

**MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF
LA HABRA AND THE PROFESSIONAL EMPLOYEES GROUP
FOR THE PERIOD OF JULY 1, 2017
THROUGH JUNE 30, 2018**

Pursuant to the City of La Habra (hereinafter referred to as "City"), Resolution 1759 and the Meyers-Milias-Brown Act, the Professional Employees have met and conferred in good faith with the authorized management representatives of City; and, the two groups have mutually agreed to submit and recommend to the City Council of the City this Memorandum of Understanding (hereinafter referred to as "MOU") affecting salaries and fringe benefits as set forth herein:

SECTION I. Recognition:

City recognizes the Professional Employees Group, here in after referred to as "Employee Group," effective June 30, 1991, as the sole and exclusive bargaining agent for the Professional Employees for the purpose of meeting and conferring.

SECTION II. Employee Rights:

Employees of this unit shall have the right to form, join and participate in the activities of an employee organization of their own choosing for the purpose of representation on all matters of employer/employee relations including, but not limited to, wages, hours and other terms and conditions of employment. Employees of City also shall have the right to refuse to join or participate in the activities of an employee's organization and shall have the right to represent themselves individually in their employment relations with City. No employee shall be interfered with, intimidated, restrained, coerced or discriminated against by City or by any employee organization because of the exercise of these rights.

SECTION III. Management Rights:

All rights of City not specifically limited by the terms of this MOU are hereby reserved to City. The exclusive management rights of City include, but are not limited to, the right to:

- A. Direct the work of its employees.
- B. Hire, promote, demote, transfer, assign, classify, lay-off and retain employees in positions with City.
- C. Discipline employees for proper cause.
- D. Take actions as may be necessary to carry out the mission of City in emergencies.
- E. Determine methods, means and personnel by which operations are to be carried on.
- F. Determine the budget organization and the merits, necessity and level of activity or service provided to the public.

SECTION IV. Salary Schedule: see attached “Exhibit A”

A. Salary Steps/Compensation

1. MOU (7/1/2013-6/30/2014)

The City agrees to continue merit based step increases for eligible staff who receive an overall performance evaluation rating of “Competent” or better.

2. MOU (7/1/2017-6/30/2018)

Prior to June 23, 2017, the City will provide a one-time lump sum pay adjustment of two percent (2.00%) to all full-time employees. The calculation of the one-time pay adjustment will be as follows: base hourly rate x 2,080 hours x .02

3. MOU (7/1/2014-12/31/2015)

Effective September 20, 2014, City will agree to add a new merit based one percent (1%) top step for all employees (Step H). Employees will be eligible for the new top step on their regular salary anniversary date if they receive an overall performance evaluation rating of “Competent” or better.

MOU (1/1/2016-12/31/2016)

Effective January 1, 2016, the City will increase step H by 2.50%.

4. MOU (1/1/2017-6/30/2017)

Effective January 7, 2017, the City will provide a two percent (2%) Cost of Living Adjustment to all employees.

5. MOU (7/1/2017-6/30/2018)

Effective January 6, 2018, the City will provide a two percent (2%) Cost of Living Adjustment to all employees.

6. MOU (7/1/2004 -6/30/2005)

Effective October 1, 2004, City and Group agree to adjust the time period between Steps E through G to a period of one year. Step increases are based on merit. Employees will be eligible on their next anniversary date following October 1, 2004.

B. In Lieu of Overtime Pay

In addition, each Employee Group employee shall receive an amount equal to one week's pay in lieu of overtime, payable the first pay day in December, after completion of one year of satisfactory service in Employee Group. Those employees with less than twelve months, but more than six months, will be paid one-twelfth (1/12) of one week's pay for each full month of satisfactory service in Employee Group. Any Employee Group member terminated from service will be paid a pro rata share of one-twelfth (1 1/12) of a week for each month employed in a professional position to the nearest whole month.

