

**CITY OF SANTA CLARA – UNCLASSIFIED MISCELLANEOUS MANAGEMENT (UNIT 9)
2020 NEGOTIATIONS
TENTATIVE AGREEMENT****

TERM

- December 15, 2019 – December 31, 2024

WAGES

- Effective December 15, 2019, all salary ranges in classifications assigned to Unit 9 shall remain status quo.
- Effective the first pay period of calendar year 2021, all salary ranges in classifications assigned to Unit 9 shall remain status quo.
- 2022: 4.5% general wage increase effective calendar year 2022. Effective the first pay period of calendar year 2022, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall be increased by approximately 4.5%.
- 2023: 3.25% general wage increase effective calendar year 2023. Effective the first pay period of calendar year 2023, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall be increased by approximately 3.25%.
- 2024: 3.25% general wage increase effective calendar year 2024. Effective the first pay period of calendar year 2024, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall be increased by approximately 3.25%.

REOPENERS

- During the term of this Agreement, the parties agree that the MOU will reopen on the issue of wages if either of the following occurs:
 - The total annual calendar year General Fund Transient Occupancy Tax (or “TOT”) revenues remitted to the City, ~~adjusted to normalize for any potential change in the TOT rate if passed by voters on the ballot,~~ and allocated to any of the calendar years covered by this Agreement Equal or surpass the City’s actual total TOT revenues from March 1, 2018 to February 28, 2019. After calendar year 2022, the TOT revenues remitted to the City shall be adjusted to normalize for any potential change in the TOT rate if passed by voters on the ballot for purposes of this section; OR
 - Forecasted General Fund deficits remain above \$20 million ongoing, as reflected in updated or revised Ten-Year General Fund Forecasts released after July 1, 2021.

The City agrees to provide an update on the City’s TOT revenues to the Association upon the Association’s request. In the event either of the foregoing occur, either party may request to meet to discuss the subject of wages. Any changes will be by mutual agreement. The parties understand and agree that this will not be a meet and confer within the meaning of section 3505 of the MMBA and that neither party will have access to any impasse resolution procedure except as mutually agreed.

- ~~During calendar year 2021 only, the~~The parties agree to meet and confer over wages in the event the City reaches agreement on a new general wage increase to be effective during

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Calendar Year 2021 or 2022 with any other miscellaneous bargaining unit as part of an agreement on a successor Memorandum of Understanding (MOU). For purposes of this section, “general wage increase” means a wage increase applicable to all members of the bargaining unit (not a subset), but only if that agreement does not also include an agreement for an alternative cost saving measure (including but not limited to unpaid furlough days). Additionally, the parties agree that this section shall not apply to any general wage increases applicable to sworn public safety bargaining units or to miscellaneous bargaining units that are exclusively funded through sources other than the General Fund.

MERIT PAY

- See attached

HOLIDAYS

- See attached

VACATION

- See attached

MANAGEMENT LEAVE

- See attached

HEALTH INSURANCE

- See attached

~~DUES DEDUCTIONS~~

- ~~▪ See attached~~

NEXT MEMORANDUM OF UNDERSTANDING

- See attached

AUTOMOBILE ALLOWANCE

- See attached

CTO/4-HOUR RULE

- Side Letter (see attached)

HOUSEKEEPING

- Mobile Communication Device Allowance (see attached)
- Voluntary Employee Beneficiary Association (VEBA) (see attached)
- Retiree Medical Reimbursement (see attached)

City of Santa Clara
October 26, 2020
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CITY and Unit 9 Negotiations – Wages

Proposed Language:

1. WAGE ADJUSTMENTS

~~Effective the first full pay period following City Council approval of this MOU (and retroactive to December 17, 2017 for persons employed with the City on the date the City Council approves this MOU), employees shall receive a 4.0% wage increase. Effective the first full pay period of the 12/18 – 12/19 MOU year, employee shall receive a further 4.0% wage increase.~~

~~(a) Effective December 15, 2019, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall remain status quo.~~

~~(b) Effective the first pay period of calendar year 2021, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall remain status quo.~~

~~(c) Effective the first pay period of calendar year 2022, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall be increased by approximately 4.5%.~~

~~(c) Effective the first pay period of calendar year 2023, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall be increased by approximately 3.25%.~~

~~(d) Effective the first pay period of calendar year 2024, all salary ranges for employees holding positions in classifications assigned to Unit 9 shall be increased by approximately 3.25%.~~

CITY and Unit 9 Negotiations – Merit Pay

Proposed Language:

