

# **MEMORANDUM OF UNDERSTANDING**

**2024 – 2027**

**CITY OF FOUNTAIN VALLEY**

**AND**

**THE MUNICIPAL EMPLOYEES' ASSOCIATION**



This Memorandum of Understanding sets forth the terms of agreement reached between the City of Fountain Valley and Teamsters as the Exclusively Recognized Employee Organization for the Municipal Employee's Association, Local 986 (Teamsters) for the period beginning July 1, 2024 through June 30, 2027. Unless otherwise indicated herein, all provisions shall become effective the beginning of the pay period following City Council approval.

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**MEMORANDUM OF UNDERSTANDING  
BETWEEN THE CITY MANAGER  
OF THE CITY OF FOUNTAIN VALLEY  
AND  
THE MUNICIPAL EMPLOYEES' ASSOCIATION  
(2024-2027)**

**PREAMBLE**

The City Manager of the City of Fountain Valley and representatives of the California Teamsters, Municipal Employee's Association, Local 986 (Teamsters), (hereinafter referred to as "Teamsters") have met on a number of occasions and have conferred in good faith, exchanging a number of proposals concerning wages, hours, fringe benefits, and other terms and conditions of employment for the Field Services/Municipal employees of the City.

The City Manager and Teamsters have reached an understanding as to certain recommendations to be made to the City Council of the City of Fountain Valley and have agreed that the parties hereto will jointly urge the City Council to adopt one or more resolutions which will provide for the changes in wages, hours, fringe benefits, and other terms and conditions of employment contained herein.

Having met and conferred in good faith, the City Manager of the City of Fountain Valley and representatives of Teamsters agree as follows:

**ARTICLE 1 - RECOGNITION**

Pursuant to Government Code Section 3500 et seq. and Resolution No. 9379 of the City Council of the City of Fountain Valley (Employer-Employee Relations Resolution), the City has recognized Teamsters as the exclusive representative of all Field Services/Municipal Employee's non-management employees (hereinafter referred to as Field Services employees) of the City of Fountain Valley for purposes of representation on wages, hours, fringe benefits, and other terms and conditions of employment. As the representative of Field Services/Municipal Employees, Teamsters is empowered to act on behalf of said employees whether or not they are individually members of Teamsters.

This Memorandum of Understanding shall act as a bar to the raising of any question concerning such representation during the term of this MOU, except that a question of representation may be raised during the period between 60 days and 90 days prior to the expiration of this Memorandum of Understanding.

**ARTICLE 2 – REPRESENTED CLASSIFICATIONS**

The following classifications are represented by Teamsters:

<b>Classification</b>	<b>Classification</b>
Equipment Operator I	Landscape Inspector
Equipment Operator I- Water	Maintenance Worker II
Equipment Operator II	Maintenance Worker II – Chemical Applicator

Equipment Operator II – Water	Maintenance Worker II – Water
Foreman	Mechanic
Foreman Fleet	Meter Reader
Foreman Water	Water Quality Technician
Irrigation Technician	Water System Operator

### ARTICLE 3 - WORK SCHEDULE

**Section 3.01 – Work Period.** The official work week for Field Services employees of the City shall be the seven (7) day period beginning at 12:00 a.m. on Saturday and ending at 11:59 p.m. on the following Friday.

**Section 3.02 - Work Schedule.** Field Services employees shall work a 4/10 schedule consisting of four 10-hour shifts per week. Most Field Services employees will work Monday through Thursday from 6:30 a.m. to 5:00 p.m. with a 30-minute lunch period. However, specified employees including those assigned to work in Utilities, which is a seven-day per week operation, may work a different schedule based upon the needs of the City.

The City agrees to give Field Services employees seven (7) calendar days advance notice of a shift change whenever practicable.

The City shall discuss with Teamsters any proposed changes in existing scheduled hours of work before such changes are put into effect. Whenever practicable, the City shall provide written notification of such proposed changes to Teamsters at least fourteen (14) calendar days before such changes are put into effect.

### ARTICLE 4 - PROBATIONARY PERIOD

**Section 4.01 – New Hires.** All Field Services employees shall serve a twelve (12) month probationary period. Upon successful completion of the probationary period, the Field Services employee may be recommended for permanent status subject to Department Director and City Manager approval.

**Section 4.02 – Promotions.** All Field Services employees promoted to a classification within this unit shall serve a six (6) month probationary period. Upon successful completion of the probationary period, the Field Services employee may be recommended for permanent status subject to Department Director and City Manager approval.

### ARTICLE 5 - COMPENSATION

#### **Section 5.01 – Compensation.**

- A. Adjustments to the schedule of base salary rates for the classifications covered under this contract are outlined below:

<i>Adjustment Effective Date</i>	<i>Adjustment Amount</i>
Pay Period Ending May 9, 2025	4%
Pay Period Ending July 4, 2025	4%

Pay Period Ending July 3, 2026	4%
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**B. One-Time Payment**

All Field Services employees, active as of June 30, 2024, received a one-time payment of \$3,500. For any Field Services employees hired during the period of July 1, 2024 and April 25, 2025, they received a pro-rated one-time payment.

**Section 5.02 – Matching Deferred Compensation Contribution.** The City will make up to a \$225 per month matching contribution into each employee's deferred compensation account for each unit employee who contributes into the City's deferred compensation plan. For example, an employee contribution of \$25 per month will receive a matching City contribution of \$25 per month. An employee contribution of \$300 per month will receive a city contribution of \$225 per month.

**Section 5.03 – Merit Plan.** - All Field Services employees shall be assigned to a salary range consisting of five steps. The first step is the normal hiring rate, although Field Services employees may be hired at a higher step within the range subject to approval of the City Manager. The fifth step is the maximum base salary rate for the classification.

Progression from one step to another within the approved salary range shall be as follows:

- A. At the time of employment, the Field Services employee shall have a salary anniversary date established, which will be the first day the employee worked. For example, if the employee's first day of work is April 6, the employee's anniversary date shall be April 6 (365<sup>th</sup> day of employment with the City).
- B. Effective the first day of the pay period closest to one year from the date of employment, the Field Services employee's Department Director shall certify in writing to the City Manager, or his/her designated representative, whether or not the Field Services employee's performance has been satisfactory. If the Director certifies that the Field Services employee's performance is satisfactory, then the employee shall receive a one-step increase, unless the Field Services employee is already at the fifth step. The one-step increase will be effective as of the employee's one year salary anniversary date.
- C. Field Services employees shall be eligible for a subsequent merit (step) until they reach the fifth step.
- D. Field Services employees shall receive merit increases based on their overall score on the employee's annual performance evaluation. Based on the 16 rating areas listed below, an employee must receive at least 53 points to receive a one-step merit increase. Points shall be awarded as follows: "Unsatisfactory," one point; "Below Average," two points; "Competent," three points; "Above Average," four points; and "Superior," five points.

Field Services employees who receive a total score of 67 points shall be eligible for a "special" merit increase, as described below, in addition to the regular merit increase to which they are otherwise entitled.

The 16 rating areas and total possible points in each area are as follows:

Rating	Maximum Points
Observance of hours	3
Appearance	3
Compliance with Rules and Regulations	3
Safety Practices	3
Attendance	3
Job Skill Level	5
Public Contacts	5
Cooperation/Attitude	5
Rate of Learning	5
Job Performance	5
Effectiveness Under Stress	5
Dependability	5
Proposes Constructive Suggestions	5
Self-Improvement	5
Initiative	5
Other	5

If a Field Services employee has not been approved for a merit (step) increase, he/she may be reconsidered for such merit (step) increase at any subsequent time.

In such cases where a Field Services employee demonstrates exceptional ability and proficiency in the performance of his/her duties, the Field Services employee's Division Manager or Department Director may recommend to the City Manager a special merit (step) increase without regard to the length of service provisions contained in this article. Merit (step) increases approved under this section shall not change the Field Services employee's salary anniversary date.

The granting of any leave of absence without pay in excess of thirty (30) calendar days shall result in a new salary anniversary date being established for the Field Services employee for purposes of determining eligibility for merit (step) increases. The new anniversary date shall be based on the Field Services employee's original date of hire, plus the number of calendar days of his/her leave in excess of thirty (30) calendar days.

**Section 5.04 – Salary on Promotion.** When a Field Services employee is promoted from employment in one classification to employment in a different classification allocated to a higher salary range, he/she shall be advanced to the lowest step in such higher classification range which will provide not less than a one-step (5%) increase in compensation. A new salary anniversary date shall be established, which shall be six (6) months from the effective date of the promotion.

**Section 5.05 – Salary on Reclassification.** Reclassification occurs when a Field Services employee is assigned to a different classification from the one he/she is presently occupying, as a result of substantive changes in the duties and responsibilities of the position, requiring assignment to a more appropriate classification. Reclassification may be to a higher or lower salary range, or may consist of job title changes only. Upon reclassification, the City Manager, with the recommendation of the Division Manager or Department Director shall place the Field Services employee at an appropriate rate and range.

**Section 5.06 – Compensation on Transfer.** Field Services employees who are transferred from one (1) Division/Department to another, and whose transfer does not include a classification change, shall not have their salary rate and salary anniversary date changed.

**Section 5.07 – Changes in Class Salary Range.** If a classification is allocated to a different salary range, a Field Services employee in a position in that classification shall be compensated at the same numbered step in the new range that he/she was receiving in the previous range and his/her salary anniversary date shall not change.

**Section 5.08 – Compensation for Acting/Provisional Appointments.** Subject to the following limitations, a Field Services employee who is required on the basis of a provisional appointment to serve in a class with a higher salary range than that of the classification in which he/she is normally assigned, shall receive the entrance salary step of the higher salary range or one step higher (5%) than the step he/she normally receives, whichever is greater, provided that:

- A. The written approval of the City Manager or his/her designee shall be required.
- B. The Field Services employee shall perform all the duties and assume all the responsibilities of the higher class for a minimum of thirty (30) calendar days to be eligible for the higher compensation.
- C. Compensation for acting appointments shall be limited to the temporary filling of a vacant, regular position due to termination, promotion, or extended sick leave of the incumbent or the temporary filling of newly-budgeted positions.

**Section 5.09 – Salary on Demotion.** A regular, non-probationary Field Services employee who is demoted shall have his/her salary step reduced to the nearest salary step of the classification to which he/she is demoted. The Field Services employee shall not be required to serve a probation period in the lower position. The effective date of the demotion shall become the Field Services employee's new salary anniversary date and he/she shall earn eligibility for annual merit increases thereafter.

**Section 5.10 – Overtime.** Subject to the approval of the Division Manager or Department Director, Field Services employees may be authorized to work reasonable periods of overtime to meet the operational needs of the Department. Field Services employees who work overtime shall be compensated as follows:

- A. Overtime shall be paid at the rate of one-and-one-half times the Field Services employee's regular rate of pay, as defined by the Fair Labor Standards Act (FLSA) for all hours worked in excess of forty (40) hours in a seven (7) day work week.
- B. The overtime rate will be calculated according to Fair Labor Standards Act (FLSA) guidelines.
- C. For purposes of determining eligibility for overtime pay, absences (i.e., vacation, sick leave, etc.), whether compensated or uncompensated, shall not be counted as hours worked, except that paid holidays which fall on and are observed on a Field Services employee's regularly scheduled work day or furloughed hours shall be counted as hours

worked for the purposes of determining eligibility for overtime pay within a particular work week.

- D. Field Services employees called in to work after hours due to an emergency call out for major incidents as specified in Section 5.13, shall be paid the overtime rate of one-and-one half times the employee's hourly rate for those hours worked due to the emergency call out for major incidents. All other scheduled and non-scheduled overtime not due to an emergency call out for major incidents shall be paid subject to Section 5.09 A-C.

**Section 5.11 - Compensatory Time Off in Lieu of Overtime.** Subject to the approval of the Field Services employee's supervisor and Division Manager or Department Director, a Field Services employee may elect to accrue compensatory time off in lieu of receiving overtime pay for hours worked in excess of forty (40) in a work week.

- A. Compensatory time off may not be earned until a Field Services employee has worked or been paid for holiday more than forty (40) hours in a work week as defined by Section 5.09. A Field Services employee who requests and is approved for compensatory time off in lieu of overtime is entitled to one-and-one-half hours of compensatory time off for each hour for which he/she would otherwise be entitled to overtime pay.
- B. Subject to approval of their supervisor and Division Manager or Department Director, Field Services employees may request to "bank" up to a maximum of sixty (60) hours of compensatory time (representing forty (40) hours of overtime worked) in lieu of receiving overtime pay. The use of banked compensatory time shall be subject to the approval of the Division Manager or Department Director. Upon separation from employment with the City, a Field Services employee shall be paid for any unused, earned compensatory time at the regular rate of pay.

**Section 5.12 - Holiday Call-In.** Field Services employees who are called in to duty on a holiday shall be compensated at one-and-one-half times their regular hourly rate for all hours worked during such a call-in. However, the hours worked on the holiday pursuant to this section, shall not be counted as hours worked for the purposes of any other overtime compensation.

