

MEMORANDUM OF UNDERSTANDING

BETWEEN

CITY OF SANGER

AND

SANGER EXECUTIVE STAFF

07/16/2009 THROUGH 06/30/2011

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**MEMORANDUM OF UNDERSTANDING
SANGER EXECUTIVE STAFF**

This memorandum of Understanding (“MOU”) is made and entered this 16th day of July, 2009 by and between the City of Sanger, a municipal corporation of the State of California, hereinafter referred to as “City,” and the Sanger City Executive Staff Organization, hereinafter referred to as “Executive Staff” or “Employees,” pursuant to California Government Code Sections 3500 et. seq. and the Sanger Employer-Employee Relations Ordinance, Sanger City Code, 1993, Section 46-1 et. seq.

W I T N E S S E T H:

1. **Recognition.** City accepts Executive Staff as the exclusively recognized employee organization for the Unit defined as: Fire Chief, Police Chief, Administrative Services Director, Development Services Director, Public Works Director, Recreation/Community Services Director, Finance Director and City Clerk. City agrees to meet, confer, consult and otherwise deal exclusively with Executive Staff on all matters within the scope of representation, as provided in the City Employer-Employee Relations Ordinance.

Executive Staff acknowledges that it comprises the senior management of the City of Sanger, all of whom serve as “at-will” employees of City.

2. **City Rights.** The rights of City include but are not limited to the right to determine the mission of its constituent departments, commissions and boards; to set standards of service; to determine employment standards; to direct its employees; to take appropriate disciplinary action against employees in conformity with law; to relieve its employees from duties because of lack of work or for other non-disciplinary reasons; to maintain the efficiency of

its governmental operations; to determine the methods, means and personnel by which City operations should be conducted; to transfer employees between departments; to organize and reorganize its departmental structure and the duties of each department; to take all necessary actions to carry out its mission; and exercise complete control and discretion over its organization and the technology of performing its work.

3. **Employee Rights.** Employees have the right to form, participate and join in activities of employee organizations of their own choosing for the purpose of representation on all matters of employer-employee relations, including but not limited to wages, hours, and other terms and conditions of employment. Employees have the right to represent themselves individually in their employment relations with City, provided that in the event City enters into a MOU with an exclusively recognized employee organization, such as the within MOU, Employees are deemed to have delegated to their exclusively recognized employee organization their right to represent themselves individually in their employment relations with City, and City is not obligated to meet and confer or otherwise deal with any individual employee within Executive Staff with respect to matters within the scope of this MOU. No employee shall be interfered with, intimidated, restrained, coerced, or discriminated against by City because of his/her exercise of any of these rights.

4. **Sole Agreement.** The terms and conditions of this Memorandum of Understanding constitute the primary wages, hours and working conditions applicable to Executive Staff. To the extent that any other agreement, City policy or ordinance is in direct conflict with this MOU, this MOU shall prevail. Nothing in this MOU shall be construed to abrogate, diminish or render ineffective any City employment or other policy, program or agreement not in direct conflict with this MOU.

Executive Staff members will no longer be covered by this MOU if they should negotiate an individual contract.

5. **Waivers.** Failure to insist on the timely performance of any term or condition of this MOU by either party shall not constitute a waiver to the future enforcement of such term or condition.

6. **Provisions Not Severable.** In the event that any of the terms or conditions of this MOU should be declared by a court of competent jurisdiction to be unenforceable or illegal, such determination shall not invalidate any of the other terms or conditions of this MOU, provided, however, that if any provision of this MOU is declared unenforceable or illegal as a result of an action brought by Executive Staff or any member of Executive Staff, such determination shall also invalidate and render unenforceable paragraph 10 of this MOU.

7. **Management Status of Employees.** Employees acknowledge that they are professional management employees of City and that they are exempt from the wages and hours provisions of the Fair Labor Standards Act ("FLSA"). Employees are all salaried management employees of City. Their salaries and other compensation includes compensation for work in excess of eight (8) hours per day and/or forty (40) hours per week. Executive Staff shall indemnify, defend and hold City harmless from and against any claim, lawsuit or action by any Employee against City alleging violation of FLSA or any regulation or rule promulgated thereunder.

8. **Anniversary Date.** Each Employee's date of hire shall be his/her "anniversary date," except in the event that an Employee is promoted, the date of promotion shall become the new anniversary date for purposes of performance evaluations and merit increases. Employees

promoted, demoted or transferred shall not have their years of service changed as a result of such actions.

