MEMORANDUM OF UNDERSTANDING

BETWEEN

ORANGE COUNTY EMPLOYEES ASSOCIATION

AND

CITY OF LAGUNA NIGUEL

October 1, 2015 - September 30, 2017

MAINTENANCE, CLERICAL AND TECHNICAL UNIT

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AND

CITY OF LAGUNA NIGUEL

2015-2017

Article I - Preamble

This Agreement is entered into pursuant to the Meyers-Milias-Brown Act (Government Code Sections 3500 et seq.) and City Resolution No. 94-272. Representatives of the City and Orange County Employees Association (OCEA) have met and conferred in good faith regarding wages, hours and other terms and conditions of employment. The purpose of this Memorandum of Understanding is to set forth those agreements reached between the parties.

Article II - Recognition

OCEA is hereby acknowledged as the Exclusively Recognized Employee Organization representing the employees in the classifications listed in Attachment 1.

Article III – Purpose

The parties agree that the purposes of this Agreement are: to promote and provide harmonious relations, cooperation and understanding between the City and the employees covered herein; to provide an orderly and equitable means of resolving differences which may arise under this Agreement; and to set forth the terms of agreement of the parties reached as a result of meeting and conferring regarding matters within the scope of representation for employees represented by the OCEA. Further, the purpose of this Agreement is to guarantee employees represented by OCEA receive all rights and privileges of employment provided in Federal, State and City ordinances.

Article IV - Scope

The scope of representation shall include all matters relating to employment conditions and employer-employee relations, including, but not limited to, wages, hours, and other terms and conditions of employment, except, however, that the scope of representation shall not include consideration of the merits, necessity, or organization of any service or activity provided by law or executive order.

Article V - City Rights

The City retains, solely and exclusively, all rights, powers and authority it had prior to this Agreement except those rights specifically delegated by this Agreement. Except as expressly limited by this Agreement, the City retains all of its rights, power and authority with respect to general legislative matters and the management of the provision of municipal services and the management of the work force performing those services. These rights, powers and authority include, but are not limited to: (a) Determine the mission of the City and all of its departments, commissions, committees and boards; (b) Determine the nature, standards, levels and mode of delivery of services to be offered to the public; (c) Exercise complete control and discretion over the establishment and modification of the organization of City government, City departments and other work units, and the technology of performing City work; (d) Determine whether services required by the City shall be provided by City staff or provided pursuant to contracts between the City and independent contractors, or by subcontractors of such independent contractors; (e) Maintain the efficiency of City operations; (f) Determine the methods, means, and the number and kinds of personnel by which services are to be provided; (g) Adopt a system of job classifications, including assignment of titles, and determination of job descriptions and duties for each job classification, and subsequently adopt additional job classifications, delete job classifications, and modify job classifications; (h) Determine the procedures and standards for the selection of employees; (i) Direct employees, including scheduling and assigning work, work hours, and overtime; (j) Establish performance standards and require compliance therewith; (k) Discharge, suspend, demote, reduce in pay, reprimand, withhold salary increases and benefits, or otherwise discipline employees subject to the requirements of applicable law; (l) Relieve employees from duty for lack of work or lack of funds or for other legitimate reasons; (m) Implement all rules, regulations and directives consistent with law; and (n) Take all necessary actions to protect the public and carry out its mission in emergencies.

Article VI - Employee Rights

Employees shall have the right to form, join and participate in the activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations. Employees shall also have the right to refuse to join or participate in the activities of employee organizations. The City shall not hinder, interfere with, intimidate, restrain, discriminate against, coerce, or discipline an employee for exercising any rights or benefits provided in this Agreement or law.

Article VII - Association Rights

OCEA shall notify the City in writing of the names of its Officers, Bargaining Committee Members, Departmental Representatives, and other representatives each time an election is held or new appointments are made.

The City shall provide OCEA on a monthly basis, if changes occur, with the following: A list of employees in the classifications set forth in Attachment 1; the names of new hires, promotions, and terminations in the classifications set forth in Attachment 1; City of Laguna Niguel job postings; and copies of current salary schedules.

On a quarterly basis, the City will provide OCEA with names and home addresses of all OCEA member employees. This information is for the confidential use of OCEA and the City shall not be responsible and will be held harmless by OCEA for inappropriate release of this information by OCEA.

Upon request, the OCEA shall receive available information relating to contract administration and fringe benefits including pension and insurance plans.

The City shall make available reasonable bulletin board space in designated employee areas for the use of OCEA to post notices pertaining to OCEA business. All materials must be dated and identify OCEA. No materials may be posted that are critical of the City, City officials or employees, City policies, or other employee organizations.

A reasonable number of employees shall be entitled to leave their work during working hours without loss of pay for reasonable periods of time, with prior approval of their supervisor, for purposes of participation in the meet-and-confer process. A designated OCEA representative shall be entitled to leave his or her work during working hours without loss of pay for reasonable periods of time, with prior approval of their supervisor for purposes of reviewing and processing grievances.

OCEA staff may have access to OCEA members providing that supervisors are notified prior to a meeting being scheduled and that meetings held will not interfere with work.

Article VIII - Payroll Deductions

It is mutually understood and agreed that the City will, during the term of this Agreement, deduct bi-weekly dues and other fees as specified by OCEA under the authority of a membership application or payroll deduction authorization signed by each participating employee which shall be approved by OCEA and remitted promptly to the Finance Department.

Article IX - Quarterly City-OCEA Meetings

The City's chief negotiator and designated management staff shall meet with OCEA and the president of the Maintenance, Clerical and Technical Unit on a quarterly basis, if necessary. The basic purpose of these meetings is to discuss issues of common interest and to solve mutual problems in a constructive fashion. The parties shall exchange suggested agenda topics one week before the meeting date. Grievances or disciplinary action in progress may be discussed at these meetings only by mutual consent, and discussion of such topics does not preclude subsequent resolution via the grievance or disciplinary procedure. Meet-and-confer subjects may be discussed by mutual consent, but this does not preclude exercise of further meet-and-confer options by either party. Persons other than those described above may attend these meetings only by prior mutual consent.

Article X - Informal Complaint Resolution Procedure

A. Purpose

The purpose of this procedure is to enhance communications between employees and supervisors and management by providing employees an informal process for the discussion and review of complaints or concerns not covered by the grievance procedure within a reasonable time period without jeopardizing employees' positions or employment.

B. Complaint Resolution Procedure

Any complaint or concern not covered by the grievance procedure shall be resolved as follows:

1. The employee shall first discuss the matter with his or her immediate supervisor within five (5) working days from the date the employee had notice of the action which prompted the concern or complaint.

2. In the event that the immediate supervisor does not resolve the matter to the employee's satisfaction within ten (10) working days of the employee's presentation of the matter, then the employee may bring the matter to the attention of his or her Department Head within ten (10) working days of the receipt of response from the immediate supervisor.

3. If the Department Head does not resolve the matter to the employee's satisfaction within ten (10) working days of the employee's presentation of the matter then the employee may bring the matter in writing to the attention of the City Manager, within ten (10) working days of receiving a response. The City Manager, or his or her representative, shall consider the matter. The decision of the City Manager, or his or her representative, will be final and binding.

C. Informal Complaint Resolution Procedures

In addition to the informal complaint procedures set forth in this Article, Employees shall have the right to discuss individual problems of employment with City. Upon request of the employee, OCEA shall be kept fully informed and have the right to be present at all such meetings between City and the individual.

Article XI - Grievance Procedure

A. Purpose

The purpose of the grievance procedure is to enhance communications between employees and employer by providing a fair and impartial review and consideration of grievances within a reasonable time period without jeopardizing employees' positions or employment.

B. Scope of Grievances

A grievance may be filed concerning the interpretation or application of specific provisions of this Memorandum of Understanding or other written Personnel rules or regulations which adversely affects an employee.

C. Basic Rules

1. If an employee does not present a grievance/appeal or does not appeal the decision rendered his or her grievance/appeal within the time limits, the grievance/appeal shall be considered resolved.

2. If a City representative does not render a decision to the employee within the time limits, the employee may within seven (7) calendar days thereafter appeal to the next step in the procedure.

3. If it is the judgment of any management representative that he or she does not have the authority to resolve the grievance/appeal, he or she may refer it to the next step in the procedure. By mutual agreement of the City and OCEA, any step of the procedure may be waived.

4. Upon written consent of the parties (i.e., the representative of the City and the employee or his or her representative), the time limits at any step in the procedure may be extended.

5. Every reasonable effort shall be made by the employee and the City to resolve a grievance/appeal at the lowest possible step in the grievance/appeal procedure.

D. Submission of Grievance

1. Any employee or group of employees or OCEA shall have the right to present a grievance. No employee or group of employees shall be hindered from or disciplined for exercising this right.

2. If any two (2) or more employees have essentially the same grievance they may, and if requested by the City must, collectively present and pursue their grievance if they report to the same immediate supervisor.

E. Employee Representation

1. An employee may represent himself or herself or may be represented by OCEA in the formal grievance/appeal procedure.

2. Authorized grievance/appeal representatives shall be designated by OCEA to represent employees for the purposes of the grievance/appeal procedure. OCEA shall notify Department Heads of the names and titles of such representatives and send a copy of such notice to the Personnel Officer quarterly.

F. Time Off for Processing Grievances/Appeals

1. Reasonable time off without loss of pay shall be given to:
   a. an employee who has a grievance/appeal in order to attend a meeting with his or her supervisor or other person with authority under the grievance/appeal procedure to resolve the matter or to meet with his or her grievance/appeal representative;

   b. an authorized grievance/appeal representative in order to attend a meeting with the represented grievant's/appellant's supervisor or other person with authority under the grievance/appeal procedure or to obtain facts concerning the action grieved/appealed through discussion with the grievant/appellant or other employees or through examination of appropriate records or locations relating to the grievance/appeal.

2. The following restrictions shall apply in all cases to activity authorized in F.1.a. and F.1.b, above:

   a. Before performing grievance/appeal work, the grievant/appellant or grievance/appeal representative shall obtain permission of his or her supervisor and shall report back to the supervisor when the grievance/appeal work is completed.

   b. Neither the grievant/appellant nor the grievance/appeal representative shall interrupt or leave his or her job to perform grievance/appeal work if his or her supervisor determines that such interruption or absence will unduly interfere with the work of the unit in which the grievant/appellant or representative is employed. However, an effort will be made to grant such time off as soon as it is feasible to do so.

   c. When an authorized grievance/appeal representative must go into another section or department to investigate a grievance/appeal, the representative shall be permitted to do so provided that:

1. The representative checks in and checks out with the supervisor of the unit; and

2. Such investigation does not unduly interfere with the work of the unit.

G. Form of Grievance

All grievances must be submitted in writing, on forms provided by the City, and must contain the following:

1. Employee's name, title, department and division.

2. The name of the individual or organization, if any, representing the employee in the grievance procedure.

3. The date the grievance is being submitted.

4. The nature of the grievance, including a statement of the specific provisions of the Memorandum of Understanding, personnel rules or regulations which are alleged to have been violated, the date the alleged violation occurred, and the specific decision or action which constituted the alleged violation.