14. MERIT PAY/SALARY ADJUSTMENT SYSTEM

Merit pay adjustments or merit increases, as provided for in the Personnel and Salary Resolution are, and will continue to be, available during the term of this MOU when and if approved by the applicable Department Head and the City Manager subject to Section 14.G below. The Merit Pay Adjustment system shall include the following elements:

- A. Each Unit 9 employee shall receive an annual evaluation.
- B. Annual consideration of merit pay adjustments subject to Section 14.G below, with an affirmative decision by the applicable Department Head shall be required each year following the annual evaluation.
- C. Merit pay adjustments shall range from 0 to 5%. However, in 2016 and 2017 only, employee is guaranteed at least 2% and, with Department Head approval, up to 5% subject to Section 14.G below.
- D. In 2016, employees are eligible for a merit pay adjustment based on an evaluation prepared by February 2, 2016, which date will be their merit pay anniversary each year going forward.
 - 1) Notwithstanding D. above, for employees that have been employed a full year as of February 2, 2016, they will be eligible on their actual anniversary date, which shall also be their merit pay anniversary date thereafter.
 - 2) Notwithstanding D. above, for employees that receive a merit increase between January 1, 2015 and February 2, 2016, the date of their last merit increase shall be their new merit pay anniversary date.
 - 3) If a Department Head has not completed an evaluation in time for a merit adjustment by an employee's anniversary date (February 2, 2016 for most employees), the applicable merit pay adjustment once determined shall be made retroactive to the first full pay period following the anniversary date (and to February 2, 2016 in 2016 for those persons whose anniversary date is February 2, 2016).
- E. The Subject to Section 14.G, the City shall not suspend or freeze consideration of merit pay adjustments for Unit 9 employees unless step increases are suspended or frozen for all bargaining units that utilize a step system.
- F. The City and Unit 9 may, by mutually agreement, meet to discuss potential changes to the merit pay system and/or movement toward a step pay system more like other bargaining units.
- G. Effective January 1, 2021, employees holding positions in classifications assigned to Unit 9 shall be ineligible for a merit increase for the next two (2) consecutive

rating periods. This means that an employee in Unit 9 shall not be eligible for a merit increase until the third rating period after January 1, 2021, and after the employee has skipped two (2) consecutive rating periods where they did not receive a merit increase. Employees with a rating period that ends before January 1, 2021, will be eligible for a merit increase for that rating period pursuant to the Personnel and Salary Resolution, even if such merit increase (if any) is not approved until after January 1, 2021.

- 1) Employees hired or rehired or promoted or reclassified on or after January 1, 2021, and until on or before December 31, 2022, into positions in classifications assigned to Unit 9 shall be ineligible for a merit increase for the first two (2) consecutive rating periods. This means that an employee hired or rehired or promoted between January 1, 2021, and December 31, 2022, will not be eligible for a merit increase until the employee's third rating period with the City after the employee was hired or rehired or promoted or reclassified into positions in classifications assigned to Unit 9.
 - (a) A current active City employee promoted or reclassified from another bargaining unit into a position in a classification assigned to Unit 9 between January 1, 2021, and December 31, 2022, shall be ineligible for a merit increase until the employee's third rating period from the effective date of the promotion or reclassification.
 - (b) A current active City employee holding a position in a classification assigned to Unit 9 as of the effective date of this agreement who is promoted or reclassified into or accepts another position in Unit 9 between January 1, 2021, and December 31, 2022, shall be ineligible for a merit increase unless the employee has skipped two (2) consecutive rating periods where they did not receive a merit increase since January 1, 2021.
 - (c) Nothing in this Section is intended to prohibit a pay increase that may result from a current active City employee being promoted or reclassified into a position in a classification assigned to Unit 9.

CITY and Unit 9 Negotiations – Holidays

Proposed Language:

4. HOLIDAYS

A. Employees shall be provided 13 annual paid holidays (computed on the eight hour per day pay rate). Any additional permanent holidays designated by the City Council will be afforded represented employees of Unit 9. Additional permanent holidays under this section shall be defined as a holiday on which City offices are closed.

