

Memorandum of Agreement Between  
City of Palo Alto and Palo Alto Fire Chiefs Association  
March 5, 2012

**MEMORANDUM OF AGREEMENT**

**CITY OF PALO ALTO AND PALO ALTO FIRE CHIEFS' ASSOCIATION**

**March 5, 2012 through June 30, 2014**

**PREAMBLE**

This Memorandum of Agreement between the City of Palo Alto, hereinafter referred to as the "City", and the Palo Alto Fire Chiefs' Association, hereinafter referred as the "Association", has been prepared and entered into in accordance with Title I, Division 4, Chapter 10, Sections 3500-3510 of the California Government Code and Chapter 12 of the City of Palo Alto Merit System Rules and Regulations.

**ARTICLE I - RECOGNITION**

**Section 1.** The City recognizes the Association as the exclusive representative of an employee group consisting solely of the classifications of Battalion Chief 56-hour workweek, Battalion Chief 40-hour workweek and Emergency Medical Services Chief, and Emergency Medical Services Coordinator who are regularly employed by the City.

**ARTICLE II - NO DISCRIMINATION**

**Section 1.** The Association and the City hereby agree that there shall be no discrimination because of race, color, age, handicap, sex, national origin, sexual orientation, political or religious affiliation under this Agreement. There shall be no discrimination in employment conditions or treatment of employees on the basis of membership or nonmembership in the Association, or participation in the lawful activities of the Association.

**Section 2.** The Association and the City hereby agree to protect the rights of all employees to exercise their free choice to join the Association and to abide by the express provisions of applicable State and local laws.

**ARTICLE III - PAYROLL DEDUCTIONS**

**Section 1.** The City shall deduct Association membership dues and other mutually agreed upon payroll deductions from the bi-weekly pay of member employees. The dues deduction must be authorized in writing by the employee on an authorization card acceptable to the Association and the City. The City shall remit the deducted dues to the Association as soon as possible after deduction.

All Union members on payroll deduction for payment of Union dues as of 5:00 p.m. on the tenth day following signing of this Memorandum of Agreement must remain on payroll deduction for the life of the Memorandum of Agreement, or so long as they remain members of the representation unit. Union members who establish dues payroll deduction during the term of the Memorandum of Agreement must

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remain on payroll deduction for the life of the Memorandum of Agreement, or so long as they remain members of the representation unit. Union members on dues payroll deduction may declare their intention to terminate such payroll deduction following expiration of this Memorandum of Agreement during the thirty-day period between sixty and ninety days prior to expiration of the Memorandum of Agreement.

**Section 2. Agency Shop.** Pursuant to legislation enacted by SB 739 and amendment to the Meyers-Milias-Brown Act, the City and the Union agree to abide by the following provisions as they relate to an agency shop and an agency shop election.

- a) Agency Shop as defined under Meyers-Milias Brown means “an arrangement that requires an employee, as a condition of continued employment, either to join the recognized employee organization, or to pay the organization a service fee in an amount not to exceed the standard initiation fee, periodic dues, and general assessments of the organization.” The City and the Union agree that an agency shop arrangement between the City and the Union shall be placed in effect upon ratification of this agreement.
- b) Any employee who is a member of a bona fide religion, body, or sect that has historically held conscientious objections to joining or financially supporting public employee organizations shall not be required to join or financially support any public employee organization as a condition of employment. The employee may be required, in lieu of periodic dues, initiation fees, or agency fees, to pay sums equal to the dues, initiation fees, or agency fees to a nonreligious, no labor charitable fund exempt from taxation under Section 501(c)(3) of the Internal Revenue Code, chosen by the employee from a list of at least three organizations, or if the memorandum of understanding between the City and the Union fails to designate the funds, then to any such fund chosen by the employee. Proof of the payments shall be made on a monthly basis to the City as a condition of continued exemption from the requirement of financial support to the Union.
- c) Covered employees shall execute written authorization for either Union dues deductions, the agency fee, or, if eligible, the charitable contribution. In the absence of a written authorization the City shall deduct the agency fee from the employee’s paycheck.
- d) If implemented, an agency shop provision may be rescinded by a majority vote of all the employees in the unit covered by the Memorandum of Understanding pursuant to the Meyers-Milias-Brown Act.
- e) The Union shall keep an adequate itemized record of its financial transactions and shall make available annually, to the City and to the employees who are members of the organization, within 60 days after the end of its fiscal year, a detailed written financial report thereof in the form of a balance sheet and an opening statement, certified as to accuracy by its president and treasurer or corresponding principal officer, or a certified public accountant.

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- f) The Union shall indemnify and hold the City harmless against any liability arising from any claims, demands, or other action relating to the City's compliance with the agency shop obligation. The Union shall comply with all statutory and legal requirements with respect to Agency Shop.