9. **Salary Ranges.** The salary ranges and classifications of the Executive Staff are listed in Attachment “A” for Executive Staff hired after July 18, 2009. For Executive Staff hired prior to July 18, 2009, the Executive Staff compensation paid as salary, less two hundred dollars (\$200.00), has been converted into a “base salary” as shown below. The Executive Staff have agreed to a five percent reduction in salary effective July 18, 2009 which results in a “new base salary” shown below. The “new base salary” shall be “Y-rated” and shall remain the same, and Executive Staff shall not receive any increase in his/her “new base salary,” until such time as the base salary for the position in Attachment “A”, step 5, catches up to the Executive Staff’s “new base salary” as shown below. The “Y-rated” salaries shall survive as shown below the term of this MOU, and shall remain in effect until the separation of the remaining department heads.

<u>Title</u>	<u>Base Salary</u>	<u>5% Reduction</u>	<u>New Base Salary</u>
Development Services Director	\$12,085	\$604	\$11,481
Fire Chief	\$11,663	\$583	\$11,080
Public Works Director	\$11,663	\$583	\$11,080
Administrative Services Director	\$10,902	\$545	\$10,357
City Clerk	\$10,395	\$520	\$ 9,875
Recreation/Community Services Director	\$10,395	\$520	\$ 9,875
Police Chief	\$10,318	\$516	\$ 9,802

10. Other Compensation.

(a.) Retirement. The City is a member of the California Public Employees' Retirement System (CalPERS) and provides the 2.5% at 55 Plan for miscellaneous employees, the 3% at 55 Plan (Tier 2) for Public Safety employees for Fire, and the 2% at 50 Plan (Tier 2) for Public Safety employees for Police. City shall contribute to CalPERS five and two tenths (5.2%) of the miscellaneous employee's eight (8%) share of CalPERS to the California Public Employees Retirement System and the employee shall pay the difference of two and eight tenths (2.8%). The City shall contribute to CalPERS three and four tenths (3.4%) of the fire employee's nine (9%) share of CalPERS to the California Public Employees Retirement System and the employee shall pay the difference of five and six tenths (5.6%). The City shall contribute to CalPERS eight (8%) toward the police employees portion for public safety contributions. The employee's share shall be on a pretax basis.

(b.) EPMC. City shall report the value of the Employer Paid Members Contribution to CalPERS as Special Compensation effective January 1, 2002 in accordance with Government Code Section 20636 (c) (4).

(c.) Military Service Credit. This benefit, payable by employee allows employee to purchase a maximum of four years of military service credit.

(d.) Health Plan.

(1) City shall provide a Health Care Plan for Employees and their dependents. The Plan shall provide a dual option of a Health Maintenance Organization (HMO) or a Preferred Provider Organization (PPO). The HMO plan shall include medical, vision and prescriptions. A Dental Plan shall also be provided by the City.

(2) Beginning with the first pay date in July 2008, employees agree to pay \$15.00 per month toward the premium with the City paying the balance of the premium for the Health Maintenance Organization (HMO); and for the Preferred Provider Organization (PPO) for dependent coverage only. The employee portion of the premium shall increase to \$30.00 per month on the first pay date in January 2009 and shall increase to \$45.00 per month on the first pay date in July 2009. The employee's portion of the premium shall be reduced to the lowest rate negotiated with any bargaining group. For employees who choose the Preferred Provider Organization (PPO) option, the City will pay an amount towards the premium equal to the City's cost of the HMO.

The City agrees to reimburse employees a fixed amount, as shown below, if the employee's dependents opt-out of the City's HMO or PPO plan:

Employee & Spouse	\$197.24 per month
Employee & Child(ren)	\$149.17 per month
Employee & Family	\$338.12 per month

To receive the above reimbursement, the employee must show proof that the dependents are covered on a non-City plan. Employees will be required to show proof on an annual basis.

(3) Employees retiring from City service in good standing under a PERS service retirement (non-disability) may elect to continue coverage under the City's Health Plan at the retiring employee's cost, including dependent coverage. Said coverage shall continue until such retired Employee becomes eligible for MEDICARE benefits.

(4) Employees shall be entitled to a full physical examination once every two years at City expense.