B. Additionally, effective December 2020, the City ~~will observe~~ shall provide 32 hours for four additional non-permanent paid holidays between December 25th and January 1st of the following calendar year. If there are more than four working days between December 25th and January 1st of the following calendar year, the City shall designate which four working days shall be paid holidays under this paragraph. on 12/26/17, 12/27/17, 12/28/17 and 12/29/17 and on 12/26/18, 12/27/18, 12/28/18 and 12/31/18. These non-permanent paid holidays would be only for these MOU years, and this provision will sunset and expire on the last day of the 12/18 – 12/19 MOU year. Employees whose jobs require them to work on these days would receive banked paid ~~days~~ hours off instead (up to 8 hours per holiday), which hours may and must be used during the applicable MOU year with the approval of the applicable supervisor/manager. ~~Since this MOU was approved by the City Council after the 12/26/17 to 12/29/17 time period, employees who used leaves for the days/hours on and between 12/26/17 and 12/29/17 will receive banked days/hours off which may and must be used as set forth previously; but also shall have the option, if requested, to instead have their leave balances retroactively adjusted.~~

CITY and Unit 9 Negotiations – Vacation Accrual and Usage

Proposed Language:

6. VACATION ACCRUAL AND USAGE

Represented employees will be entitled to use vacation as it is earned under the following conditions:

- A. Vacation may not be taken during the first 6 months of regular employment.
- B. Vacation will be earned on a bi-weekly basis (1/26 of the yearly accrual) provided that the employee is in a paid status for at least 2/3 of the hours (53.4 hours) of that pay period.
- C. Accrued vacation time will be paid off regardless of term of employment.
- D. Annual and maximum vacation accrual rates, calculated to four decimal points for accuracy, are as follows:

COMPLETED YEARS OF SERVICE	ANNUAL ACCRUAL	MAXIMUM <u>VACATION</u> ACCRUAL <u>LIMIT</u>
1 through 4	80 hours	400-480 hours
5 through 9	120 hours	400-480 hours
10 through 15 years	168 hours	400-480 hours
16 through 20	176 hours	400-480 hours
21 years +	192 hours	400-480 hours

- E. Maximum Vacation Accrual Limit – Employees are limited to the maximum accrual of vacation as defined. ~~Employees may temporarily exceed the allowed maximum vacation accrual, subject to the vacation balance as of the end of the pay period which includes December 31st of each year being reduced to the maximum allowable accrual.~~ The current vacation balance, the annual accrual and the current pay period usage are all shown on the employees' pay check stub and are the responsibility of the employee to track for compliance with this provision.

- 1) Effective December 27, 2020 (the first pay period of calendar year 2021), the Maximum Vacation Accrual Limit as described in Section 6.D above shall be temporarily suspended for two (2) years until the end of the last pay period of calendar year 2022. Employees may continue to accrue vacation above the Maximum Vacation Accrual Limit until December 24, 2022 (the end of the last pay period of calendar year 2022).
- 2) Effective December 25, 2022 (the first pay period of calendar year 2023), employees shall not be allowed to accrue vacation above the Maximum Vacation Accrual Limit.

3) Temporary Supplemental Vacation Accrual – Effective December 25, 2022 (the first pay period of calendar year 2023), employees holding positions in classifications assigned to Unit 9 shall be eligible for the Temporary Supplemental Vacation Accrual. The Temporary Supplemental Vacation Accrual is a separate vacation balance subject to the following:

(a) Effective December 25, 2022, all unused accrued vacation hours above 400 hours as of December 24, 2022 (the last pay period of calendar year 2022) shall be placed in the Temporary Supplemental Vacation Accrual balance.

(i) The following is only an example of the Temporary Supplemental Vacation Accrual described above, and any figures are for illustration purposes only and assumes the employee does not use vacation.

<u>Issue</u>	<u>Hours</u>
<u>Vacation Balance as of December 24, 2022 (the last pay period of calendar year 2022)</u>	<u>500</u>
<u>Hours to be placed in Temporary Supplemental Vacation Accrual</u>	<u>100</u>
<u>Vacation Balance as of December 25, 2022 (the first pay period of calendar year 2023)</u>	<u>400</u>
<u>Hours that can be accrued in calendar year 2023</u>	<u>80</u>
<u>Hours that can be accrued above the Maximum Vacation Accrual Limit of 480 hours</u>	<u>0</u>

(b) The Temporary Supplemental Vacation Accrual balance may not be increased.

(c) Subject to supervisory approval, any Temporary Supplemental Vacation Accrual shall be available for use to the employee until the Temporary Supplemental Vacation Accrual balance has been exhausted.

(d) If an employee leaves or retires from City service, any unused Temporary Supplemental Vacation Accrual hours shall not be subject to the terms of Section 6.I below. Any accrued but unused Temporary Supplemental Vacation Accrual hours will be cashed out upon the employee's retirement or other separation from City service. If permitted by the City's deferred compensation plan and applicable law, the separating employee may elect to contribute all or a portion of their accrued but unused Temporary Supplemental Vacation Accrual hours to their deferred compensation account by submitting a written request no later than 30 days prior to their separation from City service.