*(Revised 8/1/95)*

**Section 5.13 - Call Out Pay.** Field Services employees who are called in to duty after hours for emergency call out shall be compensated a minimum of two (2) hours of "call out" pay at time-and-a-half overtime. If the Field Services employee then works longer than two (2) hours, he/she shall be compensated for the actual number of hours worked at time-and-a-half overtime "call out" pay. "Call out" pay hours are not counted as hours worked for the purposes of any other overtime compensation.

*(Revised 8/1/95)*

**Section 5.14 – Emergency Call Out for Major Incidents.** An Emergency Call Out for Major Incidents is defined as an unexpected incident which includes but is not limited to a water main break, sinkhole, downed trees blocking a major arterial, traffic accidents requiring traffic control, power outages requiring traffic control etc. which may impact the public's safety and therefore must be addressed immediately. Such incidents typically require a

number of employees to be called in to assist with the incident.

Refer to Section 5.09 D for compensation when working an emergency call out for major incidents.

An employee called back to work following the end of his/her regularly scheduled work shift for an emergency call out for a major incident, who works 4 or more consecutive hours and is scheduled to work the next day, shall have the option to:

- Take a rest period at the City Yard for a period to be determined by the supervisor and employee sufficient to allow the employee to rest prior to returning to work.
- After notifying his/her supervisor of his/her fatigue, request to work his/her regularly scheduled shift but work at the City Yard and not work out in the field for that shift.
- Take vacation time to rest.

**Section 5.15 - Standby Pay.** Some Field Services employees who work in Utilities or General Services may be required to report back to work for emergency purposes during their off-duty hours for certain periods of time. During such times, said Field Services employees will be deemed to be on "standby duty" and shall be entitled to special compensation provided that all of the following conditions are met:

- A. The Field Services employee has been assigned to standby duty for a specified period of time (i.e., one week), and has been provided with a communication device and City-owned vehicle.
- B. While on standby, Field Services employees must be fit for duty during the entire standby period.
- C. For water standby duty only, the Field Services employee possesses a Grade 1 Water Treatment and Grade 1 Distribution Certification.
- D. The Field Services employee is able to be reached at all times during the standby period and is able to respond to call-outs immediately.
- E. The Field Services employee will respond to the work site within thirty (30) minutes of receiving the call. This provision applies only to Streets and Landscape standby.

Field Services employees assigned to standby duty shall receive \$350.00 for each seven (7) day week of standby duty, or a pro rata amount for a portion of a week as "standby pay." Standby pay is in addition to any other compensation to which the Field Services employee is otherwise entitled.

*(Revised 1/1/92, 1/1/91, 1/1/90, 1/1/89, 8/16/15)*

Refer to Section 5.12 for call-out pay provisions.

The City and Teamsters agree that the hours that a Field Services employee is on designated standby duty, pursuant to this section, shall be considered "uncontrolled" standby duty. The hours spent on standby duty shall not be considered hours worked except for

such hours that the Field Services employee is en route to or from a call-out, and actual time spent on call-outs.

**Section 5.16 - Shift Differential Pay.** The City shall pay Shift Differential Pay equal to \$0.40 cents per hour in addition to their regular hourly rate to those Field Services employees assigned to a shift commencing after 3:00 p.m. and ending before 9:00 a.m.

*(Revised 2/16/89, 2/16/86)*

**Section 5.17 - Specialty Assignment Pay, Streets Division.** Those Street Maintenance Worker II employees assigned to operate equipment requiring a special operator's license shall receive Specialty Assignment Pay equal to 2½% of their base rate of pay. The number of positions eligible for this Specialty Assignment Pay shall be limited to a total of three. The selection and designation of Field Services employees who receive this assignment will be at the discretion of the General Services Manager and Director of Public Works.

*(Revised 8/1/98)*

**Section 5.18 – Specialty Pay.** Maintenance Workers in all Field Services Divisions possessing a valid California Class A or B driver's license will be paid Specialty Pay equivalent to 2½% of their base rate of pay on those days they are required to operate a vehicle requiring a Class A or B driver's license.

*(Revised 8/1/98)*

**Section 5.19 – Water Certificate Pay.** Unit members in the classifications of Maintenance Worker II – Water and Water System Operator who possess a valid T2 water treatment certificate will receive \$50 per month as education incentive pay.

## **ARTICLE 6 - UNIFORMS AND SAFETY FOOTWEAR PROGRAM**

**Section 6.01 - Uniforms.** The City shall provide uniforms and laundry service for all Field Services employees. Field Services employees will be provided with a total of nine pairs of pants and nine shirts bi-weekly.

The City will cover the cost of purchasing, cleaning and maintaining all uniforms. The City retains the exclusive right to determine the type of uniform to be worn and the vendor who provide the uniforms and maintenance thereof.

Uniforms will also be provided for designated custodial personnel and such other classifications as may be designated by the City Manager.

In accordance with CalPERS' amendment to Section 571, subsection (a) (5) in Title 2 of the California Code of Regulations, expanding the definition of uniform allowance to include the monetary value for the purchase of required clothing, including clothing made from specially designed protective fabrics, but excluding items that are solely for personal health and safety such as protective vests, pistols, bullets, and safety shoes. Effective June 2005, the City will begin reporting the monetary value of uniform items to CalPERS as uniforms/special compensation as noted below. Annually, the Field Services Division will provide the

Personnel Department with the cost of providing uniforms to Field Services employees. The total cost for the uniform program divided by the number of employees, will determine the cost of the uniforms reported to CalPERS annually.

**Section 6.02 – Safety Footwear Program.** The City shall provide a total of two pair of safety footwear per calendar year for all Field Services employees who are required to wear such footwear in performing their duties. Such employees will be required to wear safety footwear at all times while at work.

Safety Footwear Replacement. The City will provide a new pair of safety footwear to a Field Services employee based upon "fair wear and tear" of existing footwear up to a maximum cost established by the City. The City retains the exclusive right to specifications of safety footwear to be worn, as well as, the vendor to provide the safety footwear and maintenance thereof.

Safety Footwear Requirements:

- A. Steel-reinforced toes or the equivalent with insteps.
- B. Must be a minimum of 6" high and covering the ankle (with the exception of Fleet personnel).
- C. Must be black or brown in color.
- D. Bear the official stamp of approval from the American National Standards Institute.
- E. Vouchers will be issued for Iron Age, Red Wing, or others as determined by the City which may be used towards the purchase of safety footwear and insoles.

Safety Footwear and Insole Vouchers.

- A. Effective with hire, a new Field Services employee will receive one pair of safety footwear valued (including tax) up to \$265.00.
- B. Effective six months after hire, a Field Services employee will receive one pair of safety footwear valued (including tax) up to \$265.00.
- C. Effective one year after hire, safety footwear will be replaced on an as-needed basis up to a maximum of two replacements in a calendar year. Each \$265.00 voucher may also be used towards the purchase of safety footwear and insoles.
- D. Field Services employees selecting safety footwear costing in excess of \$265.00 will be responsible for any such excess cost.

*(Revised 8/1/98, 8/16/15)*

Enforcement. The Director of Public Works or his/her designee will enforce Field Services employee compliance with the safety footwear program and Field Services employees will not be allowed to work without the appropriate safety footwear.

Safety Footwear Maintenance. Field Services employees will be responsible for properly maintaining and safekeeping their safety footwear. If extreme conditions result in the premature wearing of safety footwear, the Field Services employee must notify the supervisor immediately. The Director of Public Works or his/her designee may issue more than two (2) safety footwear each calendar year for specified Field Services employees on an as needed, case-by-case basis.

Lost or Abused Footwear. Replacement of lost or abused shoes will not be made except as provided.

## ARTICLE 7 - RETIREMENT

**Section 7.01 – CalPERS Retirement System:** Employees are members of the California Public Employees' Retirement System (hereinafter referred to as CalPERS) and are subject to all applicable provisions of the City's contract with CalPERS for the miscellaneous employees.

**Section 7.02 - Employees Hired August 15, 2010 and Earlier:** Employees hired as a full-time employee on or prior to August 15, 2010 will be covered under the 2.5% at 55 formula with the benefits specified below.

<u>Provision</u>	<u>Government Code Section</u>
2.5% at 55 formula – effective October 8, 2005	21354.4
One Year Final Compensation (Single Highest Year)	20042
Service Credit for Unused Sick Leave	20965
2% Cost-of-Living	21329
Post Retirement Survivor Allowance	21624, 21626, & 21635
Fourth Level of 1959 Survivor Benefit	21574
Pre-Retirement Optional Settlement 2 Death Benefit	21548
Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Non-Profit Corporation	21026
Military Service Credit for Retired Persons	21027
Local System Service Credit included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement	21037

Employee Contribution. Employees agree to share the cost of their retirement benefit on a pre-tax basis by paying the full 8% employee contribution. It is the intent of the parties to accommodate employees' desire that said sums be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution may be

deducted on a pre-tax basis because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. The City shall not be responsible for any adverse tax treatment for the employees. The City has made no representation regarding such tax treatment and employees shall seek such advice from their personal tax advisors regarding such matters.

In addition to the 8% referenced above, employees have agreed to pay an additional pension contribution of one and one half percent (1.5%) as cost sharing in accordance with Government Code section 20516(f), for a total employee pension contribution of nine and one half percent (9.5%) by the end of this contract. The cost sharing will increase according to the following schedule:

<i>Adjustment Effective Date</i>	<i>Employee Share</i>
Pay Period Ending July 9, 2021	8.5% (0.5% employee increase)
Pay Period Ending July 8, 2022	9.0% (0.5% employee increase)
Pay Period Ending July 7, 2023	9.5% (0.5% employee increase)

City Contribution. The City agrees to pay the employer contribution to CalPERS minus the amount paid by the employee through the cost sharing agreement.

**Section 7.03 – Employees Hired Beginning August 16, 2010 Through December 31, 2012:** Employees whose hire date as a full-time employee is August 16, 2010 through December 31, 2012 will be covered under the 2% at 60 formula with the benefits specified below.

<b>Provision</b>	<b>Government Code Section</b>
2% at 60 Formula	21353
Three Highest Years Average Compensation	20037
Pre-Retirement Optional Settlement 2 Death Benefit	21548
Service Credit for Unused Sick Leave	20965
2% Cost-of-Living	21329
Fourth Level of 1959 Survivor Benefit	21574
Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Non- Profit Corporation	21026
Military Service Credit for Retired Persons	21027
Local System Service Credit included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement	21037

7% Employee Contribution. Employees agree to share the cost of their retirement on a pre-tax basis by paying the full 7% employee contribution. It is the intent of the parties to accommodate employees' desire that said sums be deducted on a pre-tax basis as deferred

income for federal and state tax purposes. The parties believe the contribution may be deducted on a pre-tax basis because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. The City shall not be responsible for any adverse tax treatment for the employees. The City shall not be responsible therefore and the City has made no representation regarding such tax treatment and employees shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

Section 7.04 California Public Employees' Pension Reform Act of 2013: Assembly Bill No. 340 (2012) established the California Public Employees' Pension Reform Act of 2013 (hereinafter referred to as PEPRA). The City is required to comply with the provisions of PEPRA.

Section 7.05 New Members and New Employees Under PEPRA:

New Members Defined by PEPRA. New Members are defined by PEPRA as an employee who becomes a member of a public retirement system for the first time on or after January 1, 2013 and:

- A. Was not a member of a public retirement system before January 1, 2013; or
- B. Was a member of a public retirement system before January 1, 2013 that is not subject to reciprocity with CalPERS; or
- C. Alternatively, anyone who was an active member of a retirement system, has a break in service of six (6) months or more, and returns to active membership in the same system with a new employer.

New Employees Defined by PEPRA. New Employees are defined by PEPRA as an individual hired on or after January 1, 2013 and:

- A. Never worked in the public sector before January 1, 2013; or
- B. Worked in the public sector before January 1, 2013, but worked for an employer with a retirement plan that did not have reciprocity with CalPERS.

New Members and New Employees will be covered under the 2% at 62 formula with the benefits specified below.

Provision	Government Code Section
\$500 Retired Death Benefit	Section 21620
1959 Survivor Benefit Level 4	Section 21574
2% @ 62 Formula for Miscellaneous/Industrial Members	Section 7522.20
2% Annual Cost-of-Living Allowance Increase	Section 21329
Additional Service Credit 2 Years - Local Member	Section 20903

Different Level of Benefits	Section 20475
Final Compensation 3 Years	Section 20037
Military Service Credit as Public Service	Section 21024
Military Service Credit for Retired Persons	Section 21027
Post-Retirement Survivor Allowance to Continue After Remarriage	Section 21635
Pre-Retirement Death Benefits to Continue After Remarriage of Survivor	Section 21551
Pre-Retirement Option 2W Death Benefit	Section 21548
Prior Service	Section 20055
Public Service Credit for Peace Corps, AmeriCorps VISTA, or AmeriCorps Service	Section 21023.5
Public Service Credit for Periods of Layoff	Section 21022
Unused Sick Leave Credit - Local Member	Section 20965

Employee Contribution. PEPR (Government Code Section 7522.30) states "Equal sharing of normal costs between public employers and public employees shall be the standard." The standard shall be that employees pay at least 50% of normal costs and that employer's not pay any of the required employee contribution.

