



MEMORANDUM OF UNDERSTANDING BETWEEN

CITY OF FONTANA

AND

TEAMSTERS LOCAL 1932,

CITY HALL BARGAINING UNIT

COVERING THE PERIOD OF

JULY 1, 2024 THROUGH JUNE 30, 2027

TABLE OF CONTENTS

ARTICLE 1: RECOGNITION	1
ARTICLE 2: CITY PERSONNEL RULES	1
ARTICLE 3: NO DISCRIMINATION	2
ARTICLE 4: UNION MEMBERSHIP	2
Section 1. Dues Deduction	2
Section 2. Hold Harmless Clause	2
Section 3. Employee's Right To Revoke Agency Shop	2
ARTICLE 5: WAGES	3
ARTICLE 6: WORKING HOURS AND WORK SCHEDULES	3
ARTICLE 7: PERSONAL LEAVE ACCRUAL, LEAVE ACCRUAL LIMITS, LEAVE CASH OUT AND NEGATIVE LEAVE USAGE	4
Section 1. Personal Leave Accrual	4
Section 2. Leave Accrual Limits	4
Section 3. Pre-Election of Leave Cash Out	4
Section 4. Negative Leave Usage	6
ARTICLE 8: BILINGUAL PAY	6
ARTICLE 9: HEALTH BENEFITS	6
Section 1. Health Insurance	6
Section 2. Health Insurance Benefits While on Leave	6
ARTICLE 10: OVERTIME AND COMPENSATORY TIME	7
Section 1. Overtime	7
Section 2. Compensatory Time	7
ARTICLE 11: HOLIDAYS	7
Section 1. Holidays Observed	7
Section 2. Floating Holidays	8
Section 3. Holiday Occurring on a Weekend	8
Section 4. Compensation for Working Holidays	8
Section 5. Eligibility for Holiday Pay	9
Section 6. Winter Holiday Closure	9
ARTICLE 12: RETIREMENT BENEFITS	10

Section 1. Participation	10
Section 2. 1959 Survivor's Benefit	11
Section 3. PERS Military Buy-Back	11
Section 4. Health Insurance for Retired Employees	11
ARTICLE 13: RETIREE MEDICAL TRUST (July 2024)	12
Section 1. Definition	12
Section 2	12
Section 3. Benefits	13
Section 4. Contributions	13
Section 5. Grievance	13
ARTICLE 14: DEFERRED COMPENSATION	14
ARTICLE 15: LONGEVITY PAY	14
ARTICLE 16: CALL BACK PAY	15
ARTICLE 17: REGULAR/CLASSIFIED PART-TIME (RCP) EMPLOYEES	15
ARTICLE 18: COMPENSATION FOR ACTING APPOINTMENTS	15
ARTICLE 19: STANDBY DUTY	16
Section 1. Definition of Standby	16
Section 2. Eligibility	16
Section 3. Assignment to Standby	17
Section 4. Authority for Emergency Call Out	17
Section 5. Standby Compensation	17
ARTICLE 20: UTILIZATION OF UNDERFILL CLASSIFICATIONS	17
Section 1. Budgetary Underfill	17
Section 2. Trainee Underfill	17
ARTICLE 21: LAYOFFS	18
ARTICLE 22: MERIT INCREASES	18
ARTICLE 23: SHORTS OPTION	18
ARTICLE 24: ACCESS TO WORK LOCATIONS	18
ARTICLE 25: EMPLOYMENT-RELATED UPDATES	19
ARTICLE 26: HEALTH AND SAFETY COMMITTEE	19
ARTICLE 27: EDUCATIONAL ACHIEVEMENT PAY	20

ARTICLE 28: WELLNESS.....	20
ARTICLE 29: UNIFORMS	20
Section 1. Uniform Allowance (July 2021)	20
Section 2. Boot Reimbursement	21
Section 3. State Labor Code Requirements	21
ARTICLE 30: SEVERABILITY.....	21
ARTICLE 31: LOCAL UNION ACTIVITIES	21
ARTICLE 32: GRIEVANCE PROCEDURE	21
ARTICLE 33: PAYMENTS OUTSIDE OF REGULAR PAY	21

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF FONTANA
AND
TEAMSTERS LOCAL 1932 UNION,
CITY HALL UNIT**

This Memorandum of Understanding ("Agreement") is entered into by the City of Fontana (hereinafter referred to as the "City") and the Teamsters Local 1932, City Hall Unit (hereinafter referred to as the "Union"). The terms and conditions of this Agreement shall be applicable to all employees set forth in on the City Hall Unit's salary table commencing on July 1, 2024 and ending June 30, 2027.

The City and Union acknowledge that the City is working toward implementation of a new Human Resources & Payroll System ("System") during the term of this MOU. The completion and readiness of the System shall be a reopener as to all issues that are impacted. To the extent the System's implementation may impact terms and conditions of employment, the parties will meet, confer, and negotiate prior to implementation.

It is important to note that any monetary changes listed in this contract will be effective February 8, 2025, unless stated otherwise.

ARTICLE 1: RECOGNITION

For purposes of meeting and conferring on wages, hours and working conditions and general representation of its employees, formal recognition is hereby granted to the Union.

ARTICLE 2: CITY PERSONNEL RULES

It is understood and agreed that there exists within the City, certain personnel rules, policies, practices and benefits, generally contained in the "City of Fontana Personnel Rules and Regulations," and "Employer-Employee Rules and Regulations" as amended by City resolutions and Memorandum of Understanding. Those rules, policies, and benefits, which are subject to the meet and confer process, will continue in effect, except for those provisions modified by this Agreement, unless and until modified by mutual agreement of the parties and enacted by the City Council, if necessary, in accordance with state laws, orders, regulations, official instructions or policies. In the case of change, other than by agreement, the Union shall be consulted with as soon as possible on the change.