C. Bilingual Pay

Designated employees to be paid Forty-five Dollars (\$45.00) per month specialty pay for required bilingual skills.

MOU (07/01/17-06/30/18)

Effective January 1, 2018, the City will increase the bilingual pay from \$45 per month to \$50 per month, an increase of \$5 per month.

D. Mileage Reimbursement

Employees in Employee Group required to use their own cars in the performance of their jobs will be reimbursed at the rate of \$.56.5 per mile for actual miles driven.

E. Acting Pay

A pay differential, up to five percent (5%), may be added to any step when an employee is acting in a position of higher rank commencing with the start of the eleventh (11th) consecutive workday. Said pay differential shall be upon recommendation of the department head, concurred by the City Manager.

F. Retirement

1. MOU (11/01/1998-10/31/2001)

Effective July 1, 1999, City agrees to amend the Public Employees' Retirement contract to provide Section 21354 (2% @ 55 Formula).

2. MOU (7/1/2000 -6/30/2002)

City agrees to amend the Public Employees' Retirement contract to provide Section 20042 (One-Year Final Compensation).

3. MOU (7/1/2010-6/30/2011)

All employees hired on or after July 1, 2010 shall be required to pay the full seven percent (7%) of PERS eligible income as the Employee share. The payment will be made on a pre-tax basis, as allowed by the Internal Revenue Code.

4. MOU (7/1/2011-6/30/2012)

City shall amend the contract with the Public Employees Retirement System (CalPERS) for all new hires to have the 2% @ 60 formula. In addition, retirement shall be based on an average of the three highest years of salary for new hires. Should any of the City's other represented bargaining units not agree to a two-tiered retirement formula, this section shall become null and void.

5. MOU (7/1/2013-6/30/2014)

Effective September 21, 2013, employees who were hired before July 1, 2010, shall contribute three percent (3%) of their compensation to fund CalPERS pension costs. Employee contributions shall be made through payroll deductions. This provision shall have no effect on employees who were hired on or after July 1, 2010.

6. MOU (7/1/2013-6/30/2014)

City will provide an early retirement incentive program for those electing to retire on or before December 31, 2013. The incentive shall consist of 24 months of continued medical insurance contributions from the date of retirement in an amount not to exceed the regular insurance contribution by the City for the bargaining unit.

7. MOU (7/1/2014-12/31/2015)
Effective September 20, 2014, employees who were hired before July 1, 2010, shall contribute seven percent (7%) of their compensation to fund CalPERS pension costs. Employee contributions shall be made through payroll deductions. This provision shall have no effect on employees who were hired on or after July 1, 2010.
8. MOU (7/1/2014-12/31/2015)
Effective July 1, 2014, the City will provide an early retirement incentive program for those electing to retire on or before December 31, 2014. The incentive shall consist of 24 months of continued medical insurance contributions from the date of retirement in an amount not to exceed the regular insurance contribution by the City for the bargaining unit. This benefit is limited to two retirement eligible employees and will be provided on a first come-first served basis based on the date and time that retirement paperwork is received by the Director of Human Resources.

SECTION V. Insurance Benefits:

- A. Insurance Benefits/Contributions
 1. All employees are required to be covered by one of the City's Group Health Plans and to have a minimum of \$2,000 Group Life Insurance. Effective January 1, 1987, City's contribution may be used for any insurance plans offered by City currently including life, health, dental, LTD.
 2. The City agrees to make health and life insurance plans available comparable to those now existing. Employees may exercise coverage options according to plan enrollment rules and regulations and reasonable rules established by the City.
 3. MOU (1/1/2017-6/30/2017)
Effective January 1, 2017, the City will increase its insurance contribution by \$135 per month to a maximum of \$1050 per month, on a use or lose basis.
 4. MOU (7/1/2017-6/30/2018)
Effective January 1, 2018, the City will increase its insurance contribution by \$100 per month to a maximum of \$1150 per month, on a use or lose basis.
 5. MOU (7/1/2014-12/31/2015)
Effective September 20, 2014, the City will increase the opt out contribution by \$50 per month to a maximum of \$200 per month which shall constitute the maximum City contribution to that employee for the opt-out bonus and all other benefits required and/or those that are optional. Employees must provide proof of other medical insurance coverage prior to electing to opt-out of medical plan.
 6. MOU (7/1/2013-6/30/2014)
The City will provide vision plan coverage, effective January 1, 2014, on a voluntary basis with premium costs to be paid from the City's monthly insurance contribution, if available. Premium costs in excess of the City's insurance contribution will be paid by the employee.