- (e) An employee must first use their Temporary Supplemental Vacation Accrual for any vacation leave taken until the Temporary Supplemental Vacation Accrual balance has been exhausted, subject to supervisory approval.
 - (f) An employee must use their Temporary Supplemental Vacation Accrual for any leave of absence until the Temporary Supplemental Vacation Accrual balance has been exhausted subject to any requirement that sick leave be utilized first.
 - (g) An employee may not be on unpaid status until the Temporary Supplemental Vacation Accrual balance has been exhausted and must use their Temporary Supplemental Vacation Accrual until the Temporary Supplemental Vacation Accrual balance has been exhausted, with the exception of any formal disciplinary action pursuant to the City's Civil Service Rules.
- ~~F.~~ Vacation that is temporarily allowed to exceed the maximum allowable accrual and is removed from the vacation balance as of the end of the pay period, which included December 31st of each year, may be donated to the Emergency Paid Leave Fund at the direction of the employee.
- ~~GE.~~ Vacation may be used in one-tenth (1/10th) hour increments.
- ~~HG.~~ Employees who begin work prior to July 1st or continue to be employed after the first calendar year of employment are required to use at least one-half of the vacation accrued during the prior calendar year during the current calendar year.
- ~~H.~~ Subject to having a sufficient balance of accrued vacation available, an employee may, on a twice per year basis, request to be paid at his/her current hourly pay rate for a total combined maximum of 80 hours of accrued vacation.
- ~~J.~~ In lieu of receiving a vacation-leave cash payout at retirement, the Miscellaneous Unclassified Management Employees may vote to roll accrued vacation leave hours except for any hours in the Temporary Supplemental Vacation Accrual balance into the employee's VEBA account, subject to Association compliance with Federal rules associated with employee contributions of vacation leave to their VEBA accounts.

CITY and Unit 9 Negotiations – Management Leave

Proposed Language:

25. MANAGEMENT LEAVE PROGRAM

The Management Leave Program is as follows:

- A. Effective January 1 of each year, represented employees will be credited with 120 hours of Management Leave per calendar year.
- B. New hires or employees promoted into Unit 9 between January 1 and June 30 will be credited with 120 hours of Management Leave. New hires or employees promoted into Unit 9 between July 1 and December 31 will be credited with 60 hours of Management Leave.
- C. Use of Management Leave is subject to approval by the applicable Department Head, or the City Manager or his/her designee in the case of a Department Head request, taking into account the relevant circumstances including work/Department needs, staffing limitations, conflicts, timing of request, etc.
- D. Management Leave may not be converted to cash or other paid time off.
- E. Unused Management Leave may be carried over from one calendar year to the next; however, an employee may never have more than a balance of 180 hours of "banked" management leave, subject to Section 25.E.1-4 below. (Thus, and for example, an employee that already has 180 hours of management leave on January 1 would not receive any further management leave. An employee that already has 100 hours of management leave on January 1 would "only" receive an additional 80 hours. An employee with 60 or fewer hours of banked management leave on January 1 would receive 120 hours.)
 - 1) For calendar year 2021, an employee may have up to a balance of 240 hours of management leave.
 - 2) For calendar year 2022, an employee may have up to a balance of 240 hours of management leave.
 - 3) For calendar year 2023, an employee may have up to a balance of 240 hours of management leave.
 - 4) For calendar year 2024, an employee may have up to a balance of 240 hours of management leave.
 - 5) Effective the first pay period of calendar year 2025, the terms of Section 25.E above shall apply, and an employee may have no more than a balance of 180 hours of management leave.

CITY and Unit 9 Negotiations – Health Insurance

Proposed Language:

7. HEALTH INSURANCE

- A. For employees who enroll in a City offered health plan and whose benefits exceed the total of the City's Health Flex Contribution, Additional Health Flex Contribution, and/or Regular Flex Contribution applicable to the employee and as described below, the balance of the benefits shall be paid by a salary deduction from the pay of the individual employee.

B. Health Flex Contribution

- 1) Effective January 1, 2018, the City will offer full-time employees a Health Flex Contribution of \$133.00/month to put toward the payment of a City offered health plan. The \$133.00/month applies for 2018, and this amount shall be modified City shall modify the Health Flex Contribution each calendar year using the Rate of Pay Safe Harbor (based on the lowest base pay of any full-time employee position covered by this MOU) to ensure the City's offered coverage is "affordable." The City contributes the statutorily required minimum contribution under the Public Employees Medical and Hospital Care Act (PEMHCA) as determined by CalPERS in each calendar year. It is understood and agreed that the Health Flex Contribution described in this paragraph shall be equal to or exceed the City's statutorily required minimum PEMHCA contribution.¹
- 2) Employees may not receive all or any portion of the Health Flex Contribution as cash or any other taxable benefit, and must apply the Health Flex Contribution to City-offered health benefits. Employees who do not enroll in City-offered health benefits will not receive any of the Health Flex Contributions.

