

MEMORANDUM OF UNDERSTANDING

**BETWEEN THE
CITY OF NORWALK**

**AND THE
NORWALK ASSOCIATION OF
MANAGEMENT EMPLOYEES**

JULY 1, 2011 - JUNE 30, 2014



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MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF NORWALK
AND THE
NORWALK ASSOCIATION OF MANAGEMENT EMPLOYEES

THIS MEMORANDUM OF UNDERSTANDING ("MOU") is entered into this 1st day of July, 2011, by and between the CITY OF NORWALK ("City") and the NORWALK ASSOCIATION OF MANAGEMENT EMPLOYEES ("Association") pursuant to Government Code 3500 et. Seq.

P R E A M B L E

Pursuant to the Meyers-Milias-Brown Act, Government Code (Section 3500, et seq.), and Resolution 2563, the Employer-Employee Relations Resolution of the City of Norwalk, and Resolution 08-01 acknowledging the Association as the recognized employee organization of the management employees of the City, the City, through its representatives has met with Association representatives and has reached agreement relative to certain adjustments to wages, hours and other terms and conditions of employment.

IT IS AGREED between the City and the Association that the provisions of this MOU shall not be binding on the parties until the MOU is ratified and adopted by resolution by the Norwalk City Council.

ARTICLE I – GENERAL PROVISIONS

SECTION 1. RECOGNITION

Pursuant to Government Code, the City hereby recognizes the Norwalk Association of Management Employees as the exclusive representative for those Management Unit employees employed by the City in the classifications referenced in Appendix "A" of this MOU subject to the applicable provisions of the law. All correspondence shall be directed to the Norwalk Association of Management Employees c/o 11832 Pounds, Whittier, CA 90604 or as otherwise notified by the Association.

SECTION 2. TERM OF MEMORANDUM OF UNDERSTANDING

The Term of this MOU shall commence on July 1, 2011 and end on June 30, 2014.

SECTION 3. NONDISCRIMINATION

The City and the Association recognize the right of the employees to form, join or participate in lawful activities of employee organizations and the equal alternative right of employees to refuse to form, join or participate in employee organization activities. No employee shall be intimidated, coerced, restrained or discriminated against by the City or the Association in any manner which is unlawful pursuant to state or federal law. Alleged violations of this section may be presented to the City's Municipal Employee Relations Representative.

SECTION 4. CITY'S RIGHTS AND RESPONSIBILITIES

City reserves and retains, solely and exclusively, all rights of management which have not been expressly abridged by a specific provision of this MOU and all of its common law rights to manage the City, as such rights existed prior to the execution of this or any previous agreement with the Association or any other Association or employee organization. The sole exclusive rights of management, which are not abridged by this MOU, shall include (but are not limited to) the following rights:

To manage the municipality generally and to determine issues of policy; to determine the existence or nonexistence of facts which are the basis of a management decision; to determine the necessity and organization of any service or activity conducted by the City and expand or diminish services; to determine the nature, manner, and extent of services to be provided to the public; methods of financing; types of equipment to be used; to establish, continue, discontinue or modify policies, practices or procedures; to determine and change the facilities, methods, means and personnel by which City operations are to be conducted; to determine and change the number of locations, relocations, and types of operations, and the processes and materials to be included in carrying out all City functions including (but not limited to) the right to contract for or subcontract any work or operation; without prejudice to the right of the employee organization to thereafter meet and confer on the effect thereof; to determine the size and composition of the work force, to assign work to employees in accordance with the requirements as determined by the City, to establish and change work schedules and assignments and to establish the days and hours during which employees shall work; to relieve employees from duty for lack of work or similar nondisciplinary reasons; to, in lieu of layoffs, establish schedules which share work among employees in a given department or departments; to determine the order of layoffs in accordance with the Personnel Rules and Regulations of the City; to establish and/or modify productivity programs and standards; to discharge, suspend or otherwise discipline employees for proper cause; to determine job classifications and to reclassify employees; to hire, transfer, promote and demote employees for nondisciplinary reasons; to determine policies, procedures and standards for selection, training and promotion of employees; to establish employee performance standards including (but not

limited to) quality and quantity standards and to require compliance therewith; to maintain order and efficiency in its facilities and operations and to establish and promulgate and/or modify rules and regulations to maintain order and efficiency; to introduce newer improved methods, equipment or facilities; to discontinue their performance by employees of the City; to determine the number of hours per day or per week operations shall be carried on, schedules thereof; to determine and schedule the number and types of employees required to carry out the operations of the City; to assign work to such employees in accordance with requirements determined by management; to take any and all necessary action to carry out its missions in emergency and other situations of unusual or temporary circumstances; to exercise complete control and discretion over its organization and technology in performing its work and services; and to establish reasonable work and safety rules and regulations in order to maintain the efficiency and economy desirable in the performance of City services.