The "normal cost rate" shall mean the annual actuarially determined normal cost for the employer's defined benefit plan expressed as a percentage of payroll.

New Members and New Employees shall pay 50% of the normal cost adjusted annually in accordance with the CalPERS actuarial valuation for the City of Fountain Valley 2% at 62 plan. Any change to the New Member and New Employee contribution rate will become effective the first payroll period closest to July 1 of the appropriate year.

Upon receipt of the annual actuarial valuation from CalPERS for the 2% at 62 plan, the Personnel Department will forward a copy to the Association specifying the New Member and New Employee contribution rate for the upcoming period. This process shall serve as the meet and confer process for any increase in the employee contribution rate. The Association may request to meet with the City if the New Member and New Employee contribution rate increases.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

**Section 7.06 Classic/Legacy Employees Under the California Employees' Pension Reform Act of 2013:** An individual hired on or after January 1, 2013 who was employed by any public employer before January 1, 2013 and who does not meet the definition of "New Member" or "New Employee" under the PEPR will be designated as a Classic/Legacy Employee. Classic/Legacy Employees are defined as those individuals who are:

- A. Working for an employer providing CalPERS retirement benefits who begins employment with the City of Fountain Valley without a break in service or a break in service of less than six (6) months; or
- B. Current member of a public retirement system or plan with reciprocity with CalPERS. Classic/Legacy members will be covered under the 2% at 60 formula with the benefits

specified below.

<b>Provision</b>	<b>Government Code Section</b>
2% at 60 Formula	21353
Three Highest Years Average Compensation	20037
Pre-Retirement Optional Settlement 2 Death Benefit	21548
Service Credit for Unused Sick Leave	20965
2% Cost-of-Living	21329
Fourth Level of 1959 Survivor Benefit	21574
Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Non- Profit Corporation	21026
Military Service Credit for Retired Persons	21027
Local System Service Credit included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement	21037

7% Employee Contribution. Employees agree to share the cost of retirement contribution on a pre-tax basis by paying the full 7% employee contribution. It is the intent of the parties to accommodate employees' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-taxable because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the employees, the City shall not be responsible therefore and the City has made no representation regarding such tax treatment and employees shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

#### Section 7.07 – Compensation Reportable to CalPERS.

##### Employees Hired on or Before December 31, 2012.

For purposes of calculating retirement benefits, the City will report to the California Public Employees' Retirement System all regular compensation and special compensation (e.g., uniform allowance).

Employees Hired January 1, 2013 and Later. For purposes of calculating retirement benefits, the City will report to the California Public Employees' Retirement System all regular compensation. In accordance with PEPR, for employees hired beginning January 1, 2013 and later, special compensation (e.g., uniform allowance) is not pensionable compensation. PEPR, amendments to PEPR and CalPERS law will define those special pays which may be reportable as pensionable compensation.

**Section 7.08 - Social Security.** In the event the City and its employees are required to participate in the Federal Social Security Program, the contribution designated by law to be the employee's responsibility shall be paid in full by the Field Services employee and the City shall not be obligated to pay or "pick up" any portion thereof.

## **ARTICLE 8 -- HEALTH AND OTHER INSURANCE FOR EMPLOYEES**

**Section 8.01 -- Group Medical and Dental Insurance for Employees Hired August 15, 2010 and Earlier.** The City contracts with the California Public Employees' Retirement System's Public Employees' Medical and Hospital Care Act (PEMHCA) for medical insurance for City employees. The payment of premiums towards group medical/dental/life insurance will be through the administration of a cafeteria plan.

The City shall pay the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act. In addition to the CalPERS statutory minimum employer contribution, the City shall make contributions to a flexible benefits plan as noted herein.

### **Employees Defined.**

- A. **Tier 1 Employees** are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 15, 2009 and earlier.
- B. **Tier 2 Employees** are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 16, 2009 through August 15, 2010.

**Tier 1 and 2 Employees' City Contribution.** The City contribution for full-time Tier 1 and 2 employees is as follows:

<b>Flex Dollar Allowance</b>	<b>Flex Dollars</b>	<b>Longevity Health Stipend</b>	<b>Total Flex Allowance</b>
Electing Employee Only coverage	\$525.00	\$981.88	\$1,506.88
Electing Employee +1 Dependent coverage	\$1,025.00	\$481.88	\$1,506.88
Electing Employee + Family coverage	\$1,300.00	\$206.88	\$1,506.88

The amount identified as flex dollars is inclusive of the CalPERS statutory minimum.

Field Services employees who elect not to be covered under the medical plan provided through the cafeteria plan shall receive the equivalent of the CalPERS statutory minimum as cash wages. However, the employee will be required to pay for dental and life insurance premiums, both of which are mandatorily deducted out of the waiver of premium contribution (CalPERS statutory minimum).

**Separation then Return to City Service.** If an employee separates employment then later returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the hire date for the employee and will be considered a Tier 3 employee and only eligible for Tier 3 benefits.

**Section 8.02 – Group Medical and Dental Insurance for Employees Hired August 16, 2010 and Later.**

Tier 3 Employees (new hires) are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 16, 2010 and later.

The Tier 3 contribution is:

<b>Flex Dollar Allowance</b>	<b>Flex Dollars</b>
Electing Employee Only coverage	\$675.00
Electing Employee +1 Dependent coverage	\$1,175.00
Electing Employee + Family coverage	\$1,450.00

Tier 3 employees do not qualify for the longevity health stipend.

Field Services employees who elect not to be covered under the medical plan provided through the cafeteria plan shall receive the equivalent of the CalPERS statutory minimum as cash wages. However, the employee will be required to pay for dental and life insurance premiums, both of which are mandatorily deducted out of the waiver of premium contribution (CalPERS statutory minimum).

**Section 8.03 – Cafeteria Plan.** The provisions of the Cafeteria Plan are described below.

Benefits Provided Through the Cafeteria Plan. The insurance benefits provided for in this article will be provided through the provision of a cafeteria plan adopted in accordance with the provisions of Internal Revenue Code §125: medical and dental. These provisions will supersede the previous Memorandum of Understanding provisions.

Each month the City will contribute to the cafeteria plan flex dollars for Tier 1, Tier 2 and Tier 3 employees as specified in Section 8.01 and 8.02. In addition, the City will contribute a longevity health stipend for Tier 1 and 2 employees as specified in Section 8.01. The City's flex dollar contribution includes the CalPERS statutory minimum paid by the City.

Prior to January 1, 2011, dependent dental premiums were fully employee paid. However, due to the provisions of the cafeteria plan, dependent dental premiums are to be deducted from the flex dollars for Tier 1 and Tier 2 employees. Upon retirement, retirees are not covered by a cafeteria plan; therefore, dependent dental premiums will be fully retiree paid if coverage is elected. Nothing in these provisions require City contributions towards dependent dental premiums.

The Purchase of Optional Benefits through the Cafeteria Plan. The cafeteria plan offers Field Services employees the opportunity to purchase vision insurance and AFLAC insurance. Eligible employees may select from any of the medical insurance plans offered by CalPERS. If CalPERS changes any of the medical insurance plans by either adding or deleting the plan options, employees will be limited to those plan options offered by CalPERS.

Field Services employees may also elect any of the optional insurance options (e.g. AFLAC and vision) the City offers to employees at the employee's sole cost.

Dental and life insurance are not optional benefits and such premiums will be deducted from each employee's cafeteria plan flex dollars or waiver of premium contribution.

Employee Contributions for Benefit Options. If a Field Services employee chooses optional benefits whose aggregate cost exceeds the total flex dollar City contribution to the cafeteria plan, the City will automatically deduct the excess amount on a pre-tax basis, if applicable, from the employee's bi-weekly pay.

The Receipt of Cash through the Cafeteria Plan. Field Services employees will be eligible to receive cash (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving medical insurance or if they choose optional benefits that do not cost as much as the flex dollars provided by the City towards the cafeteria plan. Any such employee shall be eligible to receive in cash the difference between the City's monthly cafeteria plan flex dollar contribution and the total of the premiums selected if medical coverage is elected up to a maximum of \$350 per month. Employees in this unit who are receiving cash through the cafeteria plan in excess of \$350 as of January 1, 2018 are grandfathered (per a side letter of agreement) to continue to receive cash in excess of \$350 per month until they are no longer represented by the Field Services Unit, or the receipt of cash falls below \$350. If medical is declined, the employee will receive in cash the CalPERS statutory minimum minus the required dental and life insurance premiums.

Section 8.04 – Term Life Insurance. The amount of term life insurance for each Field Services employee shall be equivalent to the employee's annual salary, rounded upward to the nearest thousand dollar increment, with a maximum policy amount of \$50,000 per employee.

Section 8.05 – Long-Term Disability. The City shall maintain and pay the full premium for a long-term disability insurance policy for all Field Services employees. The purpose of long-term disability insurance is to ensure that Field Services employees will have a source of income if they are disabled from performing their regular duties for a period longer than sixty (60) calendar days.

Eligibility. A Field Services employee's eligibility for long-term disability benefits depends on whether the Field Services employee's disability is industrial or non-industrial in nature. If the disability is industrially related, the Field Services employee's eligibility for long-term disability benefits begins on the 61st calendar day of continuous absence from work. If the Field Services employee's disability is not industrially related, the Field Services employee's eligibility begins either on the 61st calendar day of the Field Services employee's absence from work, or upon expiration of the Field Services employee's sick leave, whichever period is longer.

Benefits. A Field Services employee who is eligible to receive long-term disability benefits will receive 66-2/3% of the employee's monthly salary as of the date the employee's disability began less any deductible benefits up to a maximum monthly benefit of \$5,000, as provided for in the long-term disability policy.

A Field Services employee who is receiving long-term disability benefits is considered to be in an off-payroll status and will not accrue benefits during the time that he/she is in such status.

In addition, Field Services employees who are in an off-payroll status while receiving long-term disability benefits are responsible for maintaining group health and life insurance coverage and for paying the premiums therefor.

The City reserves the right to self-insure any or all long-term disability benefits, provided that there shall be no change to existing eligibility requirements or coverage unless mutually agreed to in writing by both the City and Teamsters.

**Section 8.06 – Flexible Spending Accounts.** The City shall provide a voluntary Flexible Spending Plan (Section 125 Plan under the Internal Revenue Code) to Field Services employees. Enrollment in the plan allows employees to pay for out-of-pocket Health Care and Dependent Care costs with pre-tax dollars. Flexible Spending Account limits will be followed by the City as set each year by the Internal Revenue Service (IRS).

At enrollment and annually thereafter, participants must designate the Flexible Spending Account election amount for the remainder of the year for new hires and for the next year for current employees. The annual amount is deducted from the employee's paycheck in equal installments, on a pre-tax basis, and credited to the employee's Flexible Spending Account. Reimbursement will be paid directly by a third party administrator.

Federal law prohibits any change in a Flexible Spending Account during the calendar year unless the employee or his/her dependent(s) have a qualifying "life event," as defined by the California Department of Insurance. Examples of a qualifying "life event" include marriage, divorce or legal separation, birth or adoption of a dependent, death of a dependent, or a change in the employee or employee's spouse's employment status. The change in the Flexible Spending Account must be due to and consistent with the "life event" which permits the change.

An annual open enrollment period will be provided for the upcoming calendar year's program. Field Services employees must affirmatively enroll in the Flexible Spending Account for each year. There is no automatic renewal.

When estimating annual expenses, Field Services employees are cautioned to only consider those expenses he/she is reasonably certain he/she will incur. Any amount left in a Field Services employee's Flexible Spending Account at the end of the year is forfeited.

Deductions for Flexible Spending Accounts shall not reduce earnable compensation for purposes of calculating benefits or contributions for CalPERS.

The City maintains the right to select and change, if needed, the vendor to administer the Flexible Spending Account program.

#### **ARTICLE 9 - MEDICAL/DENTAL INSURANCE FOR RETIREES**

The City shall provide group medical/dental insurance to Field Services employees who retire from the City meeting the criteria and subject to the conditions and limitations noted below. The City contracts with the California Public Employees' Retirement System's Public Employees' Medical and Hospital Care Act (PEMHCA) for medical insurance for City employees and retirees. Benefits are grouped in tiers based upon hire date and years of

continuous City service.

**Section 9.01 - Retired Employee Definition.** A Field Services employee is a retired employee when he/she:

- A. Has reached 50 years in age or greater;
- B. Has been employed for at least five years;
- C. Is a vested member of CalPERS;
- D. Retires with a service retirement after October 1, 1980.

**Section 9.02 - Disability Retired Employee Definition.** A "disability retired employee" shall refer to an employee who:

- A. Has received a disability retirement from CalPERS;
- B. Whose injury or illness constitutes a total disability, as defined by CalPERS.

