

RESOLUTION NO. 10-003, SERIES 2010

**RESOLUTION ADOPTING A MEMORANDUM OF UNDERSTANDING
WITH
INDIVIDUAL MANAGEMENT EMPLOYEES
(EXCEPT CITY MANAGER, AND DEPARTMENT HEADS)**

WHEREAS, the City Council of the City of Davis, pursuant to California Government Code sections 3500 et seq., enacted an employer-employee relations policy with its adoption of Resolution No. 1303, Series 1973, dated June 26, 1973; and

WHEREAS, under the terms of that policy the City Manager and his representatives and the individual management employees have met and conferred in good faith; and

WHEREAS, the City Council of the City of Davis previously passed and adopted Resolution No. 06-80, Series 2006, A Resolution Adopting Memorandum of Understanding with Individual Management Employees (Except City Manager, and Department Heads), on May 16, 2006; and

WHEREAS, in accordance with Section 17 of said Memorandum, the City Manager and his representatives and the individual management employees have reached agreement in regards to a successor agreement; and

WHEREAS, these parties have reached agreement on matters relating to the employment conditions of the said employees, as reflected by the written Memorandum of Understanding, which is attached hereto and made a part hereof; and

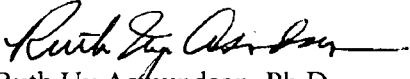
WHEREAS, this Council finds that the provisions and agreements contained in said Memorandum, as amended, are fair and proper and in the best interests of the City.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Davis that the terms and conditions contained in said Memorandum of Understanding are hereby adopted, subject to ratification by individual management employees.


PASSED AND ADOPTED by the City Council of the City of Davis this 12th day of January, 2010 by the following vote:

AYES: Saylor, Souza, Asmundson

NOES: Greenwald, Heystek


Ruth Uy Asmundson, Ph.D.
Mayor

ATTEST:


Zoe S. Mirabile, CMC
City Clerk

MEMORANDUM OF UNDERSTANDING
WITH
INDIVIDUAL MANAGEMENT EMPLOYEES
(Except City Manager and Department Heads)

This Memorandum of Understanding, hereinafter referred to as "AGREEMENT", is made and entered into between the EMPLOYEE RELATIONS OFFICER OF THE CITY OF DAVIS, hereinafter referred to as "CITY", and the INDIVIDUAL MANAGEMENT EMPLOYEES (hereinafter referred to as "EMPLOYEES"), pursuant to California Government Code sections 3500 et seq., and the City of Davis Resolution No. 1303, Series 1973, dated June 26, 1973.

The parties have met and conferred in good faith regarding employment terms and conditions of the EMPLOYEES, and having reached agreement on changes to be made in employment benefits and conditions for a period commencing January 25, 2010, and ending June 30, 2012, as hereinafter set forth, shall submit this AGREEMENT to the City Council with the joint recommendation that the Council resolve to adopt its terms and conditions and take such other and/or additional action as may be necessary to implement its provisions.

The City Council re-affirms the goal of achieving equitable compensation on a total-comp basis with comparable jurisdictions.

The City will review the results of the compensation study in collaboration with all EMPLOYEES with the goal of arriving at updated comparable jurisdictions and the methodology for calculating total compensation, and market variances. The City agrees to negotiate with EMPLOYEES to agree on mutually acceptable comparison jurisdictions, clearly define and agree upon the components that will be used in future total compensation studies, and the methodology for calculating market variances for classifications with EMPLOYEES.

While current fiscal constraints make it difficult for the City to provide for a full market adjustment this fiscal year, the City Council will endeavor to negotiate subsequent contract(s) so as to bring EMPLOYEES to market consistent with agreements to be reached on the market components, balanced against the City's fiscal capacity. For this reason, it is anticipated that significant market variances may need to be addressed through negotiation and agreement in subsequent contracts.

SECTION 1. EMPLOYEE GROUPS.

The EMPLOYEES covered under this AGREEMENT are split into two groups. The City Manager reserves the right to determine at-will status of new management positions as they are created.

A. The following management positions will be included in the EXECUTIVE MANAGEMENT GROUP:

Administrative Services Manager
Assistant Public Works Director
Chief Building Official
City Clerk
City Engineer
Fire Division Chief
Human Resources Administrator
Information Technology Administrator
Utilities Engineer

Positions in the EXECUTIVE MANAGEMENT GROUP are at-will, which means that their employment can be terminated at any time, with or without cause, by either the City of Davis or by the employee. This provision reflects the existing status of the EXECUTIVE MANAGEMENT GROUP positions as of the effective date of this Agreement. EXECUTIVE MANAGEMENT GROUP positions shall be linked to the average of all Department Heads in the Internal Relationship Guidelines until fiscal year 2007/2008. The CITY will work with the City Manager, Department Heads and the Executive Management Group to determine new benchmarks for these positions.

B. The following management positions will be considered as part of the GENERAL MANAGEMENT GROUP:

Administrative Analyst I/II
Assistant Building Official
Assistant City Engineer
Assistant to the Director
Budget Manager
Child Care Manager
Community Services Superintendent
Community Services Manager
Deputy City Manager

Economic Development Coordinator
Facilities Manager
Financial Analyst I/II
Financial Services Manager
Fleet Manager
Housing and Human Services Program Superintendent
Human Resources Analyst I/II
MIS Administrative Manager
MIS Project Manager
Parks and General Services Superintendent
Parks Manager
Planner
Principal Civil Engineer
Principal Planner
Property Management Coordinator
Public Relations Manager I/II
Senior Civil Engineer
Sustainability Programs Coordinator
Technical Services Manager
Urban Forest Manager
Utilities Manager

EMPLOYEES holding positions included within the GENERAL MANAGEMENT GROUP will have property rights in their employment and may only be terminated or disciplined for cause. All GENERAL MANAGEMENT GROUP positions shall be linked to a benchmark position in the Internal Relationship Guidelines.