All management rights, powers and functions, whether heretofore or hereinafter exercised, shall remain vested exclusively in the City.

Nothing in this section is intended to modify the City's obligations under the Meyers-Milias-Brown Act and it is expressly understood in accordance with Section 9 hereof that notwithstanding any other provision of this section the City shall at all times meet and confer with the Association on all matters relating to employment conditions and employer-employee relations including wages, hours and other terms and conditions of employment of employees within the bargaining unit.

SECTION 5. ASSOCIATION EMPLOYEE REPRESENTATIVE AND ALTERNATE LISTING

A current list of Association employee representatives and the department(s) and/or bargaining unit which they represent, shall be submitted to the Director of Human Resources. Any changes on this list shall be submitted with the same required information as stated above to the Director of Human Resources within ten (10) working days following such changes.

SECTION 6. BULLETIN BOARDS AND DISTRIBUTION OF NOTICES

A reasonable number of bulletin boards will be provided upon which the Association may post notices of official Association business which may include recreational and social affairs, notices of meetings, benefit programs, trips, elections, appointments and results of elections, excerpts from the Salary Resolution and Personnel Ordinance, bulletins of employee rights, notices of City Council actions, and notices of grievance matters, provided that any notices must be on official Association identified paper and a copy sent to the Director of Human Resources. All posting for bulletin boards must contain the date of the posting and identification of Association

as the organization posting the document. The Association will not post information which is defamatory, derogatory, obscene, or soliciting or encouraging employees to engage in illegal activities.

SECTION 7. NOTIFICATION OF JOB CLASSIFICATION CHANGES

The City shall make every reasonable effort to notify the Association or the affected employee(s), with a copy of any proposed changes in the duty statement for existing classifications represented by Association no less than ten (10) working days prior to final approval.

SECTION 8. MAINTENANCE OF EXISTING BENEFITS

All existing wages, hours and other terms and conditions of employment and policies not specifically included in the MOU shall remain in full force and effect during the entire term of this MOU unless mutually agreed to the contrary in writing by both parties hereto.

SECTION 9. CHANGES IN MANDATORY SUBJECTS OF BARGAINING

It is understood and agreed that there exists within the City certain personnel rules, policies, practices and benefits. Except as specifically modified by this MOU, these rules, policies, etc., that constitute mandatory subjects of bargaining shall be in full force and effect during the term of this MOU. Except in cases of emergency and as provided in Section 12, before any new or subsequent amendments to these rules, policies, etc., directly affecting wages, hours and terms and conditions of employment (i.e., mandatory subjects of bargaining) are implemented, the City shall give notice to the Association representative and give the Association the opportunity to bargain in compliance with Government Code Section 3500, et. seq. Disputes over this Section are not subject to the Grievance Procedure but may be referred to the Labor Management Committee.

SECTION 10. SAVINGS

- A. If any provision of this MOU or application hereof to any City employee is held to be contrary to law, then such provision or application will be deemed invalid, to the extent required by such law or court decision, but all other provisions or applications shall continue in full force and effect.
- B. Should a provision or application be deemed invalid, as described in Paragraph 1, at the request of either party, the parties agree to meet and confer over any part of a section deemed invalid not later than thirty (30) days after such law or court decision to renegotiate the provision or provisions hereof.

SECTION 11. STRIKES AND LOCKOUTS

During the life of this MOU no illegal work stoppages, strikes, slowdowns, or picketing shall be caused, sanctioned or condoned by the Association. No lockouts shall be made by the City.

In the event that any employees covered by this MOU, individually or collectively, violate the provisions of the section and the Association fails to exercise good faith in halting the work interruption, the Association and the employees involved shall be deemed in violation of this section and the City shall be entitled to seek all remedies available to it under applicable law.