C. Additional Health Flex Contribution

- 1) Full-time employees who enroll in a City health plan for which the premium amount is more than \$946.86/month shall receive an Additional Health Flex Contribution in the amounts described in this section.
- 2) Employees may not receive all or any portion of the Additional Health Flex Contribution as cash or any other taxable benefit, and must apply the Additional Health Flex Contribution to City-offered health benefits. Employees who do not enroll in City-offered health benefits will not receive any of the Additional Health Flex Contributions.
- 3) Employees-Effective January 1, 2020, full-time employees who enroll in a City health plan for which the employee-only premium amount is more than \$946.86/month shall receive an Additional Health Flex Contribution. The Additional Health Flex Contribution, when added to the Health Flex Contribution described in the prior paragraph-section and the Regular Flex Contribution described herein, shall not exceed \$200 per month over the Kaiser employee only premium amount for the

¹ As an example, for 2020, the PEMHCA minimum is approximately \$139/month and the Health Flex Contribution is \$139.00/month, which includes the PEMHCA minimum of \$139/month.

applicable year.² ~~(For 2018, this is an additional \$35.57/month to these individuals, since \$200 over the Kaiser employee only amount in 2018 is \$982.43/month.)~~

4) Effective January 1, 2023, full-time employees:

(a) Who enroll in a City health plan for Employee Only coverage for which the premium amount is more than \$946.86/month shall receive an Additional Health Flex Contribution to be put towards the premium amount. The City will provide an Additional Health Flex Contribution amount that, when added to the Health Flex Contribution described above and the Regular Flex Contribution described herein, shall not exceed \$200 per month over the Kaiser employee only premium amount for the applicable year.

(b) Who enroll in a City health plan for Employee Plus One coverage or Employee Plus Family coverage for which the premium amount is more than \$946.86/month shall receive an Additional Health Flex Contribution to be put towards the premium amount. The Additional Health Flex Contribution, when added to the Health Flex Contribution described above and the Regular Flex Contribution described herein, shall not exceed an amount equal to 100% of the Kaiser Employee Plus One rate for the applicable year.

~~Employees may not receive all or any portion of the Health Flex Contribution or Additional Health Flex Contribution as cash or any other taxable benefit, and must apply the Health Flex Contribution to City offered health benefits. Employees who do not enroll in City offered health benefits will not receive any of the Health Flex Contributions.~~

~~It is understood and agreed that a portion of the Health Flex Contribution described in this subsection is the City's contribution of the statutorily required minimum contribution under the Public Employees Medical and Hospital Care Act (PEMHCA) (e.g. \$133/month in 2018), which is the City's designated PEMHCA amount.~~

DB. Regular Flex Contribution

1) ~~Effective January 1, 2018, the~~The City will provide full-time employees a Regular Flex Contribution equal to \$946.86 less the Health Flex Contribution ~~(thus, for 2018, the Regular Flex Contribution will be \$813.86/month).~~³ Employees may use the Regular Flex Contribution to pay for health benefits offered under the City's Section 125 plan or may opt to receive any or all of the Regular Flex Contribution as taxable cash. An employee will receive a Regular Flex Contribution whether or not he/she enrolls in City-offered health benefits and notwithstanding the provisions of Section 7.C. below.

2) ~~For employees who enroll in City health and whose benefits exceed the total of the City's Health Flex and Regular Flex Contributions to them, the balance of the health premium shall be paid by a salary deduction from the pay of the individual~~

² As an example, for 2020, the Additional Health Flex Contribution is approximately \$23.70/month to these individuals since \$200 over the Kaiser employee only premium amount in 2020 is approximately \$970.56/month.

³ As an example, for 2020, the Regular Flex Contribution for employees who are regularly scheduled to work 40 hours per week is approximately \$807.86/month.

~~employee~~Employees hired or rehired on or after January 1, 2023, who choose not to enroll in a City health plan are not eligible for a Regular Flex Contribution.