5. The facts and/or circumstances which gave rise to the grievance.

6. Any available supporting documentation or other material which is to be considered in conjunction with the grievance.

7. A statement of the remedy which the employee is seeking.

H. Formal Grievance/Appeal Steps

The grievance/appeal procedure shall consist of the following steps, each of which must be completed prior to any request for further consideration of the matter unless waived by mutual consent or as otherwise provided herein.

Step 1: Immediate Supervisor

An employee shall formally and concurrently submit a grievance to the immediate supervisor and the City Personnel Officer within fourteen (14)

calendar days from the occurrence which gives rise to the problem. Within seven (7) calendar days after receipt of the written grievance, the immediate supervisor shall meet with the grievant. Within seven (7) calendar days thereafter, a written decision shall be given to the grievant.

Step 2: Department Head

If the grievance is not settled under Step 1, it may be presented to the Department Head. The grievance shall be submitted within seven (7) calendar days after the receipt of the written decision from Step 1. Within seven (7) calendar days after the receipt of the written grievance, the Department Head or his or her representative(s) shall meet with the grievant. Within seven (7) calendar days thereafter, a written decision shall be given to the grievant.

Step 3: City Manager

If the grievance/appeal is not settled under Step 2 it may be appealed in writing to the City Manager within seven (7) calendar days after receipt of the written decision from Step 2. Within fourteen (14) calendar days after receipt of the written grievance/appeal, the City Manager or his or her representative shall meet with the grievant/appellant. Within fourteen (14) calendar days thereafter, a written decision shall be given to the grievant/appellant. The decision of the City Manager shall be final and binding on all parties.

Article XII - Disciplinary Action

A. Disciplinary Authority

The City shall have the right to demote, discharge, reduce in pay, or suspend without pay for up to thirty (30) days, any employee for just cause.

B. Just Cause

Just cause includes, but is not limited to, the following:

1. Violation of any Federal, State, or local law directly impacting the employee's fitness for employment, including, but not limited to, Penal Code Sections 424 and 504.

2. Using, possessing, dealing, distributing, or being under the influence of intoxicating beverages, unprescribed narcotics or unlawful drugs while on duty or at work locations, or reporting to work or operating City vehicles or equipment under the influence of alcohol or any unlawful or unprescribed drug.

3. Failure or refusal to comply with a lawful order or to accept a reasonable and proper assignment from an authorized supervisor or City management official.

4. Inefficiency, incompetence, carelessness, or negligence in the performance of duties.

5. Sexual harassment or other unlawful harassment of another employee.

6. Chronic or excessive absenteeism, whether excused or unexcused, or inconsistent attendance.

7. Rude or discourteous treatment of other employees or the public.

8. Inattention to duty, tardiness, carelessness or negligence in the care and handling of City property.

9. Loss or misuse of City funds, including, but not limited to, use of City funds, including a City credit card, for personal purposes. Personal purposes are those activities which are for personal enjoyment, private gain or advantage, or an outside endeavor not related to City business.

10. Improper or unauthorized personal use of City vehicles, buildings, facilities, tools, equipment, office machines, stationery, supplies or other City real or personal property.

11. Misuse of sick leave, including using sick leave under false pretenses.

12. Furnishing false information to secure appointment, or falsification of time cards or other records and reports.

13. Absence from duty without authorized leave, failure to report after leave of absence

has expired or after such leave of absence has been disapproved, revoked, or canceled.

14. Violation of Departmental rules and policies, or any written policies that may be prescribed by the City.

15. Acceptance of any bribe, gratuity, kickback, or other item of value when such is given in the hope or expectation of receiving preferential treatment.

16. Outside work that creates a conflict of interest with City work, or detracts from the efficiency of the employee in the effective performance of City functions.

17. Failure to obtain or maintain necessary qualification, certificate, or license, which is required as a condition of employment.

18. Possession of an unsafe driving record for those employees required to operate City vehicles.

19. An unsatisfactory performance rating in one or more performance competencies.

20. Accepting a gift or gifts with a value in excess of the gift restriction limit set forth in this Agreement.

21. Other just cause.

C. Pre-Disciplinary Procedures for Suspension, Demotion, Reduction or Discharge

1. Prior to suspending, demoting, reducing or discharging an employee, a written notice of such proposed disciplinary action shall be served on the employee personally, or by certified mail, at least ten (10) calendar days prior to the effective date of the proposed action. Such written notice shall contain:

    a. a description of the proposed action and its effective date(s);

    b. a statement of the reasons for such proposed action, including the acts or omissions on which the proposed action is based;

    c. copies of material on which the proposed action is based;

d. a statement of the employee's right to respond, either orally or in writing, prior to the effective date of such proposed action;

e. a statement of the employee's right to representation;

f. a statement of the employee's right to appeal should such proposed action become final.

2. Prior to the effective date of such suspension, demotion, reduction or discharge, an employee will be given an opportunity to respond either orally or in writing, at the employee's option, to his or her Department Head.

3. An employee shall receive written notice either sustaining, modifying or cancelling the proposed disciplinary action prior to the effective date of such action.

4. Should a proposed suspension, demotion, reduction or discharge become final, an employee shall have the right to appeal such action pursuant to D. of this Article.

5. An employee shall be given reasonable time off without loss of pay to attend a pre-disciplinary meeting with his or her Department Head and any disciplinary appeal hearing pursuant to this Article.

6. An employee may represent himself or herself or may be represented by a representative of his/her choice in a pre-disciplinary meeting with his or her Department Head and any disciplinary appeal hearing pursuant to this Article.

7. The pre-disciplinary procedural requirements set forth above shall not apply to suspensions of five (5) days or less; provided, however, that such procedural requirements shall be complied with within ten (10) days following the effective date of the disciplinary action.

D. <u>Disciplinary Appeals</u>

1. An appeal of a suspension without pay, demotion, reduction in pay or discharge may be appealed to the City Manager. The appeal shall be presented to the City Manager within ten (10) calendar days following the employee's receipt of the Department Head's written notice of discipline pursuant to C.3 of this Article. All disciplinary appeals shall be in writing, and shall be signed by the employee or by a representative of OCEA.

2. The City Manager may hear the appeal personally, or may refer the appeal to a Hearing Officer for hearing and an advisory recommendation; provided, however, that all discharge appeals shall be referred to a Hearing Officer for an advisory recommendation. In the case of a discharge appeal, the employee may request a Hearing Officer be selected from the State Mediation and Conciliation Service or the American Arbitration Association. If the parties are unable to mutually agree upon a Hearing Officer, they shall request the selected organization to supply a panel of seven (7) names of persons experienced in hearing disciplinary appeals for cities. Each party shall alternately strike a name until only one name remains. The remaining panel member shall be the hearing officer. The order of striking shall be determined by lot. The hearing will be conducted as soon as practicable following the City Manager's receipt of the appeal. The cost of a hearing officer shall be paid by the City.

3. The issue in all disciplinary appeals shall be: Was (employee's name) (suspended without pay, demoted, reduced in pay, discharged) for just cause and was the penalty imposed appropriate?

4. The City Manager may sustain, reduce or rescind an appealed disciplinary action. If an action to suspend, demote or reduce in pay is reduced or rescinded, the appellant shall be entitled to restoration of pay and/or fringe benefits in a manner consistent with the City Manager's decision. If an action to discharge is reduced, the appellant shall be restored to a position in his or her former class subject to forfeiture of pay and fringe benefits for all or a portion of the period of time the appellant was removed from duty as determined by the City Manager. If an action to discharge is rescinded, the appellant shall be reinstated in a position in his or her former class and shall receive pay and fringe benefits for all of the period of time he or she was removed from duty. The City Manager shall issue a final decision within thirty (30) calendar days after the matter is closed, including the filing of any final briefs.

5. Disciplinary appeal hearings shall be private.

6. Upon written request by the opposing party in a pending appeal hearing given at least twenty (20) calendar days prior to the scheduled hearing date, the party requested shall supply to the party submitting the request copies of all documentary evidence to be used by that party at the hearing. Such evidence shall be provided no later than ten (10) calendar days prior to the scheduled hearing date. Any evidence not so provided may not be admitted or offered as evidence at the subsequent hearing except that any such documentary evidence discovered by a

party after such request for copies but not soon enough to comply with the above time limits may be admitted providing it could not have been discovered sooner by reasonable means and provided further that a copy or copies of such evidence be afforded the requesting party as soon as practicable after such discovery. Nothing contained herein shall operate to prevent either party from presenting additional documents by way of rebuttal.

7. An employee shall not suffer loss of pay for time spent as a witness at a hearing held pursuant to this procedure. The number of witnesses requested to attend and their scheduling shall be reasonable.

8. At the hearing, both the appealing employee and the City shall have the right to be heard and to present evidence. The following rules shall apply:

   a. Oral evidence shall be taken only on oath or affirmation.

   b. Each party shall have these rights: to call and examine witnesses, to introduce exhibits, to cross-examine opposing witnesses on any matter relevant to the issues even though that matter was not covered in the direct examination, to impeach any witness regardless of which party first called the witness to testify and to rebut the evidence against the witness.

9. The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might have made improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence, but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the same extent that they are now or hereafter may be recognized in civil actions and irrelevant and unduly repetitious evidence shall be excluded.

10. The decision of the City Manager shall be final and binding on all parties.

E. Polygraph Examination

No employee shall be compelled to submit to a polygraph examination. No disciplinary action whatsoever shall be taken against an employee refusing to submit to a polygraph

examination; nor shall any comment be anywhere recorded indicating that an employee offered to take, took or refused to take a polygraph examination unless otherwise agreed to in writing by the parties; nor shall any testimony or evidence of any kind regarding an employee's offer to take or refusal to take, or the results of a polygraph examination, be admissible in any proceeding pursuant to this Agreement, unless otherwise agreed to in writing by the parties.

Article XIII - Maintenance of Benefits

It is the understanding of the parties that the wages, hours and other terms and conditions of employment contained in this Agreement will not be reduced and shall remain in full force and effect during the entire term of this Agreement; except as expressly provided herein or except by mutual agreement.

Article XIV - Salary

A. Salary Ranges (Full-Time)

The salary ranges for full-time classifications covered by this Agreement shall be established as set forth in Attachment 5.

B. Salary Rate Adjustments (Full-Time)

The salary rates for full-time employees in classifications covered by this Agreement shall be adjusted as follows:

January 1, 2016	2.0%
January 1, 2017	2.0%

Notwithstanding the above, no salary rate adjustment shall be granted to any employee who received an overall Needs Improvement or Unsatisfactory rating on his/her last performance review, or an Unsatisfactory rating in any performance competency.