(5) The City will perform an annual cost analysis of the CalPERS Health Program to determine if a cost saving is available for the City to facilitate the movement of the City's health care program. If the City determines that the cost savings justifies movement to the CalPERS Health Program, the City shall pay in accordance with paragraph (d).(2).

(e.) Disability Insurance. City shall provide and pay for a disability insurance plan for Employees substantially similar to the disability insurance plan currently in effect.

(f.) Annual Leave. Employees shall accrue annual leave on the following basis:

<u>Years of Service</u>	<u>Leave accrued per pay period</u>
Up to 2 years	6.1539 hours
More than 2 and up to 5 years	8.0000 hours
More than 5 and up to 10 years	9.8462 hours
More than 10 and up to 15 years	10.7693 hours
More than 15 years and up to 25 years	11.6924 hours
More than 25 years	12.3077 hours

Annual leave includes sick leave.

Upon retirement or termination of employment from City service, accumulated annual leave shall be paid as a lump sum payout to the Employee at the rate of pay in effect at the time of retirement or termination. No more than 1,560 hours of annual leave shall be accumulated by any employee. Employees who have accrued 1,560 hours shall be paid for any additional accruals the first paycheck in December at their then current rate of pay. Employees may elect to be paid for any accruals above 1,040 hours on the first paycheck in December at their then current rate of pay.

(g.) Management Leave. Employees shall receive 100 hours of management leave each fiscal year in order to help compensate Employees for extra time put in during Council meetings, special meetings, trips and other events conducted other than during the customary

work week. Such leave shall be used with due concern for the press and urgency of City business. Management leave which is not used by the end of the fiscal year is lost. It shall not be compensated, purchased or converted to any other form of compensation or leave.

(h.) Holidays. The dates listed below which fall within the normal Monday through Friday workweek shall be paid holidays and shall be observed:
New Year's Day, Caesar Chavez Day, Martin Luther King Day, Presidents Day, Memorial Day, July 4th, Labor Day, Veteran's Day, Thanksgiving Day, the day after Thanksgiving, Christmas Day, one floating holiday, and any day proclaimed by the President, Governor or Mayor as a Public Holiday.

(i.) Merit Increases. Employees shall be granted merit increases based on their annual (overall) performance evaluations as follows:

Unsatisfactory	0%
Needs Improvement	0%
Satisfactory/Average	0%
Exceeds Standards	5%
Outstanding	7%

Employee salary shall not exceed the top of the salary range.

(l.) Life Insurance. City shall pay for a life insurance plan providing \$100,000 of term life insurance to each Employee.

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(j.) Uniform Allowance. The Fire Chief and Police Chief shall receive the same Uniform Allowance provided to the fire and police personnel in the Middle Management Association.

(k.) Tuition Reimbursement Program. Employees shall be entitled to reimbursement of tuition in accordance with the City's Employee Educational Reimbursement Policy.

(l.) Bereavement Leave. Senior Executive Staff shall be entitled to bereavement leave without loss of pay or charge against any other paid leave benefit to the extent necessary for the employee to attend funeral services, up to a maximum of forty (40) working hours for each nonconcurring death in the immediate family; provided that such leave with pay shall not be authorized for time expended in business or estate matters. Immediate family means spouse, father, mother, son, daughter, sister, brother, father-in-law, mother-in-law, daughter-in-law, son-in-law, sister-in-law, brother-in-law, grandparent, grandchild, aunt, uncle, niece, nephew, registered domestic partners, guardian, or ward.

11. Executive Staff Employment Policy.

(a.) Senior Executive Staff shall be evaluated annually by the City Manager.

(b.) In the event that an evaluation reflects unsatisfactory performance, the City Manager may elect to designate such Employee for special rating and re-evaluation during the ninety (90) day period following the unsatisfactory performance evaluation.

(c.) The City Manager may, during the special rating and evaluation period, re-evaluate the Employee. Ordinarily, such re-evaluation shall take place at the end of the re-evaluation period. However, the City Manager may elect to re-evaluate the Employee during the

special rating period if the City Manager determines that no useful purpose would be served by waiting until the conclusion of the special rating period.

(d.) Upon the re-evaluation of the Employee, the City Manager may elect to terminate the Employee, terminate the special rating and re-evaluation process and return the Employee to his/her regular evaluation schedule, or the City Manager may elect to extend the Employee for another special rating and re-evaluation period.