#### **ARTICLE IV - NO STRIKES**

**Section 1.** The Association, its representatives, or members, shall not engage in or cause, instigate, encourage, sanction, or condone a strike, withholding of services, leave of absence abuse, work stoppage or work slowdown of any kind against the City of Palo Alto or its citizens by employees covered under this Agreement. No employee shall refuse to cross any picket line in the conduct of Fire Department business, nor shall the Association, its representatives or members discriminate in any way toward anyone who refuses to participate in a strike, or any of the job actions cited above.

#### **ARTICLE V - SALARY PROVISIONS**

##### **Section 1. Salary Range Adjustments.**

- a) For the duration of this Agreement, the control points and range minimums for classifications covered by the bargaining unit will remain unchanged.
- b) Effective retroactive to and including January 1, 2011, for payments that would have otherwise been paid in calendar year 2011 the City's Variable Management Compensation policy shall cease to apply to members of the bargaining unit.
- c) The Parties acknowledge that the City is considering reorganization, redistribution, or augmentation (or a combination thereof) of functions currently performed by the incumbent in the Emergency Medical Services Coordinator classification. The Parties further anticipate that the City's decisions with respect to that subject will most likely occur by no later than June 30, 2012. At the conclusion of that study, if the duties are restructured in a manner that substantially alters the existing Emergency Medical Services Coordinator, by revision of the existing classification description or the creation of a new classification(s), the City will notify the Union in writing of any changes in the above-described structure of duties (and classification, if applicable) and of the tentative salary range minimum and control point in light of the change(s). Within ten(10) days after receipt of the notice by the Union, City and Union will commence the meet and confer process over the salary range minimum and control point that will apply.

##### **Section 2. Compression Between Captain and Battalion Chief.**

During the term of this agreement a 16% differential will be maintained between E-step Captain and Battalion Chief 56-hour workweek control point.

**Section 3. EMT Differential.** Employees in represented classifications who maintain EMT certification will receive a three percent (3%) differential in addition to their base salary.

**Section 4. 40-hour Work Week Assignment Differential.** Employees assigned to a 40-hour workweek schedule will be paid a differential of five percent (5%) of base salary in-lieu of holiday pay differential which 56-hour shift Battalion Chiefs receive.

**Section 5. Out of County Strike Team Pay.** The City will pay an employee sent on out of County strike team duty a flat dollar wage payment beyond the employee's normal salary for twenty-four (24) hour shift of such duty per non-regular work hours if the City receives reimbursement from the state or federal government for the labor costs incurred by the City for such expenses. Payment for partial shifts on such duty shall be prorated. For 40-hour Battalion Chief, payment for non-regular work hours will be prorated. A Personnel Action Form will be completed in a timely manner to process this payment. The amount of the payment will be calculated in a manner that reflects that percentage of the employee's straight time hourly rate for which the City is reimbursed by the State of California or other external entity, excluding reimbursements for other labor costs (e.g. workers compensation, administrative expense, etc.). For example, if the employee's straight time hourly rate is fifty dollars (\$50) per hour and the State reimburses the City for fifty percent (50%) of its labor costs incurred for such expenses the City will pay the employee twenty-five dollars (\$25) per hour or six hundred dollars (\$600) for the twenty-four (24) hour shift. If the State reimburses the City for seventy-five percent (75%) of its labor costs, the City will pay the employee nine hundred dollars (\$900) for the twenty-four (24) hour shift. If the City is not reimbursed, no payment is due, as stated above.

#### **ARTICLE VI – HOLIDAYS**

**Section 1. Named Holidays.** The following holidays are recognized as municipal holidays for pay purposes and non-shift employees shall have these days off with pay, except as otherwise provided in these rules:

January 1	Veteran's Day, November 11
Third Monday in January	Thanksgiving Day
Third Monday in February	Day after Thanksgiving Day
Last Monday in May	December 25
July 4 <sup>th</sup>	Either December 24 or December 31 as provided below
First Monday in September	
Second Monday in October	

**Section 2. 56-Hour Work Week Assignments.** One hundred forty nine and one half (149.5) hours is the total amount of holiday hours paid annually to an employee divided by 26 payroll periods which equals 5.75. Shift personnel shall receive pay in lieu of taking paid leave for accrued holidays. Such paid hours are in biweekly amount of 5.75 holiday hours. Holiday hours are prorated and accrued based on hours actually worked. If employees elect to be paid for these holiday hours at any time before the scheduled payoff they must have sufficient hours in their holiday account and must complete the Cash-out Request Form.

Accrued holiday balances of shift employees will be automatically paid off in the months of June and December.

**Section 3. 40-Hour Work Week Assignments.** Employees assigned to a 40-hour workweek schedule will receive paid holidays in accordance with Sections 517 and 518 of the Merit System Rules and Regulations. The Emergency Medical Services Coordinator who works a schedule where a holiday falls on a regular day off, may, with supervisory approval, take another day off within the pay period or the following pay period.