B. Flu Shots

The City agrees to provide flu shots to teachers who request them.

SECTION VI. Vacation:

A. Vacation Approval

1. The following schedule shall become effective for all employees in Employee Group as of their employment-anniversary date, effective the date of this agreement:

Years	Days
1 through 4	10
5 through 10	15
11 through 15	17
16 through 19	20
20 and over	22

MOU (7/1/2014-12/31/2015)

2. MOU (7/1/2012-6/30/2013)

Effective January 1, 2013, Employees Group agrees to change from the current monthly sick and vacation leave accrual system to a biweekly sick and vacation leave accrual system.

3. MOU (7/1/2002-6/30/2004)

Pursuant to Personnel Rules and Regulations, Section 502.2 (12), the maximum allowable accumulation of vacation leave shall be two (2) years of annual accrual. Employees will not accrue vacation hours in excess of this amount. This rule will be reinstated effective January 1, 2003.

B. Hardship Transfer

MOU (11/1/1998-10/31/2001)

Effective November 1, 1998, employees will be permitted to transfer a maximum of 30 hours per month of accrued vacation time only, to another City employee's leave accounts. Employee offering the transfer must have a minimum of 40 hours of leave banked prior to the transfer. For purposes of definition, hardship shall mean a medical or family situation which causes an employee to be absent from work for an extended period of time, and which is designated as such by their department head, or designee. A form exercising this option shall be completed prior to the transfer.

C. Vacation Buyback

MOU (7/1/2014-12/31/2015)

Effective July 1, 2014, employees may buy back up to a maximum of 80 hours of vacation in a fiscal year, provided the employee uses an equivalent number of hours of vacation as time off (i.e., one hour of vacation time off for one hour of vacation buy back) during the same fiscal year. Employees who do not use the required number of vacation hours as time off by the end of the fiscal year will not be permitted to buy back any additional hours until they have used the required number of hours as time off.

D. Absent Without Pay

MOU (7/1/2013-6/30/2014)

Employees requesting time off will not be permitted to be Absent without Pay (AWOP) if they have eligible vacation and/or compensatory leave available, unless there are extenuating circumstances which are presented in writing and approved, in advance, by the Department Director.

SECTION VII. Optional Sick Leave Time Off for Vacation/Family Illness/Accident:

- A. Employees hired after 7/01/1984, will accrue twelve (12) days per year for sick leave at a rate of 8 hours per month. All employees may use accrued sick leave, including probationary employees. The maximum accumulation of sick leave is one hundred (100) days. This paragraph will not affect employees hired before 7/01/1984 accruing sick leave at twelve (12) days per year nor the maximum of one hundred sixty (160) days by previous agreement.
- B. Beginning January 1, 1974, employees with five years of service with City may substitute twenty-five percent (25%) of their annual sick leave for an equal amount of vacation time. Employees shall make such written determination in January of each year on an appropriate form provided by City. The additional vacation may be taken as individual days or added on to an employee's vacation, subject to approval of the employee's department head. The remaining unused sick leave shall remain in reserve for the employee's use when sick or injured; however, the employee will receive no percentage of this unused sick leave upon termination.
- C. Each employee in Employee Group shall be entitled to use a maximum of two sick-leave days per year for an immediate family illness/accident. For the purpose of this section, immediate family shall include spouses, children, and/or parents, provided they live at the same resident of the employee. In addition, those employees in employee Group with children under the age of twelve (12) living in the same house as the employee, shall be eligible to use an additional three (3) days to care for children of the employee during illness/accident.