(e.) In the event that the City Manager elects to terminate the Employee, the City shall pay to said Employee as severance pay, a sum equal to said Employee's monthly salary. Said salary shall include the Employee's salary for twelve months plus the cost of twelve month's of all benefits and allowances. Employee has the option to take a lump sum cash payout equal to total compensation and allowances or to continue to receive his/her monthly salary with full benefits and allowances, until exhausted, at which time the separation date becomes effective. The twelve month severance package shall remain in effect until June 30, 2010. The severance package shall be nine months between July 1, 2010 and June 30, 2011. The severance package shall be five months beginning on July 1, 2011. The severance package shall survive the term of this MOU, and shall remain in effect until the separation of the remaining department heads that were hired prior to July 18, 2009. Department heads hired after July 18, 2009 shall receive a severance package of three months.

(f.) In the event the City Manager elects to extend said Employee on another period of special rating and re-evaluation, the City Manager may, during or at the conclusion of such second special rating and re-evaluation period, return the Employee to his/her regular evaluation

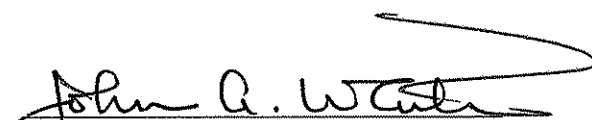
schedule or terminate the Employee. In the event the City Manager terminates the Employee the Employee shall be entitled to receive severance compensation.

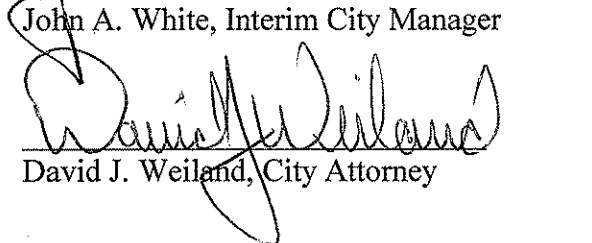
(g.) Nothing in this policy is intended to change or in any way modify the "at will" employment status of the members of the Sanger Senior Executive Staff. This policy is intended only as a guideline for the handling of senior staff performance reviews and separations. It shall not be construed as a contractual obligation of the City, and it shall not be construed as granting any employment rights to members of the Senior Executive Staff. The City Manager shall retain his/her full discretion power to hire, fire and regulate the employment of all "at will" employees consistent with the City Personnel Ordinance and State law.

12. **Two Years Service Credit.** The City agrees to amend the CalPERS contract for miscellaneous employees and for public safety employees so that the City may offer Two Years of Service Credit to encourage employees to retire early.

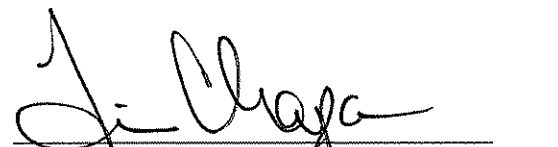
13. **Term.** This MOU shall be in effect beginning July 16, 2009 and ending June 30, 2011.