The City shall distribute a copy and any future updates of the MOU and Personnel Rules and Regulations as follows:

City Hall Representative (maximum of 2) – 1 electronic copy
Union Business Agent - 1 copy (electronic and printed form)

The Union agrees to print and distribute all copies of the MOU and the Personnel Rules and Regulations, as approved by the City Council, for each current and subsequent new employee at their expense.

ARTICLE 3: NO DISCRIMINATION

Neither the City nor the Union shall unlawfully discriminate, retaliate, or otherwise suffer violation of the California Fair Employment Act, Title VII of the Civil Rights Act, or any other applicable anti-discrimination law in any way against any City employee, Union member, or applicant. Likewise, neither the City nor Union shall discriminate or retaliate against any employee for any lawful act relating to their employment or Union membership.

ARTICLE 4: UNION MEMBERSHIP

Section 1. Dues Deduction

Employees may authorize dues deductions by submitting a written authorization to the Union, who will then notify the City of such deductions. Said authorization shall remain in effect unless withdrawn in writing by the Union, or unless the employee terminates employment or transfers out of the Union.

Employees will be allowed to have insurance premiums deducted from their pay check to cover insurances offered by the Teamsters Local 1932 Union. Said Payment will be in a lump sum payable to the Union and the Union will be responsible for payment to the carriers and administration of the programs.

Section 2. Hold Harmless Clause

In consideration of the above noted services, the Union agrees to release, indemnify and discharge the City from any liability or expenses, including, but not limited to, attorney's fees and reasonable costs, whatsoever as a result of any action taken pursuant to the provisions of this Article.

Section 3. Employee's Right To Revoke Agency Shop

Nothing herein shall be construed to modify employees' rights to revoke the Agency Shop provision of this MOU pursuant to the procedures set forth in Government Code Section 3502.5(b).

ARTICLE 5: WAGES

All employees as of December 10, 2024, shall receive a one-time payment of \$2,000.00 (paid no later than December 13, 2024). This one-time payment will not be reported to CalPERS as compensation earnable for the purpose of calculating retirement benefits and contributions.

Effective January 11, 2025, each employee/classification represented by the Union shall receive a 4.0% base salary increase.

Effective July 12, 2025 (the beginning of the first full pay period following July 1st), each employee/classification represented by the Union shall receive a 4.0%* base salary increase.

*Note: Total benefit as of July 12, 2025, equates to 4.0%, with 1.0% base salary going towards Retiree Medical Trust. Refer to Article 13 for additional information regarding the Retiree Medical Trust.

Effective July 11, 2026 (the beginning of the first full pay period following July 1st), each employee/classification represented by the Union shall receive a 3.0%* base salary increase.

*Note: Total benefit as of July 11, 2026, equates to 3.0%, with an additional 0.5% base salary going towards Retiree Medical Trust. Refer to Article 13 for additional information regarding the Retiree Medical Trust.

ARTICLE 6: WORKING HOURS AND WORK SCHEDULES

Employees in the Union work a "forty (40) hour work week", which may include but is not limited to a 9/80, 4/10, 5/8, or any other lawful schedule. The City agrees to meet and confer with employees in the Union should it propose to change or modify the work schedules listed above. City Hall employees assigned to the Public Works Department will follow the Public Works Department work schedule which is currently a 4/10.

The City Manager or designee(s) may change the work hours and/or days within the work schedules listed above for employees, without any obligation to meet and confer, so long as the employee is provided notice fourteen (14) calendar days prior to the effective date of the change. "Changes in work schedules" are intended to be of a permanent nature or for an extended period of time.

ARTICLE 7: PERSONAL LEAVE ACCRUAL, LEAVE ACCRUAL LIMITS, LEAVE CASH OUT AND NEGATIVE LEAVE USAGE

Section 1. Personal Leave Accrual

The personal leave accrual rate shall be as follows:

<u>Years of Service</u>	<u>Hours Assigned</u>	<u>Pay Period Accumulation</u>
0 but less than 2 Years	180 hours	6.92 hours
2 Years but less than 4 Years	190 hours	7.31 hours
4 Years but less than 6 Years	200 hours	7.69 hours
6 Years but less than 8 Years	210 hours	8.08 hours
8 Years but less than 10 Years	220 hours	8.46 hours
10 Years but less than 12 Years	232 hours	8.92 hours
12 Years but less than 14 Years	244 hours	9.38 hours
14 Years but less than 16 Years	256 hours	9.85 hours
16 Years but less than 18 Years	274 hours	10.54 hours
18 Years but less than 20 Years	292 hours	11.23 hours
20 + Years	312 hours	12.00 hours

Section 2. Leave Accrual Limits

Effective February 8, 2025 (the beginning of the pay period following contract ratification), employees agree that the total number of personal leave hours which can be accrued in their leave bank at any given time is a maximum of two and one half (2.5) times the employee's annual personal leave accrual. The application of the maximum accrual limit will be made on a pay period by pay period basis. Once the maximum accrual limit is met, employees will cease to accrue personal leave time until the next pay period in which they have reduced their personal leave below their accrual limit.

The City Manager, at their discretion, reserves the right to payout an employee's accrued personal leave time which is in excess of the two and one-half year accrual limit and/or the 120 hour maximum, when such payment has been determined to be in the best interest of the City. In the 2024 contract, the City increased the leave time eligible for cash out in exchange for implementing the leave accrual cap on a pay period-by-pay period basis.

Section 3. Pre-Election of Leave Cash Out

In accordance with 26 CFR 1.451-2 effective December 1, 2025, and continuing thereafter, employees must submit an irrevocable pre-election form, by no later than December 1st of the year in which the election is made, to convert the following hours to cash or a deferral into their deferred compensation account:

- Personal Leave - An amount which may not exceed the number of personal leave hours the employee may accrue in the following calendar year.