MOU (1/1/2016-12/31/2016)

Effective July 1, 2015, employees may use their accrued sick leave if they are a victim of domestic violence, sexual assault, or stalking to obtain any relief or services related to being such a victim, including but not limited to:

- A temporary restraining order or restraining order.
- Other injunctive relief to help ensure the health, safety or welfare of themselves or their children.
- To seek medical attention for injuries caused by domestic violence, sexual assault, or stalking.

- To obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence, sexual assault, or stalking.
- To obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking.
- To participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.

MOU (1/1/2016-12/31/2016)

Effective July 1, 2015, family sick leave will include the following family members:

- A child who, for the purposes of this policy, includes a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis. This definition of a child is applicable regardless of age or dependency status.
- A biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child.
- A spouse.
- A registered domestic partner.
- A grandparent.
- A grandchild.
- A sibling.

All other provisions regarding the accrual and use of family sick leave remain unchanged.

SECTION VIII. Holiday Schedule:

- A. Following is the holiday schedule for Employee Group's employees:
1. New Year's Day (January 1)
 2. Washington's Birthday (Third Monday in February)
 3. Memorial Day (Fourth Monday in May)
 4. Independence Day (July 4)
 5. Labor Day (First Monday in September)
 6. Veterans Day (Either the 4th Monday in October or November 11 as determined by the State of California)
 7. Thanksgiving Day (as proclaimed by the State Governor)
 8. The day following Thanksgiving Day
 9. Christmas Day (December 25)
 10. Floating Holiday (either the first working day before Christmas Day or the first working day before New Year's Day)

B. MOU (7/1/2000-6/30/2002)

Effective July 1, 2000, holidays will be compensated at the same number of hours an employee works in a workday.

C. Personal Days

MOU (7/1/2006-6/30/2007)

Effective July 1, 2006, City and Employees' Group agree to increase the number of personal hours from 18 hours per fiscal year to 24 hours per fiscal year. Personal days off can be taken at the discretion of employee, with approval of their department head. Such approval shall not unreasonably be withheld, but shall be for essential scheduled work. All other provisions regarding the use of personal time remain unchanged.

MOU (1/1/2016-12/31/2016)

Effective July 1, 2016, personal days shall only be used in 8 hour increments (3 full days only).

SECTION IX. Clothing:

A. General Personnel:

City agrees to reimburse employee for torn or damaged clothing for employees who, through their job duties, expose their clothing to abnormal hazards. Such reimbursement shall be determined by the employee's department head. It is intended that City replace only clothing that is normal to the position and will not be exposed to high-cost items that, in the opinion of the department head, normally would not be required to the affected position. In addition, it may be necessary to prorate the cost of clothing, based on its normal-wear expectancy, said cost to be negotiated between employee and department head. Snags, runs, and minor damage to clothing or wearing apparel is specifically excluded from this section. Further, if it is found that an employee has excessive use of this section, department heads shall report such facts to the Personnel Director and an individual decision will be made regarding such over-usage with the employee's meet-and-confer team.

SECTION: X. Special Programs:

It is understood that City is involved in special grant programs and that employees involved in such programs may be represented by Employee Group. Should a full-time, regular, permanent employee be transferred to a grant program, that employee shall retain all rights and privileges provided by the personnel manual in effect. However, should an employee voluntarily transfer to a grant program and thereby change his/her status to that of a grant temporary employee, he/she then shall have the rights of a grant temporary employee as defined in the personnel manual and/or grant.

SECTION XI. Employee Reduction:

By this section, City in no way gives up its management right to reduce employees or to determine the necessity of a service. However, should it become necessary for City to decrease personnel and/or costs through layoff or other appropriate methods, City agrees to provide Employee Group an option of a reduction in salary versus a reduction in

personnel, if such option is appropriate. Should specific grant funds or programs be discontinued or reduced, it is not intended that the above option is appropriate.

