

G. Amendment to the Non-Represented Regulations

Recommendation: To approve amendments to the regulations covering Executive, Administrative, Professional, Confidential and Other Particular Employees.



Cathedral City

City of Cathedral City

REGULATIONS COVERING

**EXECUTIVE, ADMINISTRATIVE,
PROFESSIONAL, CONFIDENTIAL, AND
OTHER PARTICULAR EMPLOYEES**

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ARTICLE 1 - GENERAL PROVISIONS

1.1 Recognition

The following provisions shall apply to Executive, Professional, Confidential, and Other Particular Employees. It is understood that existing ordinances, resolutions, and policies of City cover matters pertaining to employer-employee relations including, but not limited to, wages, salaries, benefits, hours and other terms and conditions of employment.

The recognized employees are defined in Appendix A of these regulations.

- 1.1.1 **Council & Elected.** Pursuant to the direction provided at the October 25, 2023, study session meeting and approval at the January 24, 2024, City Council regular meeting, the following benefits will be aligned with the Non-Rep Rules and Regulations, effective February 4, 2024.

COUNCIL & ELECTED	BENEFITS
Car Allowance	3.17 Car Allowance
Health/Dental/Vision	11.1 Enrollment in Group Insurance Plans
Retirement	11.2 Public Employees Retirement System
Health Retirement	11.5 Enrollment in Group Insurance Plans Upon Retirement
Wellness Program	Section 1217 in the Personnel Rules
Life Insurance	11.7.1 Life Insurance
Deferred Comp	11.8 A Deferred Compensation

Except as otherwise specified herein, all provisions of the Personnel Rules shall apply.

ARTICLE 2 - MANAGEMENT RIGHTS

- 2.1 **Management Rights.** The City of Cathedral City retains all its exclusive rights and authority under State law, and expressly and exclusively retains its management rights which include, but are not limited to:

- The exclusive right to determine the mission of its constituent departments, commissions, boards, etc.;
- set standards and levels of service;
- determine the procedures and standards of selection for employment and promotions;
- direct its employees;

- e. establish and enforce dress and grooming standards;
- f. determine the methods and means to relieve its employees from duty because of lack of work or other lawful reasons;
- g. maintain the efficiency of governmental operations;
- h. determine the methods, means and numbers of kinds of personnel by which government operations are to be conducted;
- i. determine the content and intent of job classifications;
- j. determine methods of financing;
- k. determine style and/or types of City-issued wearing apparel, equipment or technology to be used;
- l. determine and/or change the facilities, methods, technology, means, organizational structure and size and composition of the work force and allocate and assign work by which the City operations are to be conducted;
- m. determine and change the number of locations, relocations and types of operations, processes and materials to be used in carrying out all City functions including, but not limited to, the right to contract for or subcontract any work or operations of the City;
- n. assign work to and schedule employees in accordance with requirements as determined by the City and to establish and change work schedules and assignments upon reasonable notice;
- o. establish and modify productivity and performance programs and standards;
- p. discharge, suspend, demote, reprimand, withhold salary increases and benefits or otherwise discipline employees in accordance with applicable law;
- q. establish employee performance standards including, but not limited to, quality and quantity standards, and to require compliance therewith;
- r. take all necessary actions to carry out its mission in emergencies; and
- s. exercise complete control and discretion over its organization and the technology of performing its work.

The exercise by the City through its Council and management representatives of its rights shall not in any way, directly or indirectly, be subject to the grievance procedure.

ARTICLE 3 – COMPENSATION/OTHER PAY

3.1 Salary Increases.

- a) 2.6% effective the first full pay period after July 1, 2025
- b) 2.6% effective the first full pay period after July 1, 2026

3.2 Salary Plan Structure. Where a range is assigned, each range shall consist of eight steps. Each of the steps through Step 5 is approximately five percent (5%) higher than the preceding step. Steps 6 through 8 are approximately two and one-half percent (2.5%) higher than the preceding step. Each of the steps is referred to as a merit increase step.

3.3 Salary Advancement /Longevity - Full-time Employees. Except as otherwise provided in this Article, full-time employees may be considered for an increase in salary according to the following rules:

3.3.1 Advancement to a next higher merit increase step may be made after a 12-month interval from the hire date or by exception approved by the City Manager or their designee, or date of last increase in subsequent years for continued satisfactory and efficient service.

3.3.2 Consideration for approximately 5% merit steps may occur every twelve months until Step 5 has been reached. Thereafter, merit increase consideration may occur every two (2) years for a total of three (3) approximately 2.5% increases. Any such advancement shall be granted only as a result of a written evaluation of continued meritorious and efficient service and continued improvement by the employee in the effective performance of the duties of their position.

3.3.3 Advancement to the next higher merit increase step shall not be automatic. Such salary increase or denial of salary increase shall require the specific recommendation, through a performance evaluation, of the employee's department head and the approval of the Human Resources Manager. Merit increase steps shall take effect on the employee's merit increase step review date unless the department head has prepared and notified the affected employee of a denial of the merit increase step prior to the merit increase step review date. When an employee is denied an increase, they may be reconsidered for such advancement at any subsequent time with a satisfactory performance evaluation.

3.3.4 Whenever an employee is promoted, reclassified to a higher class or receives a special merit increase, then the next merit increase consideration shall be 12 months from the effective date of the action.

3.3.5 Longevity Increments.

A. Tier 1 - Longevity Increments. Employees Hired Prior to July 1, 2022, the City shall provide an additional 7.5% increment to non-represented employees after fifteen (15) years of service, 5.0% after twenty (20) years and 2.5% after twenty-five (25) years of service with the City.

B. Tier 2 - Longevity Increments. Employees hired by the city on or after July 1, 2022, will be eligible for a one (1) time supplemental lump sum payment of their current annualized base pay to include stipends based on the following table:

- a) 15 years of service: One-time payment of 7.5% the annual regular rate of pay
- b) 20 Years of service: One-time payment of 5% the annual regular rate of pay
- c) 25 Years of Service: One-time payment of 5% the annual regular rate of pay

3.4 Promotion. At its discretion, the city may promote any properly certified employee to a different job classification within the City service having more responsible duties, and/or higher job qualifications, and/or a higher salary range level. Upon promotion, any employee shall receive a minimum salary increase equivalent to one (1) salary step in the employee's current (pre-promotional) job classification, provided that such increase shall be at least equivalent to the minimum and shall not exceed the maximum salary range level established for the new job classification. A promotion shall establish a new Evaluation Date for purposes of applying the salary step plan. Any promotional appointment, including continuum advancement, shall be tentative and subject to the probationary period. Any employee rejected during such probationary period shall be reinstated to the job classification held prior to the promotion, unless the employee is discharged from the City service as provided in this Agreement.

3.5 Demotion. The City may, in accordance with this Agreement, demote any employee to a different job classification within the City service having less responsible duties, and/or lower job qualifications, and/or a lower salary range level. Upon demotion, an employee shall receive a minimum salary decrease equivalent to one (1) salary step in the employee's current (pre-demotion) job classification, provided that no employee shall receive a salary which exceeds the maximum salary range level established for the new job classification. A demotion shall establish a new Evaluation Date for purposes of applying the salary step plan and may reinstitute the probationary period.

3.6 Salary on Reinstatement. An employee who resigns in good standing may, within one (1) year of such resignation and upon recommendation of the department head and approval of the City Manager, be reinstated in a position in the class in which the employee had previously served, subject to an available budgeted position. Upon such reinstatement, the employee shall not receive higher than the step in the salary range the employee previously received prior to the employee's separation. The employee shall be given a new hire date for purposes of benefits and seniority.

3.7 Salary on Transfer. Any employee who is transferred from one position to another position in the same class, or to another position in a class having the same salary range, shall be compensated at the same step in the salary range as the employee previously received. The employee's merit review date shall not change.

3.8 Salary on Position Reclassification. When an employee is reclassified to a lower classification, the employee shall be placed in the step of the lower salary range closest to the employee's salary rate.