SECTION 12. FULL UNDERSTANDING

This MOU contains all of the covenants, stipulations and provisions agreed upon by the parties, and any other prior existing understanding or agreements by the parties, whether formal or informal, regarding any such matters contained in this MOU are hereby superseded or terminated in their entirety.

For the life of this MOU, Association and the City mutually agree that to reopen negotiations with respect to any subject or matter covered in this MOU requires mutual consent by both parties. Without such mutual consent, the parties shall not be required to meet and confer regarding same.

ARTICLE II - COMPENSATION

SECTION 13. SALARIES

- A. Effective the first payroll in January 2012, employee salaries will be increased by 1%.
- B. Effective the first payroll in July 2012, employee salaries will be increased by 2%.

During the term of this Agreement the parties recognize that the continued financial uncertainty facing the City may require the City to exercise its management right to reorganize and possibly reduce the size of the workforce. The parties agree that subject to and in accordance with the management rights of the City, upon the request of the City made after April 1, 2012, for the scheduled July 1, 2012, negotiated salary increase; the City and the Association will meet on the subject of exploring mutually agreeable alternatives to layoffs as a result of shortage of funds. There shall be no changes to any provision of this Memorandum of Understanding unless mutually agreed to by the parties in writing.

- C. Effective the first payroll in July 2013, employee salaries will be increased by 2%.

During the term of this Agreement the parties recognize that the continued financial uncertainty facing the City may require the City to exercise its management right to reorganize and possibly reduce the size of the workforce. The parties agree that subject to and in accordance with the management rights of the City, upon the request of the City made after April 1, 2013, for the scheduled July 1, 2013, negotiated salary increase; the City and the Association will meet on the subject of exploring mutually agreeable alternatives to layoffs as a result of shortage of funds. There shall be no changes to any provision of this Memorandum of Understanding unless mutually agreed to by the parties in writing.

SECTION 14. COMPENSATION ADJUSTMENTS

The following classification's salary schedule will be adjusted as follows:

<u>Title</u>	<u>From</u>	<u>To</u>
City Clerk	\$7579-\$9213	\$8640-\$10502
Housing Manager	\$6430-\$7816	\$6689-\$8130
Social Services Manager	\$6066-\$7374	\$6945-\$8442

Future salary schedule changes will adjust the above classifications and salary ranges accordingly.

SECTION 15. COMPENSATION STUDY

The City will conduct a total compensation study of representative classifications. Said study will be completed by May of 2012 for consideration in future budgetary cycles.

SECTION 16. DEFERRED COMPENSATION

All employees must join the Deferred Compensation, 401(a) plan designated by the City. The City's Contribution to said plan shall be a total of four percent (4%) of each employee's base salary for employees designated as Executive Management by Resolution and two percent (2%) of each employee's base salary for employees designated as Mid-Management by Resolution. All employees may still participate in other City deferred compensation plans.

SECTION 17. AUTOMOBILE

As soon as practical, employees designated as Executive Management by Resolution will receive a City-owned vehicle to conduct City business, or may choose to receive a monthly vehicle allowance in the amount of \$400.00. Employees designated as Executive Management by Resolution that receive a vehicle allowance will have a City-owned vehicle available to conduct City business.

Employees hired after July 1, 2011, in classifications designated as Executive Management by Resolution will receive a monthly vehicle allowance in the amount of \$400.00. Employees designated as Executive Management by Resolution that receive a vehicle allowance will have a City-owned vehicle available to conduct City business

ARTICLE III – LEAVE PROVISIONS

SECTION 18. VACATION

A. Vacation Accrual

All employees shall earn vacation as follows:

<u>Years of Continuous Service</u>	<u>Length of Vacation</u>
Less than 1 year	80 hours
1 year, but less than 10 years	120 hours
10 years or more	160 hours

B. Holidays During Vacation

If a legal holiday occurs while an employee is on vacation, such holiday time shall not be deducted from the amount of vacation to which the employee is entitled.

C. Unused Vacation

Vacation accruals for management employees will be limited to one year following the year in which the vacation was earned. If vacation leave is not taken within 12 months following the year in which it was accrued, then the employee will receive an automatic payoff for that vacation at the end of the fiscal year.

Management employees may request a voluntary payoff of unused vacation leave which has accumulated during that year.

Under extraordinary circumstances, as determined by the City Manager, the City Manager may authorize a carryover of accumulated vacation leave for an additional six (6) months; but, in no case will a second extension be granted without approval by the City Council.