The following positions shall be considered the management benchmark positions:

GENERAL MANAGEMENT BENCHMARK POSITIONS

Class Title

Administrative Analyst II
Principal Planner
Senior Civil Engineer

SECTION 2. COMPENSATION

A. Furloughs

Seven (7) furlough days to be taken in FY2009/10 between December 15, 2009 – June 30, 2010. City Offices will be closed six days between January 2010 and June 30, 2010. One (1) additional furlough day will be taken as a floating day. *(In lieu of one furlough day, employee may elect to return 16 hours of accrued vacation leave to the City.)*

Six (6) furlough days to be taken in FY2010/11. City Offices will be closed five (5) days between July 1, 2010 and June 30, 2011. One (1) additional furlough day will be taken as a floating day.

Three (3) furlough days to be taken in FY2011/12. All three (3) furlough day will be taken as floating days.

Re-Opener Clause / Furloughs

In recognition of the uncertainty surrounding the long-term budget outlook, the City and bargaining group agree to re-open this contract, specifically to discuss the number of furloughs established for fiscal year 2011/12 (Year 3). Accordingly, all parties agree to meet and confer, no later than April 1, 2011 to consider options such as:

a) increasing the number of furlough days in FY2011/12 by no more than 3 additional days, if combined City property and sales tax revenues for FY2011/12 are projected to increase by less than 1% over FY2010/11 levels.

b) reducing the number of furlough days by no more than 3 days, if combined City property and sales tax revenues for FY2011/12 are projected to increase by more than 3% above FY2010/11 levels.

B. Cost of Living Increases

Effective July 1, 2010 EMPLOYEES will receive a one percent (1%) cost of living salary increase.

Effective July 1, 2011 EMPLOYEES will receive a two percent (2%) cost of living salary increase.

SECTION 3. FRINGE BENEFITS

SECTION A §125 FLEXIBLE BENEFIT PLAN

In accordance with “The City of Davis Flexible Benefits Plan” adopted November 21, 2006, the city provides a 125 Flexible Benefit Plan ("the Plan"). The regular and intended effect of the implementation of the Plan, under current law, is to enable employees to choose between (a) the receipt of benefits which may not be subject to either State or Federal income tax or (b) a cash benefit which is subject to tax, but is not included in the employees hourly rate. The details of Plan eligibility and operational requirements are set forth in the Plan documents.

1. The CITY shall make a monthly contribution to each eligible member of the unit to be used toward the § 125 Flexible Benefit Plan. These funds shall only be used for qualified benefits as provided for in IRC § 125. Excess benefit dollars (up to \$1,483.08 per month) shall be added to each employee’s taxable earnings. Employees hired after January 25, 2010 are subject to the additional limitations set forth below in Section B.
2. All employees must enroll in one of the PERS health program plans unless they submit to the CITY proof of health coverage.
 - A. Employees who fail to complete this requirement will be enrolled in the lowest cost health insurance policy the CITY offers through CalPERS.
 - B. Employees who meet the requirement shall be allowed to utilize their § 125 Flexible Benefit Plan contributions for any of the other qualified benefits as provided for in IRC § 125.
3. The term eligible employee for this article shall included:
 - A. Regular full-time employees as defined in the Personnel Rules.
 - B. Regular part-time employees as defined in the Personnel Rules. Regular part-time employees would receive prorated benefits based on the

percentage of full-time equivalency. For example a regular employee budgeted at 30 hours per week will receive 75% of cafeteria benefit.

SECTION B CITY § 125 BENEFIT CONTRIBUTIONS AND CASH IN LIEU

1. The CITY will make available to each covered employee a monthly amount equal to the sum of the following health and dental benefits. This amount can be used to either pay for the benefit or it may be taken (up to specified limits) as cash in lieu if the above criteria are met. The amount allotted for health and dental premiums is the only CITY contribution that can be taken as cash in lieu, and the cash in lieu option for current employees is capped at a maximum of \$1,483.08 per month.

For those employees hired after January 25, 2010, a lower "cash out" cap applies. If such an employee uses the health and/or dental insurance benefit, then the difference between the premium and \$500 can be cash-out each month provided a proper election has been made. If such an employee has outside health/dental insurance coverage (such as through a spouse, domestic partner or alternative retirement), the employee can cash-out a maximum of \$500 per month provided a proper election has been made.

Any and all "cash outs" will be treated as taxable earnings.

HEALTH BENEFITS CONTRIBUTION

Effective January 1, 2010, CITY shall contribute towards each EMPLOYEE member's cafeteria benefit plan an amount equal to the premium for the group health insurance plan available from Kaiser-Bay Area for an employee and two or more dependents sponsored by the CITY through Public Employees Retirement System.

Effective December 2010 CITY will contribute the first 3% of increases in health premiums (set to Kaiser-Bay Area Employee +2 plan); EMPLOYEE will contribute the next additional 3% of health benefit increases. Any increase above 6% will be shared equally (50/50 cost sharing) between CITY and EMPLOYEE.

Effective December 2011 CITY will contribute the first 3% of increases in health premiums (set to Kaiser-Bay Area Employee +2 plan); EMPLOYEE will contribute the next additional 3% of health benefit increases. Any increase above 6% will be shared equally (50/50 cost sharing) between CITY and EMPLOYEE.