~~EC.~~ Cash In Lieu

- ~~1)~~ Effective January 1, 2018, Full-time employees hired before January 1, 2023, who choose not to enroll in a City health plan for a plan year, and meet the requirements set forth below, shall receive a Cash in Lieu amount per month for that plan year equal to \$946.86 minus the Regular Flex Contribution as calculated each calendar year.⁴ (for 2018, the Cash in Lieu amount is \$133.00). A full-time employee hired before January 1, 2023, who enrolls in coverage for a plan year, shall be treated in accordance with Sections 7.A-D and will not receive Cash in Lieu for that plan year.
- ~~2)~~ Full-time employees hired or rehired on or after January 1, 2023, who choose not to enroll in a City health plan for a plan year, and meet the requirements set forth below, shall receive a Cash in Lieu amount for that plan year equal to \$250/month. A full-time employee hired on or after January 1, 2023, who enrolls in coverage for a plan year, shall be treated in accordance with Sections 7.A-D and will not receive Cash in Lieu for that plan year.
- ~~3)~~ In order to receive Cash in Lieu of health coverage, an employee must sign a form attesting that the employee and the employee's Tax Family have the Alternative Required Coverage for the Opt Out Period.
 - ~~(a)~~ Tax Family means all individuals for whom the employee intends to claim a personal exemption deduction for the taxable year or years that begin or end in or with the City's plan year to which the opt out applies.
 - ~~(b)~~ Alternative Required Coverage required means minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California).
 - ~~(c)~~ Opt Out Period means the plan year to which the opt out arrangement applies.
 - ~~(d)~~ An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year for each plan year the employee would like to receive ~~cash-Cash~~ Cash in Lieu.
 - ~~(e)~~ The Cash in Lieu payment cannot be made and the City will not in fact make payment if the City knows or has reason to know that the employee or a Tax Family member does not have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied.
 - ~~(f)~~ An employee who opts out of City-offered health benefits, but cannot provide the attestation, will not receive the Cash in Lieu contribution described in this subsection.

~~ED.~~ Flexible Spending Account (IRS Section 125 Plan)

⁴ As an example, for 2020, the Cash in Lieu amount is approximately \$139.00/month for employees who are regularly scheduled to work 40 hours per week.

- 1) The City has established a Flexible Spending Account benefit (IRS Section 125 Plan) for employees, which provides accounts in which employees may contribute pre-tax dollars for dependent care and un-reimbursed medical expenses. This Plan will follow the regulations outlined by the Internal Revenue Service. Detailed information will be available in the Summary Plan Document.
- 2) This Plan is voluntary and participating employees will make pre-tax salary reduction elections to fund the plan.

GE. ~~Re-Opener:~~Proration of Benefits

- 1) During 2018, the City and Miscellaneous Unclassified Management agree to re-open Section 7 regarding the City's contributions to health premiums. The parties agree that there shall not be any decrease in City contributions to health premiums or to those that receive cash in lieu of participating in City health, as a result of this re-opener. For employees who may be eligible for benefits but work less than 40 hours per week, benefits shall be prorated based on the employee's full-time equivalent (FTE) level.

CITY and Unit 9 Negotiations – Next Memorandum of Understanding

Proposed Language:

31. NEXT MEMORANDUM OF UNDERSTANDING

Unit 9 will submit its proposals for a Memorandum of Understanding for the term commencing at the expiration of this Memorandum of Understanding no later than ~~October 25, 2019~~January 31, 2024.

CITY and Unit 9 Negotiations – Automobile Allowance

Proposed Language:

12. AUTOMOBILE ALLOWANCE

As an alternative to IRS mileage reimbursement or use of a City vehicle, an automobile allowance program will be available to represented employees as follows:

- A. Department Heads including Assistant City Manager, Deputy City Manager and Deputy Director Redevelopment Agency/Sports & Open Space Authority (Executive Management) shall be entitled to a base monthly automobile allowance of \$320 for use of their personal vehicles to conduct City business. Executive Management employees may be eligible to receive an additional amount up to a maximum of \$200 per month based on required driving while conducting City business, at the discretion of the City Manager or his/her designee.
- B. Assistant Department Heads and Division Managers shall be entitled to a base monthly automobile allowance of \$200 for use of their personal vehicles to conduct City business. Assistant Department Heads and Division Managers may be eligible to receive an additional amount up to a maximum of \$300 per month based on required driving while conducting City business, at the discretion of the City Manager or his/her designee.
- C. Effective December 27, 2020 (the first pay period of calendar year 2021), the base monthly automobile allowance shall be paid on the first 2 pay periods of every month.
- DC. Upon request of the employee, prior to the beginning of each fiscal year, the City Manager or his/her designee will determine whether or not it is appropriate for a manager to receive an amount above the base monthly allowance. The determination will be made based on the requirements for use of the personal vehicles for City business and may require detailed driving information in order to grant an amount above the base monthly amount. This rate adjustment will become effective at the beginning of each fiscal year and will remain in effect for the full year unless there are unique circumstances requiring a modification.
- ED. Prior to the granting of this allowance, all insurance, driver's license, and vehicle registration as required under the State of California Vehicle Code, will be provided by the represented employee, and must be valid and in force at all times employees are operating their personal vehicles on City business.
- EE. Employees receiving the automobile allowance are responsible for all gasoline and maintenance costs. Employees shall also maintain their personal vehicles in a clean and presentable condition while conducting City business.
- GF. A represented employee, who is currently assigned a City vehicle, may choose to continue using that assigned City vehicle in lieu of the automobile allowance.