When an employee is reclassified to an equivalent classification, the employee shall retain their salary rate and merit review date.

When an employee is reclassified to a higher classification, the employee shall be placed on Step 1 in the new higher range or placed at the step equivalent to one (1) salary step in the employee's current (pre-promotion) job classification, provided that such increase shall be at least equivalent to the minimum and shall not exceed the maximum salary range level established for the new job classification. A higher classification shall establish a new Evaluation Date for purposes of applying the salary step plan.

3.9 Special Salary Adjustments. A department head may recommend in writing to raise an employee's salary step to a higher step prior to the eligibility times specified in this Article to recognize meritorious service, advanced educational achievements or other extraordinary attributes related to the employee's public service. Such increased compensation is subject to the approval of the City Manager and the availability of budgeted funds. The employee's merit review date shall change to the effective date of the special increase.

3.10 Overtime. A department head may require a non-exempt employee to work beyond the employee's regular hours of employment. If the employee works in excess of forty (40) hours in a work week, such employee shall be paid at one and one-half (1-1/2) times the employee's regular rate of pay. Paid time off (vacation leave, sick leave, float, holiday etc.) is not considered time worked for purposes of calculating overtime.

3.11 Compensation for Temporary Assignment to Higher Classification. In the event an employee is temporarily assigned to a higher classification by a department head, with the approval of the City Manager, may grant a five percent (5%) stipend of their base rate of salary for working in an assignment in a higher classification. Working at a higher classification shall mean that the employee is performing a significant part of the duties of a position in a higher salary range. Employees will begin to receive the adjusted compensation on the first day they work in a higher classification.

Generally, employees may not be assigned to work in a higher classification for longer than six (6) months. However, an extension of this time may be approved in writing with

the concurrence of the Department Head and the Human Resources Manager for up to an additional six (6) months, for a total term of twelve (12) months.

Compensation for temporary assignment to a higher classification does not extend to cash outs.

- 3.12 Compensation for Layoff.** An employee who is terminated from the service of the City as a result of a layoff shall be paid for accrued leaves in compliance with Article 6 these Rules. Accrued sick leave, except sick leave cashed out as provided in Article 6, shall be restored to an employee if the employee is reemployed within one year. Should an employee be reemployed in the formerly held position, the employee shall be placed at the same salary step as when the layoff occurred. No credit shall be received toward a step increase or seniority during the period of layoff.

Employees who have attained regular status at the time of layoff and who are reemployed within a period of one year shall retain their assigned anniversary dates. Regular employees who are reemployed after a period of one year shall be given a new hire date for purposes of benefits and seniority.

- 3.13 Compensation During Suspension.** An employee who is suspended with pay under the pre-disciplinary procedures of Article 8 shall be paid that salary the employee was entitled to prior to the suspension. An employee who is suspended without pay under the disciplinary procedures of Article 8 shall not be paid for those specific days of suspension. Additionally, an employee suspended without pay shall not accrue sick leave, vacation, seniority and other benefits during a suspension of more than 15 working days, except that health and life insurance benefits will be maintained.

- 3.14 Salary Upon Voluntary Demotion.** At the discretion of the City Manager, any employee who elects to take a voluntary demotion shall receive a minimum salary decrease equivalent to one (1) salary step in the employee's current (pre-demotion) job classification, provided that no employee shall receive a salary which exceeds the maximum salary range level established for the new job classification. A demotion shall establish a new Evaluation Date for purposes of applying the salary step plan and may reinstitute the probationary period.

- 3.15 Bilingual Services Compensation.** Employees who have the ability to fluently converse in Spanish or a City-Manager-approved second language may be designated as a bilingual employee required to use their skills as a part of their City employment. This designation must be made by the appropriate department head and approved by the City Manager or designee. An employee who fails the assessment test may re-take the test every six (6) months. The basis for qualifying for such compensation, and the procedures for the granting of the same shall be in accordance with administrative regulations approved by the Human Resources Manager.

- A. Tier 1 – Employees hired prior to July 1, 2022. Designated employees shall receive a stipend of 2.5% per pay period.
- B. Tier 2- Employees hired on or after July 1, 2022, who become eligible for bilingual pay shall receive eighty-five dollars (\$85) per pay-period for bilingual pay.

Employees on any form of leave time in excess of 30 consecutive calendar days shall be deemed not to be using their bilingual skills on a regular basis and shall be ineligible to receive bilingual pay until the employee returns to duty.

3.16 Car Allowance. The decision as to which employees require use of an automobile in the normal course of conducting City’s business shall remain within the discretion of the City Manager.

Designated employees will be compensated two hundred dollars (\$250) stipend per month as transportation allowance. Employees shall be responsible for maintaining and paying for liability insurance as required by law and for all their automobile’s operating, maintenance and repair costs.

Employees on any form of leave time in excess of 30 consecutive calendar days shall be ineligible to receive car allowance pay until the employee returns to duty.

3.17 Smartphone Stipend. The decision as to which employees hold positions that include the need for a smartphone shall remain within the discretion of the City Manager.

City shall maintain its current practice providing a City-issued cell phone to those employees who require a cell phone to perform their normal duties. Alternatively, eligible employees whose job duties include the frequent need for a smartphone may receive \$55 dollars a month to compensate for business related cost incurred when using their individually owned smartphone. Such reimbursement shall be taxable as compensation.

3.18 Certification and Education Incentives.

- A. Tier 1 – Employees hired prior to July 1, 2022. Employees with a Master's degree in a field related to that employee’s duties and responsibilities with the City, shall be compensated with a five percent (5%) stipend.
- B. Tier 2 - Employees hired on or after July 1, 2022. Employees with a Master's degree in a field related to that employee’s duties and responsibilities with the City shall be compensated with a 2.5% stipend.

3.19 Certification Incentives for Police Chief. A Police Chief with a POST Executive Certificate shall receive a five percent (5%) stipend. This provision shall remain in effect until December 31, 2025, when it expires.

3.20 Restitution. An employee may be required in a manner approved by the City Manager under the provisions of Article 8 to provide restitution to the City of Cathedral City for willful, reckless, wanton, malicious destruction or loss of City property.

3.21 Correcting Errors in Salary Rate or Other Provisions. Should an employee be advanced to a higher step in the salary range for their class than that for which they were recommended, or receive additional pay than that authorized, or accrue leaves or receive other benefits through error, such error shall be corrected immediately following its discovery. Reimbursement to the City by the employee of the overpayment caused by said error shall be made by one of the following methods or a combination thereof:

- Lump sum payment
- Payroll Deduction

Determination of which one or combination of the above methods of reimbursement should be used shall be made by the Financial Services Director in consultation with the affected employee, subject to the approval of the City Manager or their designee, and subject to the grievance procedures of Section 7.

Should the employee terminate before full reimbursement to the City has been made the money required to complete reimbursement shall be deducted from their last paycheck, if authorized by law. However, the City shall not collect for any period earlier than an overpayment for the preceding twelve (12) months from discovery. Other salary overpayments shall be reimbursable under the procedures and guidelines set forth in this Article. (See California State Employees' Assoc. v. California, 198 Cal App3rd 374 (1988))

ARTICLE 4 - PROBATION

4.1 Full-Time and Part-Time Employees' Probation. The probationary period for all regular employees covered by these Rules, except "at-will" employees, shall be the first six (6) months of employment or 1040 working hours, whichever is greater.

4.2 Probation on Promotion, Reinstatement or Reclassification. On accepting a promotion, reinstatement, or reclassification to another class, an employee serves a new probationary period of six (6) months or 1040 working hours, whichever is greater. A promotion, reinstatement or reclassification will not be considered a regular appointment until the successful completion of this probationary period.

Employees who are reclassified or promoted prior to completing a probationary period in a lower classification will have the time in the higher classification count for the lower classification in order for the probationary period to be concluded in that class if at least four (4) months have been completed at the time of the change.