The following CalPERS health care programs are currently offered:

Blue Shield HMO	PERS Care
Kaiser	PERS Choice
Blue Shield Net Value	PERS Select

DENTAL BENEFITS CONTRIBUTION

Effective July 1, 2010, and continuing for the term of this AGREEMENT, CITY shall contribute towards each EMPLOYEE member's cafeteria benefit plan the total monthly premium, for the term of this contract, effective July 1, 2010 for the CITY'S self-funded dental plan for employee with two or more dependents. CITY will continue to include unmarried dependents through age 22 consistent with the CITY'S health benefits, in the dental insurance program.

2. The CITY will make available to each covered employee a monthly amount equal to the sum of the following life and long term disability insurance benefit payments. Participation in the life insurance and long term disability insurance is mandatory and these premiums may not be taken as cash in lieu.

LIFE INSURANCE

Effective July 1, 2010, and continuing for the term of this AGREEMENT, CITY shall contribute towards each EMPLOYEE member's cafeteria benefit plan the amount to purchase a \$100,000 policy. Purchase of this policy is mandatory.

This policy will carry an accidental death and dismemberment (AD&D) rider. The AD&D rider provides a benefit of up to \$100,000 subject to the terms and conditions of the policy.

LONG TERM DISABILITY BENEFIT

The CITY shall provide long (LTD) term disability insurance coverage for all employees. Effective July 1, 2010, and continuing for the term of this AGREEMENT, CITY shall contribute towards each EMPLOYEE member's cafeteria benefit plan the amount to purchase the Long Term Disability Benefit provided in City of Davis Self-Insured Long Term Disability Plan. Purchase of this policy is mandatory.

Current Benefits

Up to 66 2/3% of the monthly salary. Payments to be paid during the disability until age 65. See City of Davis Self-Insured Long Term Disability Plan passed and adopted by City Council on December 5, 2001.

Waiting Period

Benefits shall begin 30 calendar days after occurrence.

3. The CITY agrees to make available to each covered employee the following optional benefits. Participation in these benefits is optional, and there will be no additional contribution by the CITY to purchase these benefits.

SUPPLEMENTAL LIFE

The CITY shall make available to all represented employees the option to purchase supplemental term life and accidental death and dismemberment insurance, at no cost to the CITY, subject to the insurance carrier's additional premiums, conditions and/or requirements. Optional coverage shall be in increments of \$10,000. The option to increase or decrease coverage shall be exercisable during open enrollment periods.

VISION CARE

City shall continue to make vision care available to the EMPLOYEE, at no cost to the CITY.

FLEXIBLE BENEFIT PLANS

IRC § 125 provides additional tax advantages, allowing for the establishment of individual employee savings accounts called Flexible Spending Accounts (FSA). This alternative allows EMPLOYEES to cover the following on a pretax basis at no cost to the CITY:

1. Uncovered Health Care Expenses up to \$3,000
2. Dependent Care Expenses up to \$5,000

Amounts will be made available to the employee to pay premiums for enrollment of the employee and his/her dependents in CITY sponsored health and dental insurance programs of the employee's choice. Enrollment of the employee and his/her dependents in CITY sponsored health programs is mandatory unless proof of acceptable current alternate coverage is presented. Any amount in excess of the premiums required for the health and dental insurance coverage selected by the employee will be added to the employee's gross pay prior to income tax withholding and paid with bi-weekly paychecks.

Once enrolled in a cafeteria distribution plan, employees will only be permitted to modify the plan on the same basis as changes are permitted in health and dental insurance plans, that is, during open enrollment periods and when the employee's dependent status changes.

CITY agrees to continue to enable an EMPLOYEE, who is married to another employee of CITY, to combine their respective CITY contributions for health insurance premiums for a plan available through CITY to offset the cost of their health insurance premiums for themselves and their eligible dependents up to the maximums for each employee, as specified above, and/or, as applicable under the terms of another Memorandum of Understanding. Said employees agree to enroll in the same plan as an employee and dependent rather than as two separate employees.

SECTION C RETIREE HEALTH BENEFIT

A. PERS Vesting Schedule Applied. Effective March 1, 2011 CITY and EMPLOYEES agree to implement CalPERS Retiree Medical Vesting for all current and new employees, and the CITY will set contribution amounts based on the Kaiser - Bay Area 2011 rates.

To be eligible for any post-retirement health benefits, an employee must complete at least five (5) years of PERS-credited service with the City of Davis. Employees who retire from the City of Davis after meeting the service requirement stated above, and who have at least a total of ten (10) years of PERS-credited service, will receive a CITY contribution towards their post-retirement health benefits in accordance with the then-current PERS vesting schedule. For the parties' convenience, the PERS vesting schedule is currently established as follows:

Total Credited Years Years of Service	Percent of City Contribution
10	50%
11	55%
12	60%
13	65%
14	70%
15	75%
16	80%
17	85%
18	90%
19	95%
20	100%

Employees who have PERS-credited service through other agencies must complete at least five (5) years of service with the City of Davis and retire from the City of Davis to be eligible for post-retirement health benefits. However, once an employee has completed five (5) years of service with the City of Davis, their eligibility for post retirement health benefits will include all years of PERS-credited service. Those employees who complete five (5) years of service with the City of Davis, but who have less than 10 total years of PERS-credited service, will receive the PERS minimum contribution set forth in Government Code section 22893 as it may, from time to time, be amended.

