



MEMORANDUM OF UNDERSTANDING BETWEEN

CITY OF FONTANA

AND

TEAMSTERS LOCAL 1932,

PUBLIC WORKS UNIT

COVERING THE PERIOD OF

JULY 1, 2024 THROUGH JUNE 30, 2027

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MEMORANDUM OF UNDERSTANDING BETWEEN
CITY OF FONTANA AND
TEAMSTERS LOCAL 1932, PUBLIC WORKS 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, Public Works Unit (hereinafter referred to as the "Union"). The terms and conditions of this Agreement shall be applicable to all classifications set forth on the Public Works Unit's salary table commencing on July 1, 2024 and ending June 30, 2027.

The City and Union acknowledge that the City is working through the 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 reopeners 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 (July 2020).

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 Memoranda 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 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:

Public Works Unit 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 or member 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 from the Union (July 2020).

Employees will be allowed to have insurance premiums deducted from their paycheck to cover insurances offered by the Teamster Local 1932. 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 14 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 14 for additional information regarding the Retiree Medical Trust.

ARTICLE 6: WORKING HOURS AND WORK SCHEDULES

It is not the City's intent to eliminate the 4/10 work schedule for Union employees. The City agrees to meet and confer with employees in the Union should it propose to change or modify the 4/10 work schedule.

The City Manager or designee(s) may change the work hours and/or days within the 4/10 work schedule for employees upon fourteen (14) calendar days' notice to the affected employee. The Department Head or designee(s) will meet and discuss with any affected employees any proposed change of starting and ending times prior to the notice being issued. Changes in work schedules are intended to be of a permanent nature or for an extended period of time.

Notwithstanding the above, employees hired prior to 2005 cannot be assigned to work more than eight (8) weekends in any calendar year, except in emergency situations. All new employees, or employees called back from the re-employment list, may be subject to a work schedule which includes weekend work without limitation.

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 (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 (July 2024)

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

Except as set forth below, 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: CERTIFICATE PAY

The maximum incentive an employee may earn is 2.5% of base salary regardless of the number of certificates earned/acquired.

Mechanics possessing an Automotive Service Excellence (ASE) Certification through the National Institute shall be eligible for Certificate Pay at the rate of 2.5% of base salary payable on a biweekly basis. To be eligible for this benefit, certifications must be related to the employee's current job classification/job performance and must be approved, in advance, by the Department Director. Certificate Pay shall cease if employee's certification expires and is not renewed or if the employee changes job classification and the certificate is no longer job related.

ARTICLE 10: HEALTH BENEFITS

Section 1. Health Insurance

Effective January 1, 2026, except as provided below, each month the City shall contribute to a cafeteria plan on behalf of each employee an amount equal to the total of the premiums for coverage under the lowest cost HMO insurance and the high option dental family rate (for employee plus one tier, dental premiums are calculated at the employee plus child rate) + \$100 per tier (not including the cash back option). The tier (employee only, employee + 1, or employee + family), otherwise referred to as the applicable

cafeteria allotment, is based off the employee's medical insurance enrollment. The City's contribution shall not exceed the actual expenditures for the aforementioned coverage. The amount that employees may receive under the City's Cafeteria cash back option shall be limited to \$558.35 per month.

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) + \$100.00
Employee + 1	Up to Lowest Cost HMO Premium (Emp +1) + Dental High Option Premium (Emp + Child) + \$100.00
Employee + Family	Up to Lowest Cost HMO Premium (Emp + Family) + Dental High Option Premium (Emp + Family) + \$100.00

Section 2. Health Insurance Benefits While on Leave

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

ARTICLE 11: 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.) 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 exceptions: (1) leave time and/or floating holiday time required to be used for regularly scheduled work days during the City's Winter Closure and (2) official and observed legal holidays (e.g., non- floating holiday time) during the calendar year and (3) 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 one hundred (100) compensatory time off hours. The cash value of any hours in excess of one hundred (100) credited to the employee's compensatory time account on

June 30 of each year, shall be paid at the salary rate in effect on June 30, and will be paid out in conjunction with the City's Leave Payout program.