If an employee receives a performance evaluation/rating that results in no salary increase, the employee will be re-evaluated in six months. If performance has improved and the re-evaluation rating score results in a salary increase, the increase shall be made effective at the start of the next payroll period following the evaluation; in such event, the employee's

performance review schedule will be adjusted so that the next review occurs in one year. If performance has not improved, the City shall take such action as it deems appropriate.

C. Pay-for-Performance Program/Long-term Employee Incentive Program

Effective October 1, 2013, a merit-based Pay for Performance Program was implemented. That Program continues subject to the following. Employees shall receive annual performance reviews on or around their employment anniversary date. For employees with room within their salary range, merit increases shall be granted as follows:

Unsatisfactory:	No increase
Needs improvement:	No increase
Meets expectations:	1.5%
Exceeds expectations:	2.25%
Outstanding:	3.0%

Any portion of a salary increase that exceeds the salary cap shall be paid as a one-time lump sum bonus.

If an employee receives a performance evaluation of Unsatisfactory or Needs Improvement, the employee will be re-evaluated in six months and again on his/her subsequent anniversary date. If performance has not improved, the City shall take appropriate action as described in Article XII.

D. Salary Range Adjustments (Part-time)

Starting wages for part-time classifications shall be adjusted as provided for in Section B above, and shall be increased as necessary to comply with California Minimum Wage.

E. Salary Rate Adjustments (Part-Time)

Salary rate adjustments for part-time employees shall be administered in accordance with Attachment 2 to this Agreement. Standard performance shall earn a one (1) step increase. Merit increases for part-time employees may be granted for additional steps within the salary range based upon the employee's exceptional performance upon the recommendation of the Department Head and approval by the City Manager.

Employees shall receive compensation at the bi-weekly or hourly rate for the range and step or salary rate assigned to the class in which they are employed.

Notwithstanding anything in this division to the contrary, when in the judgment of the City it becomes necessary or desirable to utilize the services of employees in capacities other than those for which they are regularly employed, the City may authorize and, if appropriate, fix an additional rate of compensation for such employees.

F. Pay for New Employees

1. A new employee shall be appointed at the minimum step or salary rate of the salary range in effect for the particular class of position to which the appointment is made.

2. The City Manager may authorize a particular position be filled at any salary rate or step within the range.

Under no circumstance shall the salary rate for any full-time employee or part-time employee be more than the maximum salary rate, or less than the minimum salary rate, of the salary range established for the employee's job classification, except as provided in Section E.

G. Salary on Promotion

A regular or probationary employee who is promoted to a position in a class with a higher salary range shall receive the recruiting salary for the higher class or such higher amount as would constitute at least a five (5) percent increase over the salary received prior to the promotion not to exceed the maximum salary rate or top step on the new range. A new merit increase eligibility date shall be established which will be the first day of the pay period following completion of the first twenty-six (26) weeks of service in the new class.

H. Salary on Reduction

1. When an employee is demoted to a position in a lower class for reasons of unsatisfactory performance, his or her salary shall be reduced to the salary rate or step of the new range that would constitute a 5% decrease from the salary received prior to the reduction, or he or she shall receive the maximum step of the range of the new class, whichever is lower. His or her merit increase eligibility date shall be the first day of the pay period following completion of fifty-two (52) weeks of service in the new class unless he or she thereby occupies the recruiting salary rate or step of the new range, in which case his or her merit increase eligibility date shall be the first day of the pay period following completion of twenty-six (26) weeks of service in the new class.

2. When an employee in good standing is reduced to a position in a lower class for physical disability or reasons other than unsatisfactory performance, he or she shall receive the highest salary in the new salary range that does not exceed his or her rate of pay immediately prior to reduction and shall retain his or her merit increase eligibility date.

3. When a probationary employee is reduced to a class not previously occupied by him, he or she shall receive the recruiting salary for the lower class and shall receive a new merit increase eligibility date as determined by the City Manager. A promotional probationary employee reduced to a class he or she formerly occupied in good standing shall have the step status, probationary status and merit increase eligibility date he or she would have achieved if he or she had remained in the lower class throughout the period of his or her service in the higher class.

I. Acting Status Pay

When an employee has been temporarily assigned to perform the duties of a higher classification for one-hundred sixty (160) consecutive hours, the employee will be temporarily promoted to the higher classification for the duration of the assignment and the employee's salary will be temporarily adjusted in accordance with Section G of this Article.

Article XV - Workweek, Overtime and Premium Pay

A. Workweek

1. The official workweek for employees shall be forty (40) hours and shall begin on each Friday and end with the following Thursday. Authorized work performed in excess of forty (40) hours in a workweek by non-exempt employees shall be overtime, and compensated in accordance with the provisions of this Article.

2. Employees shall be given a fourteen (14) calendar day advance notice of a shift change (hours of work) whenever practicable.

3. No employee shall be permitted to work more than sixteen (16) consecutive hours except in an emergency situation.

4. The City shall meet and confer with OCEA concerning any proposed changes in existing scheduled days of work.

B. Overtime

1. Notification of Employees

If work beyond the normal workday, workweek or work period is required, the employee who may be asked to perform such overtime shall be notified of the apparent need for such overtime as soon as practicable prior to when the overtime is expected to begin.

2. Distribution of Overtime

a. Overtime opportunities shall be made available on an equal basis to employees capable of performing the work.

b. If the responsible supervisor determines that overtime is necessary on work that started on an assigned shift, the assigned employee(s) may continue with that work as an extension of the assigned shift.

c. The City and OCEA shall upon request of either party meet and confer and, in so doing, shall attempt to reach agreement regarding specific provisions for the distribution of overtime among employees of various individual work units.

3. Payment for Overtime

a. Authorized work performed in excess of forty (40) hours in a work week by non-exempt employees shall be overtime, and shall be compensated at one and one-half (1-1/2) times the regular rate. In determining an employee's eligibility for overtime compensation at one and one-half (1-1/2) times the regular rate, paid leaves of absence shall be included in the total hours worked. Paid leaves of absence include, but are not limited to: vacation, holiday leave, sick leave, compensatory time, workers' compensation leave, jury duty, witness leave, bereavement leave, military leave, etc.

b. Overtime may be converted to compensatory time or paid for at the option of the employee. Employees with existing compensatory time balances of forty (40) hours shall be paid for all overtime work performed in excess of that amount.

c. No scheduled compensatory time off will be canceled except in cases of emergency. Consideration shall be given to effectuating the wishes of those employees requesting specific compensatory time off periods.

d. All overtime worked must have the prior authorization of the Department Head prior to the commencement of such overtime work. Unauthorized overtime work shall not be compensated.

e. An employee separating from the City service shall be paid for accumulated compensatory time in a lump sum payment.

C. Rest Periods and Cleanup Time

1. Employees shall be allowed paid rest periods of fifteen (15) minutes during each four (4) consecutive hours of work. Such a rest period shall be scheduled in accordance with the requirements of the work unit, but in no case shall rest periods be scheduled within one (1) hour of the beginning or the ending of a work shift or lunch period.

2. Each employee shall, when necessary, be permitted up to fifteen (15) minutes of paid time at the end of each work shift to perform such activities as personal wash-up and changing clothes.

3. The City shall provide a private employee rest area which is appropriately furnished to accommodate employees who need to lie down.

D. Stand-By-Pay

When an employee is assigned stand-by duty, the employee shall, whenever practicable, be informed in writing at least five (5) days in advance of the dates and inclusive hours of such assignment. The employee shall be compensated at one-fourth (.25) (twenty-five percent) of his or her basic hourly rate for the entire period of such assignment. Stand-by duty requires the employee so assigned to:

1. Be ready to respond immediately to calls for his/her service.

2. Be reachable by telephone or pager.

3. Remain within a specified distance from his/her work station; and

4. Refrain from activities which might impair his/her ability to perform his/her assigned duties.

E. Call-Back Pay

1. When an employee returns to work because of a request made after the employee has completed his or her normal work shift and left the work station, the employee shall be credited with two (2) hours work plus any hours of work in excess of two (2) hours in which the employee is continuously engaged in work for which he or she was called.

2. There shall not be any duplication or pyramiding of rates paid under this Section.

Article XVI - Benefits

A. City Medical Insurance Contribution

The City shall provide medical insurance to all full-time employees. Such insurance shall be provided as part of an Optional Benefits Plan (Cafeteria Plan) which shall include medical insurance, dental insurance, and vision insurance. Employees will have a choice of medical insurance plans offered through the California Public Employees Retirement System (CalPERS) health program.

Effective January 1, 2016, the City shall contribute $125 per month toward the cost of medical insurance for full-time employees.

Effective January 1, 2017, the City shall contribute the CalPERS minimum employer contribution per month toward the cost of medical insurance for full-time employees.

B. Optional Benefits Plan (Cafeteria Plan)

In addition to the City's contribution toward medical insurance, the City shall provide an Optional Benefits Plan (Cafeteria Plan) for full-time employees to allocate funds toward insurance plans and other benefits of their choice.

Effective January 1, 2016, the City's monthly contribution to the optional benefits plan shall be as follows:

Coverage	Contribution
Employee	$532
Employee + 1 dependent	$1,170
Family	$1,527
Medical Opt-Out	$441

Effective January 1, 2017, the City's monthly contribution shall be increased by an amount equal to the average of the CalPERS HMO rates, not to exceed an increase of 9.5%. If the average of the rates decrease, the City's contribution shall remain unchanged.

All full-time employees must enroll in one of the CalPERS health program plans, unless they submit to the City both: (1) proof of other health coverage; and (2) a signed insurance waiver. Full time employees who waive health insurance coverage shall receive the Medical Opt-Out allocation toward their optional benefits plan, but shall not receive the City medical insurance contribution. All full-time employees must enroll in a dental plan and a vision plan.

Employees who select insurance plans with a lower cost than the amounts specified in Paragraph A and Paragraph B will receive the balance in a pro-rated amount per pay period. Employees who select insurance plans with a higher premium than the amounts specified in Paragraph A and Paragraph B shall contribute the difference between those amounts and the selected plans.

CalPERS requires that all agencies choosing to participate in its health program provide coverage for retirees. The City shall provide retiree coverage using the "Unequal Contribution Method", as defined by CalPERS. During the term of this Agreement, the City shall make the minimum employer contribution toward retiree health coverage that is necessary to comply with Assembly Bill 2544 (Stats. 2006, Ch. 862).

CalPERS also requires that all agencies choosing to participate in its health program provide coverage for PERS-eligible part-time employees. During the term of this Agreement, the City shall make the City medical insurance contribution, but part-time employees shall not receive the contribution to the Optional Benefits Plan (Cafeteria Plan). PERS-eligible part-time employees who choose to enroll in a health insurance program shall pay the difference between the City's minimum contribution and the cost of the selected plan.

The City contribution for eligible part-time employees shall only be available to employees for health insurance. Part- time employees who choose not to enroll in one of the PERS

health insurance plans shall not receive the Medical Opt-Out allocation and shall obtain no benefit or cash equivalent under this Article.