### **ARTICLE VII - VACATION ACCRUAL**

**Section 1.** Vacation will be accrued when an employee is in a pay status and will be credited on a bi-weekly basis. Such accrual balance and credit may not exceed three times the annual rate of accrual. Accrual rates are by work week assignments as indicated in Section 1 and Section 2 below.

**Section 2. 56-Hour Workweek Assignments.** Employees assigned to a 56-hour workweek schedule (24-hour shift) will accrue vacation at the following rate for continuous service performed in a pay status.

- a) For employees completing less than four (4) years continuous service, the accrual rate shall be five (5) duty shifts per year.
- b) For employees completing four (4), but less than nine (9) years continuous service, the accrual rate shall be eight (8) duty shifts per year.
- c) For employees completing nine (9), but less than fourteen (14) years continuous service, the accrual rate shall be ten (10) duty shifts per year.
- d) For employees completing fourteen (14), but less than nineteen (19) years continuous service, the accrual rate shall be eleven (11) duty shifts per year.
- e) For employees completing nineteen (19) or more years continuous service, the accrual rate shall be twelve (12) duty shifts per year.

**Section 3. 40-Hour Workweek Assignments.** Personnel assigned to a 40-hour workweek schedule will accrue vacation at the following rate for continuous service performed in a pay status.

- a) For employees completing less than four (4) years continuous service, the accrual rate shall be eighty (80) hours per year.
- b) For employees completing four (4), but less than nine (9) years continuous service, the accrual rate shall be one-hundred twenty (120) hours per year.
- c) For employees completing nine (9), but less than fourteen (14) years continuous service, the accrual rate shall be one-hundred sixty (160) hours per year.

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- d) For employees completing fourteen (14), but less than nineteen (19) years continuous service, the accrual rate shall be one-hundred eighty (180) hours vacation leave per year.
- e) For employees completing nineteen (19) or more years continuous service, the accrual rate shall be two-hundred (200) hours vacation leave per year.

### **ARTICLE VIII - VACATION CASH OUT**

**Section 1. Limitation on Use.** Employees may not use more than three times their annual rate of accrual in any calendar year period provided, however, that the Chief may grant exceptions to this limitation.

#### **Section 2. Cash out Option.**

- a) Once each calendar year an employee may cash out eight (8) or more hours of vacation accrual in excess of eighty (80) hours (or (5) five duty shifts), to a maximum of one hundred twenty (120) hours (or five (5) duty shifts), provided that the employee has taken eighty (80) hours of vacation off with pay in the previous twelve (12) months.
- b) Effective for the 2012 tax year and each subsequent year, employees must pre-elect the number of vacation hours they will cash out during 2012, up to the maximum of 120 hours, prior to the start of the 2012 calendar year. The election will apply only to vacation hours accrued in the next tax year and eligible for cash out. The election to cash out vacation hours in each designated year will be *irrevocable*. This means that employees who elect to cash out vacation hours must cash out the number of accrued hours pre-designated on the election form.
- c) Employees who do not pre-designate or decline a cash out amount by the deadline established by the City will be deemed to have waived the right and will not be eligible to cash out any vacation leave in the following tax year.
- d) Employees who pre-designate cash out amounts may request a cash out at any time in the designated tax year by submitting a cash out form to payroll. Payroll will complete the cash out upon request, provided the requested cash out amount has accrued and is consistent with the amount the employee pre-designated. If the full amount of hours designated for cash out is not available at the time of cash out request, the maximum available will be paid.
- e) For employees who have not requested payment of the elected cash out amount by November 1 of each year, Payroll will automatically cash out the pre-designated amount in a paycheck issued on or after the payroll date including November 1.

### **ARTICLE IX - MANAGEMENT ANNUAL LEAVE**

**Section 1.** Forty (40) hour and fifty-six (56) hour workweek employees not eligible for overtime shall

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be credited at the beginning of each fiscal year with eighty (80) hours of annual leave which may be taken as paid time off, added to vacation accrual (subject to vacation accrual limitations), taken as cash or taken as deferred compensation. Entitlement under this provision will be reduced on a prorated basis for part-time status, or according to the number of months in paid status during the fiscal year. Unused balances as of the end of the fiscal year will be paid in cash, unless a different option as indicated above is elected by the employee.

The Management Annual Leave accrual will be changed to an annual accrual rather than fiscal year. Effective July 1, 2012, employees will be credited with forty (40) hours of management annual leave to be used by December 31, 2012 or automatically will be cashed out.

Effective January 1, 2012, and every January 1 thereafter, employees will be credited with eighty (80) hours of management annual leave to be used by December 31<sup>st</sup> or automatically will be cashed out.