- Compensatory Time – An amount which may not exceed the projected number of compensatory time hours the individual employee may receive in the following calendar year.
1. The maximum amount of leave time (personal leave, compensatory time or a combination of both) which can be cashed out under the City's "leave plans" is one hundred twenty (120) hours per calendar year.
 2. The requested cash out can be made at either or both dates below, but only with respect to leave time that has accrued before the cash out date, via direct deposit, not to exceed the maximum amount listed in this Article per calendar year:

To Be Paid By
• On or before July 31 st
• On or before the second Friday in December

3. The cash out shall be paid at the employee's base rate of pay that is in effect at the time of such cash out.
4. Employee's leave time (as mentioned above) may not be reduced to less than eighty (80) hours as a result of participation in the annual leave cash out.
5. The cash out is subject to the pre-elected leave being available. If an employee uses more leave than anticipated to where it would affect the amount of leave cashed out, the amount of leave cashed out will be adjusted to reflect the leave used, provided that the employee maintains a minimum balance of 80 hours in their leave bank after the cash out.
6. The leave cash-out election is for hours to be accrued or received in the calendar year following submission of the irrevocable election form. In the event an employee has less hours in their personal leave and/or compensatory time bank at the time the cash-out is to be paid than they had previously elected to cash-out, the employee shall only be paid for up to the amount remaining in their personal leave and/or compensatory time bank at the time of the actual cash-out.
7. If an employee makes an irrevocable election to cash-out personal leave and/or compensatory time in the following calendar year and uses such leave in that subsequent calendar year, the personal leave and/or compensatory time used will come from the personal leave or compensatory time the employee had earned (if any) prior to January 1st of the calendar year in which the leave time the employee has elected to cash-out accrues. The employee's use of earned, but unused personal leave and/or compensatory time accumulated from previous calendar years shall not result in a reduction in the amount of vacation and/or compensatory time hours the employee is eligible to cash-out.

8. Participation in the pre-election of leave cash out is optional. Employees who do not submit an irrevocable election form by December 1st of each year will be considered as opting out of the optional “leave cash out” for the following calendar year.

Section 4. Negative Leave Usage

Employees may only use time already accrued. The City Manager may, upon written request, approve exceptions to this provision under extraordinary circumstances where the employee provides a written deduction authorization allowing the City to withhold any monies owed from this negative leave usage from the employee's final paycheck.

ARTICLE 8: BILINGUAL PAY

The City shall pay one hundred dollars (\$100.00) per pay period for those employees who are assigned by the Department Head to assist with providing translation to and from a foreign language and other related services. Eligible employees will be required to pass a test which shall be administered by a qualified agency or individual.

ARTICLE 9: HEALTH BENEFITS

Section 1. Health Insurance

Effective January 1, 2023, except as provided below, each month the City shall contribute to a cafeteria plan on behalf of each represented employee an amount equal to the total of the premium for coverage under the lowest cost HMO insurance and the high option dental plan (for employee plus one tier, dental premiums are calculated at the employee plus child rate), all of which shall not exceed the amounts specified below. The amount that employees may receive under the City's Cafeteria cash back option shall be limited to \$558.35 per month: (July 2021)

Example:

Cafeteria Allotment (Tier)	Up to Amount
Cash Back Option	Up to \$558.35 (waive coverage)
Employee Only	Up to Lowest Cost HMO Premium (Emp Only) + Dental High Option Premium (Emp Only)
Employee + 1	Up to Lowest Cost HMO Premium (Emp +1) + Dental High Option Premium (Emp + Child)
Employee + Family	Up to Lowest Cost HMO Premium (Emp + Family) + Dental High Option Premium (Emp + Family)

Section 2. Health Insurance Benefits While on Leave

Employees who are eligible for disability insurance pay will receive health benefits for 90 days. Thereafter, the employee must pay for health benefits.

ARTICLE 10: OVERTIME AND COMPENSATORY TIME

Section 1. Overtime

Overtime shall be calculated in accordance with the Fair Labor Standards Act (FLSA) for all time **actually** worked in excess of forty (40) hours in a workweek. There shall be no "pyramiding" of overtime (e.g., if an employee receives a minimum two hours call back pay at the overtime rate, and those hours worked also result in their working in excess of forty (40) hours in a work week, double overtime will not be paid.) For purposes of overtime calculations the workweek will end at the midpoint of the employee's scheduled shift on Friday of each week. Absence due to floating holidays, compensatory time off and unscheduled personal leave shall not be regarded as time worked in calculating eligibility for overtime with the following two exceptions: (1) leave time and/or floating holiday time required to be used for regularly scheduled work days during the City's Winter Holiday Closure and (2) official and observed legal holidays (e.g., non-floating holiday time) during the calendar year and Pre-approved/Pre-scheduled personal leave time and Jury Duty will be considered actual time worked. **No overtime will be recognized except with the prior approval of the Department Head or designee.**

Section 2. Compensatory Time

An employee may not have accrued to their account at the end of any fiscal year more than eighty compensatory time off hours. The cash value of any hours in excess of eighty credited to the employee's compensatory time account on June 30th of each year, shall be paid at the salary rate in effect on June 30th and will be paid out in conjunction with the City's Leave Payout program.

ARTICLE 11: HOLIDAYS

Section 1. Holidays Observed

The following days shall be observed by the City as paid holidays:

New Year's Day (January 1st)
Martin Luther King's Birthday (Third Monday of January)
President's Day (Third Monday of February)
Memorial Day (Last Monday of May)
Independence Day (July 4th)
Labor Day (First Monday of September)
Veteran's Day (November 11th)
Thanksgiving Day (Fourth Thursday of November)
Day after Thanksgiving (Fourth Friday of November)
Christmas Eve (December 24th)
Christmas Day (December 25th)

Observed holidays shall have the same hour equivalent as the employee's regular work

schedule for that day (8, 9, or 10 hours) in order that the affected employees no longer have to supplement observed holidays off with accrued leave time.

