee on paid administrative leave while proceeding with the procedures for disciplinary action

d. Skelly Meeting – the employee shall have the right to respond informally to the charges verbally, in writing, or both, before the discipline is imposed. The employee shall have ten (10) calendar days from receipt of the notice within which to respond to the charges. The employee may request a reasonable extension of time to respond for justifiable reasons. The City Representative hearing the response, the Skelly Officer, shall render a final written decision within ten (10) calendar days of receiving the employee's response. The Skelly Officer may sustain, modify or overturn the recommended disciplinary action. The Skelly response will be delivered to the employee in person, via registered mail or overnight delivery. If the Skelly Officer sustains or modifies the disciplinary action, the action may be imposed after the post-Skelly decision is delivered to the employee.

e. Appeal – the employee shall have the right to appeal the disciplinary action within ten (10) days of receiving the post-Skelly disciplinary decision as follows:

i. Step 1 – meet with Department Head or if Department Head served as the Skelly Officer, then the employee may send the appeal to the City Manager. The appeal shall be in writing and describe why the employee believes the disciplinary action taken was not appropriate. The response to the appeal will be provided to the employee within ten (10) calendar days.

ii. Step 2 – If not satisfied with the result of Step 1 above, the employee may provide the written appeal to the City Manager for review. The City Manager's written response will be provided to the employee within ten (10) calendar days.

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iii. Step 3 – If the employee is not satisfied with the results of Step 2, the employee may request binding arbitration/an appeal hearing. The written request shall be submitted to the City Manager within ten (10) calendar days of receiving the City Manager's response to the appeal.
An appeal of the Order of Disciplinary Action, after exhausting the process as set forth above, shall be heard by an Arbitrator/Independent Hearing Officer. The City Manager or designee shall request a list of neutrals from the State Mediation and Conciliation Service. Such list shall be requested within five (5) working days of receipt of an employee's appeal demanding a hearing. The City Manager or designee, and the employee, or the employee's authorized representative shall meet not later than three (3) working days after receipt of the list and select the hearing officer utilizing the alternate strike method. The party striking first shall be determined by the toss of a coin. Should the person selected as the hearing officer be unavailable to commence the hearing process within ninety (90) days of this selection, the parties shall request another name from the State Mediation and Conciliation Service and shall proceed again through the list as provided above unless the parties agree to a later date for the hearing using the selected arbitrator/hearing officer.

The Arbitrator/Hearing Officer shall regulate the conduct of the hearing process. The Arbitrator/Hearing Officer shall set the date, time and place of the hearing, which place shall be on City premises, and shall, by certified United States mail, postage prepaid, give not less than ten (10) days' notice of such date, time and place to the appellant, or his/her other designated representative, the City Manager and the Administrative Services Director. The hearing shall be recorded by a court reporter or electronic process. Oral evidence may be heard only on oath or affirmation. The Arbitrator/Hearing Officer shall, within thirty (30) calendar days of the close of the hearing, file with the Administrative Services Director the decision affirming, modifying, or revoking the Order, and shall mail a copy of his/her findings and decision to the appellant and to the City Manager.

The decision of the Arbitrator/Hearing Officer shall be final for all purposes unless an action or proceeding is commenced in a court of competent jurisdiction to determine the validity of the decision within thirty (30) calendar days of the date of mailing of the notice of decision to the appellant and the City Manager.

f. Employee's failure to respond or file an appeal within any specified time period in Section 15 shall terminate the right to a hearing and the Order shall be deemed final.

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16. SUPERSESSION CLAUSE

Except as may hereinafter be agreed to in writing, and except for the Lathrop Employee-Employer Relations Resolution, this MOU contains the sole and entire agreement between the parties. It supersedes any and all other previous Memoranda of Understanding or side letters between the parties and incorporates by reference all such previous memoranda between the designated representatives of members of this representation unit and the City and also supersedes and incorporates by reference any and all Resolutions and Minute actions adopted by the City of Lathrop City Council which were adopted to implement any MOU between the designated representatives of members of this representation unit and the City; this MOU shall prevail and apply.

17. PROPOSAL SUBMITTAL

SEIU and the City will begin negotiations no later than three (3) months prior to contract expiration. Both parties will agree on a final deadline for either side to submit bargaining proposals once bargaining begins.