#### **ARTICLE X - OTHER PAID LEAVES**

**Section 1. City Manager Granted Leaves.** The City Manager may grant a regular employee under his control a leave of absence with pay for a period not exceeding thirty calendar days for reasons he deems adequate and in the best interest of the City.

**Section 2. Council Granted Leave.** The City Council may grant a regular employee a leave of absence with pay for a period not to exceed one year for reasons the Council considers adequate and in the best interest of the City.

**Section 3. Employee's Time Off to Vote.** Time off with pay to vote at any general or direct primary election shall be granted as provided in the State of California Elections Code, and notice that an employee desires such time off shall be given in accordance with the provisions of said Code.

**Section 4. Leaves of Absence; Death in Immediate Family.** Leave of absence with pay of one shift for 56-hour shift employees with provision for approval of one additional shift for travel outside the area may be granted an employee by the Chief in the event of death in the employee's immediate family, which is defined for purposes of this section as wife, husband, son, son-in-law, daughter, daughter-in-law, father, mother, brother, brother-in-law, sister, sister-in-law, mother-in-law, father-in-law, step-father, step-mother, step-sister, step-brother, grandfather, grandfather-in-law, grandmother, grandmother-in-law, uncle, aunt, niece, nephew, registered domestic partner, or a close relative residing in the household of the employee. Such leave shall be at full pay and shall not be charged against the employee's accrued vacation or sick leave. Requests for leave in excess of two shifts shall be subject to the approval of the City Manager. Employees assigned to a 40-hour work week are eligible for leave of absence granted by the Chief with pay for three days in the event of death in the employee's immediate family which is defined above.

**Section 5. Jury Duty; Leave of Absence.** Employees required to report for jury duty shall be granted a leave of absence with pay from their assigned duties until released by the court, provided the employee

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remits to the City all fees received for such duties other than mileage or subsistence allowances within thirty days from the termination of his or her jury service.

**Section 6. Subpoenas.** Employees required to answer subpoenas as a witness for the City of Palo Alto or for a plaintiff where the City of Palo Alto is a defendant shall not lose pay or benefits for work time lost to answer depositions or to appear in court.

#### **ARTICLE XI - OTHER LEAVE PROVISIONS**

**Section 1. Disability.** Leaves of absence without pay may be granted in cases of disability not covered by sick leave. Pregnancy will be considered as any other disability. Leaves of absence for disability are subject to physician's verification including diagnosis and medical work restriction.

**Section 2. Other Unpaid Leaves.** Leaves of absence without pay may be granted in cases of personal emergency or when such absences would not be contrary to the best interest of the City. Non-disability prenatal and/or postpartum leave is available under this provision, but such leave shall not begin more than six months prenatal nor extend more than six months postpartum.

**Section 3. Accrued Vacation Credits.** During unpaid leaves of absence for disability or other reasons, the employee may elect to use accrued vacation credits. Requests for leaves without pay shall not be unreasonably denied. In order to avoid misunderstandings, all leaves without pay must be in writing to be effective.

**Section 4. Approval of Department Head.** Leave of absence without pay for one week or less may be granted by the department head, depending on the merit of the individual case.

**Section 5. Approval by City Manager.** Leave of absence without pay in excess of one week's duration may be granted by the City Manager on the merit of the case, but such leave shall not exceed twelve months' duration.

**Section 6. Absence Without Leave.** Unauthorized leave of absence shall be considered to be without pay, and reductions in the employee's pay shall be made accordingly. Unauthorized leave of absence may result in termination of employment.

**Section 7. Leave of Absence; Death Outside the Immediate Family.** Leave without pay may be granted a regular employee by his/her department head in the event of death to family members other than one of the immediate family, such leave to be granted in accordance with Section 2 and Section 4.

**Section 8. Military Leave of Absence.** State law shall govern the granting of military leaves of absence and the rights of employees returning from such absence.

#### **ARTICLE XII - VOLUNTARY CATASTROPHIC LEAVE PROGRAM**

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**Section 1.** The City of Palo Alto has established a Firefighter Voluntary Leave Program to provide FCA employees the opportunity to donate their accrued vacation time to assist fellow members of FCA either due to: (a) an employee's own verifiable non-industrial catastrophic illness or injury (as defined herein) or (b) in order to care for a member of the employee's immediate family (spouse, child, parent or registered domestic partner suffering from a verifiable catastrophic illness or injury) and have exhausted or will presently exhaust all of their paid leave.

**Section 2.** In order to be eligible to receive donated leave, an employee must have a catastrophic illness or injury or an employee's immediate family member must have a catastrophic illness or injury that requires the employee to provide full-time care for this family member. Care will be taken to emphasize the voluntary nature of the plan and to insure confidentiality of employee participants and medical conditions (where applicable).