SECTION XII. Bereavement Leave:

Bereavement leave is extended to include grandparents and in-laws in the definition of immediate family, including parents-in-law, and brothers/sisters-in-law.

SECTION XIII. Personnel Manual:

All Employee Group grievance and seniority policies will apply as outlined in the procedures of City's Personnel Manual and the attached procedures (Exhibit B and Exhibit C). Attached procedures supersede Personnel Manual.

MOU (7/1/2002-6/30/2004)

The City and Professional Employees' Group agree to remove Sections 301.2 (9) and 303.2 (16), from the Personnel Rules and Regulations, which allow for a Skelly hearing for promotional probationary employees.

SECTION XIV. Workers' Compensation (Section 414, Resolution 1542):

Miscellaneous employees, while absent from work as a result of an on-the-job injury shall be paid for the first three days (waiting period) by the City from their accumulated sick leave to fit Labor Code, Section 4650, compensation payments to begin the fourth day of disability.

SECTION XV. Nondiscrimination Clause:

City and Employee Group agree they shall not discriminate against any employee because of race, color, sex, age, national origin, handicap, religion, political opinions or affiliations.

SECTION XVI. Safety Clause:

City and Employee Group employees agree to comply with all applicable federal, state and local laws and City of La Habra regulations which relate to occupational health and safety.

SECTION XVII. Education Incentive:

Employees of Employee Group may request, and their department may grant, release time for purposes of additional training and/or education in job-related areas.

SECTION XVIII. Longevity/Merit Increase:

Effective December 31, 1998, the 2.5% longevity program for employees with 10 or more years of service is discontinued. Employees will no longer receive longevity pay. In lieu of the longevity program, the salary schedule has been extended to include an F-Step. For initial eligibility and placement on the F-Step, the following provisions apply:

A. Year 1 (11/01/1998 - 10/31/1999)

Employees who are currently receiving longevity pay will go to F-Step on either 11/07/1998, or on their salary anniversary date. Employees who have already received their longevity pay this year (prior to 11/1/1998), will go to F-Step on 11/7/1998. Employees who haven't received their longevity pay prior to 12/31/1998, will be eligible to receive their longevity pay (2.5%) only through 12/31/1998, and then will go to F-Step on their salary anniversary date.

B. Year 3 (11/1/2000 - 10/31/2001)

Employees who have been at E-Step for two years will be eligible to go to F-Step on their salary anniversary date. Movement to F-Step is based on merit and subject to department head approval. City and Group have agreed on the placement of employees on the salary schedule and future eligibility dates.

SECTION XIX. Work Week:

The normal work week for employees of this group shall be from 8:00 a.m. to 5:00 p.m., with one unpaid hour for lunch. Scheduled work will be Monday through Friday. These hours may be modified to meet the specific needs of individuals and/or departments. The needs of the employer shall prevail.

SECTION XX. Work Period:

FLSA requires the employer to establish a regular work period for each employee, in the case of these employees it shall be seven (7) consecutive days. This is currently set on an individual basis. This can be changed by the employer.

SECTION XXI. Overtime:

The City follows FLSA requirements in paying overtime. Hours exceeding 40 in a work period, provided all hours are work hours, will be compensated at time and one half for employees who are not exempt from the overtime provision. Exempt employees are not compensated for overtime. Paid leave, or any other non work hours do not count in arriving at hours worked. Management has the option of allowing compensatory time off (at 1.5 hours per worked hour if the premiums appropriate) or pay at the appropriate rate. If a section of the MOU is in conflict with the FLSA rules, then the MOU will prevail if it is more liberal than the FLSA rules.

SECTION XXII. Other Items of Agreement:

MOU (7/1/2013-6/30/2014)

The City will work with the group to establish Health Savings accounts for group employees based on plan parameters as determined by the employees and approved by the City and its plan provider.