18. SEVERABILITY OF PROVISIONS

Should any Section, Clause or Provision of this Agreement be declared illegal by final judgment by a court of competent jurisdiction, such invalidation of said Section, Clause or Provisions shall not invalidate the remaining portions hereof and such remaining portions shall continue in full force and effect.

19. MERGER

This agreement represents the entire MOU of the parties and all prior or contemporaneous oral and written agreements are merged herein. There are no representations, conditions, warranties or collateral agreements regarding the subject matter of this agreement other than as set forth herein.

20. CHOICE OF LAW/VENUE

The laws of the State of California shall govern this MOU. In the event of any lawsuit commenced by the City or SEIU as a result of the performance of this agreement, the parties each consent that the venue for any such action shall be laid in a court of competent jurisdiction in San Joaquin County.

21. ATTORNEY'S FEES

In the event of any litigation between the parties arising out of the performance of this MOU, each party shall bear their own actual attorney's fees incurred.

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22. FINAL AGREEMENT

Entered into this 1st day of July 2026, the parties agree that the above includes all items discussed and agreed to by way of the meet and confer process. This Agreement cannot be amended to, subtracted from or added to except by mutual written agreement of both parties. The persons executing this agreement each represent and warrant that they have been duly authorized to do so and the agreement is a valid and binding obligation of both parties.

CITY OF LATHROP

Signed by:
Paul Akinjo
822192CCE71841B...
Paul Akinjo, Mayor

Signed by:
Stephen J. Salvatore
F515CB573453424...
Stephen J. Salvatore, Chief Negotiator

APPROVED AS TO FORM:

Signed by:
E41629B1FF364B4...
Salvador Navarrete, City Attorney

SEIU LOCAL 1021

DocuSigned by:
Cheryl Hicks
75826BEFE5C94F9...
Cheryl Hicks, Field Representative

Signed by:
Jesse Estrada
F07F2EEEF4AA451...
Jesse Estrada, SEIU Member

Signed by:
Matthew Davis
74C4BF3A4B1E46F...
Matthew Davis , SEIU Member

Signed by:
William R Petrone
7DFD01B3B1024A0...
Bill Petrone, SEIU Field Director

DocuSigned by:
David Canham
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David Canham, Executive Director, Field & Programs

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Appendix A

The City of Lathrop General Services Bargaining Unit (GSBU) is comprised of regular full-time and part-time (when scheduled to work thirty (30) hours or more per week) employees who are incumbents in positions in the job classifications listed as follows, with the exception of those positions that are designated as confidential:

Accountant I
Accountant II
Administrative Assistant I
Administrative Assistant II
Administrative Assistant III
Administrative Technician I
Administrative Technician II
Animal Center Assistant
Assistant Engineer
Assistant Planner
Associate Engineer
Associate Planner
Building Inspector I
Building Inspector II
Building Inspector III
Chief Utility Operator
Community Service Officer I
Community Service Officer II
Community Service Officer III
Compliance Engineer
Construction Inspector I
Construction Inspector II
Construction Inspector III
Crime and Intelligence Analyst
Cross Connection Control Specialist
Customer Service Representative I
Customer Service Representative II
Electrician Instrument Technician
Engineering Technician I
Engineering Technician II
GIS/CAD Engineering Technician
Human Resources Technician
Information Systems Technician
Junior Engineer
Maintenance Worker I
Maintenance Worker II
Maintenance Worker III
Office Assistant I
Office Assistant II
Parks and Recreation Administrator
Permit Technician I
Permit Technician II
Permit Technician III
Planning Technician I
Planning Technician II
Plans Examiner I
Plans Examiner II
Police Records Assistant I
Police Records Assistant II
Property and Evidence Technician
Recreation Coordinator I
Recreation Coordinator II
Recreation Specialist
Senior Accounting Technician
Senior Building Inspector
Senior Customer Service Representative
Senior Engineering Technician
Senior Recreation Leader
Solid Waste and Resource Conservation Coordinator
Utility Operator I
Utility Operator II
Utility Operator III
Water Meter Reader I
Water Meter Reader II