**Section 3.** A Firefighter Voluntary Leave Sharing Program has been established to accept donations of vacation in accordance with the Program's guidelines. All donations shall be:

- a) Voluntary
- b) Irrevocable
- c) Confidential, unless disclosure is required by law
- d) In whole hour increments of at least four (4) hours, with the hours donated being converted to donee hours based on the donee's salary rate (so that there will be no cost to the City due to salary differential).
- e) The employee shall be required to exhaust all other types of leave to request donated leave
- f) It is understood that employees seeking or receiving leave under this program will apply for long-term disability benefits for which they may be eligible
- g) Where any of the period during which an employee receives donated leave is designated as family leave under the California Family Rights Act (CFRA/Family Medical Leave Act (FMLA)), the employee will be eligible for continuation of medical and other available benefits during that the family leave period (for up to 12 weeks), in accordance with the requirements of those laws. If the employee receiving donated leave is not eligible for CFRA/FMLA benefit continuation, or after the employee has exhausted the available CFRA/FMLA leave period, the employee will need to pay the premiums for continued medical and other available benefits if the employee chooses to continue such coverage through the City
- h) If the donation request is based on the need for an employee to care for an immediate family member, as defined above, the family member must require full-time care by the employee. Certification of this requirement by a health care professional is required
- i) The maximum donated time a donee may receive is 12 months (if available).
- j) Applications to donate leave or receive leave under this Program are made to the Human Resources Department
- k) This is a pilot program and is subject to cancellation by either party

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**Section 4.** FCA members interested in donating leave or in applying to receive donated leave shall complete forms provided by the Human Resources Department. If an applicant for leave is found to meet the criteria set forth herein, Human Resources will determine the availability of and (as applicable) allocation of donated paid leave. Payroll will be notified in writing of the number of hours to be deducted from each donating employee's vacation balance and transferred to the donee employee(s).

**Section 5.** The City reserves the right to modify or terminate this program at any time.

**Section 6.** Catastrophic Illness or Injury (also referred to as "medical emergency" in Revenue Ruling 90-29 and Sections 801(c) and 812 of the Merit Rules and Regulations): A non-occupational medical condition of an employee that will require the prolonged absence of the employee from duty and which will result in a substantial loss of income to the employee because the employee will have exhausted all paid leave available apart from the Voluntary Employee Leave sharing Program. Non-disability postpartum leave as referenced in Merit Rule 801(b) shall not be considered a catastrophic illness or injury under this Policy.

#### **ARTICLE XIII - OVERTIME COMPENSATION FOR BATTALION CHIEF CLASSIFICATIONS**

**Section 1.** Employees in FLSA exempt positions as determined by the City in accordance with the FLSA, including but not limited to Battalion chiefs, are salaried employees and are not eligible for overtime pay. Non-FLSA exempt personnel shall receive overtime compensation at the rate of one and one-half (1½) times the employee's regular hourly rate of pay for all hours worked in excess of forty (40) hours in a workweek. All overtime hours must be pre-authorized by the Fire Chief or designee.

**Section 2.** Effective July 1, 2008 an individual Battalion Chief shall not in any fiscal year be required to work more than four (4) shifts to fill a shift vacancy (arising due to another Battalion Chief's absence or termination) that would have been compensated with overtime under the overtime provisions in effect prior to July 1, 2008. However, this limitation shall not apply in the event of a major emergency (e.g. earthquake, major conflagration, weather disaster, etc.), nor shall it apply to required attendance of staff meetings, strike team meetings, training, or other such incidental non-shift activities.

**Section 3. Assignment.** The City may, at its discretion, assign and work a Fire Captain as a Battalion Chief to temporarily fill a vacant Battalion Chief position or to backfill behind an incumbent Battalion Chief on leave, or to perform duties that would otherwise involve a call-back of a Battalion Chief.

#### **ARTICLE XIV - PROFESSIONAL DEVELOPMENT- REIMBURSEMENT**

Effective July 1, 2012 the terms of this Article XIV are in their entirety null and void, and will have no meaning, function or effect.

**ARTICLE XV - EXCESS BENEFIT REIMBURSEMENT**

**Section 1.** The benefit provided by this Article is designed to meet the requirements of Section 125 of the Internal Revenue Code. Every calendar year, each employee will be provided with \$2,500 that they can designate among the following options:

- a) Medical Flexible Spending Account (Medical FSA). Provides reimbursement for excess medical/dental/vision, or expenses that are incurred by employees and their dependents which are not covered or reimbursed by any other source, including existing City-sponsored plans. This includes prescribed medications and co-payments as specified in applicable federal law.
  