B. Application to Those Who Retire Before January 1, 2015. City will work to minimize the effects of the vesting program described above in Section A on current employees (i.e. those hired on or before the implementation date of this MOU) by allowing employees who retire prior to January 1, 2015 to retire subject to the following:

1. For EMPLOYEES hired by the CITY before July 1, 1996, if such employee retires from CITY service and is otherwise eligible for some CITY payment of health care premiums upon retirement per Section A above, the City will supplement the employee's Section A health benefit up to the amount equal to 100% the premium for the group health insurance plan available from Kaiser-Bay area rates effective January 1, 2011 for an employee and two or more dependents sponsored by the CITY through Public Employees Retirement System.

2. For all EMPLOYEES hired by the CITY on and after July 1, 1996, if such employee retires from CITY service and is otherwise eligible for some CITY payment of health care premiums upon retirement per Section A above:

(a) for the time period between the EMPLOYEE's retirement and age 60, CITY shall pay the greater of either: (i) the employee's benefit per the Section A above or (ii) 50% of the actual group health insurance plan selected by the retiree not to exceed the PERS rate for Kaiser-Bay area rates effective January 1, 2011 sufficient to provide coverage for an eligible employee with two or more dependents. The employee shall pay the balance.

(b) for the time period after the employee turns age 60, the CITY shall pay the full cost of the actual group health insurance plan selected by the retiree not to exceed the PERS rate for Kaiser-Bay area rates effective January 1, 2011 sufficient to provide coverage for an eligible employee with two or more dependents.

C. No Cash In Lieu. Retirees are not eligible for any cash in lieu of health benefits.

SECTION 4. PERS RETIREMENT SYSTEM.

A. EMPLOYEE (General) Contribution.

For current employees as of the effective date of this MOU, the CITY shall continue to pay, deposit in, and credit to each employees' PERS account up to (8%) of the employee's eligible gross salary towards the cost of the employee's PERS contribution, but not to exceed the employee's normal contribution rate.

EMPLOYEES agree to cover any additional cost of the FY2008/09 PERS employer contribution rate, up to an additional 3%, through the life of this contract. (Employees pick-up .453% for FY2009/10)..

The intent of the City Council is to have employees share in the risk associated with the long term costs of adding the enhanced retirement benefit.

The CITY agrees to continue to implement Government Code Section 20636(c) (4), Employer Paid Member Contribution. The CITY agrees to report the 8% (employer paid employee PERS contribution as additional compensation to PERS.

B. EMPLOYEE (Public Safety) Contribution. The CITY shall continue its contract with the Public Employees Retirement System for Public Safety Management Employees so that the

retirement benefit for any Public Safety Management Employee shall be computed in accordance with the PERS benefits provided by the MOU applicable to the non-management public safety employees. The CITY will continue to structure the salary and required employee pension contributions to maximize compensation reported to CalPERS and to take advantage of federal Internal Revenue Code Section 414(h)(2) and related CalPERS Board rulings. This will be done for Public Safety management employees only. This will be included as part of total compensation when the next market survey is conducted.

C. Sick Leave at Retirement. CITY shall, at no cost to EMPLOYEES, continue its contract with PERS to provide that unused accumulated sick leave shall be credited as time in service at the time of retirement.

EMPLOYEES eligibility and the credit formula for this benefit shall be in accordance with the then current provisions of state law (Government Code section 20862.8).

D. Survivors' Benefits CITY agrees to continue the increased Level Four (4) 1959 Survivor's Benefits Payments as permitted by Government Code section 21390.

E. Two-Tier Retirement Benefit

The EMPLOYEES acknowledges the City's intention to implement a reduced second-tier retirement benefit for new employees, as early as July 1, 2010. The City expects to engage in discussions with other cities within the region which have an interest in implementing standardized, sustainable retirement plans for their local government employees; provided, the City may move forward to implement a second tier retirement benefit notwithstanding any decisions on the issue reached by other cities within the region..

The City anticipates taking steps to establish a reduced retirement benefit formula, with minimum required employee contributions, for all new non-safety employees during the term of the contract. This provision does not affect the City's rights to pursue a second-tier retirement plan for new employees and the parties understand that the city is not required to meet and confer regarding implementation of a second tier retirement benefit for new employees.

F. Highest Three-Year Average

Effective March 1, 2011 CITY and EMPLOYEES agree to amend the miscellaneous employees' CalPERS Contract to reflect Highest Three-Year Average PERSable compensation as basis for calculating retirement benefit (instead of single highest one year).

SECTION 5. DEFERRED COMPENSATION. CITY agrees to continue the contract with the International City Managers Association (ICMA) and PERS for deferred compensation programs entitling EMPLOYEES to defer receipt of a portion of their salary until retirement or other time jointly agreed upon by individual EMPLOYEES and ICMA or PERS. Nothing contained herein shall obligate CITY to make any contributions on behalf of EMPLOYEES.

SECTION 6. LEAVES AND ATTENDANCE. CITY agrees that EMPLOYEES will earn the annual vacation leave time as specified in Exhibit B, attached hereto and made a part hereof.

SECTION 7. HOLIDAYS. CITY agrees that the holiday schedule and policy for all EMPLOYEES shall be as set forth in Exhibit C, attached hereto and made a part hereof.

SECTION 8. UNIFORM CLEANING ALLOWANCE. CITY agrees to pay the Uniform Cleaning Allowance for eligible EMPLOYEES (Civilian Police) equal to that allowed by the Davis Police Officers Association MOU per fiscal year for Civilian Police employees, as part of total compensation, to be used for the specific and limited purpose of having cleaned and otherwise maintained those items of uniform that the CITY requires them to wear during the performance of their assigned duties. "Eligible EMPLOYEES (Civilian Police)" is the Administrative Services Manager, and any other Police management employee required to wear a uniform during the performance of their duties.