SECTION XXII. Scope of Memorandum of Understanding:

It is understood and agreed that this Memorandum of Understanding affects and applies only to the La Habra Professional Employees Group and employees within the scope of its representation and the City of La Habra.

EXECUTED this 1st day of June, 2017, in the City of La Habra, California.

CITY OF LA HABRA

PROFESSIONAL EMPLOYEES'
GROUP OF THE CITY OF LA HABRA

By: [Signature]

By: [Signature]

By: [Signature]

By: [Signature]

By: _____

EXHIBIT "A"

EFFECTIVE, JANUARY 6, 2018		START	AFTER	MERIT + ONE YEAR					
PROFESSIONAL		RATE	6 MOS	-----	IN PRIOR	STEP----	-----	-----	-----
EMPLOYEES	RANGE	STEP A	STEP B	STEP C	STEP D	STEP E	STEP F	STEP G	STEP H
TEACHER (CHILD DEV)	A-10	15.308	16.074	16.877	17.721	18.607	19.538	20.515	21.233
TEACHER (CHILD DEV)*	A-10/1	14.360	15.078	15.832	16.624	17.455	18.328	19.244	19.918
LEAD TEACHER	A-25	17.283	18.148	19.055	20.008	21.008	22.058	23.161	23.972
LEAD TEACHER*	A-25/1	16.213	17.024	17.875	18.769	19.707	20.693	21.727	22.488
SITE SUPERVISOR	A-30	19.428	20.400	21.420	22.491	23.615	24.796	26.036	26.947
SITE SUPERVISOR*	A-30/1	18.225	19.137	20.093	21.098	22.153	23.261	24.424	25.279
PROGRAM SPECIALIST	A-70	29.693	31.178	32.737	34.374	36.093	37.897	39.792	41.185
PROGRAM SPECIALIST*	A-70/1	27.855	29.248	30.710	32.246	33.858	35.551	37.328	38.635

* Hired on or after 07/01/2010

Exhibit "B"

GRIEVANCE PROCEDURE

A. GENERAL

It is desirable for any variation in the orderly conduct of City employment to be settled expeditiously. Supervision includes the responsibility for problem solving and as such whenever possible any dispute concerning working conditions should be resolved at the operating level. However, it may become necessary for employees to have a formal procedure for airing an issue or grievance beyond the level of first line supervision.

1. An Employee in the competitive service of their representative may present a grievance to the City with respect to an issue or dispute concerning the interpretation or application of an M. O. U., a resolution, ordinance, rules and/or regulations governing employment relations; or of the practical consequences of City rights decisions with respect to wages, hours or conditions of employment.
2. If a grievance is filed, it must bear the signature of at least (1) employee who has been grieved, or who represents a grieved class. In addition, it will contain the following information.
 - a. Action being grieved
 - b. Date of occurrence
 - c. Basis of grievance (specific violation)
 - d. Remedy sought
3. The grievance procedure, except as otherwise set forth, shall not apply to the "Meet and Confer" process. No employee shall be interfered with intimidated, restrained, coerced or discriminated against by the City because of the exercise of grievance rights.
4. A grievance must be filed within five (5) working days of the time grievant knew, or in the exercise of reasonable diligence should have known, of the event giving rise to the grievance. Failure to process a timely grievance shall act as a bar to the claim alleged. The issue of timeliness shall constitute an appropriate issue for determination by the Hearing Officer. In the event the Hearing Officer determined that a grievance was submitted in an untimely manner, the Hearing Officer shall not consider the matter. The time limits specified at any step in this procedure may be extended in any specific action by mutual agreement of the parties.

5. Grievances pertaining to suspension, or discharges, and grievances which allege an effect upon employees of more than one (1) unit or division shall be filed at the Step 2 level. All other grievance shall be filed at Step 1.
6. The City shall provide forms and/or documents to be utilized under this procedure.
7. Employer grievances shall be filed with the employee association/union at Step 3.
8. Appeals to higher steps will be made by the dissatisfied party in writing stating reason for appeal.