- b) Dependent Care Flexible Spending Account (Dependent Care FSA). Provides reimbursement for qualified dependent care expenses under the City's Dependent Care Assistance Program (DCAP), subject to the limits specified in applicable federal law.
  - 1) Dependent care expenses not reimbursed under this section may be eligible for reimbursement under the City Dependent Care Assistance Plan (DCAP). However, the maximum amount reimbursed under DCAP will be reduced by any amount reimbursed under the Excess Benefit Plan.
  
- c) Professional Development. Employees may use these funds for professional development purposes on a taxable basis to the extent such expenses (e.g., job-related training and education, seminars, training manuals, etc.) are not paid or reimbursed under any other plan of the City.
  
- d) Deferred Compensation. Provides a one-time contribution to the employee's City-sponsored I.R.C. § 457 Deferred Compensation plan with either ICMA-RE or the Hartford, subject to the contribution limitations of applicable law.

Amounts designated by employees to either the Medical FSA, Dependent Care FSA, or Professional Development options are done so on a "use -it-or-lose-it" basis. This means that any amounts designated and not used by the end of the calendar year (or end of the extended grace period for the medical FSA) will be forfeited by the employee and returned to the plan.

Specified amounts under this benefit will be applied on a pro-rata basis for employees who are part-time or who are in a management or professional pay status for less than the full fiscal year. Such benefits will be pro-rated in the first year of employment (based on hire date) but will not be pro-rated upon separation of employment.

**ARTICLE XVI - PHYSICAL EXAMS**

Physical fitness medical examinations for all represented employees will be provided in accordance with the Fire Department Physical Fitness Program General Order.

**ARTICLE XVII - BENEFIT PROGRAMS**

**Section 1. Health Plan.** Benefits will be provided in accordance with provisions of the California Public Employees Retirement System (CalPERS) PEMHCA Health Plans. If CalPERS changes the plans it offers, the City and the Union will meet and confer over the City continuing to provide an equivalent benefit at an equivalent cost. Effective the pay period following adoption of this MOA [expected to be March 10, 2012] the City and employees in the bargaining unit will share medical premium costs as shown in the tables below, with the City paying ninety percent (90%) of the monthly medical premium for the employee selected PEMCHA optional plan, not to exceed a total of ninety percent (90%) of the monthly premium for the second most expensive plan among the existing array of plans. If an employee selects the most expensive plan, the City will pay up to ninety percent (90%) of the second most expensive plan premium and the employee will pay the difference.

	Number of Parties Covered	Monthly Employee Contribution	Monthly City Contribution
Eligible Active Employees	Employee Only	10% of monthly premium for plan selected by employee	90% of monthly premium for plan selected by employee <b><u>Not to exceed 90% of the second most expensive plan premium</u></b>
	Employee Plus One	10% of monthly premium for plan selected by employee	90% of the monthly premium for plan selected by employee <b><u>Not to exceed 90% of the second most expensive plan premium</u></b>
	Employee Plus Two or More	10% of monthly premium for plan selected by employee	90% of monthly premium for plan selected by employee <b><u>Not to exceed 90% of the second most expensive plan premium</u></b>

Active employee domestic partners whose domestic partnership is registered with the State of California will be eligible for medical benefits under this section. Active employee domestic partners whose domestic partnership is not registered with the state but who meet the requirements of the City of Palo Alto Declaration of Domestic Partnership, and are registered with the Human Resources Department, will be eligible for reimbursement of the actual monthly premium cost of an individual

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health plan, not to exceed ninety percent (90%) of the second highest plan. Evidence of premium payment will be required with request for reimbursement.

**Section 2. Alternate Medical Benefit.** If a regular employee and/or the employee's dependent(s) are eligible for medical insurance through another employer-sponsored or association medical plan, the employee may opt for alternative medical insurance coverage through the other employer-sponsored or association plan and waives his/her right to the City of Palo Alto's medical insurance coverage for same individuals. Employees electing alternative coverage and no City coverage will receive cash payments of approximately half of the "averaged monthly premiums" for their medical insurance coverage. "Averaged monthly premiums" are the average of the Kaiser HMO, Blue Shield HMO and PERS Choice PPO premiums for the employee's City medical coverage available through CalPERS.

The rates for 2012 are as follows:

One Party:	\$284.36
Two Party:	\$568.71
Family:	\$739.32

The Alternative Medical Benefit Program rates for subsequent years covered by this agreement will be determined when CalPERS formally announces the health plan rates applicable for the year in which they are to apply.

**Section 3. Dental Benefits**

- a) The City shall pay covered plan charges on behalf of all eligible employees and dependents. Domestic partners are considered dependents, as defined in this article. Benefits for regular part-time employees will be prorated as follows:

Employees who will work less than full time, will receive prorated premium costs for dental benefits in accordance with his/her percentage of a full-time work schedule. Part time employees currently receiving full benefits will not be impacted.