In accordance with the Affordable Care Act (ACA), the City will provide a medical insurance benefit to those employees who qualify under the ACA. The amount of the stipend will be a minimum of the amount established by CalPERS, up to an amount required to make the premium "affordable" as delineated in the ACA. Qualification and premium contribution for coverage under the ACA is determined annually.

OCEA and City acknowledge that City's willingness to participate in the CalPERS health program has been based, in part, on the: (1) availability of the Unequal Contribution Method for retirees; and (2) the minimum employer contribution for PERS-eligible part-time employees. In the event of a change in State law that increases the minimum employer contribution for retirees or part-time employees, or a change in CalPERS rules, regulations or policies that alters or eliminates the Unequal Contribution Method for retirees, OCEA and City representatives shall promptly meet and consult on the impact of such changes on the City's short-term and long-term cost of health insurance. After such consultation, if City determines that such changes will have a significant impact on short-term or long-term employer costs, the City reserves the right to withdraw from the CalPERS Health Program, and provide alternate health insurance coverage to City employees.

C. Dental Insurance

The City shall provide dental insurance to all full-time employees and their dependents. Dental insurance will be provided through the Optional Benefits Plan (Cafeteria Plan) set forth in Article XVI, Paragraph B above.

D. Vision Care Plan

The City shall provide vision care insurance to all full-time employees and their dependents. Vision insurance will be provided through the Optional Benefits Plan (Cafeteria Plan) set forth in Article XVI, Paragraph B above.

E. PERS Retirement Plan

The City shall provide retirement benefits through the Public Employee's Retirement System (PERS). The benefit shall be based upon the following PERS Local Miscellaneous formulas, as follows:

Tier 1 – PERS 2% @ 55

Full time employees and PERS eligible part time employees hired on or before March 23, 2012 shall contribute 7% of their salary toward the Employee Contribution Rate. The retirement allowance is based on the highest one-year final compensation.

Tier 2 – 2% @ 60

Full time employees and PERS eligible part time employees hired after March 23, 2012 shall contribute 7% of their salary toward the Employee Contribution Rate. The retirement allowance is based on the highest 36-months compensation.

Tier 3 – 2% @ 62

*New City employees hired after January 1, 2013 shall contribute the rate set by the Public Employees' Pension Reform Act, which is currently 6.25%. The retirement allowance is based on the highest 36-months compensation.

*As defined by the Public Employees' Pension Reform Act (PEPRA). PEPRA defines a new employee as an individual who becomes a member of a public retirement system for the first time on or after January 1, 2013, and who was not a member of another public retirement system prior to that date, and who is not subject to reciprocity with another public retirement system.

The City also offers the following optional benefit provisions:

Section 20930.3	Military Service Credit as Public Service
Section 21573	Third Level of 1959 Survivor Benefits
Section 21022.1	Industrial Disability Retirement for Local Miscellaneous Members (For employees hired prior to March 23, 2012)

F. Life Insurance

Full-time employees shall be provided a life insurance plan in the amount of the employee's annual salary, not to exceed $50,000, providing coverage for the eligible employee only. The City shall pay the full cost of plan coverage.

G. Disability Insurance

The City shall provide long-term disability insurance coverage for all full-time employees. The City shall pay the full cost of plan coverage.

H. Deferred Compensation Plan

The City shall provide a deferred compensation plan to provide employees a mechanism by which they may reduce their salary and pay for supplemental retirement benefits with pre-tax dollars. The City will contribute 50 cents for every $1 (one dollar) of salary contributed to the deferred compensation plan by an employee. The City's contribution shall not exceed 3% of an employee's annual base salary. In no event shall the City's and Employee's combined contribution exceed the applicable annual limit set by the Internal Revenue Code. The City's contribution shall be limited to full-time employees.

I. Mileage Reimbursement

The City will provide mileage reimbursement, at the current IRS-approved rate, to employees who are required to use their personal vehicle for City business.

J. Educational Reimbursement

The City will provide an Educational Reimbursement Program for full-time employees. Eligible employees may request reimbursement, not to exceed $1,000 per fiscal year, for actual expenses incurred for tuition, books and fees for college-level, job-related courses or degree curricula. Courses must be approved in advance by the Department Head and City Manager. Reimbursement will only be made after satisfactory completion of the course with a grade of C or better.

The City will annually budget $40,000 in the Educational Reimbursement Program account. Educational reimbursement requests will be handled on a first-come, first-serve basis.

Article XVII - Section 125 Plan

The City will provide an IRS Code Section 125 Plan to provide employees a mechanism by which they may reduce their salary and pay for eligible health insurance premiums, health care expenses and/or child care expenses with pre-tax dollars.

The parties acknowledge that the City's willingness to offer a Section 125 Plan is conditioned upon City's ability to maintain a binding and enforceable Reimbursement Agreement that will require an employee to reimburse the City for any health insurance premium, health care or child care expenses advanced or incurred on behalf of the employee and that are not fully reimbursable from the employee's Flexible Spending Account. All employees shall be required to sign the Reimbursement Agreement as a pre-condition to enrolling in the amended Section 125 Plan.

Article XVIII - Vacation

A. An employee may not receive vacation credit for more than eighty (80) regularly scheduled hours in any pay period. Such credit shall be applied to his or her vacation accumulation account only upon completion of each pay period; no credit shall, therefore, be given during any paid period or for any portion of a pay period during which the employee terminates his City service.

B. A new employee in a full time regular position shall earn eighty (80) hours of vacation when he or she has accumulated two thousand eighty (2080) regularly scheduled paid hours (1 year). He or she shall then earn .0382 hours vacation for each hour of pay during his or her regularly scheduled work week. The maximum allowable vacation credit at any one time shall be two-hundred (200) hours or five (5) weeks.

C. After an employee in a regular position has been paid for six thousand two-hundred forty (6240) regularly scheduled hours (3 years), he or she shall earn .0577 hours vacation for each hour of pay during his or her regularly scheduled work week. The maximum allowable vacation credit at any one time shall be two hundred eighty (280) hours or seven (7) weeks.

D. After an employee in a regular position has been paid for twenty thousand eight hundred (20,800) regularly scheduled hours (10 years), he or she shall earn .077 hours vacation for each hour of pay during his or her regularly scheduled work week. The maximum allowable vacation credit at any one time shall be three hundred sixty (360) hours of nine (9) weeks.

E. The minimum charge to any employee's vacation account shall be one-half (1/2) hour; additional actual absence over one-half (1/2) hour shall be charged to the nearest half hour. Additional vacation time earned during any vacation period may be taken consecutively. No employee shall be permitted to work for compensation for the City in any capacity during any paid vacation except during emergencies as determined by the Department Head.

F. The Department Head is responsible for scheduling the vacations of his employees in such a manner as to achieve the most efficient functioning of the City. An employee separating from the City shall be paid for all accrued vacation in a lump sum payment.

G. No more than twice in each fiscal year, an employee may request to be paid in-lieu of using accrued vacation. Such payment shall be limited to no more than sixty (60) hours per fiscal year; provided, however, that the employee shall have taken at least an equal number of hours of paid vacation leave during the six (6) month period preceding the request. Such payment shall be made upon request unless the City determines it is not economically or operationally feasible. In such case, payment shall be made as soon as feasible.

H. The City shall strictly administer vacation accrual limits for all employees. The City shall periodically notify each employee of his/her accrued vacation and vacation accrual limit.

Article XIX - Leaves

A. Accumulation of Sick Leave

1. Sick leave with pay shall be earned at the rate of one work day for each calendar month of service for full-time employees.

2. Sick leave may be applied to:

   a. An absence caused by illness or injury to an employee.

   b. Medical and dental office appointments for examinations when absence during working hours for this purpose is authorized by the Department Head.

   c. Absence from duty by an employee because his or her presence is needed to attend to the critical illness of a member of his or her immediate family where death appears imminent, provided that such absence shall be limited to a maximum of six (6) working days annually. For purposes of this section, immediate family shall mean father, father-in-law, mother, mother-in-law, step-parent, brother, step-brother, sister, step-sister, spouse, registered domestic partner, child, grandparent, grandchild, legal guardian

or other individuals whose relationship to the employee is that of a dependent or near dependent.

d. Absence from duty by an employee to attend to the diagnosis, care, or treatment of an existing health condition of, or preventative care for a child, parent, spouse, registered domestic partner, parent-in-law, grandparent, grandchild or sibling; provided, however, that such absence shall be limited to a maximum of six (6) working days per Calendar Year.

e. An absence of an employee who is a victim of domestic violence, sexual assault, or stalking.

3. Sick leave shall not be applied to:

a. Absence caused by illness or injury to a member of the employee's family except as provided in Section 2.c and 2.d above.

b. Absences which occur on a City holiday.

4. The minimum charge to an employee's sick leave account shall be one-half (1/2) hour and additional absences over one-half (1/2) hour shall be charged to the nearest half hour (1/2).

5. Any employee who is absent from work must report his or her absence to his or her immediate supervisor at or before the scheduled work time each day of absence. In the case of prolonged periods of absence due to serious illness, employees may arrange, at the discretion of their immediate supervisor, to report less frequently.

6. Upon separation, retirement with benefits from CalPERS, or death, an employee or the employee's estate shall be paid for a portion of the employee's unused sick leave in an amount computed as provided below:

For full-time employees hired before October 1, 1994:

Years of Service	Percent of Unused Sick Leave Paid For
Less than 2	None
2 or more	50%

For full-time employees hired on or after October 1, 1994:

Years of Service	Percent of Unused Sick Leave Paid For
Less than 10	None
10 or more	25%

No unused sick leave benefit shall be paid to any employee who is terminated for just cause.

7. Full-time employees hired before October 1, 2011 shall have the option to convert accrued but unused sick leave, in excess of 176 hours, to additional floating holidays for the calendar year. The conversion rate shall be twenty-five percent (25%). For example, thirty-two (32) hours of sick leave may be converted to eight (8) hours of floating holiday. No more than ninety-six (96) hours of sick leave may be converted to no more than twenty four (24) hours of floating holiday in any calendar year. Any unused floating holiday hours will be forfeited at the end of a calendar year.

8. New employees hired on or after October 1, 2011 shall not be paid for any portion of unused sick leave upon separation, termination or retirement from the City and shall not have any right to convert accrued unused sick leave to additional floating holidays or any other form of paid leave during their course of employment with the City.

B. Bereavement Leave

Regular employees shall be granted five (5) days leave of absence on account of the death of any member of his or her immediate family. For purposes of this Section, immediate family shall mean father, father-in-law, mother, mother-in-law, step-parent, brother, step-brother, sister, step-sister, spouse, registered domestic partner, child, grandparent, grandchild, legal guardian or other individuals whose relationship to the employee is that of a dependent or near dependent.

C. Authorized Leave Without Pay

1. The City Manager may authorize leave of absence without pay for a period not to exceed one (1) year provided that any such leave shall commence after all accumulated compensatory time and vacations accruals have been exhausted.