**Section 9.03 – Coverage Eligibility Criteria.**

- A. Retired employees and disability retired employees must retire directly from active duty and maintain continuous coverage both prior to and subsequent to their retirement.
- B. Any lapse in coverage for the retiree or his/her dependents will result in a permanent loss of 1) City contributions towards such retirees' medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.
- C. Retirees, surviving spouses or surviving dependents will be responsible for paying for dependent dental premiums in order to continue coverage. The City will not make any contribution towards dependent dental premiums.

**Section 9.04 – Eligible Qualified Dependent Coverage Limitation.** For Tier 1 and Tier 2 employees retiring beginning August 16, 2011 and later, City contributions towards medical premiums in excess of the CalPERS statutory minimum employer contribution is limited to the eligible retiree and those dependent(s) covered on the employee's plan for a minimum of two (2) full years (24 months) prior to the Field Services employee's retirement date. Such dependent will be classified as a qualified dependent.

**Dependent Children.** City contributions for dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child's medical premiums past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

- A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent

child and pays only single coverage for the retiree.

- B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.
- C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

Effective during the period between September 1, 2011 and December 31, 2011, Field Services employees may add qualified dependent(s) to their medical/dental insurance coverage in accordance with plan provisions. This one-time enrollment period will allow employees to add dependent(s) onto the employee's medical/dental plan to ensure dependents are covered on the plan prior to retirement.

Premiums for additional covered dependent(s) or dependent(s) added on at a later date, in accordance with plan provisions, will be paid entirely by the retiree and will be classified as non-qualified dependent(s). Dependent dental premiums will be paid entirely by the retiree. Failure to pay premiums for non-qualified dependent(s) will result in loss of coverage.

#### **Section 9.05 – Tier 1 and 2 Employee City Contributions.**

- A. Tier 1 Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 15, 2009 and earlier.
- B. Tier 2 Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 16, 2009 through August 15, 2010.

The City contribution is specified below based upon the Tier 1 and 2 employee's eligibility tier. The payment of premiums for retirees, if applicable, in excess of the CalPERS statutory minimum will be through the administration of an Integral Part Trust or retiree trust for Tier 1 and Tier 2 employees only. The retiree is responsible for paying for all Medicare premiums.

- A. If a retiree chooses benefits whose aggregate premium cost exceeds the total City contribution, the retiree will be responsible for paying the excess premiums.
- B. If retired August 15, 2011 and earlier, City contributions for retiree dental premiums will continue until the retiree's death.
- C. If retired August 16, 2011 and later, City contributions and dental coverage will cease upon the retiree or dependent's eligibility for Medicare at age 65. This provision applies to employees hired beginning February 16, 1986 and later. The retiree may continue coverage under COBRA for 18 months but will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

- D. Employees hired February 15, 1986 and earlier who retire beginning August 16, 2011 and later will continue in accordance with the retiree health provisions specified in FVMEA – Tier 1B and FVMEA – Tier 1G Disability Retirement.
- E. If a retiree covers dependents on the dental plan, the retiree will pay the full premiums for dependent coverage. The dependent dental premium will be deducted from the City contribution to the retiree trust. If the retiree, surviving spouse or surviving dependent is not receiving any contribution to the retiree trust, such individual will be billed directly for such premiums. Coverage will be cancelled if payment for premiums is not received in accordance with established timelines.
- F. The retiree is responsible for paying for all Medicare premiums.

**Section 9.06 – Tier 3 Employee City Contributions.** Tier 3 employees (new hires) are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 16, 2010 and later. New hires are not eligible for City contributions in excess of the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act for each retiree. The retiree is responsible for paying for all Medicare premiums. Dental coverage will end at retirement. However, dental coverage eligibility will be extended through COBRA continuation of coverage for a maximum of 18 months. If dental coverage is elected, the retiree will pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

**Section 9.07 – Separation then Return to City Service.** If an employee separates employment then later returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the hire date for the employee. He/she will be considered a new hire and only eligible for new hire benefits.

**Section 9.08 – Limitations.**

- A. There is no cash back provision if the premiums for the medical and dental plans for qualified dependents are less than the difference between the CalPERS statutory minimum and the medical premium for the plan selected for the retiree and eligible qualified dependent and retiree only dental premium up to the maximum the City contributes for Field Services employees for Tier 1 employees.
- B. Retirees are not eligible for life or vision insurance coverage through the City.

**Section 9.09 - Retiree Medical/Dental Tiers.** The following is a synopsis of each Tier:

Tier	Hire Date	Years of Continuous City Service
Field Services – Tier 1-A	N/A	5 years but less than 10 years
Field Services – Tier 1-B	2/15/86 and earlier	10 or more years
Field Services – Tier 1-C	2/16/86 - 7/31/95	10 or more years
Field Services – Tier 1-D	8/1/95 - 7/31/98	5 years but less than 15 years
Field Services – Tier 1-E	8/1/95 - 7/31/98	15 or more years
Field Services – Tier 1-F	8/1/98 - 6/30/09	15 or more years

Field Services – Tier 1-G (Disability Retirement)	2/15/86 and earlier	N/A
Field Services – Tier 1-H (Disability Retirement)	2/16/86 - 7/31/98	N/A
Field Services – Tier 1-I (Disability Retirement)	8/1/98 - 6/30/09	N/A
Field Services – Tier 2-A	7/1/09 - 8/15/10	N/A
Field Services – Tier 3-A	8/16/10 and later	N/A

The eligibility criteria, City contribution, eligible qualified dependent coverage limitation, coverage at age 65+, and eligible qualified dependent for each tier is specified in Exhibit 3.

### ARTICLE 10 - LEAVES

**Section 10.01 – Holidays.** Field Services employees shall be entitled to eleven (11) paid holidays per calendar year except as otherwise provided for in this Memorandum of Understanding. The City requires all Field Services employees to work the regularly scheduled work day before a holiday and the first regularly scheduled work day after a holiday in order for the Field Services employee to be paid for the holiday, unless the Field Services employee is on authorized leave time. The eleven (11) paid holidays to which Field Services employees are entitled shall be as follows:

- New Year's Day
- President's Day (Washington's Birthday)
- Martin Luther King Jr. Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans' Day
- Thanksgiving and the day after Thanksgiving
- Christmas
- "Floating Holiday"

Holidays will be paid at the full day work rate (i.e., if an employee is scheduled to work a 4/10 shift, the holiday will be paid out at 10 hours).

The exact date upon which each of the above holidays will be observed and/or during which City Hall will be closed shall be set by Administrative Regulation each year.

The "floating holiday" may be taken at any time during the year, subject to the approval of the Field Services employee's Division Manager or Department Director. The floating holiday must be used during the calendar year and may not be carried over from one year to the next. Field Services employees who separate from employment may not be compensated for any unused holiday.

If a holiday falls on the employee's regularly scheduled day off, the Field Services employee will take another day off during that same pay period.

The City Yard will close during the week between Christmas and New Year's Day (December 26 through January 1) of each year. The City's observed holidays, as set annually by Administrative Regulation, which fall on a Friday will be deferred and taken during the holiday closure. If there are not sufficient holidays to cover the entire closure period, the employee will be required to use accrued vacation or compensatory leave to cover their time during the closure. Note that employees working the seven day per week operation will continue to work their normal schedule.

**Section 10.02 – Vacation Accrual.** Field Services employees who work a forty (40) hour work week shall accrue vacation time at the following rates:

Years of Service	Hours Per Year	Hours Per Payroll Period
1	80	3.08
2-4	120	4.62
5-7	130	5.00
8-9	140	5.38
10-12	150	5.77
13-14	160	6.15
15-17	170	6.54
18-19	180	6.92
20 or more	192	7.38

The accrual rate changes when the employee is beginning the new year of service. For example, when a Field Services employee has completed his/her 9<sup>th</sup> year of service and is beginning his/her 10<sup>th</sup> year of service, his/her accrual will increase from 140 to 150 hours per year.

Field Services employees shall be entitled to accrue a maximum of 280 hours of vacation time. Field Services employees will be required to use accrued vacation prior to requesting a leave of absence without pay.

**Section 10.03 - Annual Vacation Payoff.** Field Services employees shall have the option of receiving a cash payment for accrued vacation up to a maximum of forty (40) hours if the following criteria are met:

- A. Minimum of eighty (80) hours of vacation have been used during the calendar year. Vacation may be utilized in any increment as approved by his/her supervisor as long as a minimum of eighty (80) hours has been used.
- B. A minimum accrual of twenty (20) hours of vacation remains after payoff.

If the aforementioned criteria have been met, Field Services employees may request a cash payment of forty (40) hours maximum to be included in the paycheck issued within the first payroll period in December. To request a vacation payoff, the employee must submit an irrevocable election form specifying the number of hours the employees is requesting which must be received in the Human Resources Department before December 31 of the year prior to the payoff. For example, to receive a payout in 2026, an employee must submit a completed irrevocable election form to Human Resources before December 31, 2025. If

during the 2026 calendar year, the employee meets the criteria specified herein to be eligible for vacation payoff, he/she will receive the requested payoff. If the employee does not submit the irrevocable election form within the required timeline or he/she does not meet the criteria for payoff, no payoff will be given.

**Section 10.04 - Sick Leave Accrual Rate.** Sick leave shall accrue according to assignment. Employees working a 5/8 schedule shall accrue sick leave at the rate of one 8-hour day per month (3.69 hours per bi-weekly pay period), and employees working a 4/10 schedule shall accrue sick leave at the rate of one 10-hour day per month (4.62 hours per bi-weekly pay period). Upon separation from service with the City, all accrued sick leave shall be converted to the eight (8) hour accrual rate.

In accordance with California Labor Code section 245 et seq., should a Field Services employee separate from employment with the City of Fountain Valley, and then return to City employment within one year from the date of separation, the employee's accrued, unused sick leave hours at the time of separation after any sick leave payoff if any, shall be reinstated upon re-hire.

**Section 10.05 - Sick Leave Usage.** The first five (5) days of work hours equivalent (e.g. 50 hours for employees on a 4/10 work schedule) of paid sick leave taken each 12 month period will be considered sick leave used pursuant to the Healthy Workplaces, Healthy Families Act of 2014 (California Labor Code sections 245-249). The 12 month period is July through June 30 for employees hired prior to July 1, 2015. For employees hired on or after July 1, 2015, the 12 month period is the 12 month period beginning on the employee's hire date, until the following July 1, at which point the employee's 12 month period will change to July 1 – June 30.

- A. **Employee's Sick Leave.** Employees can use sick leave for themselves for preventative care (such as physical exams) or care of an existing health condition.
- B. **Family Sick Leave.** Employees can use up to a maximum of one-half of one year's annual accrued sick leave (e.g. 60 hours for employees on a 4/10 work schedule) per year for family sick leave. Family sick leave may be used for the diagnosis, care or treatment of an existing health condition of, or preventative care for family members. In this section, the term "family members" means any of the following:

A child (biological, adopted, foster child, step child, legal ward or a child to whom the employee stands in loco parentis) regardless of age or dependency status.
A biological, adoptive, or foster parent, step parent or legal guardian of an employee or the employee's spouse or registered domestic partner or a person who stood in loco parentis when the employee was a minor child.
A spouse.
A registered domestic partner.
A grandparent.
A grandchild.
A sibling.
An employee may designate one person per 12-month period at the time the employee requests family sick leave.
Individuals who live in the same household or whose relationship to the employee is that

of a dependent or near-dependent.

Sick leave usage for family illness is separate from Family Care and Medical Leave, the provisions of which are included in Administrative Regulation No. 1050; however, sick leave usage for family illness may run concurrently with Family Care and Medical Leave.

- C. Other Sick Leave. Employees can use the first five (5) days of sick leave for specified purposes if they or their family members are victims of violence, domestic violence, sexual assault or stalking as set forth in California Labor Code section 230(f) and 230.1(a).

After an employee has used five (5) sick leave days (or work hours equivalent) in a 12 month period, the use of sick leave shall be subject to the approval the use of sick leave shall be subject to the approval of the Division Manager or Department Director who may request a physician's statement or other documentation substantiating the illness at any time and may require a release to duty before allowing a Field Services employee to return to duty. Field Services employees will be required to use accrued sick leave prior to requesting a leave of absence without pay.

**Section 10.06 - Sick Leave Payoff.** Upon completion of ten years of continuous service with the City, Field Services employees who separate from the City due to retirement or the death of the employee shall be paid for unused sick leave according to the following schedule:

**Retirement or Death of Employee**

Usage	Payoff
1% to 25%	75% not to exceed \$10,000
26% to 50%	50% not to exceed \$10,000
51% to 75%	25% not to exceed \$10,000
In excess of 75%	No Payoff

Field Services employees who resign shall be paid for unused sick leave according to the following schedule:

**Resignation of Employee**

Usage	Payoff
1% to 25%	75% not to exceed \$6,000
26% to 50%	50% not to exceed \$6,000
51% to 75%	25% not to exceed \$6,000
In excess of 75%	No Payoff

Field Services employees terminated for cause are ineligible for any payoff of unused sick leave.