ARTICLE 12: 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, 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.

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). For those employees who have an alternate schedule outside of the Monday through Thursday schedule, in which Independence Day (July 4th) and Veteran's Day (November 11th) falls on their normally scheduled work day, the holiday shall be observed on the actual date. 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 2 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
2026: 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 his or her 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 13: 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 36 month 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 July 1, 1990, who retire (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 employee and spouse 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 for 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 \$134.00 in 2017, for those employees who elect such coverage. This amount is subject to change based on adjustments by the Federal government. (July 2017) 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 14: 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 plan 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 15: COMMERCIAL DRIVER'S LICENSE (CDL) PROGRAM

Section 1.

All positions within the Union are required to have a CDL. All employees that do not have the required CDL with appropriate endorsement(s) for the classification they currently hold (as of August 8, 2017) will be grandfathered into the CDL program. However, if an employee wishes to promote or laterally transfer, they will be required to comply with the CDL licensure requirements below. Current employees are strongly encouraged to participate in the City's training program to obtain a driver's license class and other endorsements that may be needed for future promotional purposes.

The City will pay for the CDL medical exam for all employees that hold CDLs if they are seen by the City's contracted medical provider. If an employee is unable to maintain the medical certification portion of their CDL, the City will engage in the interactive process.

Section 2. CDL Licensure Requirements

a. The following positions require an appropriate CDL with the appropriate endorsement(s). However, newly hired, promotional, or lateral transfer employees that possess a valid Driver's License but not the appropriate CDL at time of application will be given six (6) months from time of appointment to obtain the appropriate CDL with appropriate endorsement(s):

Aquatics Maintenance Worker
Equipment Mechanic I
Equipment Mechanic II
Irrigation Technician
Mechanics Assistant
Public Works Maintenance Worker I
Public Works Maintenance Worker II
Welder/Fabricator

b. The following positions require a CDL with appropriate endorsement(s). Newly hired, promotional, or lateral transfer employees **are required** to possess the appropriate license and endorsement(s) at time of application:

Heavy Equipment Operator
Lead Equipment Mechanic
Public Works Crew Leader
Pump Maintenance Technician I
Pump Maintenance Technician II
Senior Public Works Maintenance Worker
Tree Trimming Specialist

The City will update the above lists annually as new classifications are established for this Union.

Section 3. CDL Stipend

Employees holding a valid Class "B" California Driver's License shall receive a CDL stipend of \$62.50 per pay period (based off 24 pay periods), and employees holding a valid Class "A" California Driver's License shall receive a CDL stipend of \$75.00 per pay period (based off 24 pay periods).

ARTICLE 16: LONGEVITY PAY

All Union employees will be eligible to receive an annual longevity payment. Completed years of service will be calculated on a calendar year (January 1 through December 31). This payment will be included as reportable income to PERS. The payment will be issued on or before December 15th of each year and will be based on completed City of Fontana 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

ARTICLE 17: 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 18: REGULAR PART-TIME 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 Union (hereinafter "Regular Part-time 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.

Regular/Classified Part-Time (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 paid for City designated holidays only if the holidays occur on days which they are regularly scheduled to work. 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 the Public Agency Retirement System (PARS) or upon reaching 1,000 hours in a fiscal year the 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 Regular Part-time 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 19: 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 most of the primary duties and higher 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 Department Head, with concurrence of the Human Resources Director, must approve all such appointments based upon a finding that the criteria set forth in this paragraph has been met.
- e) Acting appointments shall not exceed six (6) months.

ARTICLE 20: STANDBY DUTY

Section 1. Assignment to Standby

Standby assignments and requirements for employees assigned to standby duty will be determined by the Department Head or designee(s).