CITY agrees to pay eligible EMPLOYEES (Civilian Police) one-fourth (1/4) of the "Uniform Cleaning Allowance" at the end of each quarter during each fiscal year.

SECTION 9. UNIFORM REPLACEMENT ALLOWANCE.

A. Police. CITY agrees to pay the Uniform Replacement Allowance for civilian Police management employees equal to that allowed for civilian Police employees per the Davis Police Officers Association MOU per fiscal year, as part of the total compensation, for the cost of replacing eligible uniform items.

B. Fire. CITY agrees to pay the Uniform Allowance for the Fire Division Chief's equal to that allowed by the Davis Professional Firefighters Local 3494 MOU per fiscal year as part of total compensation, to be used for the purpose of replacing eligible uniform items and having cleaned and otherwise maintain those items of uniform that the CITY requires them to wear during the performance of their assigned duties. This uniform allowance shall be paid once annually in a lump sum on the first regular payday after July 1.

SECTION 10. YEAR END VOLUNTARY TIME OFF. For the term of this agreement, between Christmas and New Years, all EMPLOYEES are encouraged to take vacation. It is understood that there are EMPLOYEES involved in essential operations who may not be able to take time off at this time. If an EMPLOYEE takes leave without pay, the CITY agrees (for this purpose only) to waive the provision of the Personnel Rules that provide in order to receive pay for an observed holiday, an EMPLOYEE must work or be on approved leave on the work day before and work day after the holiday, and not to adjust or reduce health, dental, life insurance benefits, leave time accruals or seniority for the period the EMPLOYEE is on leave without pay. Only the EMPLOYEE'S pay will be adjusted.

SECTION 11. PARENTAL LEAVE. CITY's Parental Leave Policy shall remain in effect. CITY and EMPLOYEES agree to meet and confer regarding any proposed modifications to the Parental Leave Policy during the term of this Agreement..

SECTION 12. LAYOFFS In the event of layoffs, CITY shall endeavor to provide as much notice as reasonably practicable to affected EMPLOYEES attempting to do the best for EMPLOYEES realizing it takes as much as four to six months to find a new position.

SECTION 13. DIRECT DEPOSIT. CITY shall continue to offer Direct Deposit service to those EMPLOYEES who request it.

SECTION 14. COMPARISON AGENCIES CITY and EMPLOYEES have agreed that the following cities will be used for comparing benchmark positions, including for the purposes of determining total compensation as set forth in Section 1.A of this AGREEMENT:

Campbell	Roseville
Citrus Heights	San Rafael
Fairfield	Vacaville
Folsom	Walnut Creek
Napa	West Sacramento
Pleasanton	Woodland

SECTION 15. TERM AND EFFECT OF AGREEMENT.

A. This AGREEMENT shall be effective January 25, 2010, and shall remain in effect to and including June 30, 2012.

B. During the term of the AGREEMENT, the provisions herein shall govern the wages, hours, benefits, and working conditions of employees covered by this AGREEMENT. Except as otherwise provided herein, neither party hereto shall be required to meet and confer upon matters set forth in this AGREEMENT, except that the parties may meet and confer during the term of this AGREEMENT on any matter within the scope of representation where (1) the matter is not covered by the AGREEMENT or was not expressly raised as an issue during the meeting and conferring process by which this AGREEMENT arose; and (2) there has arisen a significant change in circumstances with respect to such matter, which could not have reasonably been anticipated by both parties at the time they signed this AGREEMENT.

C. CITY and EMPLOYEES agree that meet and confer sessions pertaining to a successor AGREEMENT shall be commenced as soon as possible after the request of either party made after January 1, 2012, with the mutual intent of ratifying such AGREEMENT prior to June 30, 2012. CITY agrees to conduct a compensation survey of benchmark positions at comparable agencies, listed in Section 18 of this AGREEMENT, prior to the beginning of the meet and confer sessions referenced in this Section.

listed in Section 18 of this AGREEMENT, prior to the beginning of the meet and confer sessions referenced in this Section.

SECTION 16: CONSTRUCTION OF AGREEMENT.

The language in all parts of this AGREEMENT shall, in all cases, be construed as a whole and in accordance with its fair meaning. The captions of the paragraphs and sub paragraphs of this AGREEMENT are for convenience only and shall not be construed or referred to in resolving questions of construction.

This AGREEMENT has been reviewed by both parties, and by legal counsel for CITY, and no presumption or rule that ambiguities shall be construed against the drafting party shall apply to the interpretation or enforcement of this AGREEMENT.

SECTION 17: COVENANT OF GOOD FAITH AND FAIR DEALING.

Neither party shall do anything which shall have the effect of harming or injuring the other party to receive the benefits of this AGREEMENT; each party shall refrain from doing anything which would render its performance under this AGREEMENT impossible; and, each party shall do everything with this AGREEMENT contemplates that shall do to accomplish the objectives and purposes of this AGREEMENT.