Usage is based on the percentage of sick leave the employee has used of the total amount the employee has accrued while employed with the City. The payoff is the percentage of accrued and unused sick leave the employee is eligible to cash out for a payoff (up to the maximum noted for each category).

For example, if an employee has accrued 960 hours during his/her employment with the City and has only used 96 hours of sick leave, then the employee will have used 10% of his/her total sick leave accrual and will be eligible to cash out 75% of the unused 864 sick leave hours remaining in the employee's sick leave bank (up to the applicable maximum).

A retiring Field Services employee may, however, elect to forego his/her sick leave payoff so all his/her sick leave accrual at the time of retirement is credited toward CalPERS service credit as specified in Section 10.08. A Field Services employee electing to forego his/her sick leave payoff must submit a written election to the Personnel Department prior to retirement.

**Section 10.07 - Retirement Credit for Unused Sick Leave.** Pursuant to Government Code Section 20862.8 and the City's contract with CalPERS, Field Services employees who retire from the City may receive service credit towards their retirement for all accrued, unused sick leave for which they do not receive compensation. This provision shall apply to Field Services employees whose effective date of retirement is within four months of separation from employment with the City.

**Section 10.08 – Bereavement.** Field Services employees who have been employed for at least thirty (30) days with the City shall be entitled to a maximum of five (5) working days absence (three (3) of which shall be with pay), for each occurrence as Bereavement Leave, when they are compelled to be absent from duty by reason of death of an immediate family member, or in the event of critical illness where death appears to be imminent.

For purposes of bereavement leave, "immediate family member" refers to spouse, registered domestic partner, child, step-child, grandchild, brother, sister, parent, step-parents, mother-in-law, father-in-law, grandparents, or legal guardian.

**Section 10.09 - Industrial Injury Leave.** Field Services employees who sustain injuries or illnesses arising out of their employment or in the course of their employment shall be entitled to a maximum of sixty (60) calendar days (343 hours) of industrial injury leave at full salary and benefits, in lieu of temporary disability benefits. Field Services employees who are absent from work for longer than sixty (60) calendar days due to industrial illness or injury will receive those benefits provided for in the Workers' Compensation Law, as well as, any long-term disability benefits to which they may be entitled.

#### **ARTICLE 11 - ILLEGAL/CONTROLLED SUBSTANCE SCREENING**

Teamsters acknowledges the City's right to, at its discretion, include illegal/controlled substance screening as part of the pre-employment physical examination for Field Services employees hired.

"Illegal/Controlled Substance" is defined as a drug, substance, or immediate precursor which is included in Schedules I through V, inclusive of the "California Uniform Controlled Substances Act" (Health and Safety Code Sections 11054-11057), as well as opiates and narcotic drugs, as defined in Health and Safety Code Sections 11018-11020.

**Department of Transportation Regulations Pertaining to Drug and Alcohol Policy.** In accordance with the Department of Transportation Regulations (hereinafter referred to as D.O.T. Regulations), the City has a policy, specified in Administrative Regulation No. 1051,

pertaining to drug and alcohol for classifications meeting the criteria as established by the D.O.T. Regulations. Field Services employees meeting the criteria as established in these regulations will be subject to the provisions of Administrative Regulation No. 1051.

## ARTICLE 12 - GRIEVANCE PROCEDURE

General. The following grievance procedure is for the purpose of affording Field Services employees a means of obtaining appropriate consideration by supervisory and management personnel of problems within their power to resolve.

Scope of Grievance Procedure. A grievance may be initiated by any Field Services employee who believes that the application of a policy, practice, rule, or procedure has been incorrect or inappropriate and has adversely affected his or her employment.

A. The following subjects are excluded from the scope of the grievance procedure:

1. Matters which have other means of appeal within the City, including disciplinary actions.
2. Matters which are within the exclusive jurisdiction of another agency and for which a means of appeal is provided.
3. Matters pertaining to clarification of any of the provisions of this Memorandum of Understanding are within the scope of the grievance procedure. (See the Interpretation of MOU section below.)
4. Classification content.
5. Performance evaluations. (See the Performance Evaluation section below.)

Form. All grievances must be submitted in writing and must contain the following information:

- A. Field Services employee's name, title, department, and division.
- B. The name of the individual or organization, if any, representing the Field Services employee in the grievance procedure.
- C. The date the grievance is being submitted.
- D. The nature of the grievance, including a statement of the specific rules, regulations, policies, procedures, ordinances, or resolutions, if any, which are alleged to have been violated, the date the alleged violation occurred, and the specific decision or action which constituted the alleged violation.
- E. The facts and/or circumstances which gave rise to the grievance.
- F. Any available support documentation or other material which is to be considered in conjunction with the grievance.
- G. A statement of the remedy which the Field Services employee is seeking.

Informal Discussion. If an employee has a problem relating to a work situation, the Field Services employee is encouraged to request a meeting with his/her immediate supervisor to discuss the problem in an effort to clarify the issue and to work cooperatively towards settlement.

Formal Grievance Procedure.

A. Step 1.

1. A Field Services employee shall submit a grievance to his/her immediate supervisor within fifteen (15) calendar days of the occurrence giving rise to the grievance, or within fifteen (15) calendar days of the date that the employee became aware of the occurrence giving rise to the grievance. Grievances submitted pursuant to this section shall include a statement of efforts that have been undertaken to resolve the grievance informally.
2. Upon receipt of a formal grievance, the Field Services employee's supervisor shall make an initial determination as to whether or not he/she has the authority to resolve the grievance. If so, the supervisor shall proceed as outlined in Step 1 – No. 3. If the supervisor determines that it is not within his/her authority to resolve the grievance, the grievance shall be forwarded to the appropriate individual within the chain-of-command for consideration and the Field Services employee shall be so notified.
3. Within fifteen (15) calendar days after receipt of a formal grievance, the supervisor to whom the grievance is directed shall meet with the Field Services employee and/or his/her designated representative. Within fifteen (15) calendar days after meeting with the Field Services employee, the supervisor shall forward his/her decision in writing to the Field Services employee.

B. Step 2.

1. A formal grievance that has not been satisfactorily resolved at the supervisory level may be submitted to the Field Services employee's Division Manager or Department Director within fifteen (15) calendar days after receipt of the decision rendered by the appropriate supervisor.
2. Within fifteen (15) calendar days after receiving the grievance, the Division Manager or Department Director shall schedule a meeting with the Field Services employee and/or his or her designated representative. Within fifteen (15) calendar days after meeting with the Field Services employee, the Division Manager or Department Director shall notify the Field Services employee in writing of his/her decision.

Appeal to City Manager.

- A. Grievances which are not satisfactorily resolved under Step 2 and which meet the conditions set forth below, may be submitted to the City Manager within fifteen (15) calendar days after receipt of the written decision from Step 2.
- B. Grievances which meet one or more of the following conditions may be submitted to the City Manager:

1. The grievant alleges an abuse of discretion on the part of the Division Manager or Department Director during the grievance process.
  2. The remedy sought is not within the authority of the Division Manager or Department Director to approve or implement.
- C. Grievances submitted to the City Manager shall be accompanied by the following information:
1. Copies of the written decisions at Steps 1 and 2.
  2. Information indicating how or in what manner the Department Director abused his/her discretion, if an abuse of discretion is alleged.
- D. Within fifteen (15) calendar days after receipt of the grievance, the City Manager shall schedule a meeting with the Field Services employee and/or his/her designated representative. The date, time, and location of the meeting shall be acceptable to both parties and shall be scheduled so as to accommodate those individuals whose presence may be required at the meeting.
- E. The City Manager may conduct such activities as are necessary and appropriate to properly resolve the Field Services employee's grievance.
- F. The City Manager shall submit a written response to the Field Services employee within fifteen (15) calendar days after meeting with the Field Services employee, or within fifteen (15) calendar days after completing his/her investigation.

Extension or Waiver of Time Limits. Any of the time limits contained in this grievance procedure may be extended or waived upon mutual agreement of the City and the employee or his/her representative.

Conduct of Grievance Procedure.

- A. A Field Services employee may be represented by a person of his/her choosing at any step of the grievance procedure.
- B. Field Services employees shall be assured freedom from reprisal for utilizing the grievance procedure.
- C. Proceedings held pursuant to this grievance procedure shall not be evidentiary hearings. This limitation shall not preclude the grievant from presenting witnesses or other evidentiary matter as part of the proceedings.

Performance Evaluations. With respect to performance evaluations being excluded from the grievance process, any performance evaluation in which the Field Services employee disagrees with all or part of the evaluation and provides written support, will be forwarded to the City Manager with all documentation by the Personnel office when the evaluation is received. The City Manager may then take whatever action is deemed appropriate, if any.

Appeals of Testing and Selection Procedures.

- A. A Field Services employee who wishes to appeal a testing or selection procedure, or the results thereof, shall present his or her appeal to the immediate supervisor, who shall forward the appeal through the chain-of-command to the City Manager/Personnel Officer or his/her designated representative. Appeals of testing or selection procedures may not be filed until the testing and selection process is completed and shall be filed within fifteen (15) calendar days after the certification of the eligible list. All persons who participated in the testing and selection process shall be notified of the date on which the eligible list is certified.
- B. Upon receiving an appeal of a testing or selection procedure, or the results thereof, the City Manager or designee shall investigate, or cause to be investigated, all relevant facts regarding the appeal, and shall make a determination which shall be final. Such an appeal shall not require a hearing.
- C. A Field Services employee can only appeal a selection/testing procedure if the result would place him/her on the eligible list or change his/her position on this list. An individual appealing a testing/selection procedure must have been an applicant or would have been but for the procedure being appealed.
- D. If the City Manager makes a determination sustaining the appeal and such determination results in the invalidation of all or part of the testing and selection procedure, a new recruitment shall be initiated.

Interpretation of MOU. Questions regarding the interpretation and/or application of any of the provisions of this Memorandum of Understanding shall be formally raised only by the parties to the MOU, subject to the following conditions:

- A. The party raising the question of interpretation/application of the MOU shall notify the other party of the nature of the question within ten working days after the matter is brought to their attention.
- B. Both parties shall attempt to resolve the dispute at the supervisory or departmental level, if appropriate. If it is not possible to resolve the matter at the supervisory or departmental level, both parties shall submit a statement of the facts concerning the matter to the City Manager for his/her findings and determination. The decision of the City Manager shall be final.

### ARTICLE 13 - APPEALS OF DISCIPLINARY ACTIONS

#### General Provisions.

- A. Any permanent Field Services employee shall have the right to appeal any disciplinary action imposed on him/her, subject to the conditions contained in this section.
- B. For purposes of this section, "Disciplinary Actions" refer to the following: oral reprimand, written reprimand, suspension (with or without pay), demotion or reduction in pay, forfeiture of pay, or termination.

- C. Oral reprimands not memorialized may not be appealed. However, any oral reprimand that is confirmed in writing may be appealed but only to the next level within the chain-of-command.
- D. At all times prior to and during the imposition and appeal of a disciplinary action, the City shall take whatever steps necessary to ensure compliance with procedural due process requirements. Pre-disciplinary efforts will include, at a minimum and where appropriate and required by case law, notice to the Field Services employee of the intent to take disciplinary action, a description of the action, a statement of reasons on which the action is based, copies of material on which the notice is based, the opportunity to be heard prior to the rendering of a decision, and a statement of the right to appeal.

#### Appeal Procedures.

- A. Disciplinary action imposed against a Field Services employee may be appealed for any of the following reasons:
  - 1. A disagreement or dispute over the facts giving rise to the imposition of disciplinary action.
  - 2. Abuse of discretion by the supervisor imposing discipline or by a reviewing authority. Abuse of discretion includes, but is not limited to: exceeding or acting without authority, denying a Field Services employee procedural due process, or imposing discipline that is not warranted in either type or degree by the offense.
- B. Appeal of a disciplinary action must be filed with the Division Manager or Department Director within fifteen (15) calendar days of the date the disciplinary action was imposed.
- C. Appeal of a disciplinary action must be in writing and must include as a minimum the following:
  - 1. If the Field Services employee is alleging a disagreement over facts, a statement regarding what facts, if any, are in dispute. If there is no dispute over the facts, the appeal should so state.
  - 2. If the Field Services employee is alleging abuse of discretion by the supervisor who imposed disciplinary action on him/her, a statement setting forth the manner in which the supervisor imposing the disciplinary action abused his/her discretion. Specifically, the statement must show that the supervisor has exceeded or acted without authority; that the Field Services employee was denied procedural due process; or that the disciplinary action imposed was not warranted by the facts of the situation.
  - 3. The remedy being sought by the Field Services employee.
- D. Upon receiving an appeal of a disciplinary action, the Division Manager or Department Director shall first determine whether or not the appeal complies with Appeal Procedures B and C.1, 2, and 3. If not, the appeal shall be denied on the basis of one or more of the following:
  - 1. The appeal was not filed in a timely manner, pursuant to Appeal Procedure B.