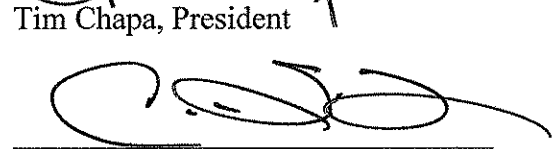
CITY OF SANGER


John A. White, Interim City Manager


David J. Weiland, City Attorney

SANGER EXECUTIVE STAFF


Tim Chapa, President


Carlos Sanchez, Vice President

CITY OF SANGER
SALARY RANGES FOR EXECUTIVE MANAGEMENT
EFFECTIVE JULY 18, 2009
ATTACHMENT A

Position Code	Position Title	Step 1	Step 2	Step 3	Step 4	Step 5
1		\$ 1,200				\$ -
2		\$ 1,230				\$ -
3		\$ 1,260				\$ 1,531
4		\$ 1,292				\$ 1,569
5		\$ 1,323				\$ 1,608
6		\$ 1,356				\$ 1,648
7		\$ 1,389				\$ 1,688
8		\$ 1,424				\$ 1,730
9		\$ 1,458				\$ 1,772
10		\$ 1,494				\$ 1,816
11		\$ 1,531				\$ 1,861
12		\$ 1,569				\$ 1,908
13		\$ 1,608				\$ 1,954
14		\$ 1,648				\$ 2,003
15		\$ 1,688				\$ 2,052
16		\$ 1,730				\$ 2,103
17		\$ 1,772				\$ 2,155
18		\$ 1,816				\$ 2,209
19		\$ 1,861				\$ 2,263
20		\$ 1,908				\$ 2,320
21		\$ 1,954				\$ 2,376
22		\$ 2,003				\$ 2,435
23		\$ 2,052				\$ 2,495
24		\$ 2,103				\$ 2,557
25		\$ 2,155				\$ 2,620
26		\$ 2,209				\$ 2,686
27		\$ 2,263				\$ 2,751
28		\$ 2,320				\$ 2,820
29		\$ 2,376				\$ 2,889
30		\$ 2,435				\$ 2,961
31		\$ 2,495				\$ 3,033
32		\$ 2,557				\$ 3,109
33		\$ 2,620				\$ 3,185
34		\$ 2,686				\$ 3,265
35		\$ 2,751				\$ 3,344
36		\$ 2,820				\$ 3,428
37		\$ 2,889				\$ 3,511
38		\$ 2,961				\$ 3,599
39		\$ 3,033				\$ 3,687
40		\$ 3,109				\$ 3,779
41		\$ 3,185				\$ 3,871
42		\$ 3,265				\$ 3,968
43		\$ 3,344				\$ 4,065
44		\$ 3,428				\$ 4,167
45		\$ 3,511				\$ 4,268
46		\$ 3,599				\$ 4,375
47		\$ 3,687				\$ 4,481
48		\$ 3,779				\$ 4,593

49		\$ 3,871			\$ 4,705
50		\$ 3,968			\$ 4,823
51		\$ 4,065			\$ 4,940
52		\$ 4,167			\$ 5,064
53		\$ 4,268			\$ 5,187
54		\$ 4,375			\$ 5,317
55		\$ 4,481			\$ 5,446
56		\$ 4,593			\$ 5,582
57		\$ 4,705			\$ 5,718
58		\$ 4,823			\$ 5,861
59		\$ 4,940			\$ 6,004
60		\$ 5,064			\$ 6,154
61		\$ 5,187			\$ 6,304
62		\$ 5,317			\$ 6,462
63		\$ 5,446			\$ 6,619
64		\$ 5,582			\$ 6,784
65		\$ 5,718			\$ 6,950
66		\$ 5,861			\$ 7,124
67	CITY CLERK	\$ 6,004			\$ 7,298
68		\$ 6,154			\$ 7,480
69	RECREATION/COMMUNITY SERVICES DIRECTOR	\$ 6,304			\$ 7,663
70		\$ 6,462			\$ 7,855
71	FINANCE DIRECTOR	\$ 6,619			\$ 8,046
72		\$ 6,784			\$ 8,247
73	POLICE CHIEF	\$ 6,950			\$ 8,448
	FIRE CHIEF				
	ADMIN. SERVICES DIRECTOR				
	DEV. SERVICES DIRECTOR				
	PUBLIC WORKS DIRECTOR				
74		\$ 7,124			\$ 8,659
75		\$ 7,298			\$ 8,870
76		\$ 7,480			\$ 9,092
77		\$ 7,663			\$ 9,314
78		\$ 7,855			\$ 9,547
79		\$ 8,046			\$ 9,780
80		\$ 8,247			\$ 10,025
81		\$ 8,448			\$ 10,269
82		\$ 8,659			\$ 10,526
83		\$ 8,870			\$ 10,782
84		\$ 9,092			\$ 11,052
85		\$ 9,314			\$ 11,321
86		\$ 9,547			\$ 11,604
87		\$ 9,780			\$ 11,887
88		\$ 10,025			\$ 12,184
89		\$ 10,269			\$ 12,481
90		\$ 10,526			\$ 12,793
91		\$ 10,782			\$ 13,105
92		\$ 11,052			\$ 13,433
93		\$ 11,321			\$ 13,760
94		\$ 11,604			\$ 14,104
95		\$ 11,887			\$ 14,448
96		\$ 12,184			\$ 14,809
97		\$ 12,481			\$ 15,170
98		\$ 12,793			\$ 15,549
99		\$ 13,105			\$ 15,929
100		\$ 13,433			\$ 16,327