2. All requests for leaves of absence without pay shall state the reason therefore, the commencement date, and the probable date of return.

3. Each employee granted leave of absence without pay shall give the City Manager two (2) weeks prior notice of his or her intent to return to work.

4. Except for mitigating circumstances approved by the City Manager, the failure of any employee to return to work upon the expiration of his/her leave of absence shall be deemed an abandonment of his/her position.

5. Vacation and sick leave shall cease to accrue during any period of leave without pay. An employee may continue to participate in the City's health and other insurance plans at his or her own expense.

D. Jury Duty Leave

An employee who is called for jury duty or for examination for jury duty shall be compensated at the employee's regular rate of pay for those hours of absence due to the jury duty which occur during the employee's regularly scheduled working hours provided the employee deposits the employee's fees for such hours of jury duty, exclusive of mileage, with the City. Fees for jury duty performed during hours other than regularly scheduled working hours may be retained by the employee. Any hours worked beyond the regularly scheduled workday shall be subject to the workweek and overtime provisions of Article XV. An employee may request a change in regularly scheduled working hours to a Monday through Friday day shift for the duration of such jury duty. Such requests shall be granted if practicable.

E. Witness Leave

An employee who is called to answer a subpoena as a witness during the employee's work hours shall be compensated at his or her regular rate of pay for all hours of absence from work due to answering the subpoena provided the employee shows proof of such subpoena and deposits witness fees received for such hours, exclusive of mileage, with the City.

Fees for answering a subpoena as a witness during hours other than regularly scheduled working hours may be retained by the employee.

F. Family and Medical Leave

1. The purpose of this section is to implement the federal Family and Medical Leave Act of 1993 and the state Moore-Brown-Roberti Family Rights Act.

2. Employees who have been employed for at least one (1) year, and for at least 1,250 hours during the preceding 12-month period, are eligible for family and medical leave.

3. All eligible employees may be granted family or medical leave consisting of unpaid leave, for a period of twelve (12) weeks during any twelve (12) month period for the following reasons:

   a. the birth of the employee's child and in order to care for the child;

   b. the placement of a child with the employee for adoption or foster care;

   c. to care for a spouse, registered domestic partner, child or parent who has a serious health condition;

   d. a serious health condition that renders the employee incapable of performing the functions of his or her job;

   e. leave for a "qualifying exigency" arising out of the fact that the employee's spouse, son, daughter or parent is a covered military member on covered active duty;

   f. leave to care for a covered service member with a serious injury or illness if the employee is the spouse, son, daughter, parent or next of kin of the service member (this leave can be for a period of up to twenty-six (26) weeks during any twelve (12) month period).

4. If leave is requested for an employee's own serious health condition, the employee shall use all of his or her accrued sick leave, vacation leave and compensatory time before unpaid leave is granted.

5. If leave is requested for any of the other reasons listed above, the employee shall use all of his or her accrued vacation leave and compensatory time before unpaid leave is granted.

6. The employee shall request family or medical leave at least thirty (30) days before the leave is to begin. If such advanced notice is impractical, the employee shall file such request as soon as the necessity for the leave arises.

7. The City may require medical certification of the serious health condition of the employee or family member, proof of birth or proof of adoption.

8. During the period of family or medical leave, the employee will be retained on the City medical, dental, vision and other insurance plans. Both the City and employee shall continue to make any contributions to said insurance plans that each made prior to the leave.

9. Upon return to work, the employee shall be restored to his or her old position or to an equivalent position.

10. If the employee fails to return to work, the employee shall reimburse the City for the employer's share of insurance premiums paid during the leave period.

11. Vacation and sick leave shall cease to accrue during any period of unpaid family or medical leave.

G. <u>Maternity Leave</u>

1. The purpose of this section is to implement the pregnancy leave provisions of the state Fair Housing and Employment Act.

2. An employee is entitled to take, in addition to the leave provided in Section F above, leave on account of pregnancy for a reasonable period of time not to exceed four months. Reasonable period of time means that period during which the employee is disabled on account of pregnancy, childbirth or related medical conditions.

3. The employee shall use all of her accrued sick leave, vacation leave and compensatory time before unpaid leave is granted.

4. The employee shall provide the City with reasonable notice of the date the leave shall commence and the estimated duration of the leave.

5. The City may require medical certification regarding the employee's disability status.

6. Vacation and sick leave shall cease to accrue during any period of unpaid maternity leave.

H. Industrial Accident Leave

In the event that it is determined that an employee is absent from work as a result of any injury or disease arising solely out of the employment with the City:

1. Temporary disability benefits shall be coordinated with accrued sick leave, vacation, compensatory time and any other benefits so that the employee shall receive the difference between the Worker's Compensation payments and his or her regular salary. Coordination of benefits shall cease at such time that the employee's condition is deemed permanent and stationary as determined by the City's appointed doctor.

2. An on-the-job injury or accident must be reported to the employee's immediate supervisor within twenty four (24) hours after said injury or accident, if practicable. In the event of an on-the-job injury or accident resulting in loss of time beyond that required for immediate medical attention, such employee may be required to be examined by a licensed physician appointed by the City of Laguna Niguel. An employee may be required to perform light-duty or restricted work if medically released to perform such work by the City's physician.

3. The employee shall continue to accrue Sick Leave and Vacation Leave during the term of the Industrial Accident Leave taken.

I. Military Leave

An employee having a probationary or regular appointment shall be entitled to such benefits as are provided in the California Military and Veterans Code and the Uniformed Services Employment and Reemployment Rights Act ("USERRA"). An employee requesting such Military Leave shall present a copy of his or her military orders to his or her Department Head prior to the beginning of the Leave.

Employees are entitled to a temporary Military Leave of Absence not to exceed 180 calendar days per year. Employees having one (1) year or more of continuous service and granted a temporary Military Leave of Absence are entitled to receive the equivalent salary up to the first thirty (30) calendar days of leave. Weekend drills are excluded from meaning of ordered Military Leave which means employees do not receive salary in excess of their regular salary for these drills.

This Agreement does not cover all circumstances covered by California law or USERRA. Where there is a conflict, California law and USERRA govern.

Article XX - Holidays

A. Holidays Observed

1. Employees shall observe the following holidays:
   New Year's Day
   Martin Luther King, Jr. Day
   Presidents' Day
   Memorial Day
   Independence Day
   Labor Day
   Veteran's Day
   Thanksgiving Day
   Day after Thanksgiving
   Christmas Eve
   Christmas Day
   Day after Christmas
   New Year's Eve
   *Two (2) Floating Holidays or 16 hours (see below)

* (Effective the first pay period of January of each year, each full-time employee, with twelve (12) months of continuous service during the preceding calendar year, will receive two (2) floating holidays for use during the calendar year. For employees hired during the preceding calendar year, the amount of hours shall be pro-rated based on the month of hire. Floating holidays must be used during the calendar year.)

2. When a holiday falls on a Sunday, the next day shall be observed as the holiday. When a holiday falls on a Saturday, the preceding day shall be observed as the holiday.

B. Eligibility for Holiday Pay

1. An employee must be paid for all or a portion of both the regularly scheduled working day immediately prior to a holiday and the regularly scheduled working day immediately after that holiday in order to receive holiday pay. With City approval, compensatory time earned for working on a holiday or for a holiday falling on a regularly scheduled day off may be taken on the first scheduled working day after the holiday.

2. A new employee whose first working day is the day after a holiday shall not be paid for the holiday.

3. An employee who is terminating employment and whose last day as a paid employee is the day before a holiday shall not be paid for that holiday.

C. Holiday Pay

1. On each of the holidays designated above, each full-time employee scheduled to work but permitted to take the day off shall receive a full shift's pay computed at the employee's basic hourly rate.

2. Compensation for Holidays Falling On Scheduled Days Off

When a holiday falls on a full-time employee's regularly scheduled day off, the employee shall receive a full shift's pay or compensatory time at the option of the employee.

3. Compensation for Work on Holidays

An employee who is required to work on a holiday shall receive pay computed at one and one-half (1-1/2) times the employee's basic hourly rate for the number of hours actually worked.

4. Holidays which fall during an employee's vacation period shall not be charged against the employee's vacation balance.

5. Compensatory time earned under the provisions of this Section may be granted as compensatory time off or paid for at the option of the employee.

Article XXI - Layoff and Recall

A. Layoff Authority

The City may, in its sole discretion, abolish any position or employment due to lack of work, lack of funds, reorganization or other legitimate reason or business purpose. The employee holding such position or employment may be laid off without disciplinary action and without right of appeal.

B. Seniority and Employee Performance

Seniority and employee performance shall govern the layoff of employees. Seniority shall be determined as the total number of years of full-time employment in the classification within the Department where the position is to be eliminated. Employee performance shall be determined on the basis of the most recent annual performance evaluation. A rating of "Outstanding" shall increase the employee's seniority by two (2) years. A rating of "Exceeds Expectations" shall increase the employee's seniority by one (1) year. A rating of "Meets Expectations" shall neither increase nor decrease the employee's seniority. A rating of "Needs Improvement" shall decrease the employee's seniority by one (1) year. A rating of "Unsatisfactory" shall decrease the employee's seniority by two (2) years.

C. Order of Layoff

Layoffs shall be made by classification within a Department. The order of layoff shall be established by the City Manager or his/her designee. The order of layoff will begin with

the employee with the least total seniority as determined in accordance with Section B of this Article. If two (2) or more employees have the same seniority, the City Manager, after consideration of Citywide seniority and consultation with the Department Head, shall determine the order of layoff for these employees. No regular full-time employee shall be laid off until all probationary, limited term, and part-time employees holding positions in the same class in the Department are first laid off.

D. Notice of Layoff

Employees to be laid off shall be given at least fourteen (14) calendar days notice.

E. Voluntary Demotion to Previously Held Position

A regular full-time employee who receives a final layoff notice may, within seven (7) calendar days of receipt of the notice, request voluntary demotion to a previously held position in a lower classification that remains budgeted. In that event, the employee's seniority and position on the layoff list shall be reevaluated in accordance with Section B of this Article; provided, however, that seniority shall include the total number of years of full-time employment in the current classification and previously held position.

F. Re-employment List and Recall

The names of regular and probationary full-time employees laid off or demoted in-lieu of layoff shall be placed on re-employment lists for one (1) year. When a vacancy occurs in the subject classification, the appointing authority shall consider the former employees from the re-employment list. It is the responsibility of the employee on a re-employment list to keep the City informed of his/her current address and telephone number, and availability for work.

Article XXII - Safety

A. General Provisions

Recognizing that a safe work environment is of substantial benefit to both the City and employees, the City and OCEA mutually agree to the following safety programs:

1. No employee shall be required to work under conditions dangerous to the employee's health or safety.

2. The City shall make every reasonable effort to provide and maintain a safe place of employment. OCEA shall urge all employees to perform their work in a safe manner. Employees shall be alert to unsafe practices, equipment and conditions and report any such unsafe practices, equipment or conditions to their immediate supervisors. Employees shall follow safe practices and obey reasonable safety rules during the hours of their employment.