Section 2. Floating Holidays

In addition to the observed holidays listed above, employees shall receive four (4) floating holidays. The 2024 increase in floating holidays is provided in lieu of adding any additional observed holidays. (July 2024)

The employee's holiday leave account shall receive all floating holiday hours, as indicated above, during the first full pay period following July 1st of each year. New employees will receive their floating holiday hours upon hire, and annually thereafter as outlined above. Floating holiday hours shall have the same hour equivalent as the employee's regular work schedule at the time of deposit.

Implementation of Updated Benefit: For the 2024/2025 Fiscal Year, any floating holiday hours that have not already been received will be deposited during the February 8, 2025 – February 21, 2025 pay period. For example, if an employee is on a 4/10 work schedule, they shall receive the remaining one (1) Floating Holiday, or ten (10) hours of floating holiday hours, during the February 8, 2025 – February 21, 2025 pay period. Using the same methodology, any new employees hired between February 8, 2025 and June 30, 2025, who have not received a total of four (4) Floating Holidays in the 2024/2025 Fiscal Year, will receive the remaining one (1) Floating Holiday upon hire. (July 2024)

Floating holidays must be used within the fiscal year earned, and may not be carried over from year to year. Floating holiday time not used by June 30th of each year will be forfeited by the employee.

Easter Sunday. The Community Services Department will make every effort to schedule its regular full time employees off in observance of Easter. (July 2013)

Section 3. Holiday Occurring on a Weekend

Holidays that fall on an employee's Friday off, will be observed on the prior Thursday, as will holidays occurring on Saturdays. Holidays occurring on Sunday will be observed on the following Monday. Holidays that otherwise fall on an employee's normal day off will be converted to a Floater with the same hour equivalent as the employee's regular schedule for that day (8, 9, or 10 hours). Unless specifically approved by the Department Head in writing, employees will be off on the holiday as stated.

Section 4. Compensation for Working Holidays

Employees who, because of their job duties, must work on a non-floating holiday will be paid for the actual hours worked, and at the employee's discretion, shall also receive an equivalent amount of compensatory time off or straight time payment in lieu of any holiday compensation set forth in Sections 1 or 3 above.

Section 5. Eligibility for Holiday Pay

In order to be eligible for an observed holiday, employees must be in a paid status both the day before and the day after the observed holiday. For example, if a holiday fell on a Monday, and the employee was on a 4/10 work schedule with Fridays off, the employee would be required to be in a paid status on the Thursday before the observed holiday and the Tuesday following the observed holiday.

Employees on leave without pay status both on the day before and the day after the beginning of the pay period following July 1st of each year when floating holiday hours are deposited, shall be entitled to floating holiday hours during the first full pay period following their return to work. It is the employee's responsibility to ensure these hours are added to their timesheet upon their return to work.

Section 6. Winter Holiday Closure

The City and the Union mutually agree to the closure of the City for business during the winter holiday period as follows:

2024: December 24, 2024 through January 1, 2025
2025: December 24, 2025 through January 1, 2026
2022026: December 24, 2026 through January 1, 2027

In conjunction with City paid holiday time (Christmas Eve and Christmas Day), employees will be required to utilize their leave time (i.e., personal leave, compensatory time, floating holidays) to equal the remainder of their regular work schedule. Employees who have exhausted their leave time will be placed in a Leave Without Pay status for the closure period. However, if all of an employee's leave time has been exhausted due to a catastrophic event, and leave without pay would result in an undue hardship, the City agrees to review such situations on an individual basis, and where possible, provide alternatives which may help mitigate their situation. Employees requesting such consideration must submit their request in writing to the Human Resources Director prior to December 15th of each year.

Section 6.1. Hours Worked During the Winter Holiday Closure

- a) Article 11 of this MOU generally prohibits the application of any overtime rate unless the employee “actually worked in excess of forty (40) hours in a workweek.”
- b) Article 11 of this MOU excepts from this general rule that paid leave time used during the Winter Holiday Closure shall be used in the calculation of hours for the purpose of determining overtime entitlement
- c) Article 12 Section 6 of this MOU requires employees to utilize their personal paid leave time to cover any time during their regular shift not actually

worked on those days during the Winter Holidays Closure that are not already paid holidays

- d) Article 12 Section 6 of this MOU does not require that the City to apply a full shift of paid leave for each non-holiday day in the Winter Holiday Closure, thereby converting any time actually worked into overtime. The City can and will utilize a partial day of paid leave when an employee actually works a particular day during the Winter Holiday Closure. Likewise, if an employee works a full day, no paid leave would be used. Paid leave is only used to cover the remainder, or unworked, part of that shift.
- e) If an employee is called in on an “emergency” basis during the Winter Holiday Closure, such time would not result in the reduction of use of that employee’s paid leave time on the day in question. Thus, the employee would use a full shift of paid leave as if no actual hours had been worked, and such emergency hours would be counted as additional time toward the overtime calculation.
- f) The term “emergency”, as referenced above, shall be defined in this context as work required to assess or address a non-scheduled incident requiring immediate attention at the risk of financial or catastrophic loss to the City. “Emergency” shall also be defined to include assessment by standby personnel regarding whether an incident qualifies as an emergency.
- g) Standby personnel shall have discretion to designate their own work as “emergency” work, as defined above. Standby personnel shall also have discretion to designate the work of one (1) other employee, as needed, as “emergency” work related to an individual incident. Standby personnel shall be required, however, to obtain supervisor approval to designate additional employee time as “emergency” work.