Prior service with the City does not count towards the probationary period upon rehire.

- 4.3 Objective of Probationary Period.** The work and conduct of probationary employees shall be subject to close scrutiny and evaluation. The probationary period shall be regarded as a part of the training and examination process and shall be used for securing the most effective adjustment of a new employee to a position. Individuals employed under City public employment programs, specially funded programs or contracts shall be subject to the probationary provisions of these Rules should they be appointed to a position in the classified service.
- 4.4 Satisfactory Completion of Probationary Period.** If a probationary employee's probation period has been satisfactory and advancement to regular status is warranted, the department head shall so recommend on a performance evaluation, submitted to the Human Resources Manager.
- 4.5 Unsuccessful Probationary Period.** If a probationary employee's probation period has not been satisfactory, it shall be so stated in a performance evaluation. The City Manager, by signing a Personnel Action Form, may authorize the dismissal of the employee. A probationary employee may be dismissed at any time without cause and without the right of appeal or grievance unless otherwise required by law. Notification of dismissal shall be in writing and shall be given to the probationary employee prior to the dismissal unless otherwise required by law.
- 4.6 Unsuccessful Promotion, Reinstatement or Reclassification during Probation.** If a probationary employee's performance following a promotion, reinstatement or reclassification has not been satisfactory, it shall be so stated in a performance evaluation. In cases involving a promotion, the employee shall return to a vacant position in the class from which the employee was promoted unless said regular employee is otherwise disciplined pursuant to and in accordance with the provisions of Article 8 herein. In cases involving reinstatement, the City Manager, upon receipt of a performance evaluation, may authorize the dismissal of the employee under the provisions of Article 4.
- 4.7 Probation Following Layoff.** Employees laid off while on probation must serve a new probationary period following reemployment.

ARTICLE 5 - EMPLOYEE LAYOFF PROCEDURES

- 5.1 Purpose for Layoffs.** For reasons of economy, of efficiency, or in the interest of the public, reductions or curtailments of City services may be required.
- 5.2 Layoff of Position(s).** When layoffs are to occur, the City Manager shall prepare a list of those positions to be laid off in each department. For each affected department, the City Manager shall assemble a list of those employees within the classification designated for a position lay off. Such list shall be forwarded to the appropriate department head. The department head shall prepare a list establishing the order of employee layoffs within a classification. The department head shall determine the individual layoff ranking of each employee based upon official personnel records and/or operational needs of the department. In this order temporary, interim and probationary employees shall be laid off prior to the layoff of any regular employee within the same classification in the department.
- 5.3 Layoff Appeal.** A regular employee shall have the right to request an appeal hearing. Such request must be made in writing to the City Manager within ten (10) calendar days after receipt of a layoff notice. The City Manager shall prepare and deliver a decision on the appeal within ten (10) calendar days after receipt of the appeal.

The scope of the appeal shall not include such issues as the need for layoff, the reasons for layoff, the extent of layoff, the classifications selected for layoff, or the exercise of other City prerogatives involved in layoff. The issues of such appeal shall be limited only to whether or not there was substantial compliance with the procedures for layoffs and the established order of departmental layoff within a classification.

ARTICLE 6 - ATTENDANCE AND LEAVES

- 6.1 Hours of Work.** Daily hours of work (or shifts) for employees within departments shall be assigned by department heads as required to meet the operational requirements of said department. Any foreseeable absence or deviation from regularly scheduled working hours desired by an employee shall be cleared in advance through the employee's department head, and such absences shall be noted on the employee's time sheet.

Unless otherwise authorized by the City Manager, City Hall offices shall be kept open for regular business on all days of the year except Saturday, Sunday and holidays approved by Council. Employees for whom necessity requires a different regular work schedule than that generally applied shall work according to a work schedule approved by the employee's department head.

6.2 Leave of Absence. The City Manager, with the concurrence of the affected department head, may grant a regular employee an un-protected leave of absence for a period not to exceed one year. No such leave shall be granted except upon written request of the employee setting forth the reason for the request. Approval shall be in writing.

Such a leave shall generally be without pay; however, an employee must utilize available, eligible leave banks while on leave.

Upon expiration of an approved leave, the employee shall be reinstated in the position held at the time leave was granted, subject to the conditions of the leave or as provided by State and/or Federal laws. Failure on the part of an employee on leave to report promptly at its expiration shall be cause for dismissal. The depositing in the U.S. mail of a certified letter addressed to the employee's last known place of address shall be reasonable notice of dismissal for failure to return to work.

Failure on the part of an employee on leave to report promptly at its expiration shall be cause for dismissal. The depositing in the U.S. mail of a certified letter addressed to the employee's last known place of address shall be reasonable notice of dismissal for failure to return to work.

6.3 Vacation Leave. All employees with a work week of forty (40) hours, unless otherwise provided by the City Council, shall accrue vacation leave credits according to the below schedules: Employees may use vacation leave to reach 40 weekly hours, but leave cannot be used to exceed 40 hours in a week.

6.3.1 Department Heads and Other Designated At-Will Employees
Hired Before October 1, 2024

	Hours/ Pay Period	Hours/ Year
Less than 2 years employment	7.38	192
2 years to 6 years	8.31	216
6 to 10 years	9.23	240
More than 10 years	10.15	264

6.3.2 All Other Non-Represented Employees Including Those
Hired After October 1, 2024, Designated At-Will

	Hours/ Pay Period	Hours/ Year
Less than 2 years employment	5.54	144
2 years to 6 years	6.46	168
6 to 10 years	7.38	192
More than 10 years	8.31	216

6.4 Administrative Leave. Department Heads and other designated at-will employees hired on or after October 1, 2024, will be provided with 48 hours of administrative leave per year, subject to the following conditions:

1. Administrative leave will be granted on a fiscal year basis.
2. Administrative leave must be used within the fiscal year it is granted.
3. Unused administrative leave will not carry over to the next fiscal year ("use it or lose it" policy).
4. Administrative leave cannot be cashed out under any circumstances, including upon separation from employment.
5. Use of administrative leave must be approved in advance by the employee's supervisor or the City Manager.

6.5 Vacation Leave Accumulation. Employees are encouraged to use their accrued vacation leave annually.

- A. Tier 1 - Employees hired prior to September 1, 2016, are allowed to accumulate vacation leave credits. If employees do not take all their vacation leave accrued in one calendar year, they may carry over those unused vacation hours over to succeeding calendar years.
- B. Tier 2 – Employees hired on or after September 1, 2016, shall accrue no more than three times their annual vacation leave allotment. No additional vacation leave hours shall be added to their vacation bank until accrued hours fall below the three-year accrual maximum (cap).

6.6 Vacation Leave Cash Out. Employees may be eligible to receive cash payment for accrued and unused vacation leave. Employees may submit a written request for cash out once per quarter. The request must be submitted two (2) weeks in advance of the desired cash-out date. Employees must take a minimum of forty (40) consecutive hours of vacation or administrative leave at least once per calendar year. This mandatory leave may be combined with holidays. The City Manager retains the authority to grant exceptions to these requirements in cases of extenuating circumstances.

6.7 Holidays or Illness within Vacation Leave Period. Holidays falling during an employee's vacation leave shall not be considered as part of the employee's vacation leave and shall not be charged against vacation leave credits. Illness during vacation leave shall not be considered as sick leave, unless confirmed by a physician's statement and approved by the Human Resources Manager.

6.8 Vacation Credits When Employment Terminates. Upon termination of employment, an employee shall be paid for unused vacation leave credits.

- 6.9 Effect of Absence on Vacation Leave Crediting.** Absence due to sick leave or other approved leave of absence will not affect computations for vacation leave credits unless such absences exceed one (1) month, in which case the time of any absence shall be excluded from computation.

6.10 Holidays/Float Hours.

- 6.10.1 **Holidays:** The public offices of the City of Cathedral City shall be closed on the dates set forth in the approved Annual Holiday Council Resolution. If the holidays fall on the employee's regular day off, the value of the holiday will be credited as a floating holiday.