- b) The City's Dental Plan provides the following: maximum benefits per calendar year shall be two thousand \$2000 for representation unit employees and their dependents; fifty percent (50%) of reasonable charges, two thousand dollar (\$2000) lifetime maximum orthodontic benefit

- Basic Benefits (All other covered services)

First Calendar Year of Eligibility	70% UCR*
Second Calendar Year of Eligibility	80% UCR*

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Third Calendar Year of Eligibility	90% UCR*
Fourth Calendar Year of Eligibility	100% UCR*

\*Usual, Customary, and Reasonable

\*\*Not included in annual dental maximum

If the employee and eligible dependents have used the Plan at least once during the preceding calendar year, the percentage reimbursed by the Plan increases to 80%, 90% or 100% respectively during the second, third and subsequent calendar years of eligibility for basic benefits. If the employee and eligible dependents lose eligibility, basic benefits will be reinstated at 70 percent if you again become eligible for the Plan.

**Section 4. Vision Care**

- a) The City shall provide vision care coverage for employee and dependents. Coverage is equivalent to the \$20 deductible Vision Services Plan A.
- b) Dependents will include domestic partners, as defined under Article XVII, Section 1 (active employee domestic partners).

**Section 5. Employee Assistance Plan.** The Employee Assistance Plan (EAP) provides employees with confidential personal counseling, work and family related issues, eldercare, substance abuse, etc. In addition, EAP programs provide a valuable tool for supervisors to refer troubled employees to professional outside help. This service staffed by experienced clinicians is available to employees and their dependents by calling a toll-free phone line 24 hours a day, seven days a week. Guidance is also available online.

**ARTICLE XVIII – RETIREMENT MEDICAL PLAN**

**Section 1. Retiree Medical coverage for Unit Employees Hired Before January 1, 2004.** Monthly City-paid premium contributions for a retiree-selected PEMHCA optional plan will be made in accordance with the Public Employees' Medical and Hospital Care Act Resolution for employees that retire on or before December 31, 2006. Effective January 1, 2007 the City will pay up to the monthly medical premium for the 2nd most expensive plan among the existing array of plans during the contract term. However, the City contribution for an employee hired before January 1, 2004 who retires on or after May 1, 2012 shall be the same contribution amount it makes for active City employees. Any employee who retires before May 1, 2012 will not be required to pay any premium contribution effective March 10, 2012, excluding any required dependent contribution described below.

For the 2012 calendar year, the City's contribution toward dependent coverage is ninety-five percent (95%) of the difference between the applicable "Employee and One Dependent" or "Family" maximum employer contribution for "Employee Only" coverage. This contribution for dependents will increase annual by 5% of the difference between the single party premium and the two-party or family premium, until such time as

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the premium of the affected dependent(s) is fully covered. For the 2013 calendar year, the City's contribution toward dependent coverage will be 100%.

**Section 2.** Twenty Year Vesting for Retiree medical Coverage for Unit Employees Hired After January 1, 2004.

Retiree Medical coverage for Unit employees hired after January 1, 2004 shall be as follows:

- a. Twenty (20) year vesting in CalPERS system for the full retiree medical benefit specified in the preceding paragraph including a minimum of five (5) years with the City of Palo Alto.
- b. Eligible employees will receive Fifty (50%) percent of City-paid benefit after ten (10) years; each additional service credit year after ten (10) years will increase employer credit by five percent (5%) until twenty (20) years is reached at which time employee is eligible for one hundred percent (100%) and ninety percent (90%) of the City-paid benefit for dependents. Notwithstanding any other term of this section, the City of Palo Alto's health premium contribution for eligible post January 1, 2004 hires shall be not be less than the minimum contribution set by PERS under Government Code Section 22893 based on a weighted average of available health plan premiums.

#### **ARTICLE XIX – BASIC LIFE INSURANCE**

The City shall provide a basic life and AD & D insurance plan in an amount equal to the employee's annual basic compensation (rounded to the next highest \$1,000).

#### **ARTICLE XX– SUPPLEMENTAL LIFE INSURANCE**

An employee may, at his/her cost, purchase additional life insurance and additional AD&D coverage. The total amount of life insurance available to the employee is \$325,000 and the total amount of AD&D coverage available is \$325,000.

#### **ARTICLE XXI– LONG TERM DISABILITY INSURANCE**

In lieu of providing long-term disability insurance program to eligible employees, the City shall add \$40.00 per month to the base salary of eligible employees. This \$40.00 per month shall not be calculated into the labor market salary comparison.

#### **ARTICLE XXII - EFFECTIVE DATE OF BENEFIT COVERAGE FOR NEW EMPLOYEES**

For newly-hired regular employees coverage begins on the first day of the month following date of hire for the health plan, dental plan, vision care plan, life insurance and long term disability plans if these benefits are elected.