ARTICLE 12: RETIREMENT BENEFITS

Section 1. Participation

The City participates in the California Public Employees’ Retirement System (CalPERS) and is subject to the payroll contribution reporting requirements therein.

Tier I

Employees hired prior to July 1, 2011 will have the 2.5% @ 55 PERS Plan for Local Miscellaneous Members and upon retirement an employee’s “final compensation” will be based on the highest one-year salary.

Effective the first full pay period in July 2011 employees in this group (pre-7-1-11) will pay three (3%) percent of the Employees’ portion of the CALPERS retirement system. The City shall pay the remaining employee contribution (5%); provided, however said payments shall not exceed the full employee portion of 8%. These payments are not

salary increases but are the City's payment of employees' retirement contribution in accordance with Section 414(h)(2) of the Internal Revenue Code.

For the purposes of any future comparisons of the level of compensation of employees covered by this Agreement with comparable employees in other jurisdictions, these payments shall be taken into account along with measuring base salaries. These payments shall be credited to the employees' accounts with PERS.

Tier II

Employees hired on or after July 1, 2011 will have the 2.0% @ 55 PERS Plan for Local Miscellaneous Members and upon retirement an employee's "final compensation" will be based on the highest consecutive 36 month average for determining retirement benefits. Employees in this group (post 7-1-11) will pay the full employee portion of the CALPERS retirement system.

Tier III

Employees hired on or after January 1, 2013, as is mandated by the Public Employee's Pension Reform Act of 2013 (PEPRA), all new miscellaneous members, will have a retirement formula based on 2.0% @ 62 Plan Full Formula for Miscellaneous Members and upon retirement an employee's "final compensation" will be based on the highest consecutive average. An employee in Tier III will pay 50% of Normal Costs. The amount is approved by CalPERS each year and is subject to change.

Section 2. 1959 Survivor's Benefit

The City provides the Level 4 of the Level 1959 Survivor's Benefit for all employees enrolled in the PERS. The cost to employees for this benefit will be \$2.00 per month.

Section 3. PERS Military Buy-Back

The agreement between the City and PERS shall allow for the buy-back of time served by the employee in the Military as defined under PERS Regulation, Section 21024, Statutes of 1976.

Section 4. Health Insurance for Retired Employees

All employees hired prior to June 30, 1990, who retire from the City (i.e. begin to draw from their PERS retirement accounts) and have a minimum of ten (10) years of City service shall be eligible for retiree health benefits. The City's contributions towards retiree medical insurance shall not exceed the actual costs for the employee or employee and spouse, based on the City Kaiser Rate. Employees who retire (i.e. begin to draw from their PERS retirement account) after 20 years of City service, shall be entitled to receive City paid retiree dental insurance for the employee or the employee and spouse.

Employees who are ineligible for City paid retiree health insurance may elect upon retirement to continue medical and dental coverage at their own expense (including a reasonable administrative fee, not to exceed the statutory maximum for continuation

coverage set forth under applicable law) through the City's medical and dental plans.

The City will reimburse the cost of the standard Part "B" Medicare premium, which is \$134 in 2017, for those employees who elect such coverage. This amount is subject to change based on adjustments by the Federal government. This cost is automatically withdrawn from those employees' Social Security checks. Employees must supply the City with proof of payment of said coverage, and will be reimbursed on a quarterly basis. No retroactive reimbursements will be given.

ARTICLE 13: RETIREE MEDICAL TRUST (July 2024)

Section 1. Definition

The City will make agreed upon contributions on the employee's behalf (see Section 4 below) into a Retiree Trust established by the Teamsters Local 1932, also known as the Teamsters Local 1932 Health and Welfare Trust Agreement ("Trust Agreement").

The City will review the trust documents and other provisions to ensure that the City will not be held liable or carry any obligation to the trust, other than making the agreed upon contributions on the employee's behalf. If the City finds a liability under the Trust Agreement, the City shall meet with the Union to show such liability. In this case, the contributions outlined below will not commence.

If no liability exists, the City's contributions on the employee's behalf into the Retiree Trust shall commence, with no questions, on July 12, 2025 (the beginning of the first full pay period following July 1st). The Trust Agreement is a Teamsters sponsored trust that constitutes a Voluntary Employees' Beneficiary Association (VEBA) under section 501(c)(9) of the Internal Revenue Code. The Retiree Trust will provide eligible retirees of a Teamsters represented bargaining unit, without regard to union membership, with certain healthcare benefits, the terms of which are summarized in Section 2 below.

Section 2.

The Union acknowledges that:

- i. The City is not a party to any part of the Trust Agreement, including but not limited to the Retiree Trust,
- ii. The City is not subject to the terms of the Trust Agreement or any union welfare benefit plan or other arrangement funded by the Trust Agreement, and the City has no responsibility or authority whatsoever for providing or overseeing any benefits provided under the Trust Agreement or any such plan or arrangement,
- iii. The preceding statements will continue to apply on and after the City adoption of and expiration of this article, and
- iv. The City's sole obligation under this Article is to distribute employee contributions to the Retiree Trust in accordance with Section 4 below.

Subject to the preceding paragraph, certain features of the Retiree Trust under the Trust Agreement are summarized below. Teamsters agrees that if at any time the provisions summarized below differ from or are inconsistent with the Retiree Trust (or any welfare benefit plan or arrangement funded by the Retiree Trust), or if the Trust Agreement's VEBA status is an issue or under investigation by any Federal or State enforcement authority, Teamsters shall notify the City in writing as soon as administratively practicable but no later than fourteen (14) days from the effective date of any of the issues described above.