3. The City shall furnish all equipment which is necessary for employees to perform their job in a safe manner.

4. Wherever practicable, the City shall provide the necessary first aid kits in each location.

5. Wherever practicable, the City shall provide first aid training for one (1) employee at each new work location.

B. Safety Inspection

During inspection of City facilities conducted by the State Division of Industrial Safety for the purpose of determining compliance with the California OSHA requirements, an OCEA designated employee shall be allowed to accompany the inspector while the inspector is in the employee's department. The employee so designated shall suffer no loss of pay when this function is performed during the employee's regularly scheduled work hours.

C. Abatement of Violations

In any instance in which the City is cited for a violation of California OSHA, the City shall make a good faith effort to abate the cited hazard to health and safety within the abatement period required.

D. Safety Representatives

1. Safety Representatives may be selected by OCEA to meet at least once a month, upon request, with a City designated representative to discuss matters affecting employee health and safety.

2. A Safety Representative who has received a safety or health complaint shall be given reasonable time off without loss of pay to gather appropriate information on such complaint provided that:

   a. The Safety Representative obtains permission from his or her supervisor prior to performing such work and reports back to the supervisor when the work is completed.

   b. When an authorized Safety Representative must go into another section or unit to gather information regarding a safety or health complaint, the Safety Representative shall be permitted to do so provided that:

      1. The Safety Representative checks in and checks out with the supervisor of the unit; and

      2. He or she does not unduly interfere with the work of the unit.

E. Resolution of Safety or Health Complaints

If a safety or health complaint is not satisfactorily resolved, a grievance may be filed at Step 3 of the grievance procedure.

Article XXIII - Uniforms, Safety Gear and Inclement Weather Gear

Employees in designated classes shall be provided and required to wear City uniforms. The City will report the value of the required uniform for eligible employees up to $700 on an annual basis to CalPERS. Employees subject to PEPRA guidelines (new CalPERS members hired after January 1, 2013) are not eligible for uniform benefit reporting to CalPERS. Steel toed shoes and safety glasses will be provided to employees whose regular duties require their usage and be replaced as needed. Rain gear will be provided to employees whose regular full-time duties require them to work outside on a continuous basis in the adverse elements.

Article XXIV - Personnel Files

The official personnel file for each City employee shall be maintained by the Personnel Officer. Employees have the right to review their official personnel file by scheduling a specific date and time, twenty four (24) hours in advance, with the Personnel Officer. Documents designated by law as confidential shall not be subject to review by the employee.

A copy of any commendations, written warnings or reprimands, disciplinary actions, Personnel Action Forms and performance reviews placed in the employee's personnel file will be provided to the employee.

Written reprimands shall be retained at least two (2) years. If after two (2) years no similar or other unacceptable behavior is reported, the employee may request in writing that the reprimand be purged from his or her file. Upon review and approval of the Department Head the written reprimand shall be removed from the employee's file.

Article XXV - Probationary Period

A. Any new or re-employed employee in a regular position shall serve a probationary period for a period of twenty-six (26) weeks from the date of appointment or hiring.

B. Any employee who is promoted shall also serve a probationary period commencing on the date of promotion and ending on the first day of the pay period following the completion of twenty-six (26) weeks. A promotional probationary employee may be returned to their prior position during the probationary period without right of due process, appeal or hearing.

C. A probationary employee (other than a promotional probationary employee) may be separated from service without cause at any time during any probation period without right of appeal or hearing.

Article XXVI - Performance Reviews

A. The City shall maintain a system of employee performance ratings designed to give a fair evaluation of the quantity and quality of work performed by an employee. Such ratings shall be prepared and recorded in the employee's personnel file for all regular full-time and part-time employees at least once each year; and in addition, for employees on probationary status, at least once near the middle of the probation period.

B. The City shall discuss with the employee the specific ratings prior to such ratings being made part of the employee's personnel file.

C. When a performance evaluation is recorded in the personnel file of an employee, a copy of such evaluation, together with any attachment relating thereto, shall be given to the employee. Any written response by the employee to the performance evaluation shall be attached to such evaluation in the personnel files.

D. If an employee's performance evaluation is not completed when it is due, the employee shall notify his/her Department Head/Supervisor in writing and request completion of the evaluation.

E. The City shall provide OCEA with a list of performance evaluation dates for members of the bargaining unit.

Article XXVII - Classification

A. The Establishment of New Classes

The City will provide OCEA an information copy of the new class specification and salary range for any proposed class in the representation unit. Whenever it is proposed to reclassify an incumbent employee to a proposed new class in the representation unit, the City agrees to meet and confer with OCEA in an attempt to reach agreement on the salary range for the proposed new class prior to submitting the proposed new class to the City Council for adoption.

B. Procedure for Requesting Reclassification of a Position

Step 1: An employee who believes his or her position is not properly classified may submit a written request to his or her Department Head and the Personnel Officer that a classification study be conducted. Requests shall state the reasons the employee believes the present class is not appropriate and which class the employee believes is appropriate based on the employee's present duties. Such request shall be submitted in January to permit consideration as part of the City's budget review and adoption process.

Step 2: The Personnel Officer shall perform a job analysis of the employee's duties and responsibilities, as well as the duties and responsibilities of incumbent employees within the class to which the employee seeks reclassification. The job analysis may include, but is not limited to: completion of job questionnaires or position description forms, interviews with key employees and supervisors, observation of performed duties, desk audits, etc. The findings and recommendations of the Personnel Officer shall be provided to the employee, the employee's Department Head and the City Manager.

Step 3: If the Personnel Officer recommends that the employee be reclassified, and the City Manager concurs, the City Manager shall recommend such reclassification in the proposed City Budget for the ensuing fiscal year. If the Personnel Officer recommends that the reclassification request be denied, the employee may file a grievance at Step 3 of the grievance procedure.

C. Limitations on Classification Studies

An employee may not request a classification study if the position has been evaluated during the preceding two (2) years.

Article XXVIII - Part-Time Employees

Part-time employees shall not be eligible for holiday pay, other paid leave benefits, or participation in any City insurance plans, unless otherwise required by law. Part-time employees shall include seasonal, temporary and emergency employees, and regular part-time employees who are normally scheduled to work less than forty (40) hours per week.

Part-time employees are "At-Will" employees, they serve at the pleasure of the City Manager, they have no expectation of continued employment, and they may be terminated or disciplined by the City Manager at any time with or without cause, and with or without receiving prior notice or having the right to pre-or-post disciplinary due process, including a hearing.

The City shall determine the number of hours that a part-time employee is assigned to work each week, and the number of hours may range from 0 to 40 hours per week at the discretion of the City.

Part-time employees shall not be covered under the layoff or recall provisions of this Agreement.

Article XXIX - Limited Term Employees

Limited-term employee shall mean a person employed by the City on a full-time basis in a limited-term position. A limited-term position shall mean a position which the City has determined to be of uncertain long-term need, duration and/or funding. A limited-term employee shall be eligible for the same pay, paid leave and City insurance benefits that are provided to regular full-time employees. Limited-term employees shall be considered at-will employees who may be terminated by the City at any time, with or without cause or notice, and without pre-or-post disciplinary due process or right of appeal. Additionally, limited-term employees shall not be covered under the Layoff and Recall provisions of this Agreement. However, after five (5) years of continuous employment, a limited-term full-time employee shall be converted to regular full-time employment status, and shall be entitled to all other rights and benefits conferred upon regular full-time employees by this Agreement.

Article XXX - Employee Recognition Program

City shall establish an Employee Recognition Program. OCEA shall establish an Employee Recognition Program Committee to work with the City on the planning and conduct of annual employee recognition events. The annual budget for employee recognition events shall be established by the City Council.

City shall recognize full-time employees for length of service to the City with a Gift Certificate to a local business of the employee's choice. The cash value of the Gift Certificate shall be $10 for each year of full-time service to the City and shall be awarded at five-year intervals as follows:

5 Years of Service:	$50
10 Years of Service:	$100
15 Years of Service:	$150
20 Years of Service:	$200
25 Years of Service:	$250
Etc.	

Article XXXI - Use of South Coast YMCA Facilities

The City owns the YMCA building at Crown Valley Community Park. The YMCA operates health and fitness facilities and programs under a long-term lease and operating agreement with the City. Full-time City employees shall have health and fitness facility use privileges at the YMCA building, subject to such terms and conditions that are mutually agreeable to the City and YMCA.

These use privileges are based on: (1) YMCA's consent to permit use of its health and fitness facilities by full-time City employees; and (2) the continuing acceptability of facility use terms and conditions to both City and YMCA. In the event YMCA withdraws its consent to permit use of its health and fitness facilities by City employees, or the facility use terms and conditions are no longer acceptable to the City, OCEA acknowledges that City may terminate this privilege. City agrees to meet and consult with OCEA prior to terminating such use privileges.

Article XXXII - Drug-Free Workplace and Harassment Policies

The Drug-Free Workplace Act of 1988 requires the adoption of a Drug-Free Workplace Policy by employers with any federal grant or federal contract worth more than $25,000. The City and OCEA agree to the provisions of the City of Laguna Niguel Drug-Free Workplace Policy set forth in Attachment 3.

The City and OCEA further agree to the provisions of the Harassment Policy set forth in Attachment 4.

Article XXXIII - Gift Restrictions

No employee shall accept any gift or gifts, totaling $100 or more in value during any 12-month period, from any person, firm or organization conducting or seeking to conduct business with the City.

Article XXXIV - Pension and Health Care Reform Proposals

A. Pension Reform Proposals

City and OCEA acknowledge that various legislative and initiative proposals are under consideration and/or pending that, if enacted, will modify or reduce pension benefits for future California state and local government employees. City and OCEA agree that if, during the term of this Agreement, there is a change in State law that mandates a different or reduced pension benefit for newly hired City employees, that City may take such actions that are necessary to comply with State law, including, but not limited to, implementation of new, different or reduced pension benefits for newly hired City employees. City shall have no obligation to meet and confer with OCEA on such matters.

B. Health Care Reform Proposals

City and OCEA acknowledge that various legislative proposals are under consideration and/or pending that, if enacted, may change the requirements for California employers to provide health care coverage for employees. City and OCEA agree that if, during the term of this Agreement, there is a change in State or Federal law that mandates the City to provide health care coverage for part-time employees and/or increases the City's cost of health insurance, then City and OCEA shall re-open negotiations on the City's health insurance plans and the City's and Employee's respective contributions toward the cost of such plans.

Article XXXV - Non-Discrimination

Neither party to this Agreement shall illegally discriminate against any employee on the basis of any legally protected classification, including but not limited to, race, color, creed, age, sex, national origin, political affiliation, marital status, disability, religion or sexual preference. The parties further agree that they shall not interfere with, intimidate, restrain, coerce, or discriminate against any employee in his or her free choice to participate or not participate in the activities of and right to join the OCEA.