DATED: 1/21/10

EMPLOYEE RELATIONS OFFICER OF THE
CITY OF DAVIS

By: William Emlen
William Emlen

Brian Abbanat

Brian Abbanat

Robert Bowen

Robert Bowen

Anne Brunette

Anne Brunette

Gail Bulley

Gail Bulley

Robert Cain

Robert Cain

Cathy Camacho

Cathy Camacho

Melissa Chaney

Melissa Chaney

Robert Clarke

Robert Clarke

Patrick Conway

Patrick Conway

Jacques DeBra

Jacques DeBra

Daniel Doolan

Daniel Doolan

Susan Errington

Susan Errington

Kelly Fletcher

Kelly Fletcher

Connie Foppiano

Connie Foppiano

Danielle Foster

Danielle Foster

Xzandrea Fowler

Xzandrea Fowler

Sue Gedestad

Sue Gedestad

Bradley Gonzalez

Bradley Gonzalez

Michael Goodison

Michael Goodison

Rick Guidara

Rick Guidara

Juli Hawthorne

Juli Hawthorne

Christine Helweg

Christine Helweg

Ken Hiatt

Ken Hiatt

Laura Ivans

Laura Ivans

James Tyler

James Tyler

Armando Jaramillo

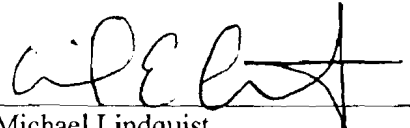
Armando Jaramillo

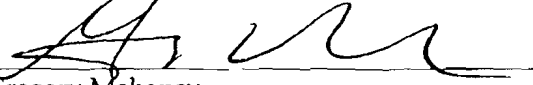
Jackie Jaskowiak


Jackie Jaskowiak

Dianna Jensen


Dianna Jensen


Michael Lindquist



Gregory Mahoney

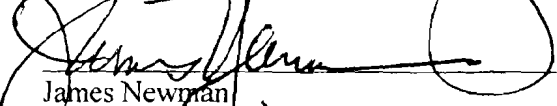

William Marshall

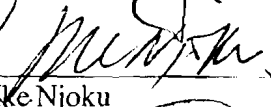

Sheila McCrory

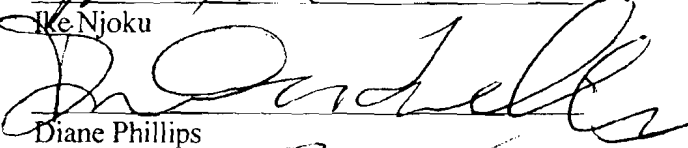

Zoe Mirabile

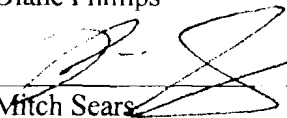

Michael Mitchell



Roxanne Namazi



James Newman

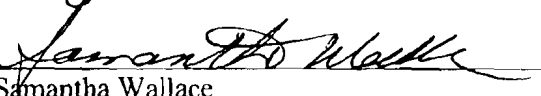

Ike Njoku

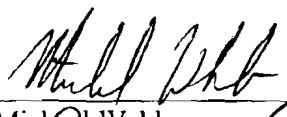

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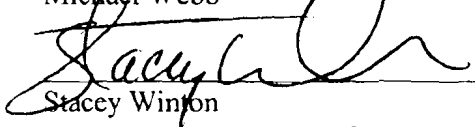

Mitch Sears



Keith Smith

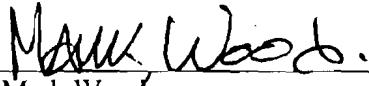

Kelly Stachowicz


Samantha Wallace


Michael Webb


Stacey Winton


Robert Wolcott


Mark Wood

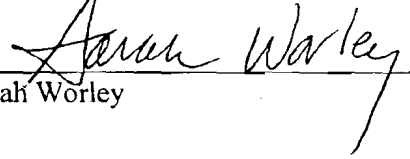

Sarah Worley

EXHIBIT A

Leaves and Attendance

CITY agrees EMPLOYEES will earn the following paid leave time as specified:

A. Vacation Leave. The purpose of an annual vacation leave is to enable each employee to have a period of time to use as they desire, to rest and relax, and to return to their work mentally refreshed.

For any given contract year under this AGREEMENT, an individual EMPLOYEE may decline to accept up to 40 hours of vacation accrual, by written request to the City Manager.

Employees are able to cash-out up to forty (40) hours of vacation as long as: (1)the employee has at least fifteen (15) years of service with the CITY, and (2) the employee has a minimum of one (1) year of accrued vacation on the books. EMPLOYEES shall earn vacation leave during each calendar year according to the following schedule, unless they have declined to accept the vacation accrual, as provided in this section:

<u>Years of Employment</u>	<u>Vacation Days Earned Per Year</u>
1-3	15
4-5	17
6-10	20
11	23
12	24
13	25
14	26
15	27
16+	28

The number of days earned per year shall be prorated and accrued on a bi-weekly basis. EMPLOYEES shall not vest vacation leave until it is actually accrued.

The times during a calendar year at which an EMPLOYEE may take their vacation shall be determined by the department head and the City Manager with due regard for the wishes of

the EMPLOYEE, and with particular regard for the needs of the service. If the requirements of the service are such that an EMPLOYEE cannot take part or all of their annual vacation in a particular calendar year, such vacation shall be taken during the following calendar year.

Any EMPLOYEE, with the consent of the department head and the City Manager, may defer as many working days of their annual vacation as they accumulate during a given year to the succeeding calendar year.

In the event one or more municipal holidays occur within an annual vacation leave, such holidays shall not be charged as vacation leave, but shall be charged as holiday leave.

EMPLOYEES who terminate employment shall be paid in a lump sum for all accrued, unused vacation leave earned prior to the effective date of termination.

B. Management Leave. The purpose of management leave is to partially compensate each EMPLOYEE for the extra time that such EMPLOYEE is required to devote to CITY business outside of normal duty hours. EMPLOYEES receive no other compensation for the extra time that they devote to CITY business and, as such, are entitled to management leave with pay.