Section 3. Benefits

The assets of the Retiree Trust are dedicated to providing retiree healthcare benefits to eligible retirees and paying the administrative expenses incurred by the Retiree Trust (or any welfare benefit plan or arrangement funded by the Retiree Trust). The benefits will meet the definition of coverage under Section 106 of the Internal Revenue Code. In accordance with Section 106, the benefits may be in the form of reimbursement of eligible healthcare expenses ("Retiree Subsidy") or retiree healthcare coverage. The City's contribution on the employee's behalf shall not increase or decrease based on the cost of healthcare premiums, amount of the Retiree Subsidy, or coverages offered by the plans in the Retiree Trust. Under no circumstance shall the City be obligated to deduct from an employee's pay warrant any amount greater than the fixed percentage of an employee's base rate of pay as outlined below.

Section 4. Contributions

Effective July 12, 2025, the City shall contribute one percent (1.0%) of each employee's base rate of pay on the employee's behalf to the Retiree Trust.

Effective July 11, 2026, the City's contribution will increase by one-half percent (0.5%), bringing the total contribution to 1.5% of each employee's base rate of pay on the employee's behalf to the Retiree Trust.

All contributions shall be made on a bi-weekly basis, based off 26 pay periods within the calendar year.

Section 5. Grievance

No aspect of the Trust Agreement, including but not limited to the Retiree Trust component or any benefit provided through or funded by the Trust Agreement or Retiree Trust component, is subject to review through the Grievance Procedure. In that to the extent the Trustees determine to terminate the healthcare coverage for retirees, the City would be notified of such termination 120 days prior to the date of termination. Teamsters Local 1932 shall defend, indemnify, and hold harmless the City and its officers, employees, and agents, from any claim, loss, liability, cause of action, or administrative proceeding arising out of the terms of the Retiree Trust or from any and all decisions and

actions made by the Retiree Trust.

ARTICLE 14: DEFERRED COMPENSATION

Effective the beginning of the pay period following July 1, 2023, the City shall match employee contributions of up to \$50.00/pay period (based on 24 pay periods within a calendar year) into a 457(b) account managed by the City's 457(b) provider. (July 2021)

ARTICLE 15: LONGEVITY PAY

Longevity pay shall be paid to all employees who complete a minimum of ten (10) years of service at the rates indicated in Section B of this Article. Completed years of service will be calculated on a calendar year (January 1 through December 31). An employee will be presumed to have completed a full year of service for purposes of this Article if the employee's anniversary date (service year completion date) falls within the calendar year. For example, if the City intends to issue the longevity payment on December 1, an employee completing 15 years of service on December 12 will be credited with 15 years of service for entitlement to the 15-year longevity payment on December 1. Employees shall receive longevity pay via direct deposit by electing one form of payment below:

- A bi-weekly basis, equal to the amount indicated in Section B (i.e., a prorated portion of the annual longevity payment will be provided with each paycheck) and will be included on the employee's next regular paycheck following eligibility, **OR**
- A one-time per year payment, payable in December.

Employee's longevity payments shall cease upon termination of employment. The employee may not change their payment option once they elect to receive it bi-weekly. For current employees (employees who were part of this Union prior to July 1, 2021) payment election must be submitted to the Human Resources Department on or before October 1st of each year to be effective the beginning of the pay period following January 1st of the following year. If an election is not made by the deadline indicated above, the employee will be subject to the bi-weekly payment indicated above. Any new employees (on or after July 1, 2021) shall be subject to the bi-weekly payment.

A. Annual longevity payments will be made based on completion of the following applicable length of service in the following amounts:

10 years or more of continuous service	\$ 1,750.00
15 years or more of continuous service	\$2,250.00
20 years or more of continuous service	\$2,750.00
25 years or more of continuous service	\$3,250.00

B. Longevity payments will be reported to PERS as compensation earnable for the purpose of calculating retirement benefits and contributions.

ARTICLE 16: CALL BACK PAY

The City will pay for a minimum of two (2) hours wages for each time an employee is called back to work after their regular shift is completed and they have left their assigned work site.

ARTICLE 17: REGULAR/CLASSIFIED PART-TIME (RCP) EMPLOYEES

The Union will represent those regular classified twelve (12) month part-time employees ("classified" refers to those classifications formally adopted by City Council and incorporated into the City's classification plan) who share a community of interest with the existing City Hall bargaining unit (hereinafter "Regular/Classified Part-Time Employees or RCP employees"). Such employees shall also be eligible for benefits and other terms and conditions of employment as set forth in this MOU, except as provided herein. The parties expressly agree that Regular Part-Time Employees do not include: (a) seasonal or temporary employees; or (b) employees who are either supervisory, management or confidential.

RCP Employees shall be eligible for personal leave on a pro rata basis (assuming eighty (80) hours per pay period equals one hundred percent (100%)) and shall be compensated for City designated holidays, including floating holidays (currently 14 total holidays in 2017), based upon the employee's normal work schedule regardless if they are scheduled to work on the actual date of the holiday. The value of the holiday will be based on employee's normal scheduled hours for that day. RCP Employees shall not be eligible for longevity pay, or certificate bonuses. Part-time employment shall not count towards length of service for seniority or layoff purposes. Effective July 2014 RCP employees will be included in the annual service award program. RCP employees are eligible for BENCOR 401(a) FICA Alternative Plan, or upon reaching 1,000 hours in a fiscal year, California Public Employees Retirement System (CalPERS). Employees will pay applicable employee portions.

Regular Part-Time Employees shall be eligible to participate in a Cafeteria Plan designated by the City, and shall receive a contribution equal to fifty percent (50%) of the benefit provided to Regular Full-Time Employees. The benefits for this plan shall include medical insurance, dental insurance, life insurance, and long-term disability insurance. Employees who do not utilize the full dollar amount of the City's contribution in selecting benefits in the plan, shall receive the unused portion as "cash back."