Section 2. Standby Compensation

An employee assigned to standby duty will be compensated at a rate of \$250.00 per week, and will be entitled to overtime as provided for herein. In accordance with Article

XVI, 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 his regular shift is completed and he has left his assigned work site.

ARTICLE 21: LATERAL TRANSFER CONSIDERATION

Initial consideration for all vacant positions within Union represented classifications will be given to Lateral Transfer requests. If there are multiple qualified candidates the following factors will be considered by management in making the selection: relative experience, past performance and seniority. Employees with attendance or disciplinary issues within the last twelve (12) months may be excluded. If it is determined that there is not a suitable Lateral Transfer, based on the factors listed, the recruitment may become a promotional or an open recruitment.

ARTICLE 22: LAYOFFS

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

ARTICLE 23: MERIT INCREASES

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

ARTICLE 24: UNIFORM ALLOWANCE AND BOOT REIMBURSEMENT

Uniforms required to be worn by employees during their regular duties, and the cleaning costs of the uniforms, will be provided by the City for Public Works Department employees. Employees may wear clean, non-tattered jeans as a substitute for uniform pants. In addition, the City will provide a uniform short which may be worn by Public Works employees if not inappropriate for the job. The uniform short shall not exceed a rental value of \$1.00 per article and is provided when an employee begins work in a position that required a uniform to be worn. 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 on the issue of continuing the shorts option.

In accordance with Government Code Sections 20636 and 7522.3, and Sections 571 and 571.1 the California Code of Regulations, the monetary value, in an amount not to exceed \$900.00, per year, per employee, for the rental and/or maintenance of required non-safety clothing, is reportable to CalPERS as a uniform allowance under the designation of statutory item as special compensation for Tier I and Tier II employees. This special compensation will be reported to CalPERS on a bi-weekly basis.

Boot Reimbursement: Effective March 12, 2022, the City will provide up to a \$200.00 reimbursement, once a calendar year, for the purchase of one pair of either steel toed or composite-toed, minimum 6 inch shaft work boots meeting OSHA standards, upon proof

of purchase (July 2020). This reimbursement is for the annual purchase of the required safety footwear and may be monitored by the City to confirm compliance. This amount shall not be reported to CalPERS as it is for personal health or safety and, therefore, ineligible to be reported.

ARTICLE 25: ACCESS TO WORK LOCATIONS

The parties recognize and agree that in order to maintain good employee relations, it is sometimes necessary for Business Agents of the Union confer with City employees during working hours.

Therefore, Union Business Agents will be granted access to work locations during regular working hours to investigate and process grievances or appeals when so necessary. Union Business Agents 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 insure 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.

Union Business Agents 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 Union Business Agents 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 the Union's access to work locations.

ARTICLE 26: LOCAL UNION ACTIVITIES

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

ARTICLE 27: HEALTH AND SAFETY COMMITTEE

A joint labor/management committee shall be established with equal Union 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 28: JOINT LABOR/MANAGEMENT COMMITTEES

During the term of this MOU, a joint labor/management committee will be established, comprised of four (4) Union Stewards, one (1) Business Agent, and Department management. The purpose of this committee will be to discuss concerns including training, cross-training, use of Part-Time employees, workload, etc. These meetings will be scheduled depending on necessity, anticipated to be quarterly.

A joint labor/management committee shall also 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's Personnel Rules & Regulations.

ARTICLE 29: 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 Fitness Center usage, not subject to grievance.

ARTICLE 30: SEVERABILITY

Should any legal action be filed and upheld challenging the enforceability or validity of any economic provision of this Agreement, or if any provisions of this Agreement shall be held by a court of competent jurisdiction to be in conflict with any law of the United States or California, the City or the Union may, at its option, require the parties to meet and confer on a new Memorandum of Understanding.

ARTICLE 31: DIRECT DEPOSIT

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,
PUBLIC WORKS UNIT**