D. Vacation Upon Termination

Unit employees who terminate their employment with the City shall be paid for all accrued vacation, if any. In the event of the death of an employee, payment shall be made to the estate of such employee if probate of the estate is contemplated. If probate or administration of the employee's estate is not contemplated, the City may, at its option, pay said sum to a surviving spouse, or to such other person or persons as the employee shall have designated in writing to the City prior to his/her death.

SECTION 19. HOLIDAYS

Municipal offices shall be closed for the observance of the following holidays with pay for employees at the rate of eight hours for regularly scheduled eight hour work days and nine hours for regularly scheduled nine hour work days for July 2011 through June 2014:

- | | |
|------------------------------------|---|
| 1. New Year's Day | 7. Veterans Day ^{1, 2} |
| 2. Dr. Martin Luther King, Jr. Day | 8. Thanksgiving Day |
| 3. President's Day | 9. Friday after Thanksgiving |
| 4. Memorial Day | 10. Christmas Day |
| 5. Independence Day | 11. Floating Holidays (2) ^{*3} |
| 6. Labor Day | 12. Such other days as may be authorized by City Council. |

*All employees will be entitled to two (2) floating holidays at the beginning of each fiscal year. All floating holidays must be taken within the fiscal year credited.

For fiscal year 2011/2012, the Veterans Day holiday will be recognized on Thursday, November 10, 2011.

For fiscal year 2011/2012, the Friday after Thanksgiving coincides with a closed Friday. For 9/80 Unit employees, the Friday after Thanksgiving, November 25, 2011, will become a floating holiday to be used during fiscal year 2011/2012.

For fiscal year 2011/2012, the Christmas Day holiday will be recognized on Monday, December 26, 2011.

For fiscal year 2011/2012, the New Year's Day holiday will be recognized on Monday, January 2, 2012.

For fiscal year 2012/2013, the Veterans Day holiday will be recognized on Monday, November 12, 2012.

For fiscal year 2012/2013, the Friday after Thanksgiving coincides with a dark Friday. For 9/80 General Unit employees, the Friday after Thanksgiving, November 23, 2012 will become a floating holiday to be used during fiscal year 2012/2013.

SECTION 20. MANAGEMENT LEAVE

All employees shall be entitled to eighty (80) hours of management leave per fiscal year. Management leave shall not carry over to the next fiscal year and holds no cash value.

SECTION 21. BEREAVEMENT LEAVE

A. Bereavement Leave

Employees may be absent from duty with pay for 3 days for the death or critical illness where death appears imminent of the employee's family, for purposes of Bereavement Leave, shall include: employee's parent (or stepparent, mother-in-law, father-in-law), spouse, son, daughter (or stepson, stepdaughter, son-in-law, daughter-in-law), brother, sister (or brother-in-law, sister-in-law), grandmother, grandfather, or grandchild, court appointed or other verifiable guardian.

B. Death or Illness

In the event of death or illness of an employee's family member, as defined above, the City Manager may authorize immediate vacation leave to the employee so the employee can be with the family member, make household adjustments, or arrange for medical services.

The employee will notify the City prior to actually taking the paid leave and to provide the City with adequate verification of death in the family to support the payment of salary upon return from leave.

SECTION 22. JURY DUTY

An employee who is required to report for jury duty shall be granted leave for such purpose under the following conditions.

- A. The jury notice must be submitted to the City Manager.
- B. A letter shall be requested to be submitted by the Department of Human Resources if a hardship to the City would be imposed by the employee's absence.
- C. The employee shall be excused from work each day for the time required to report to the court and shall return to work for the remaining portion of the work shift.
- D. The employee shall receive his/her regular base salary for the time served up to a maximum of five (5) days per calendar year.
- E. With adequate notice to the department head and if feasible by the department, employees granted such leave shall be temporarily assigned to work the day shift, with a Monday through Friday work-week.

SECTION 23. SICK LEAVE

- A. Sick leave is not a right which an employee may use at his/her discretion but shall be allowed only in case of actual sickness or disability, including the first three days of work-connected disability.
- B. Credit for sick leave with pay shall accrue at the rate of eight (8) hours for each calendar month of service for Unit employees. Any sick leave used shall be deducted from the accrued credit. Unused sick leave credit may be accumulated up to a total of 720 hours. Every Unit employee accruing unused sick leave days beyond the maximum number provided in this section shall receive on the first pay day following the employment anniversary date payment for any sick leave accrued in excess of the maximum accumulation permitted. Monetary compensation for sick leave accrued in excess of the maximum shall be payable at the same rate as ordinary sick leave.