2. The appeal does not allege a dispute over the facts, or abuse of discretion, or is otherwise incomplete.
- E. If the appeal complies with Appeal Procedures C.1 and 2, the Division Manager or Department Director shall take the necessary steps to determine the merits of the appeal. Included in such steps will be the opportunity for the Field Services employee and his/her designated representative to meet with the Division Manager or Department Director.
- F. Within five (5) working days after completing his/her investigation of appeal, the Division Manager or Department Director shall notify the Field Services employee in writing of his/her decision, and the reasons therefor.

Appeal to the City Manager.

- A. The decision of the Division Manager or Department Director may be appealed to the City Manager within fifteen (15) days after the Division Manager's or Department Director's decision is rendered. Upon receiving such an appeal, the City Manager shall proceed in the same manner as outlined in Appeal Procedures.
- C. If the disciplinary action imposed involves a significant property right, a Field Services employee shall be assured the right to a formal hearing, unless such right is specifically waived by the Field Services employee. If the disciplinary action does not involve a significant property right, the City Manager may conduct a formal or informal hearing, or no hearing.
- D. Within fifteen (15) calendar days after completing the investigation of the appeal, the City Manager shall notify the Field Services employee in writing of his/her decision and the reasons therefor. The decision of the City shall be final, except as provided in Section 2.52.200 of the Fountain Valley Municipal Code.

**ARTICLE 14 - TEAMSTERS AND EMPLOYEE RIGHTS**

Employee Rights. The City shall not hinder or discipline a Field Services employee for exercising any rights or benefits provided in the Memorandum of Understanding.

Payroll Deduction.

- A. Membership dues of certified Teamsters members in this Unit may be deducted by the City from the pay warrants of such members. The City shall promptly transmit the dues so deducted to Teamsters.
- B. Teamsters shall notify the City, in writing, as to the amount of dues for all members of Teamsters.

Indemnification. Teamsters shall indemnify, defend and hold the City harmless from any and all claims and liabilities, demands, suits or any other action as a result of implementing and maintaining this Agreement.

Employee Information Listing. Upon request, the City shall provide Teamsters with a listing of all current Field Services employees in this Unit. Such file shall include Field Services employee's name, job classification, and department.

Use of Bulletin Boards. Space shall be made available to Teamsters on departmental bulletin boards within the Representation Unit, provided such use does not interfere with the needs of the department and material posted is not derogatory to the City, City employees, or other employee organizations. Notice shall be dated and signed by the authorized representatives of Teamsters responsible for its issuance.

Use of City Facilities. Teamsters may, with the approval of the City, hold meetings of their members on City property, provided request is made to the City as to the specific location and dates of the meeting prior to such meeting.

### ARTICLE 15 - MANAGEMENT RIGHTS

Except as otherwise specifically provided in this MOU, the City has and retains the sole and exclusive rights and functions of management including, but not limited to, the following:

- A. To determine the merits, necessity, nature or extent of services to be performed, as well as, the right to determine and implement its public function and responsibility, and the mission of its constituent departments, commissions and boards; and to determine budgets and appropriations of funds and to set municipal fees and charges.
- B. To manage all facilities and operations of the City, including the methods, means and personnel by which the City's operations are to be conducted.
- C. To schedule working hours, allot, and assign work.
- D. To establish, modify, or change work schedules or standards.
- E. To direct the working forces, including the right to hire, promote, demote, or transfer any employee.
- F. To determine the location of all plants and facilities.
- G. To determine the layout and the machinery, equipment, or materials to be used.
- H. To determine processes, techniques, methods and means of all operations, including changes or adjustments of any machinery or equipment.
- I. To determine the size and composition of the working force.
- J. To determine the policies and procedures affecting the selection or training of new employees.
- K. To establish, assess and implement employee performance standards, including, but not limited to, quality and quantity standards; the assessment of employee performances; and the procedures for said assessment.

- L. To control and determine the use and location of City's property, material, machinery, and equipment.
- M. To schedule the operation of and to determine the number and duration of shifts.
- N. To determine measures to promote safety and to protect health and property.
- O. To transfer work from one job to another or from one plant or Unit to another.
- P. To introduce new, improved or different methods of operations, or to change existing methods.
- Q. To relieve employees from duty for lack of work or for other reasons deemed legitimate by management.
- R. To reprimand, suspend, discharge, or otherwise discipline employees for cause. The judgment of management shall govern except for an abuse of discretion.
- S. To establish and determine job classifications.
- T. To contract or subcontract construction, services, maintenance, distribution or any other work with outside public or private entities.
- U. To take such other and further action as may be necessary to organize and operate the City in the most efficient and economical manner for the best interest of the public it serves.

#### **ARTICLE 16 – CONTRACTING OUT RE-OPENER**

The City and Teamsters agree to re-open the Memorandum of Understanding to discuss contracting out services performed by employees if the City determines it is appropriate to pursue this course of action.

#### **ARTICLE 17 - NON-DISCRIMINATION**

Neither the City nor Teamsters shall discriminate against any employee because of race, color, ancestry, national origin, sex (including pregnancy, childbirth, medical conditions related to pregnancy or childbirth, gender, gender identity, transgender, gender expression and breastfeeding or a medical condition related to breastfeeding), reproductive health decision making, age, political or religious affiliations, sexual orientation, marital status, physical or mental disability, genetic information, medical condition (including cancer, a record of cancer, genetic characteristics, diseases or disorders) or military or veteran status except as provided for by applicable law.

The City and Teamsters shall reopen any provision of this agreement for the purpose of complying with any final order of any federal or state agency or court of competent jurisdiction regarding a modification or change in any provision of this agreement in compliance with state or federal anti-discrimination laws.

ARTICLE 18 - GENERAL PROVISIONS

Maintenance of Benefits. City and Teamsters agree that wages, benefits, and other terms and conditions of employment shall not be reduced during the term of this agreement except as provided for herein.

Severability. In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable, or is rendered void by virtue of statutory or legislative enactment, that provision of the Memorandum of Understanding shall be null and void, but such nullification shall not affect any other provision of this Memorandum of Understanding, which other provisions shall remain in full force and effect.

Integration, Modification, and Ratification. This Memorandum sets forth the entire agreement of the parties with respect to improvements or changes in the wages, hours, benefits, and other terms and conditions of employment for the Field Services employees represented by Teamsters for the term of this agreement. This Memorandum may be modified or amended only by written agreement between the parties hereto. This Memorandum shall be of no force and effect unless or until duly adopted, ratified, and approved by the City Council of the City of Fountain Valley, or in the alternative, the substantive provisions hereof are adopted by resolution of the City Council.

Term. The term of this Memorandum of Understanding shall be for a period of three (3) years, beginning July 1, 2024 and end midnight June 30, 2027.

IN WITNESS WHEREOF, the parties hereto executed this Memorandum of Understanding on September 25, 2025.

CITY OF FOUNTAIN VALLEY

  
By: Maggie Le, City Manager

APPROVED AS TO FORM

  
Colin Burns, City Attorney

FOUNTAIN VALLEY MUNICIPAL  
EMPLOYEES' ASSOCIATION



[Reagan Foster \(Sep 17, 2025 08:33:42 PDT\)](#)

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By: Reagan Foster



[Carlos Rubio \(Sep 17, 2025 10:09:42 PDT\)](#)

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By: Carlos Rubio, Teamsters Local 986

**EXHIBIT 1**  
**CITY OF FOUNTAIN VALLEY**  
**ESTABLISHED SALARY RANGES**  
**FOUNTAIN VALLEY MUNICIPAL EMPLOYEES' ASSOCIATION**  
**EFFECTIVE: April 26, 2025 (Payroll period ending May 9, 2025)**

Bargaining Unit	Effective	Class Code	Classification	Type	Step 1	Step 2	Step 3	Step 4	Step 5
FWMEA (Field)	4/26/2025	G45	Equipment Operator I	Annual	\$ 65,011.21	\$ 68,251.77	\$ 71,674.87	\$ 75,258.61	\$ 79,021.54
				Monthly	\$ 5,417.60	\$ 5,688.48	\$ 5,972.91	\$ 6,271.55	\$ 6,585.13
				Bi-weekly	\$ 2,600.43	\$ 2,842.45	\$ 2,986.73	\$ 3,094.56	\$ 3,199.29
				Hourly	\$ 31,255.4	\$ 32,816.1	\$ 34,459.1	\$ 36,182.0	\$ 37,959.1
FWMEA (Field)	4/26/2025	G42	Equipment Operator I - Water	Annual	\$ 70,893.77	\$ 74,436.46	\$ 78,168.38	\$ 82,069.40	\$ 86,121.82
				Monthly	\$ 5,907.81	\$ 6,203.20	\$ 6,513.36	\$ 6,839.03	\$ 7,180.99
				Bi-weekly	\$ 2,726.55	\$ 2,863.02	\$ 3,006.17	\$ 3,155.48	\$ 3,314.30
				Hourly	\$ 34,093.5	\$ 35,787.8	\$ 37,577.1	\$ 39,456.0	\$ 41,428.8
FWMEA (Field)	4/26/2025	G46	Equipment Operator II	Annual	\$ 68,108.34	\$ 71,513.76	\$ 75,089.45	\$ 78,843.92	\$ 82,786.11
				Monthly	\$ 5,675.70	\$ 5,959.48	\$ 6,257.45	\$ 6,570.33	\$ 6,898.84
				Bi-weekly	\$ 2,837.85	\$ 2,979.74	\$ 3,128.73	\$ 3,285.17	\$ 3,449.42
				Hourly	\$ 32,744.4	\$ 34,381.6	\$ 36,100.8	\$ 37,908.2	\$ 39,801.0
FWMEA (Field)	4/26/2025	G47	Equipment Operator II - Water	Annual	\$ 72,593.63	\$ 76,139.20	\$ 79,946.27	\$ 83,943.58	\$ 88,140.76
				Monthly	\$ 6,049.47	\$ 6,344.94	\$ 6,662.19	\$ 6,995.30	\$ 7,345.06
				Bi-weekly	\$ 2,789.99	\$ 2,929.43	\$ 3,074.86	\$ 3,226.40	\$ 3,384.03
				Hourly	\$ 34,852.0	\$ 36,605.1	\$ 38,435.8	\$ 40,347.5	\$ 42,342.8
FWMEA (Field)	4/26/2025	G62	Foreman	Annual	\$ 74,513.51	\$ 78,659.18	\$ 82,982.14	\$ 87,521.75	\$ 92,277.44
				Monthly	\$ 6,242.79	\$ 6,554.93	\$ 6,882.68	\$ 7,226.81	\$ 7,588.15
				Bi-weekly	\$ 2,881.29	\$ 3,026.35	\$ 3,176.62	\$ 3,332.41	\$ 3,494.07
				Hourly	\$ 36,016.1	\$ 37,816.9	\$ 39,707.8	\$ 41,693.1	\$ 43,777.8
FWMEA (Field)	4/26/2025	G63	Foreman Fleet	Annual	\$ 74,513.51	\$ 78,659.18	\$ 82,982.14	\$ 87,521.75	\$ 92,277.44
				Monthly	\$ 6,242.79	\$ 6,554.93	\$ 6,882.68	\$ 7,226.81	\$ 7,588.15
				Bi-weekly	\$ 2,881.29	\$ 3,026.35	\$ 3,176.62	\$ 3,332.41	\$ 3,494.07
				Hourly	\$ 36,016.1	\$ 37,816.9	\$ 39,707.8	\$ 41,693.1	\$ 43,777.8
FWMEA (Field)	4/26/2025	G68	Foreman Sewer/Solids Cntrn	Annual	\$ 80,647.18	\$ 84,679.55	\$ 88,913.52	\$ 93,359.20	\$ 98,027.16
				Monthly	\$ 6,720.60	\$ 7,056.63	\$ 7,409.45	\$ 7,779.93	\$ 8,168.93
				Bi-weekly	\$ 3,101.81	\$ 3,256.91	\$ 3,419.75	\$ 3,590.74	\$ 3,770.28
				Hourly	\$ 38,772.5	\$ 40,714.4	\$ 42,746.9	\$ 44,883.3	\$ 47,128.8
FWMEA (Field)	4/26/2025	G75	Foreman Water	Annual	\$ 80,647.18	\$ 84,679.55	\$ 88,913.52	\$ 93,359.20	\$ 98,027.16
				Monthly	\$ 6,720.60	\$ 7,056.63	\$ 7,409.45	\$ 7,779.93	\$ 8,168.93
				Bi-weekly	\$ 3,101.81	\$ 3,256.91	\$ 3,419.75	\$ 3,590.74	\$ 3,770.28
				Hourly	\$ 38,772.5	\$ 40,714.4	\$ 42,746.9	\$ 44,883.3	\$ 47,128.8
FWMEA (Field)	4/26/2025	G39	Ingestion Technician	Annual	\$ 62,726.31	\$ 65,862.63	\$ 69,155.76	\$ 72,613.55	\$ 76,344.23
				Monthly	\$ 5,227.19	\$ 5,488.55	\$ 5,762.98	\$ 6,051.13	\$ 6,353.69
				Bi-weekly	\$ 2,413.55	\$ 2,533.18	\$ 2,659.84	\$ 2,792.63	\$ 2,932.47
				Hourly	\$ 26,181.5	\$ 27,668.8	\$ 29,248.0	\$ 30,914.1	\$ 32,655.5
FWMEA (Field)	4/26/2025	G78	Landscape Inspector	Annual	\$ 78,374.37	\$ 82,293.30	\$ 86,407.96	\$ 90,729.36	\$ 95,264.78
				Monthly	\$ 6,531.21	\$ 6,857.77	\$ 7,200.66	\$ 7,569.70	\$ 7,955.39
				Bi-weekly	\$ 3,014.41	\$ 3,165.13	\$ 3,322.38	\$ 3,489.55	\$ 3,664.03
				Hourly	\$ 37,683.0	\$ 39,561.1	\$ 41,542.3	\$ 43,619.4	\$ 45,804.4
FWMEA (Field)	4/26/2025	G36	Maintenance Worker II	Annual	\$ 57,659.88	\$ 60,542.87	\$ 63,570.02	\$ 66,748.52	\$ 70,085.54
				Monthly	\$ 4,804.99	\$ 5,045.24	\$ 5,297.50	\$ 5,562.38	\$ 5,840.50
				Bi-weekly	\$ 2,217.69	\$ 2,328.57	\$ 2,445.00	\$ 2,567.25	\$ 2,695.61
				Hourly	\$ 27,721.1	\$ 29,107.1	\$ 30,625.3	\$ 32,280.6	\$ 34,059.1
FWMEA (Field)	4/26/2025	G35	Maintenance Worker II - Chemical Applicator	Annual	\$ 62,164.21	\$ 65,377.43	\$ 68,646.29	\$ 72,078.60	\$ 75,682.54
				Monthly	\$ 5,180.35	\$ 5,448.12	\$ 5,720.52	\$ 6,005.55	\$ 6,303.89
				Bi-weekly	\$ 2,354.78	\$ 2,514.82	\$ 2,640.24	\$ 2,772.28	\$ 2,910.87
				Hourly	\$ 29,534.8	\$ 31,431.5	\$ 33,403.0	\$ 35,551.1	\$ 37,869.9
FWMEA (Field)	4/26/2025	G51	Maintenance Worker II - Water	Annual	\$ 64,285.66	\$ 67,501.00	\$ 70,876.05	\$ 74,419.63	\$ 78,140.85
				Monthly	\$ 5,357.14	\$ 5,625.08	\$ 5,906.34	\$ 6,201.65	\$ 6,511.74
				Bi-weekly	\$ 2,478.86	\$ 2,596.19	\$ 2,726.00	\$ 2,862.30	\$ 3,005.42
				Hourly	\$ 30,507.0	\$ 32,452.4	\$ 34,078.0	\$ 35,778.8	\$ 37,559.8
FWMEA (Field)	4/26/2025	O33	Mechanic	Annual	\$ 66,499.41	\$ 69,823.33	\$ 73,314.50	\$ 76,980.23	\$ 80,829.24
				Monthly	\$ 5,541.62	\$ 5,818.61	\$ 6,109.54	\$ 6,415.02	\$ 6,734.77
				Bi-weekly	\$ 2,557.63	\$ 2,685.31	\$ 2,819.79	\$ 2,960.78	\$ 3,108.82
				Hourly	\$ 31,970.4	\$ 33,569.9	\$ 35,247.4	\$ 37,005.6	\$ 38,850.3
FWMEA (Field)	4/26/2025	G55	Water Quality Technician	Annual	\$ 81,381.23	\$ 86,101.79	\$ 90,941.32	\$ 95,913.39	\$ 101,027.06
				Monthly	\$ 6,781.77	\$ 7,175.15	\$ 7,578.44	\$ 8,001.12	\$ 8,454.76
				Bi-weekly	\$ 3,245.82	\$ 3,408.11	\$ 3,578.51	\$ 3,757.44	\$ 3,945.31
				Hourly	\$ 48,572.8	\$ 51,601.4	\$ 54,734.4	\$ 57,980.0	\$ 61,346.4
FWMEA (Field)	4/26/2025	G56	Water System Operator	Annual	\$ 77,108.82	\$ 80,984.27	\$ 85,012.48	\$ 89,263.11	\$ 93,726.27
				Monthly	\$ 6,425.74	\$ 6,748.69	\$ 7,084.37	\$ 7,438.59	\$ 7,810.52
				Bi-weekly	\$ 2,565.72	\$ 2,699.17	\$ 2,829.71	\$ 2,966.23	\$ 3,108.86
				Hourly	\$ 37,071.5	\$ 38,925.1	\$ 40,871.4	\$ 42,916.0	\$ 45,058.8