(1) Executive Management EMPLOYEES shall be credited with ten (10) working days (i.e., eighty (80) hours) of management leave each calendar year, which shall be prorated and accrued on a bi-weekly basis. The EMPLOYEE shall not vest management leave time until it is actually accrued.

(2) General Management EMPLOYEES shall be credited with ten (10) working days (i.e., eighty (80) hours) of management leave each calendar year, which shall be prorated and accrued on a bi-weekly basis. The EMPLOYEE shall not vest management leave time until it is actually accrued.

The EMPLOYEE shall not vest management leave time until it is actually accrued.

EMPLOYEES are encouraged to take all of their management leave off with pay.

However, EMPLOYEES are entitled to three (3) options with respect to the manner in which they use this leave:

(1) Take their accumulated time off with pay.

(2) Receive a cash payment for fifty (50) percent of the management leave accrued in one (1) year, and take the remaining balance of their accumulated time off with pay.

(3) Receive a cash payment for a hundred (100) percent of the management leave accrued in one year.

Any EMPLOYEE, with the consent of the department head and the City Manager, may defer as many working days of their annual management leave as they accumulate during any given year to the succeeding calendar year.

The policy statements contained in this exhibit regarding the time during the calendar year at which an EMPLOYEE may take their vacation leave, the effect of holidays on this leave, and payment for this leave upon termination of employment, shall also apply to management leave.

C. Sick Leave. Sick leave with pay shall be granted to all EMPLOYEES. Sick leave shall not be considered as a right which an EMPLOYEE may use at their discretion, but shall be allowed only in case of necessity and actual personal sickness or disability.

In order to receive compensation while absent or on sick leave, the EMPLOYEE shall notify their immediate superior or the City Manager prior to or within four (4) hours after the time set for beginning their daily duties, or as may be specified by the head of their department. When absence is for more than one (1) work day, the EMPLOYEE may be required to file a physician's certificate or personal affidavit with the City Manager, stating cause of the absence.

For purposes of computing sick leave, a work day shall be considered as one-fifth (1/5) of the number of working or duty hours in the established work week for each EMPLOYEE. Sick leave shall be earned at the rate of one (1) work day for each calendar month of service. Unused sick leave may be accumulated.

EMPLOYEES may take any or all of their accrued sick leave in cases where an EMPLOYEE's presence is required elsewhere because of the sickness or disability of a member of the EMPLOYEE's immediate family. The immediate family shall consist of the spouse, children, parents, brothers, sisters, or other individuals whose relationship to the EMPLOYEE is that of a dependent or near dependent.

When an EMPLOYEE is rendered incapable of performing their work or duties by injuries received or illness arising in the course of their employment by CITY, and such injury or illness is determined to come within the provisions of the Workers' Compensation Act, the City Manager may grant the EMPLOYEE leave, with an amount of pay equal to the difference between their CITY pay and the workers' compensation, if any, received by the EMPLOYEE during such incapacity, but not to exceed one (1) year for any one period of such incapacity. Leave granted an EMPLOYEE under the above provisions shall not be considered sick leave or deducted from accumulated sick leave as provided in this section.

D. Military Leave. Military leave shall be granted in accordance with the provisions of state law. All EMPLOYEES entitled to military leave shall give the City Manager an opportunity within the limits of military regulations to determine when such leave shall be taken.

E. Leave of Absence Without Pay. The City Manager may grant an EMPLOYEE leave of absence without pay or seniority for not to exceed twelve (12) months in any 12 month period. No such leave shall be granted except upon written request of the EMPLOYEE, setting forth the

reason for the request, and the approval will be in writing. Upon expiration of a regularly approved leave or within a reasonable period of time after notice to return to duty, the EMPLOYEE shall be reinstated in the position held at the time it was granted. Failure on the part of an EMPLOYEE on leave to report at its expiration or within a reasonable time after notice to return to duty, shall be cause for discharge.

Department heads may grant an EMPLOYEE leave of absence without pay for not to exceed one (1) calendar week. Such leave shall be reported to the City Manager.

F. Jury Leave. Every EMPLOYEE who is called or required to serve as a trial juror shall be entitled to be absent from their duties with the CITY during the period of such service or while necessarily being present in court as a result of such call. Under such circumstances, the EMPLOYEE shall be paid the difference between their full salary and any payment they receive, except travel pay, for such duty.

G. Attendance. EMPLOYEES shall be in attendance at their work in accordance with the rules regarding hours of work, holidays, and leaves. Failure on the part of an EMPLOYEE, absent without leave, to return to duty within twenty-four (24) hours after notice to return shall be cause for immediate discharge.

EXHIBIT B

HOLIDAYS

The holidays to be observed by the CITY are as follows:

- (1) January 1; the third Monday in January; the third Monday in February; the last Monday in May; July 4; the first Monday in September; November 11; Thanksgiving Day; the day after Thanksgiving Day; December 24; December 25; December 31; and every day proclaimed by the mayor of the City of Davis as a public holiday (however, in no case, shall the City of Davis observe the same holiday on more than one day).

EMPLOYEES (Public Safety) who are required to work on holidays as part of their regular work assignment shall be credited with "in lieu of holiday time" each year at the following rates:

Police: Ninety-six (96) hours.

Fire : One hundred thirty-four and four-tenths (134.4) hours.

- (2) Whenever a holiday falls on a Sunday, the following Monday shall be observed as a holiday in which case the Sunday shall not be considered a holiday for any purpose.
- (3) Whenever a holiday falls on a Saturday, the preceding Friday shall be considered as a holiday in which case the Saturday shall not be considered a holiday for any purpose.
- (4) Whenever the application of sections 2 and 3 above result in a holiday falling on another holiday, employees will be credited with eight (8) hours vacation time on the first pay period following the holiday.
- (5) Employees whose regular work day normally consists of more than eight (8) hours shall not be entitled to more than eight (8) hours of holiday.