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| HG. The City reserves the right to substitute an assigned City vehicle in lieu of this automobile allowance for a represented employee if it is deemed to be in the City's best interest to provide a City vehicle to conduct City business.

| IH. A represented employee who is currently reimbursed for use of a personal vehicle in accordance with the IRS mileage reimbursement rate, may continue to utilize direct mileage reimbursement, in lieu of participation in this automobile allowance program.

SIDE LETTER AGREEMENT

BETWEEN

THE CITY OF SANTA CLARA

AND

THE MISCELLANEOUS UNCLASSIFIED MANAGEMENT EMPLOYEES
(UNIT 9)

USE OF COMPENSATORY TIME OFF (CTO)

The City and Unit 9 acknowledge the following that employees represented by Unit 9 have historically used Compensatory Time Off, or CTO, to take partial leave during their workday, even though CTO is leave earned in lieu of pay for overtime worked and that employees represented by Unit 9 are exempt employees. While this has been a historical practice, it appears that CTO was used on a limited basis by employees represented by Unit 9.

The City and Unit 9 also acknowledge that employees who work an alternative work schedule were required to code every hour over eight (8) hours using either CTO or their own accrued leave for any holiday that fell on a regularly scheduled work day that consisted of more than eight (8) hours. In addition, employees were allowed, when possible, to take an alternative day off to make up for the holiday.

In resolution of any disputes surrounding the use of CTO by employees represented by Unit 9, the parties hereby agree as follows:

1. Effective the first full pay period after approval by City Council:

- a. Employees represented by Unit 9 will not be eligible to use or code Compensatory Time Off (or "CTO").
 - i. The City will not make any retroactive pay adjustments for employees to use or code CTO.
 - ii. For those employees whose offer letters specifically provide for the use of CTO, the City will coordinate directly with the impacted employees as needed.
- b. Employees represented by Unit 9 will be eligible for the "4-Hour Rule," subject to supervisory approval.
 - i. This means that employees, subject to supervisory approval, are not generally required to report any management, vacation and/or sick leave of four (4) or less hours.
 - ii. This is intended to be used on a very limited basis and is not intended to be used regularly. Accordingly, employees may still be required to report

management, vacation and/or sick leave for absences of four (4) or less hours at the discretion of the Department.

- c. Employees represented by Unit 9 who work an alternative work schedule will not be required to use their own accrued leave for every hour over eight (8) hours for any holiday that fell on a regularly scheduled workday that consisted of more than eight (8) hours. Employees will code (UNIT 9 SPECIFIC HOLIDAY CODE TO BE SET UP BY PAYROLL) for all regularly scheduled hours for a holiday that falls on a regularly scheduled workday.
 - i. If a holiday falls on an employee's regular day off, the employee will not be eligible for any additional pay or leave, or to take an alternative day off to make up for the holiday. If an employee wants to take an alternative day off to make up for the holiday, the employee is required to use their accrued management or vacation leave, subject to supervisory approval.
2. Upon the effective date of this Side Letter Agreement, the terms of this Side Letter Agreement shall supersede any term of the Unit 9 Memorandum of Understanding ("MOU") related to the use of CTO.
 - a. The terms of this Side Letter Agreement will be incorporated into the Unit 9 MOU, and the relevant sections of the MOU shall be updated accordingly, including but not limited to:
 - i. Section 19(B)(6) under the "Emergency Paid Leave Program" shall be amended as follows:

"Employees, appointed Council officers, and the elected City Clerk may contribute earned vacation, CTO or cash to the Emergency Paid Leave Pools of other City bargaining groups."
 - ii. Section 16(A)(2) under "Sick Leave/Family Leave/Personal Leave" shall be amended as follows:

"Use of sick leave will be under the same terms and conditions as are now in place. Vacation, Unclassified CTO, and Management Leave may be used to supplement sick leave with Department Head approval, as permitted and set forth in CMD 30."
 - iii. Section 24(C) under "Industrial Injury/Continuation of Insurance Benefits While On Workers' Compensation" shall be amended as follows:

"The employee has supplemented his/her workers' compensation benefit with sick leave, vacation, unclassified CTO, management leave or other paid leave sufficient to qualify for payment of the health/dental/life insurance premium and is no longer entitled to any salary from the City."
3. This Side Letter Agreement shall not establish precedent for future agreements and shall not be construed or implied to obligate the City or Unit 9 to enter into any similar agreements in the future.