B. STEPS OF GRIEVANCE PROCEDURE

STEP 1 The grievance shall be presented to the employee's First Level Supervisor in a timely manner (5 days) in writing on an appropriate form. The First Level Supervisor shall discuss the matter with the grievant as soon as practicable, but no later than three working days after submission. Every effort should be made to settle the grievance at this level. The grievance shall be answered and a copy forwarded to the Personnel Administrator by the Department Head with the basis of settlement, if any, noted and acknowledged as to the satisfaction of the grievant within three (3) working days of original submission of the grievance.

STEP 2 If the grievance is not settled at Step 1, which shall be noted on the grievance, it shall be presented to the Department Head, within three (3) working days after completing Step 1. The Department Head may direct the First Level Supervisor to discuss the matter again with the grievant, and/or will arrange for a grievance meeting. Such grievance meeting shall take place as soon as practicable, but in no event later than five (5) working days from the date of receipt by the Department Head. The Department Head shall file a written answer to the grievant in person, or via certified U.S. mail no later than three (3) working days after such meeting with copy to Personnel Officer.

STEP 3 If the grievance is not settled in Step 2, it shall be presented to the City Manager or his designee within three (3) working days after completion of Step 2, and the City Manager or designee shall meet with the grievant within three (3) working days after presentation to the City Manager.

STEP 4 If the grievance is not resolved in Step 3, either party to the dispute may submit a request, through the City Manager, to initiate hearings (2) in accordance with procedure contained in this section. The request shall be submitted in writing within ten (10) calendar days after completion of Step 3, with a copy served by certified mail upon either party.

C. PROCEDURES FOR STEP 4 – THIRD PARTY HEARING

1. The City Manager or his designee and the employee's representative shall request a panel of 5 hearing officers from the California Mediation and Conciliation Service. A single hearing officer will be selected from this panel by means of alternate striking off. Other methods of determining a hearing officer are acceptable if mutually agreeable.
2. All expenses and compensation of the hearing officer shall be shared equally by the parties after approval of City Council.
3. The hearing officer shall commence the hearing as soon as practicable.
4. Each party to the dispute shall have an opportunity to present material and relevant evidence and to subpoena and cross examine witnesses.
5. When the hearing officer ascertains that the hearing has been completed, he shall issue a report to the City Manager of findings and recommendations as soon as possible (30 days maximum). All recommendations shall be advisory.
6. The hearing officer shall not have the power to add, to modify, amend or delete any terms or provisions of M.O.U.'s rules, regulations, ordinances or resolutions.
7. The City Manager shall make final determination and communicate such determination to the grievant (or their representative) and to the Department Head.

Exhibit "C"

LAYOFF

The appointing authority may layoff an employee in the competitive service because of material change in duties or organization or shortage of work or funds. Fourteen (14) calendar days prior to the effective date of layoff, the appointing authority shall notify the Personnel Administrator and the affected employee of the intended action with reasons therefore. Those designated "layoff" shall have their names placed on the appropriate reemployment lists for all classes which, in the opinion of the Personnel Administrator, require basically the same qualifications, duties and responsibilities of those of the class from which the layoff was made.

Seniority within the job classification shall be observed in effecting a layoff and the order of layoff shall be in reverse order of cumulative time served in the job classification upon the effective date of the layoff. An employee laid off may request in lieu of layoff a reduction to the next lower job classification in which he/she previously held permanent status in which instance he/she would retain the seniority of the time served in such classification and higher classification from which he/she was laid off. Classification seniority is city wide.

When circumstances are such that the city is hiring individuals for positions in classes which have reemployment lists, and when the city actually hires from such lists, the city shall hire in the reverse order of layoffs individuals who are qualified for such positions. Individuals so hired are not reinstated employees, but such hiring shall be considered reemployment.