- C. Compensation for sick leave shall be in the amount the employee would earn during the sick leave period if working at his/her current rate of pay and work schedule without the inclusion of overtime earnings.
- D. Sick leave pay shall not be allowed in the following situations:
 - 1. While an employee is on an authorized vacation, unless hospitalized during this time, or leave of absence without pay;
 - 2. While an employee is laid off;
 - 3. If the employee is not, in fact, sick or incapacitated from performing his/her job;
 - 4. If the employee has performed private or other public work while on sick leave;
 - 5. For doctor's visits or treatment required by an employee following an absence for a work-connected disability, unless, the employee provides written documentation satisfactory to the Director of Human Resources that the visit or treatment is not available during the employee's off-duty hours.
- E. City holidays occurring during sick leave shall not be counted as days of sick leave.
- F. If an employee has five (5) or more years of service, upon termination the employee shall be compensated at his/her current rate of pay for a percentage of the total accumulated unused sick leave, calculated in accordance with the schedule below. No credit for accrued sick leave shall be permitted when an employee's employment terminates with less than five (5) years service.

<u>Years of Continuous Service</u>	<u>Compensation Rate</u>
Less than five	0%
At least five but less than ten	25%
At least ten but less than fifteen	50%
At least fifteen but less than twenty	75%
Twenty or more	100%

When termination is caused by the death of an employee with five (5) or more years of service, payment shall be made to the estate of such employee; however, the City may, at its option, pay said sum to a surviving spouse or to such other person or

persons as the employee shall have designated in writing, filed with the City prior to death, if no probate or administration of the employee's estate is contemplated.

SECTION 24. FAMILY SICK LEAVE

- A. Employee shall be authorized six (6) months accrual of sick leave to attend to an illness of a child, parent or spouse. Child shall include biological, foster, adopted, stepchild, legal ward or child standing in loco parentis. Parent shall include biological, foster, adoptive, stepparent or legal guardian.

Restrictions placed upon the use of sick leave by an employee as set forth in this section shall apply to the use of Family Sick Leave. This benefit is not cumulative. The City may require a doctor's certificate to verify the illness or disability of the family member.

- B. Up to 12 workweeks of leave without pay for family and medical care leave will be granted to employees who have worked a minimum of 1,250 hours in the 12 months preceding the date of the leave as outlined in the Family and Medical Leave Act. As specified in the Act, the City will maintain the level of benefits the employee is entitled to per the Memorandum of Understanding with the employee responsible for maintaining a timely schedule of payments for any employee portion of cost.

With a timely request by the employee and verification, such leave will be approved in the following instances:

- 1) for the birth or adoption of a child of the employee;
- 2) to care for a newborn child of the employee;
- 3) to care for the employee's parent, child or spouse who has a serious health condition;
- 4) for placement of a child for foster care; or
- 5) for the employee's own serious health condition which makes the employee unable to perform his/her job.

ARTICLE IV – SUPPLEMENTAL BENEFITS

SECTION 25. MEDICAL/DENTAL/VISION INSURANCE

- A. As soon as administratively possible, in accordance with Government Code 22892, the City shall contribute an amount not to exceed the California Public

Employees' Medical and Hospital Care Act (PEMHCA) contribution, as determined by CalPERS on an annual basis. The statutory minimum amount for 2012 is \$112.00 per month per employee. This amount is designated as the City's contribution towards PEMHCA. A participant is defined as:

1. An enrolled employee and eligible dependents
2. An enrolled retiree and eligible dependents
3. A surviving annuitant

- B. Upon the amendment with PERS to provide the statutory minimum, the City will provide a supplemental dollar allowance for the purchase of family coverage medical insurance. This amount shall be the insurance premium up to the PERSCare (family plan) rate as designated by CalPERS, less the minimum required PEMCHA contribution.
- C. Employees must choose a health plan and will receive a rebate of 50% of the remaining monthly allocation. The City's contribution for dental insurance shall be 100% employer-paid for family coverage for the term of this MOU. The City's contribution for vision insurance shall be 100% employer-paid for family coverage for the term of this MOU.