It is agreed by both parties to this Agreement that they will fully comply with all applicable local, State and Federal laws, rules and regulations governing equal employment opportunity.

In recognition of the Americans with Disabilities Act, the City will, in evaluating each situation on a case-by-case basis, endeavor to carefully consider ways to reasonably accommodate disabled employees.

Article XXXVI - Severability

It is understood and mutually agreed that this Agreement is subject to all applicable Federal, State and City laws and ordinances.

If any provision of this Agreement is determined to be invalid or illegal by a court of competent jurisdiction, such provisions will not be deemed valid and shall be severed from this Agreement, except to the extent permitted by law, but the remainder hereof shall remain in full force and effect. Should any change be made in any State or Federal law, or in any rules and regulations implementing such legislation, then such provision shall be automatically terminated but the remainder of this Agreement shall remain in full force and effect.

The Parties hereto shall meet and confer within a reasonable time for the purpose of replacing any provision of this Agreement determined to be invalid or illegal pursuant to this paragraph.

Article XXXVII - Concerted Activities

Apart from and in addition to existing legal restrictions upon and remedies for work stoppage, the OCEA hereby agrees that during the term of this Agreement neither it nor its members or agents, representatives or persons acting in concert with any of them, shall incite, engage or participate in any strike, walkout, slowdown, sick-out or other work stoppage of any nature against the City whatsoever, or wheresoever located, including but not limited to disputes which are related to the subject matter contained in this Agreement; disputes between the City and other employee organizations, persons or employees; or jurisdictional disputes. In the event of any strike, walkout, slowdown, sick-out or other work stoppage or threat thereof against the City, OCEA and its officers will take steps reasonably within their control to end or avert the same.

Those represented by the OCEA will not authorize, engage in, encourage, sanction, recognize or assist in any strike, slowdown, walkout, sick-out or other work stoppage against the City or picket in furtherance thereof, or participate in unlawful concerted interference in violation of this provision, or refuse to perform duly assigned services in violation of this provision. It is understood that any person represented by OCEA found in violation of this provision will be subject to discipline, including termination, as determined by the City Personnel Officer, according to Personnel Rules and Regulations.

Article XXXVIII - Term

The terms and conditions of this Agreement will be effective the date of City Council adoption of this Agreement unless otherwise stated in the Agreement. This Agreement shall remain in full force and effect from October 1, 2015 through September 30, 2017.

///

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding on the dates indicated below.

Orange County Employees Association

Llesena Ontiveras
Senior Employee Relations Representative

Date: 12/21/15

Heather Sutherland
Employee Relations Specialist

Date: 12-30-15

Elizabeth Fraijo
Bargaining Committee Member

Date: 12-18-15

Rita Moon
Bargaining Committee Member

Date: 12/18/15

Jorge Muratalla
Bargaining Committee Member

Date: 12.18.15

City of Laguna Niguel

Rod Foster
City Manager

Date: 12.18.2015.

Terry Dixon
City Attorney

Date: 12.18.15

Dan Fox
Assistant City Manager

Date: 12.18.15

Stephen Erlandson
Finance Director

Date: 12/18/15

Debbie Bell
Human Resources Manager

Date: 12-18-15

ATTACHMENT 1

Maintenance, Clerical and Technical Unit Classifications

Full-Time Classifications

Account Clerk
Administrative Secretary
Building and Facilities Specialist
Building Permit Technician
Clerk Typist
Code Enforcement Officer
Deputy City Clerk
Engineering Technician
Head Lifeguard
Landscape Maintenance Inspector
Maintenance Worker
Public Works Inspector
Recreation Clerk
Recreation Coordinator
Secretary
Senior Account Clerk
Senior Public Works Inspector

* Part-Time Classifications

Administrative Intern
Cashier
Engineering Intern
Facility Aide
Lifeguard
Lifeguard Instructor
Maintenance Worker
Planning Intern
Receptionist
Recreation Aide
Recreation Leader
Senior Recreation Leader

* Eligible part-time employees include those employed on a permanent year-round basis for whom work is regularly scheduled at least twenty (20) hours per week.

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ATTACHMENT 2

Part-Time Employees
Eligibility for Merit Increases

Part-time employees shall be eligible for a merit increase on the first day of the pay period following completion of twenty-six weeks of service. Part-time employees shall be eligible for subsequent merit increases on the first day of the pay period following the completion of additional fifty-two week intervals.

In addition to the time requirements stated above, the following minimum number of hours must have been worked for advancement to subsequent steps on the salary range:

Step	Minimum Hours of Work
2	520 hours
3	1520 hours
4	2520 hours
5	3520 hours

If an employee is initially hired at a step higher than Step 1 of the salary range, the minimum hours requirement shall apply in the same increments as if the employee were hired at Step 1.

All merit increases are subject to a satisfactory performance evaluation by the employee's immediate supervisor, and approval by the Department Head.

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ATTACHMENT 3

CITY OF LAGUNA NIGUEL
Drug-Free Workplace Policy

Policy Statement

Substance abuse has been found to be a contributing factor to absenteeism, substandard performance, increased potential for accidents, poor morale and impaired public relations. It is the goal of the City, therefore, to eliminate substance abuse in the workplace by clearly stating employee responsibilities and by providing Department Heads with guidelines and procedures for the detection of such abuse and the enforcement of related policies and regulations.

It is the responsibility of City employees to cooperate in efforts to protect the life, personal safety and property of co-workers and fellow citizens. Employees shall, therefore, take all reasonable steps to abide by and cooperate in the implementation and enforcement of these policies and regulations.

The City encourages employees who believe that they may have a drug or alcohol problem to seek counseling, assistance and/or rehabilitation, and will be supportive of those employees who voluntarily seek help. However, the City will be equally firm in identifying and disciplining those employees who continue to be substance abusers and do not seek help.

Alcohol or drug abuse in the workplace will not be tolerated, and disciplinary action, up to and including termination, will be used as necessary to achieve the goal of eliminating substance abuse in the workplace.

Drug-Free Workplace Act of 1988

The Drug-Free Workplace Act of 1988 applies to employers with any federal grant or with a federal contract worth more than $25,000. The law requires that employees convicted of any drug related workplace crime notify their employer within five (5) days of the conviction. The employer must then notify the granting or contracting agency within ten (10) calendar days of receiving a conviction notice from the employee. The employer must then impose sanctions (up to and including termination) against the convicted employee within 30 calendar days and/or require him/her to participate in a drug abuse assistance or rehabilitation program approved by an appropriate law enforcement or health agency.

I. Employee Responsibilities

An employee must:

1. Not report to work or be subject to duty while "under the influence of drugs or alcohol".

   "Under the influence of drugs or alcohol" means the use of any alcoholic beverage or any illegal drug or substance, or the misuse or any prescribed drug, in a manner or degree that impairs the employee's work performance or ability to use City property or equipment safely.

2. Notify his/her supervisor, before beginning work, when taking any medications or drugs, prescription or non-prescription, which may interfere with the safe and effective performance of duties or operation of City equipment.

3. Not possess or use alcohol or impairing drugs (illegal drugs and prescription drugs without a prescription) during working hours or while subject to duty, on breaks, during meal periods or anytime while on City property.

4. Not directly or through a third party sell or provide drugs or alcohol to any person, including any employee, while either employee or both employees are on duty or subject to being called.

5. Immediately complete and sign a consent form (see attached) and submit to an alcohol and drug test when requested to do so by the employee's department head.

6. Provide, within 24 hours of request, bona fide verification of a current valid prescription for any potentially impairing drug or medication identified when a drug test is positive. The prescription must be in the employee's name.

7. Sign, if requested to do so by his/her department head, a "Last Chance Agreement" (see attached) as a condition of continued employment subsequent to entering a drug and/or alcohol treatment or rehabilitation program.

8. Report any conviction under a criminal drug statute to the City Manager within five (5) days of such conviction.

II. Management Responsibilities

1. Department heads are responsible for reasonable enforcement of this policy.

2. Department heads may request that an employee submit to a drug and/or alcohol test in accordance with the guidelines set forth in this policy.

3. If an employee refuses a request by a department head to complete and sign a consent form (see drug testing prerequisites), or refuses a request to submit to a drug or alcohol test, the department head shall remind the employee of the requirements and disciplinary consequences of this policy. Such refusal may be considered as insubordinate conduct and grounds for disciplinary action.

4. When there is "reasonable suspicion", (as defined in Section V, paragraph 3) that the employee is under the influence of drugs or alcohol, the department head shall arrange for the employee to be safely transported home.

III. Employer Searches

1. For the purpose of enforcing this policy and maintaining a drug and alcohol-free workplace, the City, upon reasonable suspicion, may search areas and property in which the City maintains full or joint control with the employees. These areas include, but are not limited to, City vehicles, desks, lockers, file cabinets and bookshelves. The search will be conducted only with the approval of the City Manager or his/her designee. The City will make a reasonable effort to contact the employee to have him/her present while searching the property in question.

2. The City shall not physically search the person of an employee or the personal possessions of an employee without the freely given consent of the employee, and in the presence of the City Manager or his/her designee.

3. Department heads shall notify the City Manager or his/her designee whenever they have reasonable suspicion to believe that an employee may have illegal drugs in his/her possession or in an area not jointly or fully controlled by the City. If the City Manager or his/her designee concurs that there is reasonable suspicion of illegal drug possession, the Sheriff's Department shall be contacted.

IV. Rehabilitation

1. The City encourages those employees who think that they may have a problem with drugs and/or alcohol to seek assistance and rehabilitation.

2. A decision by an employee to voluntarily seek treatment or rehabilitation for the first time will not be used as the basis for disciplinary action. However, the City may in such cases require such employees to comply with the provisions set forth in this policy pertaining to "Last Chance Agreements" and Follow-up Testing.

3. If necessary, the employee will be granted a leave of absence without pay in order to accommodate treatment and rehabilitation.

4. Employees who undergo treatment and/or rehabilitation may be required to sign a "Last Chance Agreement" as a condition of continued employment. In this Agreement (see attached) the employee promises to complete the treatment or rehabilitation program and to comply with other terms stated in the Agreement. If the employee violates the Agreement, he/she shall be subject to disciplinary action up to and including termination.

5. An employee entering a rehabilitation program may be required to submit to random testing for up to one year after completion of the program. If the employee fails to comply or if further substance abuse is detected upon testing, the employee shall be subject to disciplinary action up to and including termination.

V. Drug/Alcohol Testing

1. An employee may be requested to submit to a drug and/or alcohol test when his/her department head has reasonable suspicion that an employee is under the influence of drugs or alcohol while on the job or subject to being called.