4. This Side Letter Agreement shall become effective when signed by all parties below and upon approval by City Council.

FOR THE CITY:

FOR UNIT 9:

draft
Aracely Rodriguez Date
Director of Human Resources

draft
Christopher Jackson Date
President, Unit 9

CITY and Unit 9 Negotiations – Housekeeping

Proposed Language:

13. MOBILE COMMUNICATION DEVICE ALLOWANCE

Mobile communication device allowance of \$80.00 per month for eligible classifications ~~beginning in the pay period which includes April 1, 2009.~~

18. VOLUNTARY EMPLOYEE BENEFICIARY ASSOCIATION (VEBA)

A. The City established a Voluntary Employee Beneficiary Association (VEBA) trust under Internal Revenue Code Section 501(c)(9) for the purpose of providing a defined contribution post-retirement medical benefit for employees. ~~The City previously stopped making contributions to employee VEBA accounts effective December 21, 2003 through December 26, 2009 and employee VEBA accounts remained open for other potential contributions. Effective December 27, 2009, the~~The City began ~~contributing~~contributes \$50 per month per represented employee. Per the City's contract with VEBA, VEBA's consulting fee will be deducted from plan participant's accounts. These contributions shall be ~~made "below the line," on the Salary Adjustment Form (i.e. excluded from calculation of salary adjustments based on total compensation adjustments) but shall be~~ included on ~~Bay Area ERS~~ total compensation surveys. Specific information regarding the Plan is referenced i n the Plan Document.

B. VEBA is a tax-exempt trust account formed under Internal Revenue Code Section 501(c)(9) designed to accumulate assets to fund the future payment of qualified unreimbursed medical expenses (including specified insurance premiums). At retirement, participants may withdraw the accumulated plan benefits to pay for unreimbursed health insurance premiums, qualified long-term care insurance premiums, and other qualified unreimbursed medical expenses and will not be taxed under current state and federal law. Withdrawals cannot be made for nonmedical purposes.

19. RETIREE MEDICAL REIMBURSEMENT BENEFIT

A. The Retiree Medical Reimbursement Benefit shall provide each employee who retires from the City with at least ten (10) years of regular City service with a reimbursement for unreimbursed single retiree health insurance premium beginning with the ~~first~~ second full month after retirement from City service and ending with the last full month before the retiree's sixty-fifth (65th) birthday. Starting in the month in which the retiree turns age sixty-five (65), the reimbursement will be for unreimbursed Medicare single retiree supplemental health insurance premium. For premiums paid in calendar year 2017 that will be reimbursed in 2018, fi he City will reimburse an amount up to \$343 per month, including the PEMHCA minimum, for unreimbursed single retiree health insurance premium or up to \$205 per month, including the PEMHCA minimum, for unreimbursed Medicare single retiree supplemental health insurance premium. The amount of the City reimbursement will be adjusted thereafter once each year by the

percentage change from October to October in the San Francisco-Oakland-San Jose urban wage earners and clerical workers (W) consumer price index from the prior year, but in no event will be increased more than 3.5%.

- B. Beginning in 2004, the City will pre-fund this benefit with an amount to be determined by an actuary.
- C. Each retiree will be required to submit proof of health insurance coverage to the City each year. The City will pay the reimbursement in a lump sum payment each year.

20. EMPLOYEE ASSISTANCE PROGRAM

The City will provide a confidential Employee Assistance Program for represented employees ~~to be funded outside of the Salary Adjustment Form.~~

~~29. DISCUSSION SUBJECTS~~

~~Commencing no later than sixty (60) days following Council approval of this MOU, and with the goal of completing the process by the end of 2018, the City agrees to meet with Miscellaneous Unclassified Management and discuss the items listed below and answer factual and legal questions regarding these Miscellaneous Unclassified Management interests so that the parties would be prepared to discuss these subjects should Miscellaneous Unclassified Management choose to make proposals on these subjects in the next round of MOU negotiations.~~

- ~~A. The legality and tax and pension implications of City payment of employee contributions to Social Security~~
- ~~B. City matching and/or contributions to deferred compensation~~
- ~~C. The concept of a potential housing allowance or other housing assistance~~
- ~~D. Compaction and related pay differential issues~~
- ~~E. Cash out of management leave accruals~~