SECTION 26. PERS RETIREMENT BENEFITS

- A. For employees hired before November 1, 2011, the City shall continue the current 2.7%@55 California Public Employees' Retirement System pension benefit and maintain Survivor Benefits at Level 3 for the duration of this contract.
- B. On or after November 1, 2011 or upon the implementation of this Agreement or as soon thereafter as legally possible, the City will amend its contract with CalPERS to provide that employees hired on or after November 1, 2011 shall receive the 2%@55 retirement benefit formula in accordance with Government Code section 21354. In addition, employees hired after the effective date of this contract amendment will no longer be eligible for the optional One Year Highest Compensation under Government Code section 20042. Instead, the City's contract amendment with PERS will provide for the Three Year Final Compensation formula under Government Code section 20037

SECTION 27. PERS RETIREMENT EMPLOYEE CONTRIBUTIONS

- A. The City shall continue to make the PERS employee contribution rate of eight percent (8%) for all eligible current City employees covered by this agreement hired on or before November 1, 2011.

- B. All eligible employees covered by this agreement, hired on or after November 1, 2011, will contribute four percent (4%) of the PERS employee contribution. Employee contributions are irrespective of the CalPERS retirement benefit formula to which they are entitled.

SECTION 28. RETIREE MEDICAL INSURANCE

Effective November 1, 2011, or as soon thereafter as implementation can occur, the City will implement a longevity stipend for its employees and retirees. The longevity stipend will be determined based on the provisions described in Sections A, B, and C, as applicable.

- A. Longevity Stipend (Tier 1) - Employees/Retirees Hired Before November 1, 2011:

For qualifying retirees hired before November 1, 2011 [or the effective date of this Agreement], the City will pay the PEMHCA minimum contribution required under Government Code Section 22892 on behalf of each participant. A participant is defined as:

1. An enrolled employee and eligible dependents;
2. An enrolled retiree and eligible dependents; or
3. A surviving annuitant.

In addition, the City will provide a longevity stipend to each participant based upon the difference between the minimum required under Government Code Section 22892 and the actual cost of the monthly medical insurance premium that the participant is enrolled in, up to a maximum of the PERSCare rate as determined annually by CalPERS, less the minimum required PEMHCA contribution ("Maximum Longevity Stipend"). Participants selecting plans with premiums in excess of the maximum City contribution, including the minimum required PEMHCA contribution, will be responsible for the remaining premium difference. The City will deposit the longevity stipend into a healthcare trust on a monthly basis. A qualifying participant will have access to the healthcare trust for reimbursement of qualified health care premiums incurred.

- B. Longevity Stipend (Tier 2) - Employees/Retirees Hired On or After November 1, 2011:

For employees or qualifying retirees hired on or after November 1, 2011, the City will pay the PEMHCA minimum contribution required under Government

Code Section 22892 on behalf of each participant. A participant is defined as:

1. An enrolled employee and eligible dependents;
2. An enrolled retiree and eligible dependents; or
3. A surviving annuitant.

In addition, the City will provide a longevity stipend to each participant based on the participant's years of service with the City using the following formula:

<u>Years of Service with the City of Norwalk</u>	<u>Percentage of Maximum Longevity Stipend for Medical Benefits</u>
10 to 14 years	50%
15 to 19 years	75%
20+ years	100%

Participants selecting plans with premiums in excess of their entitled percentage of the Maximum Longevity Stipend, including the minimum required PEMHCA contribution, will be responsible for the remaining premium difference. The City will deposit the longevity stipend into a healthcare trust on a monthly basis. A qualifying participant will have access to the healthcare trust for reimbursement of qualified health care premiums incurred, up to their entitled percentage of the Maximum Longevity Stipend.

C. Longevity Stipend (Tier 3) - Employees/Retirees Hired Before November 1, 2011, But Who Do Not Retire Until After June 30, 2014:

For employees or qualifying retirees hired before November 1, 2011, but who do not retire until after June 30, 2014, the City will pay the PEMHCA minimum contribution required under Government Code Section 22892 on behalf of each participant. A participant is defined as:

1. An enrolled employee and eligible dependents;
2. An enrolled retiree and eligible dependents; or
3. A surviving annuitant.