**EXHIBIT 2  
RETIREE MEDICAL/DENTAL TIERS**

<b>FIELD SERVICES – TIER 1-A</b>	
<b>HIRE DATE:</b> Not applicable.	<b>YEARS OF SERVICE:</b> 5 years but less than 10 years continuous service with the City.
<p><b><u>ELIGIBILITY CRITERIA:</u></b></p> <p>A. Is at least 50 years of age;</p> <p>B. Has been employed by the City for at least 5 years;</p> <p>C. Is a vested member of CalPERS;</p> <p>D. Has applied for and received a service retirement from CalPERS;</p> <p>E. Effective date of retirement occurred no earlier than October 1, 1980;</p> <p>F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;</p> <p>G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.</p> <p><b><u>NOT ELIGIBLE FOR LIFE OR VISION INSURANCE:</u></b> Retired employees shall not be eligible for life or vision insurance coverage.</p> <p><b><u>RETIREE CONTRIBUTION:</u></b> The employee enrolls at their own expense for both medical and dental insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS.</p> <p><b><u>If retired beginning August 16, 2011 and later:</u></b> If dental coverage is elected, dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.</p>	
<b>FIELD SERVICES – TIER 1-B</b>	
<b>HIRE DATE:</b> February 15, 1986 and earlier.	<b>YEARS OF SERVICE:</b> 10 or more years continuous service with the City.
<p><b><u>ELIGIBILITY CRITERIA:</u></b></p> <p>A. Is at least 50 years of age;</p> <p>B. Has been employed by the City for at least 5 years;</p> <p>C. Is a vested member of CalPERS;</p> <p>D. Has applied for and received a service retirement from CalPERS;</p> <p>E. Effective date of retirement occurred no earlier than October 1, 1980;</p> <p>F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;</p> <p>G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.</p> <p><b><u>NOT ELIGIBLE FOR LIFE OR VISION INSURANCE:</u></b> Retired employees shall not be eligible for life or vision insurance coverage.</p> <p><b><u>ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:</u></b></p> <p><b><u>If retired August 15, 2011 and earlier:</u></b> Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement</p>	

that were covered at the time of the employee's retirement.

***If retired beginning August 16, 2011 and later:*** Coverage is limited to the eligible retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement.

**Dependent Children.** City contributions towards medical for qualified dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child(s) medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

- A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.
- B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.
- C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

**NON-QUALIFIED DEPENDENT(S):** Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

**CITY CONTRIBUTION:**

***If retired August 15, 2011 and earlier:*** The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider's group health benefit agreement.

***If retired beginning August 16, 2011 and later:*** The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent if applicable.

**RETIREE CONTRIBUTION:**

***Non-Qualified Dependent(s).*** If non-qualified dependent(s) are covered under the plan, the retiree will be responsible for paying for the full premium for such dependent(s).

***Dependent Dental Premium.*** If dependent dental coverage is elected, the dependent dental premium is deducted from the City's reimbursement to the retiree for health premiums or the retiree will be billed because such premiums continue to be employee/retiree paid.

***Medicare.*** Medicare premiums are fully retiree paid.

**COVERAGE AT AGE 65+:** Coverage will become supplemental to Medicare at age 65. The City will pay the supplemental to Medicare/basic medical premium as applicable for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the

maximum the City contributes for Field employees for Tier 1 employees. The retiree will continue paying the dependent dental premium if coverage is elected and will be responsible for paying Medicare premiums.

**ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:**

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. If none of the events listed above which would terminate coverage occurs, coverage for dependent survivors of deceased retirees or employees killed in the line of duty under the City's group medical insurance plan will continue in accordance with the provisions of the City's group medical insurance carrier, after which the dependent survivors will be provided an opportunity to continue their coverage under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). The City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for Field employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

**FIELD SERVICES – TIER 1-C**

**HIRE DATE:** February 16, 1986 through July 31, 1995.

**YEARS OF SERVICE:** 10 or more years continuous service with the City.

**ELIGIBILITY CRITERIA:**

- A. Is at least 50 years of age;
- B. Has been employed by the City for at least 5 years;
- C. Is a vested member of CalPERS;
- D. Has applied for and received a service retirement from CalPERS;
- E. Effective date of retirement occurred no earlier than October 1, 1980;
- F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;
- G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.

**NOT ELIGIBLE FOR LIFE OR VISION INSURANCE:** Retired employees shall not be eligible for life or vision insurance coverage.

**ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:**

***If retired August 15, 2011 and earlier:*** Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

***If retired beginning August 16, 2011 and later:*** Coverage is limited to the eligible retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement.

***Non-Qualified Dependent(s).*** Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent. If the retiree covers non-qualified dependent(s) on his/her medical plan, the retiree will be solely responsible for paying the medical premium for such non-qualified dependent(s).

**Dependent Children.** City contributions towards medical for qualified dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child(s) medical premium past

age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

- A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.
- B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.
- C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

**NON-QUALIFIED DEPENDENT(S):** Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

**CITY CONTRIBUTION:**

***If retired August 15, 2011 and earlier:*** The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider's group health benefit agreement.

***If retired beginning August 16, 2011 and later:*** The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent if applicable.

**RETIREE CONTRIBUTION:**

***Non-Qualified Dependent(s).*** If non-qualified dependent(s) are covered under the plan, the retiree will be responsible for paying for the full premium for such dependent(s).

***Dependent Dental Premium.*** If dependent dental coverage is elected, the dependent dental premium is deducted from the City's reimbursement to the retiree for health premiums or the retiree will be billed because such premiums continue to be employee/retiree paid.

***Medicare.*** Medicare premiums are fully retiree paid.

**COVERAGE AT AGE 65+:**

***If retired August 15, 2011 and earlier:*** Coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Retiree only dental premiums will continue to be paid by the City until retiree's death. The retiree will continue paying the dependent dental premium, if coverage is elected, and will be responsible for paying Medicare premiums.

***If retired beginning August 16, 2011 and later:*** Medical coverage will terminate upon the retiree or qualified dependent reaching age 65, at which time, the employee continues

coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. The retiree will be responsible for paying Medicare premiums. Dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

**ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:**

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. While covered, the City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for Field employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

**FIELD SERVICES – TIER 1-D**

<b>HIRE DATE:</b> August 1, 1995 through July 31, 1998.	<b>YEARS OF SERVICE:</b> 5 years but less than 15 years continuous service with the City.
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**ELIGIBILITY CRITERIA:**

- A. Is at least 50 years of age;
- B. Has been employed by the City for at least 5 years;
- C. Is a vested member of CalPERS;
- D. Has applied for and received a service retirement from CalPERS;
- E. Effective date of retirement occurred no earlier than October 1, 1980;
- F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;
- G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.

**NOT ELIGIBLE FOR LIFE OR VISION INSURANCE:** Retired employees shall not be eligible for life or vision insurance coverage.

**RETIREE CONTRIBUTION:** The employee enrolls at own expense for both medical and dental insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS.

***If retired beginning August 16, 2011 and later:*** If dental coverage is elected, dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

**FIELD SERVICES – TIER 1-E**

<b>HIRE DATE:</b> August 1, 1995 through July 31, 1998.	<b>YEARS OF SERVICE:</b> 15 or more years continuous service with the City.
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**ELIGIBILITY CRITERIA:**

- A. Is at least 50 years of age;
- B. Has been employed by the City for at least 5 years;
- C. Is a vested member of CalPERS;
- D. Has applied for and received a service retirement from CalPERS;
- E. Effective date of retirement occurred no earlier than October 1, 1980;
- F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;
- G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.

**NOT ELIGIBLE FOR LIFE OR VISION INSURANCE:** Retired employees shall not be eligible for life or vision insurance coverage.

**ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:**

*If retired August 15, 2011 and earlier:* Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

*If retired beginning August 16, 2011 and later:* Coverage is limited to the eligible retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement.

**Dependent Children.** City contributions towards medical for qualified dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child(s) medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

- A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.
- B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.
- C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

**NON-QUALIFIED DEPENDENT(S):** Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

**CITY CONTRIBUTION:**

*If retired August 15, 2011 and earlier:* The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider's group health benefit agreement.

*If retired beginning August 16, 2011 and later:* The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered

on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent if applicable.