- 6.10.2 **Floating Holiday:** In addition to the holidays, employees shall be credited with the remaining holiday hours twice a year on January 1 and July 1 to bring the total combined holiday hours and float hours to 144 per calendar year.

Employees may use float leave to reach 40 weekly hours. Leave cannot be used to exceed 40 hours in a week.

- 6.10.3 **Floating Holiday Accrual Limit**

Tier 1 – Employees hired prior to September 1, 2016, are allowed to accumulate floating holiday hours and may carry over those unused float hours to succeeding calendar years.

Tier 2 - Employees hired on or after September 1, 2016, are allowed to accumulate floating holiday hours during a given fiscal year; however, the float hours shall not be carried over into a subsequent fiscal year. Any float hours remaining in an employee's bank shall be cashed out through payroll processing in the second paycheck of June of each year.

- 6.10.4 **Cashing Out of Float Hours.** There shall be no limit on the number of times per year an employee may cash out float hours.

- 6.10.5 **Holidays - Time Off or Extra Pay - Generally.**
Employees shall be allowed time off with pay for one work shift at the employee's regular time hourly rate for any holiday provided in these Regulations unless required by the department head or City Manager to work in order to maintain City services. Non-Exempt employees required to work shall be paid extra compensation of time and one half for the hours worked.

6.11 Sick Leave. An employee may use accrued sick leave for illness of the employee or physical incapacity of the employee or for physical examinations, including eyes, dentist appointments or other commonly accepted health related matters. Employees may use sick leave to reach 40 weekly hours. Leave cannot be used to exceed 40 hours in a week.

All regular full-time employees shall be credited with 3.69 hours of sick leave per pay period, or major fraction thereof.

An employee who is absent because of illness or disability and seeks to use accrued sick leave may be required to state that the reason for the absence is sickness on the approval form. If an absence of illness or disability extends beyond three (3) consecutive workdays, or the employee has had more than four (4) unverified sick days in a 12-month period, the employee may be required to submit a physician's written certification of illness before the employee is eligible to receive sick leave pay.

Subsequently, the employee must submit a physician's return-to-work certification prior to returning to work. If an absence because of illness or disability extends beyond one workweek, the employee must file for Family Care and Medical Leave.

Observed holidays occurring during sick leave shall not be charged against an employee's accrued sick leave.

In the event that an employee uses all the sick leave they have accrued, they shall have other paid time off they accrued deducted for each hour they are absent due to illness. Paid time off hours shall continue to be deducted until the employee either returns to work or all of accrued leave hours are exhausted. The employee may apply to be granted a leave of absence without pay if the employee does not have any credited paid time off or sick leave available.

6.12 Sick Leave Accrued Limit and Payoff.

- A. Tier 1 - Employees hired prior to September 1, 2016. Any unused portion of accumulated sick leave may be carried over into the next calendar year provided, however, that an employee's accumulated sick leave may not exceed 960 hours of unused sick leave. Further accumulation shall not be allowed. To encourage attendance at work and discourage the frivolous use of sick leave, however, employees with continuous employment of three (3) years or more may receive a cash payment for unused sick leave at the time of separation or retirement according to the following schedule:

At 3 yrs. continuous employment	25% cash payment for unused hours;
At 5 yrs. continuous employment	50% cash payment for unused hours;
At 7 yrs. continuous employment	100% cash payment for unused hours.

Accrued sick leave hours in excess of 960 shall be cashed down to 960 hours in November of each year.

Upon four (4) weeks advance notice, one (1) time in any fiscal year, an employee is entitled upon request to payment for accumulated sick leave in excess of three hundred eighty (380) hours. Payment shall be at base salary rate.

- B. **Tier 2 - Employees hired on or after September 1, 2016.** There shall be no limit on the number of sick leave hours employees may accrue. Upon separation, with completion of five (5) years of service with the City, employees may cash out up to 25% of sick leave hours. Payment shall be at base salary rate. Such employees, upon retirement from the City, may apply all accrued sick leave hours to CalPERS service credit conversion, or may cash out up to 25% of sick leave hours.

6.13 Conversion of Sick Leave to Vacation.

- A. **Tier 1 - Employees Hired Prior to September 1, 2016.** Employees with at least two (2) years employment with the City may at their option convert accrued sick leave in excess of one hundred twenty (120) hours to vacation days according to the following schedule:

Continuous Employment	Sick Leave to Vacation Conversion
2 years	4 hours to 1 hour
5 years	2 hours to 1 hour
10 years	1 hour to 1 hour

- B. **Tier 2 - Employees Hired on or After September 1, 2016.** There shall be no conversion of sick leave hours to vacation leave.

- 6.14 **Effect of Absence on Sick Leave.** Absence due to sick leave or other approved leave of absence will not affect computations of sick leave unless such absence exceeds one (1) month, in which case the time over the month of said absence shall be excluded from computation and no leave will accrue.

ARTICLE 7 - GRIEVANCE PROCEDURE

- 7.1 Matters Subject to Grievance Procedures.** A grievance is a complaint by an employee that the employee has been adversely affected due to a misinterpretation or misapplication of these regulations.
- 7.2 Informal Grievance Procedure.** Every effort shall be made to resolve a grievance through discussion between the employee and/or the employee's designated representative, and the employee's immediate supervisor. If, after such discussion, the employee does not feel that the grievance has been satisfactorily resolved, the employee shall have the right to discuss the matter with the supervisor's superior, if any, within the department organization. Otherwise, the employee shall have the right to discuss the matter with the department head.
- 7.3 Formal Grievance Procedure.** If the employee is not in agreement with the decision rendered in the informal grievance procedure, an employee shall have the right to present a formal grievance in writing to the department head within ten (10) calendar days after the occurrence of the incident in the grievance. The department head shall schedule a meeting with the employee and/or the employee's designated representative within ten (10) calendar days after the department head's receipt of the written grievance. The department head shall review the grievance and render a decision in writing and return it to the employee and/or the employee's designated representative within ten (10) calendar days after meeting with the employee.
- 7.4 Appeal to the City Manager.** If the employee does not agree with the decision reached by the department head, the employee may present an appeal in writing to the City Manager within ten (10) calendar days after the employee's receipt of the department head's decision. The appeal shall be signed and delivered to the Human Resources Manager who shall set a meeting within ten (10) calendar days with the City Manager and the employee and/or the employee's representative to discuss the grievance. Within ten (10) calendar days of the meeting the City Manager shall deliver a copy of the decision to the employee and/or the employee's representative and the department head. The decision of the City Manager shall be final and shall not be appealable to the City Council.
- 7.5 Extension of Time Limitations.** All time limitations mentioned in the Grievance Procedure may be extended by mutual written agreement between the City and the employee.

ARTICLE 8 - PRE-DISCIPLINE, DISCIPLINE AND APPEALS PROCEDURES

This Article applies to all employees except department heads and other at-will positions identified in Article 10.