CITY shall continue to grant two and one-half days floating holidays in lieu of California Admission Day, Lincoln's Birthday holiday and from 1:00 p.m. to 5:00 p.m. Good Friday. Floating holidays shall be treated as vacation time and CITY policy regarding vacation leave shall apply.

EXHIBIT C

City of Davis

DEPENDENT CARE ASSISTANCE PROGRAM (DepCare)

What is DepCare?

DepCare is a program that allows you to pay for your dependent care expenses on a pre-tax, salary reduction basis. You can use this tax advantage plan to pay for dependent care that enables you, or you and your spouse, to be gainfully employed.

Who is Eligible?

All full-time, special funded full-time and regular part-time employees may participate.

How Much Can I Contribute to My DepCare Account?

Under DepCare, your salary is reduced bi-weekly (each pay period) by the dollar amount you specify, before taxes are deducted. You may contribute up to your or your spouse's total earned income, whichever is less, to a maximum of \$5,000 per calendar year. If you are married and filing a separate income tax return, you may contribute a maximum of \$2,500 per plan year. If your spouse is incapable of self-care or is a full-time student, his or her earned income is considered to be:

- \$200 per month if you claim one dependent, or
- \$400 per month if you claim two or more dependents.

To be considered a full-time student, your spouse must attend school for at least 5 months of the year and may not be exclusively a night-time student.

Which DepCare Expenses Can Be Reimbursed?

For your expenses to be reimbursed under the DepCare program, they must meet the conditions of Internal Revenue Code sections 21 and 129.

- The dependent care must be necessary to enable you, or you and your spouse, to be gainfully employed.
- If you are married but living apart from you spouse, you may use DepCare when you file a separate return if (1) an eligible dependent lives in your home for more than half the year, (2) you pay more than half the cost of maintaining the household, and (3) your spouse did not live with you and the eligible dependent during the last 6 months of the tax year.
- If you use a daycare center, the center must care for more than 6 children who do not live there, and must comply with all state and local laws. Expenses for household services may also be eligible if provided for the care of the dependent.

- Expenses for care provided by your spouse, by someone you claim as a dependent for tax purposes, or by your child under age 19, are not eligible.

Which Dependents Are Eligible?

Claims for the following dependent(s) qualify under the DepCare program:

- A child under age 15 who is in your custody and whom you claim as a dependent on your tax return.
- A disabled spouse.
- A dependent who lives with you (such as a parent, sibling, or in-law) who is incapable of self-care, and whom you claim as a dependent on your tax return.

It is your responsibility to make sure that expenses submitted for DepCare reimbursement are eligible under the program. You will be held responsible for taxes and penalties associated with ineligible expenses if you are audited by the IRS. DepCare expenses which are reimbursed from your DepCare account cannot also be claimed as a tax credit on your income tax return.

When May I Enroll or Cancel?

You may enroll in DepCare at the following times:

When you are hired: When you are hired, you may enroll during your period of initial eligibility, which begins on your first day of employment and ends on the last day of the following calendar month. Your salary reduction agreement is effective upon the receipt in Administrative Services; subject to payroll deadlines. (This means that we must receive the agreement on the Friday before payroll week for it to be effective on that payroll.) No retroactive adjustments will be allowed.

During open enrollment: If you are currently eligible, you may enroll, change or cancel during open enrollment period (will coincide with open enrollment for medical).

When your status changes: You may enroll, change or cancel in DepCare during the plan year because of, and consistent with, eligibility changes in:

- Family status (such as an addition of an eligible dependent), or
- Employment status (such as your spouse becoming employed).

These eligibility changes in status create a period of initial eligibility, which extends from the first day your status changes, through the last day of the following calendar month. However, if you were not eligible to participate at the time your status changes (for example, if you were on leave without pay), then the period of initial eligibility does not begin until you are again eligible to participate in the program. The enrollment is effective upon receipt in Administrative

Services; subject to payroll deadlines. (See explanation of payroll deadlines under when you are hired: section above.)

How Do I File Claims?

You send the DepCare reimbursement form to the Administrative Services department. You may submit claims at any time until February 15 of the following plan year of eligible expenses.

You may file only for expenses that you have actually incurred. You will be required to certify that your expenses are eligible under the program.

Claims will be paid according to the Accounts Payable schedule. It is advisable only to claim amounts that can be covered by your account balance. If there is an insufficient balance in your account, a partial payment will be made up to the balance in your account.

You will receive a balance statement with each reimbursement check. Also, at the end of the year, you will receive a statement showing the total amount of your DepCare deposits and reimbursements.

What Happens to Funds Left in My Account?

The IRS requires forfeiture of any funds left in your DepCare account after all eligible claims have been paid for the plan year. You have until February 15 of the following year to claim for payment expenses incurred late in the plan year. After February 15, however, you lose all remaining funds in your DepCare account. Forfeited funds will be used by the city to pay for the cost of administering the DepCare program.

The DepCare Tax Advantage

Before you decide whether or not to establish a DepCare account, ask yourself these questions:

- Would the DepCare reimbursement account be more favorable than the dependent care income tax credit - or do you want to use a combination of both?
- What are your yearly dependent care costs?
- Will the full amount of your dependent care costs exceed the maximum allowable contribution for DepCare?

You need to decide if DepCare is your best option. We cannot advise you. If your tax situation is complex, or if you have further questions which we cannot answer, consult a tax advisor regarding enrollment in the DepCare program.