2. Follow-up drug and/or alcohol testing related to rehabilitation (see Rehabilitation) may also be required.

3. "Reasonable Suspicion" is defined as a belief, based upon objective facts, sufficient to lead a reasonable and prudent department head to suspect that an employee is under the influence of drugs or alcohol so that the employee's ability to perform the functions of the job is impaired or so that the employee's ability to perform his/her job is reduced. For example, any of the following, alone or in combination, may constitute reasonable suspicion:

   - Slurred speech
   - Alcohol odor on breath
   - Unsteady walking and movement
   - Accident involving City property
   - Physical altercation
   - Verbal altercation
   - Unusual behavior
   - Possession of alcohol or drugs
   - Information obtained from a reliable person with personal knowledge

4. Any department head requesting an employee to submit to a drug and/or alcohol test shall document in writing the facts constituting reasonable suspicion that the employee in question is under the influence of drugs or alcohol.

5. Prior to the administration of any drug or alcohol test, the department head shall first obtain from the employee a completed and signed consent form (attached). This consent form shall provide for the employee's consent to physical and/or psychological examination and testing.

6. If the drug test is positive, the employee must provide, within 24 hours of request, bona fide verification of a valid current prescription for the drug identified in the drug test. The prescription must be in the employee's name.

7. Laboratory results or test results shall not appear in an employee's general personnel file. Information of this nature shall be contained in a separate confidential medical folder that will be securely kept under the control of the Personnel Officer. The reports or test results may be disclosed to the employee upon request. Disclosures, without employee consent, may also occur when:

   a. The information is compelled by law or by judicial or administrative process.

   b. The information has been placed at issue in a formal dispute between the employer and employee.

   c. The information is to be used in administering an employee benefit plan.

   d. The information is needed by medical personnel for the diagnosis or treatment of the employee who is unable to authorize disclosure.

VI. Disciplinary Action

1. Disciplinary action, up to and including dismissal, may be taken against an employee for either of the following reasons:

   a. Failure to comply with any of the Employee Responsibilities set forth in this policy.

   b. Positive results from a drug and/or alcohol test.

//

CONSENT FOR DRUG AND ALCOHOL TESTING

I hereby authorize_____
(insert name of laboratory or clinic)
to collect from me the following specimens _____
(blood, urine, other)
and to conduct tests on such samples to determine the presence of alcohol, drugs, their metabolites, or other substances that violate the Drug-Free Workplace Policy. I hereby authorize
_____ to conduct a_____
(insert name of physician) (Physical &/or Psychological)
examination on me. Further, I consent to the release of the examination and/or test results to the City of Laguna Niguel for use in disciplinary actions or for other legitimate work related purposes. The City of Laguna Niguel may disclose the test results to _____ for
(name of physician)
evaluation or consultation. This consent is effective immediately and shall remain in effect until
_____.
(Date)

CONSENT GIVEN:

_____ _____
Employee's Name (Print) Employee's Signature

_____
Date

_____ _____
Witness Name (Print) Witness Signature

_____
Date

CONSENT REFUSED:

_____ _____
Employee's Name (Print) Employee's Signature

_____
Date

Explanation for Refusal:

_____

_____

_____ _____
Witness Name (print) Witness Signature

_____
Date

LAST CHANCE AGREEMENT

I have received a copy of the City of Laguna Niguel's Drug-Free Workplace Policy and I fully understand its provisions and acknowledge that compliance with the Policy is a condition of continued employment.

I hereby acknowledge that I have entered or will enter a treatment or rehabilitation program for alcohol or drug abuse satisfactory to the City of Laguna Niguel. I agree to complete such a program, perform the duties of my job in accordance with standards of performance reasonably expected, and comply with the City's rules, including the Drug-Free Workplace Policy.

I agree to consent, for up to one year, to undergo physical or psychological examinations, and/or random testing of my blood, urine, breath, other body fluid specimens for alcohol, drugs, or their metabolites. I understand that a violation of the Policy or breach of this Agreement may result in disciplinary action, up to and including termination.

_____	_____
Employee's Name (Print)	Employee's Signature
	_____
	Date
_____	_____
Witness Name (Print)	Witness Signature
	_____
	Date

ATTACHMENT 4

CITY OF LAGUNA NIGUEL
Harassment Policy

It is the policy of the City of Laguna Niguel that all employees shall enjoy a working environment free from all forms of harassment. The City of Laguna Niguel maintains a strict policy prohibiting harassment in accordance with State and Federal law. This policy applies to all City employees, including non-management personnel, supervisors, managers and executive staff, as well as non-employees, such as contract personnel, who have contact with City employees during working hours.

STATEMENT OF POLICY

The City has zero tolerance for any conduct that violates this Policy. Conduct need not arise to the level of a violation of law to violate this Policy. Instead a single act can violate this Policy and provide grounds for discipline or other appropriate sanctions.

Harassment or discrimination against an applicant or employee by a supervisor, management employee, co-worker, or contractor on the basis of race, religion, sex (including gender and pregnancy), national origin, ancestry, disability, medical condition, genetic characteristics, marital status, age, sexual orientation (including homosexuality, bisexuality, or heterosexuality), or any other protected classification will not be tolerated.

This Policy applies to all terms and conditions of employment, including, but not limited to, hiring, placement, promotion, disciplinary action, layoff, recall, transfer, leave of absence, compensation and training.

Prompt and appropriate disciplinary action will be taken against any City employee, City-hired consultant, or contract employee who has harassed a City employee. The City of Laguna Niguel views harassment as a very serious offense which is subject to disciplinary action, up to, and including, termination.

The City will not retaliate nor tolerate retaliation taken against any employee for filing a complaint of harassment. Such retaliation or attempted retaliation shall result in disciplinary action, up to, and including, termination.

DEFINITION OF SEXUAL HARASSMENT

The Fair Employment and Housing Commission defines sexual harassment as unwanted sexual advances, or visual, verbal, or physical conduct of a sexual nature. This definition includes many forms of offensive behavior, and includes gender-based harassment of a person of the same sex as the harasser.

The following is a partial list of conduct that could be considered sexual harassment:

- Unwanted sexual advances
- Offering employment benefits in exchange for sexual favors
- Making or threatening reprisals after a negative response to sexual favors
- Visual conduct, such as leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons, or posters
- Verbal conduct, such as making or using derogatory comments, epithets, slurs, and jokes
- Verbal sexual advances or propositions
- Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes, or invitations
- Physical conduct, such as touching, assault, impeding or blocking movements

PROCEDURE

A. All employees are encouraged to immediately inform the alleged harasser that the behavior is unwelcome, offensive, or inappropriate. If the employee feels threatened or has difficulty expressing disapproval, assistance should be sought from the department director.

Should the complaint involve the department director, or if an employee is uncomfortable discussing the complaint with the director, the complaint should be reported to Human Resources or the City Manager.

B. All investigations related to a complaint under this Policy will be conducted with confidentiality and respect for the rights of all individuals involved. Information related to the investigation will be provided on a need to know basis only.

C. The complainant and the alleged harasser will be informed of the findings and conclusions of the investigation.

D. Any individual who is found to have engaged in harassment, who is found to have condoned, encouraged, or perpetuated acts of harassment, or who is found to have in some way participated in retaliation or reprisal, shall be subject to disciplinary action, up to, and including, termination.

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ATTACHMENT 5

SALARY SCHEDULES

ADOPTED AS PART OF CITY COUNCIL RESOLUTION NO. 2015-1181

Resolution No. 2015-1181; Exhibit 2

City of Laguna Niguel
Salary Schedule

Maintenance, Clerical, and Technical Unit

	Effective January 1, 2016 Monthly		Effective January 1, 2017 Monthly	
	Min.	Max.	Min.	Max.
Account Clerk	$3,615	$4,518	$3,687	$4,608
Administrative Secretary	$4,501	$5,627	$4,591	$5,740
Building and Facilities Specialist	$4,137	$5,170	$4,220	$5,274
Building Permit Technician	$4,263	$5,328	$4,348	$5,435
Clerk Typist	$3,102	$3,878	$3,164	$3,956
Code Enforcement Officer	$5,250	$6,563	$5,355	$6,694
Deputy City Clerk	$4,501	$5,627	$4,591	$5,740
Engineering Technician	$4,757	$5,947	$4,852	$6,066
Head Lifeguard	$4,037	$5,046	$4,118	$5,147
Landscape Maintenance Inspector	$3,854	$4,816	$3,931	$4,913
Maintenance Worker	$3,854	$4,816	$3,931	$4,913
Public Works Inspector	$5,480	$6,850	$5,590	$6,987
Recreation Clerk	$3,749	$4,685	$3,823	$4,779
Recreation Coordinator	$4,037	$5,046	$4,118	$5,147
Secretary	$3,973	$4,965	$4,052	$5,065
Senior Account Clerk	$4,530	$5,663	$4,620	$5,776
Senior Public Works Inspector	$6,088	$7,611	$6,210	$7,763

Resolution No. 2015-1181; Exhibit 4

City of Laguna Niguel
Salary Schedule

Part-Time Hourly Rates
Effective January 1, 2016

	Step 1	Step 2	Step 3	Step 4	Step 5
Administrative Intern	$13.42	$14.09	$14.80	$15.54	$16.32
Cashier	$10.00	$10.50	$11.03	$11.58	$12.16
Engineering Intern	$13.42	$14.09	$14.80	$15.54	$16.32
Facility Aide	$10.27	$10.78	$11.32	$11.89	$12.48
Lifeguard	$11.13	$11.68	$12.27	$12.88	$13.53
Lifeguard Instructor	$11.99	$12.58	$13.21	$13.87	$14.57
Planning Intern	$13.42	$14.09	$14.80	$15.54	$16.32
Recreation Aide	$10.00	$10.50	$11.03	$11.58	$12.16
Recreation Leader	$10.27	$10.78	$11.32	$11.89	$12.48
Senior Recreation Leader	$14.27	$14.98	$15.73	$16.52	$17.35
Receptionist	$10.27	$10.78	$11.32	$11.89	$12.48

Resolution No. 2015-1181; Exhibit 4

City of Laguna Niguel
Salary Schedule

Part-Time Hourly Rates
Effective January 1, 2017

	Step 1	Step 2	Step 3	Step 4	Step 5
Administrative Intern	$13.69	$14.38	$15.10	$15.85	$16.64
Cashier	$10.20	$10.71	$11.25	$11.81	$12.40
Engineering Intern	$13.69	$14.38	$15.10	$15.85	$16.64
Facility Aide	$10.48	$11.00	$11.55	$12.13	$12.73
Lifeguard	$11.35	$11.92	$12.51	$13.14	$13.80
Lifeguard Instructor	$12.22	$12.84	$13.48	$14.15	$14.86
Planning Intern	$13.69	$14.38	$15.10	$15.85	$16.64
Recreation Aide	$10.20	$10.71	$11.25	$11.81	$12.40
Recreation Leader	$10.48	$11.00	$11.55	$12.13	$12.73
Senior Recreation Leader	$14.56	$15.28	$16.05	$16.85	$17.69
Receptionist	$10.48	$11.00	$11.55	$12.13	$12.73