- 8.1 Standards of Conduct.** All employees are expected to adhere to standards of reasonable and prudent conduct. Each department may set standards required by departmental operations provided said rules are not in conflict with rules established by the City Council or City Manager. Employees who violate said standards shall be subject to appropriate disciplinary actions.
- 8.2 Applicability of Discipline.** Disciplinary action may be taken against any employee covered by this Agreement. Only regular employees in the classified service shall have rights to the notice and hearing requirements set forth within or to any other notice and hearing provision whatsoever unless required by law.
- 8.3 Discretion in Disciplinary Action.** The City Manager, department head and supervisors may exercise their discretion in applying discipline appropriate to the employee's offense(s) and work record.
- 8.4 Permitted Disciplinary Action.** Any one or combination of the following disciplinary actions may be taken against an employee for offenses stated in Section 8.20 or for any other just cause:

Oral admonishment	Reduction in salary
Written reprimand	Demotion
Restitution	Dismissal
Suspension	

- 8.5 Oral Admonishment.** When necessary, oral admonishments shall be given in private. The supervisor shall include in the admonishment a review of appropriate department standards and policies, employee performance expected in the future and consequences for failure to correct performance or behavior. No appeal from an oral admonishment shall be authorized. The supervisor may retain a record of the oral admonishment, but any such record shall not be part of the official personnel file.
- 8.6 Written Reprimand.** A written reprimand shall be imposed for a continued or more serious offense. The reprimand shall take the form of a memorandum to the employee including a full, accurate and factual statement of the reason for the reprimand. The reprimand shall be given to the employee in private. The supervisor shall explain appropriate department standards and policies, employee performance expected in the future and consequences for failure to correct performance or behavior. A copy of the reprimand shall be sent to the Human Resources Manager to be placed in the employee's

personnel folder. The employee may respond to the reprimand in writing within ten (10) business days and have such response placed in the employee's personnel folder. The employee shall have no further right of response or appeal.

- 8.7 Restitution.** Any employee who willfully, maliciously, recklessly or wantonly destroys or causes or permits damage to or destruction of City property may be required to make restitution to the City for the expense and costs sustained by the City from such actions. An order of restitution shall be subject to the grievance procedure or, if the order imposes restitution greater than two days' pay, the action shall be subject to appeal under Section 8.15.
- 8.8 Brief Suspension without Pay.** When, in the opinion of the department head, circumstances warrant, a suspension of two (2) days or less may be imposed informally, without complying with the formal procedures commonly referred to as "Skelly Procedures." Prior to the imposition of such discipline, the department head shall explain appropriate department standards and policies, employee performance expected in the future, and consequences for failure to correct performance or behavior. A written record of the discipline, including a full, accurate and factual statement of the reason therefor, shall be sent to the Human Resources Manager to be placed in the employee's personnel folder. Within ten (10) calendar days after the date the discipline is imposed, the employee may respond in writing and have such response placed in the employee's personnel folder. The employee shall have no further right of response or appeal.
- 8.9 Longer Suspension without Pay.** When the employee's conduct has been continuous or repeated, and lesser penalties are inadequate or have proved ineffective the department head may impose suspension without pay in excess of two (2) days. Such longer-term suspension shall occur only after the notice procedures specified in Section 8.13.1, and shall be subject to appeal in accordance with Section 8.15.
- 8.10 Dismissal.** When the employee's conduct has been of a continuous nature, uncorrected by previous discipline, or is of such a nature as to render further employment not in the City's interests, or for other cause, the department head shall have the right to dismiss the employee. Dismissal shall be final termination of the employee's employment. Any action of dismissal shall be taken only in compliance with the notice procedures specified in Section 8.13.1, and shall be subject to appeal in accordance with Section 8.15.
- 8.11 Reduction in Salary.** In lieu of, or in addition to, other forms of discipline, when facts justify, a department head may impose a reduction in salary upon the employee to a lower step in the present salary range or to a lower salary range, as may be appropriate. The reduction may be for a limited period of time, or permanent, as specified by the department head. Any reduction in salary shall be subject to the notice procedures specified in Section 8.13.1 and shall be subject to appeal in accordance with Section 8.15.

8.12 Demotion. In lieu of, or in addition to, other forms of discipline, when facts justify, a department head may demote an employee to a lower classification. The demotion shall be subject to the notice procedures specified in Section 8.13.1 and shall be subject to appeal in accordance with Section 8.15. Demotion shall be especially appropriate in cases where the employee's performance level is unsatisfactory and below the standards expected for the classification held, but would be adequate for the lower classification. A department head may consider and accept an offer by the employee to accept voluntary demotion in lieu of other discipline, in the department head's discretion.

8.13 Pre-Disciplinary Procedures for Certain Proposed Actions. A regular employee being considered for suspension without pay for more than two (2) work days, restitution in excess of two (2) days' pay, reduction in salary, demotion or dismissal shall be insured due process through the following pre-disciplinary procedures.

8.13.1 Written Notice. Written notice of a proposed disciplinary action shall be given to the employee in private. This notice shall include the proposed action, the intended date and the specific reasons for such action. A written copy of the charges and the grounds for such charges shall also be included, including a copy of all supporting documentation upon which the department expects to rely. The employee is entitled to copies of all materials on which the charges are based if there are any. The employee's right to respond orally or in writing, the right to respond in person or through a designated representative, the time period in which the response should be made and to whom and where it should be made, shall be specified in the notice.

8.13.2 Employee Review. The employee shall be given an opportunity to review the material on which the proposed action is based and which is relied on to support the proposed action specified in the written notice, including but not limited to statements of witnesses, documents, and investigative reports or extracts therefrom. A copy of such documents shall be provided with the notice. Material that is classified as confidential by the department head shall not be used to support the proposed disciplinary action.

8.13.3 Employee Response. An employee is entitled to a reasonable time not to exceed ten (10) business days, to answer a notice of proposed disciplinary action. An extension of time may be granted an employee with the aforementioned 10-day period if the employee can demonstrate the need for an extension to the department head. Should an employee respond, the department head shall consider the response in writing or orally, through a designated representative or any combination thereof. If the

employee requests a meeting to present a response, the meeting shall not be conducted as an adversary hearing. The employee may not cross-examine the department's witnesses nor present a formal case to support the response. The employee shall be given the opportunity to make any representations that the employee believes might affect the decision for disciplinary action. Any time extensions shall be mutually agreed upon. If the employee fails to respond within the time specified, the department head may announce their decision which shall be in accordance with the provisions of Section 8.14.

8.13.4 Additional Investigation Authorized. The department head has the right to conduct further investigations. If new charges result from this investigation, the employee shall be given another opportunity to respond.

8.14 Department Head Decision. The department head shall provide a written decision following the employee's response (or failure to respond) at the earliest practicable date, not to exceed ten (10) business days following the response (or failure to respond) of the employee. The decision shall include a clear statement of the discipline being imposed. The department head shall deliver the notice of decision to the employee at or before the time when the disciplinary action will be effective. The decision shall be dated and signed by the department head. The decision shall inform the employee which of the reasons and grounds in the notice of proposed disciplinary action have been sustained. The decision shall include a statement of the employee's right to appeal, as provided in Section 8.15 and Section 8.16, if such disciplinary action results in suspension without pay for more than two (2) work days, restitution affecting more than two (2) day's pay, reduction in salary, demotion, or dismissal. Additionally, the time limit for an appeal and the specific discipline to be imposed or the decision not to impose discipline shall be detailed in the decision. The effective date of discipline shall be included in the decision. Any extensions shall be mutually agreed upon.

A decision not to impose discipline shall be accompanied by a directive from the department head to delete all references to the pending action from the employee's personnel file. Failure by the department to make further investigations or to provide any additional written decision not specifically required by this Section shall not affect the ability of the City to impose disciplinary action.

8.15 Appeal of Certain Disciplinary Actions. Any permanent employee covered by this Agreement shall have a right to appeal a decision by the department head that results in any of the following disciplinary or administrative actions:

- a. A suspension without pay in excess of two (2) days;
- b. A reduction in pay;
- c. Restitution affecting more than two days' pay;
- d. A demotion;
- e. A dismissal;
- f. Any disciplinary action which, combined with other discipline imposed during the immediately preceding twelve (12) months, equals or exceeds more than the loss of two (2) days' pay;
- g. Denial of reinstatement

An employee desiring to appeal such action shall submit their written appeal to the City Manager within ten (10) working days after receipt by the employee of the department head's decision on imposition of discipline.

8.16 Method of Appeal. Appeals shall be in writing, signed by the appealing employee and delivered to the Human Resources Manager.