To the extent that the parties have failed to list any other benefits contained in the MOU or the City's Personnel Rules and Regulations, it is their intent that such benefits and conditions would apply to RCP Employees on a pro-rata basis where such benefits are conditioned upon, or in any way related to hours worked or length of service.

ARTICLE 18: COMPENSATION FOR ACTING APPOINTMENTS

Subject to the following conditions, an employee who is required, on the basis of an acting appointment, to serve in a class with a higher salary range than that of the class in which

the employee is normally assigned, shall receive the entrance salary rate of the higher salary range or the rate of five percent (5%) higher than the employee normally receives, whichever is greater.

- a) Such pay will be for all hours worked in an acting appointment which are in excess of 80 hours in any floating six-month period.
- b) The employee must perform all the duties and assume all the responsibilities of the higher class.
- 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 a newly budgeted position, where the needs of the City require that the position be filled.
- d) The City Manager must approve all such appointments based upon a finding that the criteria set forth in this paragraph have been met.

ARTICLE 19: STANDBY DUTY

Section 1. Definition of Standby

An employee who is assigned to be near at hand and ready to respond immediately to an emergency is on standby. Employee's assigned to standby are required to be immediately available by telephone (home or cell). Employees within specifically identified classifications shall be required to perform standby duty to receive and handle emergency work during those hours when their Department is closed. Standby duty shall be performed in addition to the employee's regular assignment. The Department will attempt to utilize volunteers to fill standby assignments, however, if there are no qualified volunteers, the Department reserves the right to make the required standby assignments.

Section 2. Eligibility

An employee may be eligible to be placed on the standby list once the employee has received sufficient training attested to by the Director or their designee; and has an overall performance evaluation rating of satisfactory or better.

Employees who hold the following classifications may be required to perform standby duty and will be eligible for standby pay:

Building Inspector I
Building Inspector II
Senior IT Technician*
Public Works Inspector
Senior Building Inspector
Lead Traffic Signal Maintenance Technician

Traffic Signal Maintenance Technician I
Traffic Signal Maintenance Technician II

* Employees assigned to standby duty in the Innovation & Technology Department shall rotate standby responsibilities on a weekly basis, as assigned. When on Standby status, the standby employee must respond to the work site within two (2) hours if the problem cannot be corrected via remote access.

The City may designate additional positions for standby as recommended by department director(s) and approved by the Director of Human Resources & Risk Management to meet the service needs of the City.

Section 3. Assignment to Standby

Standby assignments will be made by the Department Director or their designee(s) who shall establish a schedule for a specified period of time. The Director may change and/or modify the standby schedule as deemed necessary to ensure that the City's goals and objectives are achieved. All changes and/or modifications are subject to the providing affected employees with a minimum of two weeks written notice.

Section 4. Authority for Emergency Call Out

If additional personnel are required to perform an emergency assignment, the standby person is authorized to call out appropriate personnel or the signal maintenance contractor in accordance with the instructions provided by the Director or their designee.

Section 5. Standby Compensation

Effective February 8, 2025, an employee assigned to standby duty will be compensated at a rate of \$300.00 per week, and will be entitled to overtime as provided for herein for any time worked as a result of being on standby and responding to a situation. (July 2024)

ARTICLE 20: UTILIZATION OF UNDERFILL CLASSIFICATIONS

Section 1. Budgetary Underfill

Due to financial constraints, Departments may find it necessary to underfill higher allocated positions with lower, less expensive positions. If such an appointment is made for budgetary purposes, the incumbent shall remain at the lower classification, and shall not be assigned the duties of the higher allocated position.

Section 2. Trainee Underfill

In the absence of an eligibility list for the allocated position, departments may choose to utilize a lower classification position within the classification family. This type of underfill can expedite the filling of a vacancy. A Trainee underfill must be appointed from an appropriate eligibility list (i.e., lower classification within the classification family), and

appointments must be made on a competitive basis. The employee must qualify for the higher classification within a specified period of time as outlined in the Trainee Underfill Agreement or be terminated. The employee shall be required to qualify by one or more of the following:

- (1) Additional Experience;
- (2) Additional Schooling;
- (3) Possession of State Certification or license;
- (4) Probationary period progress report;
- (5) Successful completion of an appropriate examination.

Employees who are appointed as a Trainee underfill will not be entitled to any compensation for taking on the job duties and responsibilities of the higher classification during the Trainee period.

It will be the responsibility of the employee and their supervisor to notify the Human Resources & Risk Management Department when the employee appears eligible for promotion to the allocated position. An application form for the higher classification must be completed by the employee, and forwarded to the Human Resources & Risk Management Department along with a signed memo from their Department Head indicating that they are requesting a review of the employee's current status to determine eligibility for the promotion.

The Human Resources & Risk Management Department will review the application and inform the Department Head of the effective date of the promotion if the employee is eligible.

ARTICLE 21: LAYOFFS

The City agrees to notify the Union representatives at least 30 calendar days prior to the imposition of furlough days for Union employees.

ARTICLE 22: MERIT INCREASES

Merit increases will be 5% increments beginning with Step 1 and ending with Step 5.

ARTICLE 23: SHORTS OPTION

Field personnel may wear neutral or dark solid colored walking shorts if appropriate for the job. Upon the occurrence of the first injury attributable to wearing short pants (vs. long pants) the City and the Union agree to meet and confer.

ARTICLE 24: ACCESS TO WORK LOCATIONS

The parties recognize and agree that in order to maintain good employee relations, it is sometimes necessary for Labor Relations Representatives of the Teamsters Local 1932

to confer with City employees during working hours.