In addition, the City will provide a longevity stipend to each participant based on the participant's years of service with the City using the following formula:

<u>Years of Service with the City of Norwalk</u>	<u>Percentage of Maximum Longevity Stipend for Medical Benefits</u>
5 to 9 years	50%
10+ years	100%

Participants selecting plans with premiums in excess of their entitled percentage of the Maximum Longevity Stipend, including the minimum required PEMHCA contribution, will be responsible for the remaining premium difference. The City will deposit the longevity stipend into a healthcare trust on a monthly basis. A qualifying participant will have access to the healthcare trust for reimbursement of qualified health care premiums incurred, up to their entitled percentage of the Maximum Longevity Stipend.

SECTION 29. LIFE INSURANCE

The City agrees to provide life insurance coverage to employees in the amount of 1½ times the employee’s annual salary. The City pays the premium in full. The City also offers an optional life insurance plan that the employee may purchase on his or her own.

SECTION 30. LONG TERM DISABILITY

The City will provide a long term disability plan for employees. The City does not pay into the State disability system. This plan is used in lieu of State disability. The plan provides a monthly benefit of 66 2/3% of the employee's monthly salary after a sixty-day waiting period. For employees designated as Executive Management by Resolution a supplemental monthly benefit of 75% of the employee’s monthly salary for disability will commence after a ninety-day waiting period.

SECTION 31. ANNUAL PHYSICAL EXAM

Employees covered hereunder are eligible to receive reimbursement for an annual physical examination at City’s expense of up to \$500.00.

SECTION 32. WORKERS’ COMPENSATION-INDUSTRIAL INJURIES PRIOR TO NOVEMBER 1, 2011

- A. Any employee who suffers bodily injury or sickness occurring in the course and scope of employment as contemplated by the Workers’ Compensation Law of the State of California shall be entitled to benefits as provided by that Law.

- B. If the employee wishes to go to his/her own doctor, he/she must have a memo placed in the employee's file in the Department of Human Resources indicating the name, address and phone number of the physician. If a note is not in the file, the employee must go to the employer's doctor for the first 30 days.
- C. A leave of absence for an industrial injury shall not be considered a break in service for the purpose of rights to salary adjustment, sick leave, vacation, or seniority to which an employee would be entitled if not absent. If on the day of the accident the employee is sent home by the doctor, he/she will receive full salary for that day. If the employee has to be off beyond the day of the accident, he/she may request the use of accumulated sick leave or vacation for the next three days of absence. Beginning the fourth day of industrial leave, the employee will be paid disability compensation as stipulated by California State Law, and will be allowed to supplement such compensation to full base salary with accrued benefits such as sick, vacation or other paid leave. Upon return to work from an industrial leave, if the employee's doctor sends him/her home at some future date for the same injury or illness, the employee will also receive full salary for the remainder of that day.
- D. An employee will only receive payment for absences authorized in writing by the attending physician. The employee must provide his/her department with these written authorizations within 24 hours after the visit to the doctor.

SECTION 33. WORKERS' COMPENSATION-INDUSTRIAL INJURIES ON OR AFTER TO NOVEMBER 1, 2011

- A. Any employee who suffers bodily injury or illness occurring in the course and scope of employment as stipulated by the Workers' Compensation Laws of the State of California shall be entitled to benefits as provided by such Laws. The corresponding City policy shall be compliant with the Workers' Compensation Laws of the State of California.
- B. If the employee wishes to go to his/her own doctor, he/she must provide the Department of Human Resources a Pre-Designation of Personal Physician Form or a memo to be placed in the employee's file indicating the doctor's name, address, and phone number. If a note is not in the file, the employee must go to the employer's doctor for the first 30 days. Employees may elect to change their pre-designated doctor at any time.