8.17 Hearing Process. Upon request of the employee, for any matter subject to appeal as specified in Section 8.15, the employee shall be granted the right to a hearing before an impartial hearing officer selected in a manner mutually agreeable to the City Manager and the employee or employee representative. If no agreement is so reached, the hearing officer shall be selected from a list of five (5) or more possible arbitrators provided by the State Mediation Service or from a list agreed to between the City Manager and the employee or employee representative. By flip of a coin, a determination shall be made as to which side shall first strike a name. Each side then shall strike one name at a time, until only one name remains, and that one remaining person shall be the selected hearing officer. If that person is not available for hearing within two (2) months, the name last stricken shall be the hearing officer, unless both sides agree to agree to wait for the availability of the selected hearing officer. The hearing shall be conducted within two (2) weeks after selection of the hearing officer, unless both sides agree to an extension. The hearing shall be closed to the public, and shall be recorded by a court reporter or tape recording. Both sides shall have every reasonable opportunity to present all relevant and material evidence and to close the hearing with argument. The hearing officer shall have authority to limit the length of argument, and to limit the number of witnesses, if witnesses' testimony is merely repetitive or not material. After the close of the hearing, the hearing officer shall prepare written findings of fact and conclusions of law based upon the evidence presented at the hearing, and shall present their findings to the City Manager and to the employee or employee representative. The City Manager shall thereupon promptly review the findings of fact and conclusions of law, but shall not be bound thereto. If the City Manager, for any reason, makes a tentative decision to disagree

with the hearing officer's findings of fact and/or conclusions of law, the City Manager shall so notify the employee or employee representative of that tentative decision, and they shall thereupon have the right to meet with the City Manager to attempt to persuade the City Manager to follow the hearing officer's recommendations. After such meeting, or opportunity to so meet, the City Manager shall render a decision in writing setting forth their reasons for the decision, which shall be final subject only to review by the courts under the procedures set forth in Code of Civil Procedure Section 2094.5 (writ of mandate). The City shall pay the costs incurred for the independent hearing officer's services and expenses.

8.18 Employee Status during Pre-Disciplinary Period. Except as otherwise provided, an employee against whom disciplinary action is proposed is entitled to be retained in an active status during the pre-disciplinary period, until the time the department head imposes discipline by their decision under Section 8.14.

When circumstances are such that retention of the employee in active status before a decision is made may result in damage to City property or may be detrimental to the interests of the City or injurious to the employee, fellow employees or the public, the department head may temporarily assign the employee to duties in which these conditions do not exist or place the employee on paid suspension with the approval of the City Manager.

8.19 Time Limitations. All time limitations of this Article may be extended or abbreviated by mutual agreement of the parties.

8.20 Causes for Disciplinary Actions. All employees are expected to conduct themselves in a reasonable and prudent manner according to City standards. Employees who violate such standards should expect appropriate disciplinary actions. The following list of causes for disciplinary action is not a total and complete statement of causes for discipline:

1. Tardiness.
2. Failure to observe precautions for personal safety, posted rules, signs, safety instructions, or to use protective clothing or equipment.
3. Careless workmanship resulting in waste of materials.
4. Unsatisfactory work performance.
5. Abuse of sick leave privileges; i.e., failure to present adequate documentation of illness when required by the City Manager or respective department head, repeated absences before or after days off, use of sick leave for unauthorized purposes, etc.
6. Failure or delay in carrying out orders, work assignments, or instructions of superiors; inattention to or dereliction of duty, including loafing or wasting time.
7. Acceptance of gifts from parties doing business with the City.
8. Unauthorized sleeping while on duty.
9. Disorderly conduct: fighting, threatening, attempting to inflict bodily injury on another; engaging in dangerous horseplay.

10. Being on duty under the influence of a chemical or intoxicant or reporting for duty while so influenced. *
11. Chemical or alcohol abuse affecting work performance. *
12. Loss or destruction of City property or the property of others, through carelessness.
13. Political activity in violation of the law.
14. Unexcused absence from duty.
15. Reckless driving on City premises, reckless operation of City vehicle, or reckless driving while performing City business.
16. Gambling or promotion of gambling on City premises or while on duty.
17. Endangering the safety of or causing injury to any employee, including himself/herself or the public.
18. Unauthorized disclosure of confidential information as defined by law or by written directive of the City or respective department.
19. Disrespectful conduct, use of insulting, abusive, or vulgar language to or about other employees or the public.
20. Unauthorized use of City vehicles or equipment.
21. Concealing or attempting to conceal defective work; removing or destroying same without permission.
22. Knowingly making a falsification, misstatement or concealment of material fact in connection with employment, promotion, any record, investigation, or other proper proceeding.
23. Making false or unfounded statements which are derogatory, slanderous or defamatory about the City, other employees, officials or the public.
24. Willful damage to City property or to the property of others.
25. Making a false confession.
26. Any on-duty violation of federal, state or local laws or any off-duty violation of law which might bring discredit to the City.
27. Failure to adhere to these Regulations or to other City or departmental rules, policies or procedures.
28. Sexual or other harassment.
29. Willful violation of City policies and procedures regarding media contact.
30. Other good cause.

*Federal laws recognize substance abuse (chemical dependency) as a disability and require employers to make reasonable accommodations; e.g. medical treatment and/or counseling.

ARTICLE 9 - DISCIPLINE AND APPEALS PROCEDURE (AT-WILL)

This Article specifically applies to department heads and other at-will positions identified in Article 10.

9.1 Standards of Conduct. All department heads and other at-will positions are expected to adhere to standards of reasonable and prudent conduct. The City Manager may set standards required for departmental operations provided said rules are not in conflict with rules established by the City Council. Department heads and other at-will positions who violate said standards shall be subject to appropriate disciplinary actions.

9.2 Causes for Disciplinary Actions. Department heads and other at-will positions are expected to conduct themselves in a reasonable and prudent manner according to City standards. Department heads and other at-will positions who violate such standards should expect appropriate disciplinary actions. The following list of selected causes for disciplinary action, in addition to those listed in Section 8.20, is not a total and complete statement of causes for discipline. The City Manager may discipline a department head and other at-will positions for other good cause.

Insubordination	Conflict of interest
Criminal conduct during employment	Sexual harassment
Conduct outside normal working hours	Violation of rules that adversely affects the City
Misuse of City property/equipment	Misuse of authority and/or position
Use of illegal substances	Misrepresentation
Acceptance of gratuities	Defamation

9.3 Applicability of Discipline. Disciplinary action may be taken against department heads and other at-will positions of the City. Only regular and sworn employees shall have rights to the notice and hearing requirements set forth herewith or to any other notice and hearing provision whatsoever unless required by law.

9.4 Discretion in Disciplinary Action. The City Manager may exercise discretion in applying discipline appropriate to the offense(s) and work record.

9.5 Permitted Disciplinary Action. Any one or combination of the following disciplinary actions may be taken against a department head and other at-will positions for offenses stated in Section 9.2 or for any other just cause, as permitted by law:

Oral Admonishment	Reduction in salary
Written reprimand	Demotion
Restitution	Dismissal
Suspension	

- 9.6 Restitution.** An employee may be required in a manner approved by the City Manager to provide restitution to the City for willful, wanton or malicious destruction of City property. Restitution shall be treated as a disciplinary matter.
- 9.7 Appeal of Disciplinary Actions.** Sworn police officers and any other employee covered by the Public Safety Employees Bill of Rights shall have the right of appeal from any disciplinary action whatever, under the procedures specified.