**RETIREE CONTRIBUTION:**

***Non-Qualified Dependent(s).*** If non-qualified dependent(s) are covered under the plan, the retiree will be responsible for paying for the full premium for such dependent(s).

***Dependent Dental Premium.*** If dependent dental coverage is elected, the dependent dental premium is deducted from the City's reimbursement to the retiree for health premiums or the retiree will be billed because such premiums continue to be employee/retiree paid.

***Medicare.*** Medicare premiums are fully retiree paid.

**COVERAGE AT AGE 65+:**

***If retired August 15, 2011 and earlier:*** Coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Retiree only dental premiums will continue to be paid by the City until retiree's death. The retiree will continue paying the dependent dental premium if coverage is elected and will be responsible for paying Medicare premiums.

***If retired beginning August 16, 2011 and later:*** Medical coverage will terminate upon the retiree or qualified dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. The retiree will be responsible for paying Medicare premiums. Dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

**ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:**

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. While covered, the City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for Field employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

**FIELD SERVICES – TIER 1-F**

<b>HIRE DATE:</b> August 1, 1998 through June 30, 2009.	<b>YEARS OF SERVICE:</b> 15 or more years continuous service with the City.
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**ELIGIBILITY CRITERIA:**

A. Is at least 50 years of age;

- B. Has been employed by the City for at least 5 years;
- C. Is a vested member of CalPERS;
- D. Has applied for and received a service retirement from CalPERS;
- E. Effective date of retirement occurred no earlier than October 1, 1980;
- F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;
- G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.

**NOT ELIGIBLE FOR LIFE OR VISION INSURANCE:** Retired employees shall not be eligible for life or vision insurance coverage.

**ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:**

*If retired August 15, 2011 and earlier:* Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

*If retired beginning August 16, 2011 and later:* Coverage is limited to the eligible retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement.

Dependent Children. City contributions towards medical for qualified dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child(s) medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

- A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.
- B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.
- C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

**NON-QUALIFIED DEPENDENT(S):** Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

**CITY CONTRIBUTION:**

*If retired August 15, 2011 and earlier:* The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to 50% of the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider's group health benefit agreement.

*If retired beginning August 16, 2011 and later:* The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to 50% of the maximum the City contributes for

Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent if applicable.

**RETIREE CONTRIBUTION:**

***Non-Qualified Dependent(s).*** If non-qualified dependent(s) are covered under the plan, the retiree will be responsible for paying for the full premium for such dependent(s).

***Dependent Dental Premium.*** If dependent dental coverage is elected, the dependent dental premium is deducted from the City's reimbursement to the retiree for health premiums or the retiree will be billed because such premiums continue to be employee/retiree paid.

***Medicare.*** Medicare premiums are fully retiree paid.

**COVERAGE AT AGE 65+:**

***If retired August 15, 2011 and earlier:*** Coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Retiree only dental premiums will continue to be paid by the City until retiree's death. The retiree will continue paying the dependent dental premium, if coverage is elected, and will be responsible for paying Medicare premiums.

***If retired beginning August 16, 2011 and later:*** Medical coverage will terminate upon the retiree or qualified dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. The retiree will be responsible for paying Medicare premiums. Dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

**ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:**

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. While covered, the City pays the actual medical premium for the surviving dependent(s) up to 50% of the maximum the City contributes for Field employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

**FIELD SERVICES – TIER 1-G: DISABILITY RETIREMENT**

<b>HIRE DATE:</b> February 15, 1986 and earlier.	<b>YEARS OF SERVICE:</b> Not applicable.
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**ELIGIBILITY CRITERIA:** A "disability retired employee" shall refer to an employee who has received a disability retirement from CalPERS and whose injury or illness constitutes a total disability, as defined by the City's group medical insurance carrier. The disability retired employee must retire directly from active duty and must maintain continuous

coverage both prior to and subsequent to their retirement. Any lapse in coverage will make the employee ineligible for coverage.

**NOT ELIGIBLE FOR LIFE OR VISION INSURANCE:** Retired employees shall not be eligible for life or vision insurance coverage.

**ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:**

*If retired August 15, 2011 and earlier:* Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

*If retired beginning August 16, 2011 and later:* Coverage is limited to the eligible retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement.

**Dependent Children.** City contributions towards medical for qualified dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child(s) medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

- A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.
- B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.
- C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

**NON-QUALIFIED DEPENDENT(S):** Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

**CITY CONTRIBUTION:**

*If retired August 15, 2011 and earlier:* The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider's group health benefit agreement.

*If retired beginning August 16, 2011 and later:* The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent if applicable.

**RETIREE CONTRIBUTION:**

**Non-Qualified Dependent(s).** If non-qualified dependent(s) are covered under the plan, the retiree will be responsible for paying for the full premium for such dependent(s).

**Dependent Dental Premium.** If dependent dental coverage is elected, the dependent

dental premium is deducted from the City's reimbursement to the retiree for health premiums or the retiree will be billed because such premiums continue to be employee/retiree paid.

*Medicare.* Medicare premiums are fully retiree paid.

**COVERAGE AT AGE 65+:** Coverage will become supplemental to Medicare at age 65. The City will pay the supplemental to Medicare/basic medical premium as applicable for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for Field employees for Tier 1 employees. The retiree will continue paying the dependent dental premium, if coverage is elected, and will be responsible for paying Medicare premiums.

**ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:**

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. If none of the events listed above which would terminate coverage occurs, coverage for dependent survivors of deceased retirees or employees killed in the line of duty under the City's group medical insurance plan will continue in accordance with the provisions of the City's group medical insurance carrier, after which the dependent survivors will be provided an opportunity to continue their coverage under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). The City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for Field employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

**FIELD SERVICES – TIER 1-H: DISABILITY RETIREMENT**

<b>HIRE DATE:</b> February 16, 1986 through July 31, 1998.	<b>YEARS OF SERVICE:</b> Not applicable.
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**ELIGIBILITY CRITERIA:**

A "disability retired employee" shall refer to an employee who has received a disability retirement from CalPERS and whose injury or illness constitutes a total disability, as defined by the City's group medical insurance carrier. The disability retired employee must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement. Any lapse in coverage will make the employee ineligible for coverage.

**NOT ELIGIBLE FOR LIFE OR VISION INSURANCE:** Retired employees shall not be eligible for life or vision insurance coverage.

**ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:**

*If retired August 15, 2011 and earlier:* Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

*If retired beginning August 16, 2011 and later:* Coverage is limited to the eligible retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement.

**Dependent Children.** City contributions towards medical for qualified dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child(s) medical premium past age 23. The following examples illustrate the impact to the City contribution when a

dependent child turns age 23:

- A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.
- B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.
- C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

**NON-QUALIFIED DEPENDENT(S):** Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

**CITY CONTRIBUTION:**

***If retired August 15, 2011 and earlier:*** The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider's group health benefit agreement.

***If retired beginning August 16, 2011 and later:*** The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent if applicable.

**RETIREE CONTRIBUTION:**

***Non-Qualified Dependent(s).*** If non-qualified dependent(s) are covered under the plan, the retiree will be responsible for paying for the full premium for such dependent(s).

***Dependent Dental Premium.*** If dependent dental coverage is elected, the dependent dental premium is deducted from the City's reimbursement to the retiree for health premiums or the retiree will be billed because such premiums continue to be employee/retiree paid.

***Medicare.*** Medicare premiums are fully retiree paid.

**COVERAGE AT AGE 65+:**

***If retired August 15, 2011 and earlier:*** Coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Retiree only dental premiums will continue to be paid by the City until retiree's death. The retiree will continue paying the dependent dental premium if coverage is elected and will be responsible for paying Medicare premiums.

***If retired beginning August 16, 2011 and later:*** Medical coverage will terminate upon the retiree or qualified dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the

CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. The retiree will be responsible for paying Medicare premiums. Dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

**ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:**

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependents will terminate. While covered, the City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for Field employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

**FIELD SERVICES – TIER 1-I: DISABILITY RETIREMENT**

<b>HIRE DATE:</b> August 1, 1998 through June 30, 2009.	<b>YEARS OF SERVICE:</b> Not applicable.
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**ELIGIBILITY CRITERIA:** A “disability retired employee” shall refer to an employee who has received a disability retirement from CalPERS and whose injury or illness constitutes a total disability, as defined by the City's group medical insurance carrier. The disability retired employee must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement. Any lapse in coverage will make the employee ineligible for coverage.

**NOT ELIGIBLE FOR LIFE OR VISION INSURANCE:** Retired employees shall not be eligible for life or vision insurance coverage.

**ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:**

***If retired August 15, 2011 and earlier:*** Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

***If retired beginning August 16, 2011 and later:*** Coverage is limited to the eligible retiree and qualified dependent(s) who were covered on the employees plan for a minimum of two (2) full years (24 months) prior to retirement.

**Dependent Children.** City contributions towards medical for qualified dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child(s) medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

- A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.
- B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.
- C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse

and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

**NON-QUALIFIED DEPENDENT(S):** Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

**CITY CONTRIBUTION:**

***If retired August 15, 2011 and earlier:*** The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to 50% of the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider's group health benefit agreement.

***If retired beginning August 16, 2011 and later:*** The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to 50% of the maximum the City contributes for Field employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent if applicable.

**RETIREE CONTRIBUTION:**

***Non-Qualified Dependent(s).*** If non-qualified dependent(s) are covered under the plan, the retiree will be responsible for paying for the full premium for such dependent(s).

***Dependent Dental Premium.*** If dependent dental coverage is elected, the dependent dental premium is deducted from the City's reimbursement to the retiree for health premiums or the retiree will be billed because such premiums continue to be employee/retiree paid.

***Medicare.*** Medicare premiums are fully retiree paid.

**COVERAGE AT AGE 65+:**

***If retired August 15, 2011 and earlier:*** Coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee continues coverage at own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Retiree only dental premiums will continue to be paid by the City until retiree's death. The retiree will continue paying the dependent dental premium if coverage is elected and will be responsible for paying Medicare premiums.

***If retired beginning August 16, 2011 and later:*** Medical coverage will terminate upon the retiree or qualified dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. The retiree will be responsible for paying Medicare premiums. Dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

**ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:**

Coverage for dependent survivors of deceased retired employees or employees killed in

<p>the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. While covered, the City pays the actual medical premium for the surviving dependent(s) up to 50% of the maximum the City contributes for Field employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.</p>	
<p><b>FIELD SERVICES – TIER 2-A (SERVICE AND DISABILITY RETIRED EMPLOYEES)</b></p>	
<p><b>HIRE DATE:</b> July 1, 2009 through August 15, 2010.</p>	<p><b>YEARS OF SERVICE:</b> Not applicable.</p>
<p><b><u>ELIGIBILITY CRITERIA:</u></b></p> <ul style="list-style-type: none"> <li>A. Is at least 50 years of age;</li> <li>B. Has been employed by the City for at least 5 years;</li> <li>C. Is a vested member of CalPERS;</li> <li>D. Has applied for and received a service retirement from CalPERS;</li> <li>E. Effective date of retirement occurred no earlier than October 1, 1980;</li> <li>F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;</li> <li>G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.</li> </ul> <p><b><u>NOT ELIGIBLE FOR LIFE OR VISION INSURANCE:</u></b> Retired employees shall not be eligible for life or vision insurance coverage.</p> <p><b><u>RETIREE CONTRIBUTION:</u></b> The employee enrolls at their own expense for medical and dental insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS.</p> <p><b><u>If retired beginning August 16, 2011 and later:</u></b> If dental coverage is elected, dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.</p>	
<p><b>FIELD SERVICES – TIER 3-A (SERVICE AND DISABILITY RETIRED EMPLOYEES)</b></p>	
<p><b>HIRE DATE:</b> August 16, 2010 and later.</p>	<p><b>YEARS OF SERVICE:</b> Not applicable.</p>
<p><b><u>ELIGIBILITY CRITERIA:</u></b></p> <ul style="list-style-type: none"> <li>A. Is at least 50 years of age;</li> <li>B. Has been employed by the City for at least 5 years;</li> <li>C. Is a vested member of CalPERS;</li> <li>D. Has applied for and received a service retirement from CalPERS;</li> <li>E. Effective date of retirement occurred no earlier than October 1, 1980;</li> <li>F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;</li> </ul>	

G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.

**NOT ELIGIBLE FOR LIFE OR VISION INSURANCE:** Retired employees shall not be eligible for life or vision insurance coverage.

**RETIREE CONTRIBUTION:** The employee enrolls at their own expense for both medical and dental insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Dental coverage will end at retirement. Dental coverage eligibility will be extended through COBRA continuation of coverage for a maximum of 18 months. Extension of coverage may apply in accordance with COBRA regulations; however, unless the retiree meets these COBRA provisions, the maximum coverage period for dental upon retirement is 18 months. To maintain coverage, the full premium plus a 2% administrative fee is payable by the retiree. The employee is not eligible for any flexible spending or other contribution from the City towards continued dental insurance upon retirement.

# 9.25.25 Agenda Final Municipal Employees Association MOU for signature.pdf TK

Final Audit Report

2025-09-17

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