- C. If on the day of the accident the employee is sent home by the doctor, he/she will receive full salary for that day. If the employee has to be off beyond the day of the accident, he/she may request the use of accumulated sick leave, vacation or other paid leave for the next three days of absence. Beginning the fourth day of workers' compensation leave, provided the claim is determined to be compensable, the employee shall be paid temporary total disability (TTD) payments as stipulated by the Workers' Compensation Laws of the State of California. Employees eligible for Family Medical Leave Act (FMLA) benefits, will be required to supplement temporary total disability payments to full base salary by using accrued sick leave, vacation or other paid leave. Upon exhaustion of protected FMLA leave, an employee shall have the option to supplement his/her temporary total disability payments with accrued leaves.
- D. Upon return to work from a workers' compensation leave, if the employee's doctor sends him/her home at some future date for the same injury or illness, the employee shall also receive full salary for the remainder of that day.
- E. An employee shall only receive payment for absences authorized in writing by the workers' compensation primary treating doctor. The employee must provide his/her department with these written authorizations within 24 hours after the visit to the doctor.
- F. An employee who is off due to a work-related injury or illness, provided the claim is determined to be compensable, shall receive temporary total disability payments and shall continue to receive the following benefits as if they had been present for duty: employee shall accrue vacation and sick leave and receive payment for holidays (in accordance with the MOU). An employee shall continue to accrue seniority and be eligible for salary adjustments while they are on paid or unpaid workers' compensation leave.
- G. An employee no longer eligible to receive temporary total disability payments shall no longer receive the following benefits: vacation and sick leave accruals and payment for holidays.
- H. An employee who is off due to a work-related injury or illness, provided the claim is determined to be compensable, shall receive temporary total disability payments and shall continue to receive the City's contribution to the employee's medical, dental, vision, life and long-term disability insurance.

- I. An employee who is off due to a work-related injury or illness and is no longer eligible to receive temporary total disability payments, shall be responsible for paying the full premium for the employee's medical, dental, vision, life and long-term disability insurance. The long-term disability and life insurance premiums may be waived depending on the employee's long-term disability benefit.

ARTICLE V – EMPLOYMENT PROVISIONS

SECTION 34. AT-WILL STATUS

Management employees serve at the will of the City Manager and may be removed at any time with or without cause. Management employees do not serve in positions for which a probation period is established.

SECTION 35. DISCIPLINE

Any management employee may be discharged without cause or be subjected to other disciplinary measures, and shall have no right of hearing or appeal, except as provided by the Norwalk Municipal Code.

SECTION 36. TRANSFER OR REASSIGNMENT OF WORK LOCATION

The City will provide five (5) working days advance notice to an employee in the event he/she must be involuntarily transferred or reassigned to another work shift and/or work location. In the event the transfer or reassignment is as a result of discipline, disability, emergency, or acts beyond management's control, the five-day notice will not be required.

In the event a bargaining unit member's position is eliminated as a result of a reduction in force, and that member has not been offered a reasonable alternative management position with the City, the City shall pay to the bargaining unit member severance compensation in accordance with the Norwalk Municipal Code.

APPENDIX A

Classifications subject to the MOU shall be as follows:

Admn Services Manager	Director of Transportation
Building and Safety Manager	Fleet Maintenance Manager
City Clerk	Housing Manager
City Engineer	Manager of Transit Operations
Comm Information Officer	Mgr Strategic Planning & Admn Svcs
Controller/Deputy Treasurer	Park Services Supt
Director of Community Development	Planning Manager
Director of Finance/City Treasurer	Public Safety Manager
Director of Public Safety	Public Services Supt
Director of Public Services	Recreation Supt
Director of Recreation & Park Services	Social Services Manager
Director of Social Services	

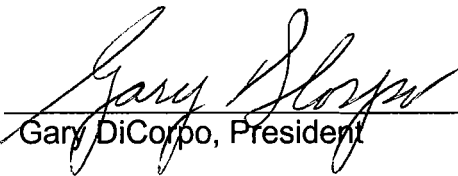
THIS MEMORANDUM OF UNDERSTANDING is hereby executed by the authorized representatives of the CITY OF NORWALK and the NORWALK ASSOCIATION OF MANAGEMENT EMPLOYEES and entered into this 1st day of July 2011, and shall become effective when the same has been ratified and adopted by resolution of the City Council of the City of Norwalk.

NORWALK ASSOCIATION OF
MANAGEMENT EMPLOYEES


CITY OF NORWALK

Signed:

Signed:



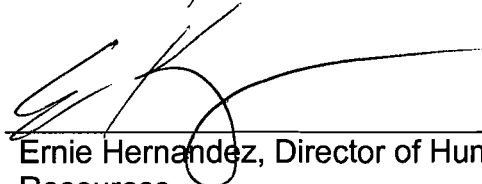
Gary DiCorpo, President



Michael J. Egan, City Manager

11-8-11

Date Signed



Ernie Hernandez, Director of Human
Resources