ARTICLE 10 - SEVERANCE PROVISIONS

- 10.1 Key Employees Serve “At Will.”** As hereinafter set forth, designated key employees of the City shall be “at will employees,” subject to termination without proof of good cause, for any reason at the discretion of the City Manager. Such employees shall have the protections outlined in this Article.
- 10.2 Positions Affected.** This Article applies to the following positions:
- a. Assistant City Manager
 - b. Police Chief
 - c. Deputy Police Chief
 - d. Fire Chief
 - e. Deputy Fire Chief
 - f. All positions officially designated as Director
 - g. Regular positions designated by the City Manager as “At Will” as a condition of employment.
- 10.3 Discharge without Need for Articulable Cause.** The provisions of this Article are intended to assure the City that the City Manager shall have the ability to release or replace certain key employees without articulable cause upon the City Manager’s determination that the best interests of the City require such release or replacement. Such action is authorized to assure compatibility between the City Manager and the key employees upon whom the City Manager must rely for carrying out the City government's mission, and yet provide fair treatment to any employee being released or replaced under such authority.
- 10.4 Additional Provision: Does Not Supplant Discipline.** These provisions are in addition to but do not supplant, the provisions of Articles 8 and 9 relating to discipline. An employee discharged under the provisions of Articles 8 or 9 shall not be entitled to the benefits specified herein.
- 10.5 Procedures for Termination: Severance Benefits.** When the City Manager, or a Department Head with the approval of the City Manager, determine that it is in the best interest of the City to terminate an at-will employee for the convenience of the City or separate an employee through resignation in lieu of termination for the convenience of

the City, and the employee executes a settlement agreement and general release between the employee and the City, that employee will be paid severance equal to six (6) months at the rate of regular pay for the position held by the employee at the time of separation, to include leave accruals per Article 6.

ARTICLE 11 - MISCELLANEOUS PROVISIONS

11.1 Enrollment in Group Insurance Plans.

City agrees to continue to enroll with and subscribe to the Public Employees' Retirement Health Care Plan pursuant to the Public Employees' Hospital and Medical Care Act (PEHMCA), Government Code Sections 22751 et seq., for the provision of health insurance for members of the unit. The health insurance benefit provided through PEMHCA shall be part of the cafeteria plan in accordance with IRS Code Section 125.

Basic City Contribution. For all employees and retirees, the City pays the PEMHCA statutory minimum as determined by CalPERS under Government code Section 22892.

Supplemental City Contribution. In addition to the basic City contribution, the City shall contribute a supplemental amount toward group insurance plan premiums to active employees and certain retirees as described below.

The City shall offer a health, dental, and vision insurance cafeteria plan. Employees may choose a less expensive medical plan than the maximum City contribution and use the remaining balance to pay for dental and vision insurance. Employees selecting plans and coverage levels with premiums that exceed the City's maximum contribution are responsible for paying the difference through automatic bi-weekly payroll deduction. The City's maximum contribution toward group insurance plans, inclusive of the CalPERS statutory minimum for health insurance, shall be:

Category	2025 Maximum City Contribution
Unit Member Only	\$1000
Unit Member + 1	\$1950
Family	\$2600

Contributions become effective the first check covering January premiums

Unit members who elect to purchase health insurance independent of the Plan may withdraw from or decline to participate in the Plan by executing, in writing, an election to withdraw from, a declination to participate in, or a waiver of benefits (as appropriate) on such form as may be required by City. For medical coverage, if an employee elects to opt out of coverage offered by the City, they must provide proof of "minimum essential

coverage” (as defined by the Affordable Care Act) through another source (other than coverage in the individual market, whether or not obtained through Covered California). Unit members who elect not to participate in the Health Plan will be reimbursed \$250.00 monthly as an in-lieu payment.

Should such other coverage subsequently be unavailable to the employee, the employee shall have the right to seek reinstatement to coverage under the City's policy upon written request. In such a case, the City shall reinstate the employee's coverage and cancel the in-lieu payment if reinstatement is permitted under the provisions for reinstatement, then in effect with the City's health insurance provider.

11.2 Public Employees Retirement System.

All regular employees of the City who work at least twenty (20) hours per week or an average of 87 hours per month are automatically covered by the City's contract with the California Public Employees Retirement System (CalPERS). Membership shall commence immediately upon employment.

- A. Level One (“Classic”) Employees. The City provides the 2%@55 retirement benefit formula with single highest year compensation consideration for all Non-Represented Miscellaneous employees hired prior to November 25, 2012. The City provides the 3%@55 retirement benefit formula with single highest year compensation for all Non-Represented Police Safety employees hired prior to January 1, 2013. The City provides 3%@55 retirement benefit formula with single highest year compensation for all Non-Represented Fire Safety employees hired prior to November 25, 2012.
- B. Level Two (“Classic”) Employees. The City provides the 2%@60 retirement benefit formula with three-year average compensation consideration for all Non-Represented Miscellaneous employees hired between November 25, 2012 and December 31, 2012. The City provides the 2%@57 retirement benefit formula with three-year average compensation consideration for all Non-Represented Fire Safety employees hired between November 25, 2012 and December 31, 2012.

Level Two (“Classic”) employees includes those employees hired on or after January 1, 2013 who meet eligibility criteria set forth by AB 340 to “transfer” CalPERS membership from one CalPERS entity to another CalPERS entity.

- C. Classic Miscellaneous Employees Cost Sharing Provisions. Effective July 5, 2015, non-represented Miscellaneous employees who are Classic members of CalPERS shall participate in a cost sharing arrangement in which the City pays the 7% member contribution (Employer Paid Member Contribution) and reports this contribution to CalPERS as compensation earned. In addition,

each employee in said group agrees to pay 9% of their pre-tax wages as cost sharing.

- D. Classic Safety Employees Cost Sharing Provisions. Effective July 5, 2015, non-represented Safety employees who are Classic members of CalPERS shall participate in a cost sharing arrangement in which the City pays 7% of the member contribution (Employer Paid Member Contribution) and reports this contribution to CalPERS as compensation earned. In addition, each employee in said group agrees to pay 12% of their pre-tax wages as cost sharing.
- E. PEPRA Employees. The California Public Employees' Pension Reform Act of 2013 (PEPRA) establishes a new retirement formula of 2%@62 with three-year average compensation for Non-Represented Miscellaneous employees, a retirement formula of 2%@57 with three-year average compensation for Non-Represented Fire Safety employees, and a retirement formula of 2.7%@57 with three-year average compensation for Non-Represented Police Safety employees hired on or after January 1, 2013. All employees shall be subject to the provisions of PEPRA, as appropriate.

11.3 Uniform/Equipment Allowance. Except as otherwise provided in this section, employees shall be reimbursed for uniform and/or equipment required to perform the duties of their position on an as-needed basis.

11.4 Uniform Allowance—Police Safety, Fire Safety. The uniform allowance for Safety Employees shall be \$140 per month.

11.5 Enrollment in Group Insurance Plans upon Retirement. An employee retiring from the City, who takes a qualified retirement under the Public Employees Retirement System (PERS), may continue their PERS health insurance benefit enrollment upon retirement, provided the employee's effective date of retirement is within 120 days of separation. For those retirees, except as may be provided below, the City will only contribute the mandatory statutory minimum monthly premium employer contribution (i.e., the statutory minimum) as may be required by CalPERS for the particular calendar year.

All retirees will be required to comply with any of the requirements of CalPERS as provided by PEMHCA. This may include, but not be limited to, enrolling in Medicare when age appropriate and becoming eligible to receive Medicare. The City will not pay for the cost of Medicare enrollment as it will continue to pay the CalPERS statutory minimum for all retired annuitants.

- A. Employees hired prior to January 1, 2013: All such retired Miscellaneous and Safety employees covered by these Regulations shall be eligible for a supplemental City-paid contribution equivalent to the current amount provided to active employees – to include dental and vision. In the event

of the employee's death, the City's obligation to continue the surviving spouse/domestic partner on the City's group dental and vision plans will end.

- B. Employees Hired from January 1, 2013, to August 1, 2019: After five (5) years of service with the City, the percentage of employer contribution payable for retirement health benefits only (no dental or vision contribution) shall be consistent with the following table:

Credit Years of CalPERS Service	Percentage of Employer Contribution
5-10	PEMHCA Minimum
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20 or more	100%

- C. For all employees hired by the City after August 1, 2019, there will be no supplemental City contribution for retiree health benefits. The City shall contribute only the CalPERS statutory minimum. The City will, for these employees, make a contribution to an employee Health Reimbursement Arrangement (HRA) and associated fixed dollar cost of administration.
- D. Effective the pay-period following January 1, 2025, the contribution rate will increase to \$165 per month.