Therefore, Teamsters Local 1932 Labor Relations Representatives will be granted access to work locations during regular working hours to investigate and process grievances or appeals when so necessary. Teamsters Local 1932 Labor Relations Representatives shall be granted access upon obtaining authorization from the appointing authority or designated management representative prior to entering a work location and after advising of the general nature of the business. However, the appointing authority or designated management representative may deny access or terminate access to work locations if in their judgment, it is deemed that the visit would interfere with the efficiency, safety, or security of City operations. The appointing authority shall not unreasonably withhold timely access to work locations. The appointing authority shall ensure that there is at all times someone designated who shall have full authority to approve access. If a request is denied, the appointing authority or designated management representative shall establish a mutually agreeable time for access to the employee.

Teamsters Local 1932 Labor Relations Representatives granted access to work locations shall limit such visits to a reasonable period of time, taking into consideration the nature of the grievance or appeal.

The appointing authority or designated management representative may mutually establish with the Teamsters Local 1932 Labor Relations Representative reasonable limits as to the number of visits authorized with the same employee on the same issue, and reasonable limits as to the number of employees who may participate in a visit when several employees are affected by a specific issue. The City shall not unduly interfere with Union's access to work locations.

ARTICLE 25: EMPLOYMENT-RELATED UPDATES

During the term of the MOU, a joint labor/management committee shall meet and confer on the City's proposed changes to the Employer-Employee Relations Resolution, as well as proposed legally required updates to the City of Fontana Personnel Rules and Regulations. (July 2017)

ARTICLE 26: HEALTH AND SAFETY COMMITTEE

A joint labor/management committee shall be established with equal Teamsters Local 1932 and City representatives to discuss safety and health issues on a monthly or quarterly basis or as otherwise determined by the committee. The committee shall be comprised of an equal number of representatives from the Public Works and City Hall Unions.

ARTICLE 27: EDUCATIONAL ACHIEVEMENT PAY

Beginning in September 2018, the City shall provide a one-time graduation stipend to non-probationary employees as follows for possessing the corresponding, job-related degree, from an accredited college or university:

Bachelor's Degree: \$2,000.00

OR

Master's Degree: \$3,000.00*

*or \$1,000.00 upon attainment of a Master's Degree when the Union member has previously received the one-time graduation stipend for a Bachelor's Degree.

The City agrees that by September 30, 2018, the City will compensate all current Union members that hold job-related degrees, as indicated by the provisions outlined above, a one-time graduation stipend. Moving forward, educational achievement pay will be paid annually by September 30th of each year for those non-probationary employees who obtain a degree, as outlined above, during the course of their employment with the City of Fontana. In order to be eligible to receive education pay in September, the degree must have been conferred to the employee by August 1st of the same year. The Union will submit the appropriate documentation to the Human Resources & Risk Management Department in August of each year for those eligible employees. If a degree is found to be not job-related, the City will meet and discuss the item with the Union prior to denial. In addition, beginning September 2018, employees will no longer be eligible for the City's Educational Expense Reimbursement Program. (July 2017)

ARTICLE 28: WELLNESS

The City shall allow all employees represented by the Union use of the Miller and North Fontana Fitness Centers (ONLY) at no cost to the employee. Use of the centers is at each employee's own risk and subject to the rules and regulations and hours of operation determined by the Community Services Department. Employees MUST show City issued ID to obtain access. Violation of any safety rule or regulations shall constitute valid grounds for revocation of the privilege of the Fitness Center usage, not subject to grievance. (July 2013)

ARTICLE 29: UNIFORMS

Section 1. Uniform Allowance (July 2021)

Effective December 28, 2024 (the beginning of the pay period containing January 1st), a uniform allowance in the amount of \$15.39 per pay period (approximately \$400.00 per year based on 26 pay periods within a calendar year) will be paid to **field** employees holding the classification of Code Compliance Inspector or Sr. Code Compliance Inspector who are required to wear a uniform on a **daily** basis.

The uniform allowance is intended for the purchase and maintenance of uniforms. The

City may request verification of annual uniform purchase or maintenance at anytime if abuse is reasonably suspected.

Section 2. Boot Reimbursement

The City will provide up to a \$200.00 reimbursement, once a calendar year, for the purchase of one pair of minimum 6-inch shaft work boots meeting OSHA standards, upon proof of purchase, for all employees that are required to wear work boots as defined by Department guidelines.

Section 3. State Labor Code Requirements

All employees receiving a uniform allowance and boot reimbursement must be in compliance with their respective Department's existing policies and procedures, or as directed. The City will compensate any eligible employee for the repair or replacement of clothing or equipment damaged or destroyed in direct consequence of the discharge of their duties in accordance with State Labor Code Section 2802. (July 2021)

ARTICLE 30: SEVERABILITY

If any article of this Agreement shall be found to be in conflict with any statute or regulation of the United States or the State of California by a court of competent jurisdiction, such article or section shall be deemed to be null and void and of no further effect. However, such articles and sections shall be severable from the remainder of this Agreement, and all other provisions hereof shall continue in full force and effect.

ARTICLE 31: LOCAL UNION ACTIVITIES

The City will provide the City Hall Union one hundred (100) hours per Fiscal Year for steward meetings, trainings, new employee orientations, and executive board meetings. Requests must be made to the employee's immediate supervisor a minimum of five (5) days in advance.

ARTICLE 32: GRIEVANCE PROCEDURE

The official procedure for all grievances can be found in the City's Personnel Rules and Regulations Rule XIV – Grievance, Appeals, and Hearings. (July 2021)

ARTICLE 33: PAYMENTS OUTSIDE OF REGULAR PAY

All payments will be paid via direct deposit.

RATIFIED BY CITY COUNCIL: Tentative Agreement (including updated salary tables)
on December 10, 2024, Closed Session
Official Ratification on January 28, 2025, Consent
Calendar

CITY OF FONTANA

**TEAMSTERS LOCAL 1932, CITY
HALL UNIT**