This contribution is for active employees only and shall cease when the employee leaves City employment.

11.6 Life Insurance/ Short/Long Term Disability Regular Employees.

- 11.6.1 The City shall provide life insurance in an amount equal to two (2) times the employee's annual salary up to 400k. The cost of such insurance coverage shall be borne by the City.

- 11.6.2 Life Insurance Council & Elected. The City shall provide life insurance in the amount of \$50K.
- 11.6.3 Self-Funded Short-Term Disability: The City offers Short-Term Disability (STD) to regular eligible employees. STD is designed to provide a weekly benefit in the event you are unable to work due to disabling injuries and illnesses that are non-industrial in nature (not covered by Workers' Compensation). The city bears the full cost of this benefit without employee contributions.
- 11.6.4 Long-Term Disability. All employees covered by this Agreement shall be included in the City's long-term disability program, which provides partial coverage for disabling non-industrial injuries and illnesses (not covered by workers' compensation).

11.8 Deferred Compensation and 401(a) Plan

A. 457(b) Plan

The City sponsors a 457(b) eligible deferred compensation plan. All employees are eligible to elect to contribute their City pay to the 457 (b) Plan in accordance with its terms. For each pay period, the City will provide a matching contribution to each employee's 457(b) account equal to 100% of the employee's elective 457(b) contribution, up to a maximum of \$65.00 per pay period.

B. 401(a) Plan

The City sponsors a 401(a) defined contribution plan (401(a) Plan). Notwithstanding any MOU provisions to the contrary, contributions will be made to the 401(a) Plan for bargaining unit employees as follows:

- Mandatory employee contributions:
 - Base salary— Every pay period, a mandatory contribution of \$50.00 will be deducted from each employee's base salary and contributed to the employee's 401(a) account.
 - Final leave balances

Upon termination of City employment, an employee's eligible final leave balances, as defined by this MOU, will be contributed to the employee's 401(a) account, but only if the employee:

(i.) reaches age 55 or older (or in the case of a safety employee, age 50 or older) in the calendar year of termination, or

(ii.) terminates from employment due to total and permanent disability.

Contributions to the 401(a) Plan are subject to annual limits under the tax laws. If any leave amounts described above cannot be contributed to the employee's 401(a) Plan account due to these tax limits or the employee does not meet the age threshold as described in this MOU, the employee may elect to receive the uncontributed amounts in the form of cash, 457(b) contributions (subject to tax limits), or a combination of both.

- Under no circumstance will any employee be permitted to elect to receive cash (or other benefit) in lieu of 401(a) contributions made under the above.
- For avoidance of doubt, the final leave balance available for 401(a) contribution under this MOU provision will be determined after (i) any employee election to convert sick time to CalPERS service credit, (ii) application of any MOU provision reducing the leave balance available at termination, including Section 6.5.1 (providing for payment of 25%/50%/100% of unused sick leave upon termination), and (iii) any other MOU provision affecting the calculation of leave balances upon termination.

11.9 Educational Incentive. The City shall adopt procedures that encourage and support employees in pursuing further education and professional development that benefits both the employee and the organization. All regular employees are eligible to participate in this program.

The maximum reimbursement amount per employee shall not exceed \$4,000 in any payroll calendar year. The total lifetime reimbursement amount per employee shall not exceed \$12,000.

Covered Education: Education covered by this provision must be in:

- A licensed public or private school or college
- A recognized training program leading to a professional certification
- Academic or professional certification programs
- Recertification programs

Postgraduate programs (Master's degree programs or higher) can be covered when it is determined that the program has some reasonable relationship to the job performed by the employee or to prepare for a promotional opportunity within this employment.

Covered Expenses:

- Tuition fees for accredited courses related to the employee's current role or potential future roles within the organization
- Required textbooks and course materials
- Examination fees
- Certification and recertification costs

Reimbursement:

- Reimbursement will be provided upon successful completion of the course with a grade of C or better (or "Pass" for pass/fail courses)
- For certification programs, reimbursement will be provided upon successful completion of the program or obtaining the certification
- Employees must submit proof of completion and receipts for expenses within 60 days of course or program completion

Service Commitment:

Employees receiving educational assistance must commit to remaining with the organization for at least one year after completing the reimbursed course or program. If an employee voluntarily leaves the organization before this period, they may be required to repay a prorated portion of the reimbursement.

Taxation:

Reimbursements may be subject to taxation in accordance with current IRS regulations.

ARTICLE 12 SPECIAL PROVISIONS

12.1. Regular Part-Time – Eligible for all benefits.

Prorate the following banks based on permanent work schedule:

Section 6.3	Vacation Leave
Section 6.4	Holidays/Float Hours.
Section 6.7	Sick Leave
Section 11.7	Life Insurance

APPENDIX A - DEFINITIONS

Grievance

A complaint filed by an employee alleging a violation of the agreement. Grievances follow a specific process outlined in the Regulations for resolution.

Regular Employee

A regular employee shall be a full-time exempt or non-exempt employee working a regular or predetermined schedule, even though at odd hours, who is compensated on an hourly wage or salary basis and receives fringe benefits. Hourly, Part-Time, seasonal or emergency employees shall not be considered as regular employees.

Seniority

The length of continuous service a regular employee has with the employer, which determines factors like job bidding, layoffs, vacation time, and other benefits as outlined in the Regulations.

Regular Rate of Pay

The employee's normal base hourly rate of pay including stipends, as defined by the FLSA, which is used to calculate overtime and other premium pay.

Straight Pay

The employee's regular pay rate for hours worked paid at 1.0 as it does not qualify for overtime or other premium pay.

Base Pay

The predetermined hourly rate of pay for an employee's job classification or position, before any additional pay such as stipends, differentials, bonuses, or overtime.

CalPERS, when calculating special compensation, items must be included in a written labor policy or agreement and meet the definition of CCR section 571 for classic members or CCR section 571.1 for new members to be reportable.

APPENDIX B – CLASSIFICATIONS

Group	Position
Professional	Accountant II
Exec	Accounting Services Manager
Confidential	Administrative Assistant I
Administrative	Administrative Assistant II
Confidential	Analyst I
Administrative	Analyst II
Exec	Assistant City Manager
Professional	Associate Civil Engineer
Professional	Associate Planner
Exec	Chief Building Official
Computer	Chief Technology Officer
Administrative	City Clerk
Exec	City Engineer
Exec	Code Compliance Manager
Exec	Communications/Events Manager
Administrative	Deputy City Clerk
Exec	Deputy Director of Community and Economic Development
Exec	Deputy Finance Director
Exec	Deputy Fire Chief
Exec	Deputy Police Chief
Exec	Director of Community and Economic Development
Exec	Director of Public Works
Administrative	Economic Development Manager
Administrative	Engineering Field Project Manager
Computer	Enterprise Applications Engineer
Computer	Enterprise Systems Analyst
Administrative	Events & Recreation Coordinator
Exec	Facilities Manager
Exec	Financial Services Director
Exec	Fire Chief
Administrative	Fire Marshal
Professional	Fiscal Officer
Computer	GIS Engineer
Confidential	Human Resources Coordinator
Confidential	Human Resources Assistant
Exec	Human Resources Manager
Confidential	Human Resources Specialist
Professional	Land Development Engineer

Administrative	Licensing Officer
Administrative	Management Analyst
Confidential	Payroll Coordinator
Confidential	Payroll Specialist
Professional	Planning Manager
Exec	Police Chief
Exec	Public Works Supervisor
Exec	Public Works/Environmental Conservation Manager
Administrative	Senior Analyst
Professional	Senior Engineer
Administrative	Senior Human Resources Specialist
Professional	Senior Accountant
Computer	Senior Network Engineer (IT)
Confidential	Webmaster-Graphic Designer

By authority of the City Manager

Charles P. McClendon
City Manager

Date