**ARTICLE XXIII- WORKERS' COMPENSATION**

Persons on disability will be required to appear or otherwise report at regular two-week intervals to the Fire Chief or designate to discuss his/her status and ability to return to full or restricted work status. This section is not meant to unreasonably restrict employee's activities so long as such activities are cleared by the treating physician, treating program or alternative treatment program is maintained and employee is available for full or restricted duty as soon as medical clearance can be received.

**ARTICLE XXIV- RETIREMENT PENSION PLANS**

**Section 1. Miscellaneous Member Pension Formula.** For employees hired before the City adopted the 2% at 60 formula effective July 17, 2010, the City will continue to contract with the California Public Employees' Retirement System (CalPERS) for the 2.7% at 55 formula for Miscellaneous members with the single highest year final compensation basis for pension calculation as provided by Government Code Section 20042. Future Miscellaneous members hired on or after the date this M.O.A. takes effect will be placed in the second pension tier with the 2% at 60 formula with single highest year final compensation as provided by Government Code Section 20042. The three year final compensation basis for pension calculation, as provided by Government Code section 20037, will apply to Miscellaneous members hired on or after August 1, 2013.

**Section 2. Safety Member Pension Formula.** For Safety members hired before the City adopts the 3%@55 formula as provided below the City will contract with the California Public Employees' Retirement System (CalPERS) to provide the "3% at 50" full formula (Government Code Section 21362.2) with the single highest year final compensation basis for pension calculation as provided by Government Code Section 20042. The City will contract with CalPERS for the 3%@55 formula with the three years final compensation basis for pension calculation as provided by Government Code section 20037 for Safety members hired on or after the date such contract is adopted by the City. The City will enter into the contract with CalPERS for the second pension tier as soon as administratively possible.

**Section 3. Employee Share of PERS Contribution.** Effective May 1, 1984, the City agreed to pay the 7% employee contribution to CalPERS on behalf of Miscellaneous CalPERS Plan members. Effective with the pay period inclusive of 1/6/07, the City contribution was increased to cover the cost of the 2.7% @ 55 retirement formula. The City thereafter paid six percent (6%) and the employee paid two percent (2%) of the 8% CalPERS employee contribution for the 2.7% @ 55 retirement benefit formula.

For sworn fire management employees the City has paid the nine percent (9%) of the employee's Safety CalPERS Plan contribution.

Effective on the first day of the pay period following adoption of this M.O.A. by the City Council, which is expected to be March 10, 2012, Miscellaneous and Sworn members shall pay the entirety of the applicable CalPERS employee contribution. Depending upon the formula the employee participates in, the amounts are

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as follows: Miscellaneous with 2.7%@55 is 8%, Miscellaneous with 2%@60 is 7% and 9% for Sworn members. Beginning on the first day of the first pay period that is one year after the employees begin paying their full CalPERS employee retirement contribution the employee contribution will drop to five and one tenth percent (5.10%). The City will pay the remainder of the required PERS employee contribution.

Notwithstanding the above provisions of this Section and pursuant to Section 20692, upon filing a notice of retirement by an employee in this unit the City-paid portion of the CalPERS employee contribution will be converted to a salary adjustment of equal amount on a one-time irrevocable basis for the final compensation period which is defined as the highest average compensation earnable (salary) during the year immediately preceding retirement or any other designated consecutive year. The employee shall simultaneously assume paying the City-paid portion of the employee CalPERS contribution. However, future hires into this Unit after adoption of the second pension tier will not receive the conversion in the final year. The benefit known as EPMC (Employer Paid Member Contribution), Section 20692, will not be part of the second pension tier.

Employee CalPERS contributions shall be made on a tax deferred basis, in accordance with Section 414(h) (2) of the Internal Revenue Code. All provisions of this subsection are subject to and conditioned upon compliance with IRS regulations.

**Section 5. Status Determination.** An employee's membership in and designation as Safety or Miscellaneous for CalPERS pension plan purposes shall be determined based on applicable California law.

**ARTICLE XXV - MISCELLANEOUS EMPLOYMENT-RELATED EXPENSES**

**Section 1. Station House Fund.** The Station House Fund per year per shift employee shall be \$48.00.

**Section 2. Non-Food House Items.** The City agrees to furnish and maintain each fire station with the following non-food house fund items: TV purchase and repair, the San Jose Mercury News, and the San Francisco Chronicle to be selected on an annual basis. Kitchen cooking utensils, small kitchen appliances and other specific items to be determined by mutual agreement of the parties will be purchased from the Station House Fund.

**Section 3. Per Diem Travel Expenses For City Business.** Unless other mutually agreeable arrangements are made, representation unit employees who are required to travel away from the City on City business will receive travel expenses, according to City policies which are currently in effect.

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**Section 4. Parking.** Employees in represented classes assigned to Civic Center or adjacent work locations shall be entitled to free parking in the Civic Center Garage, or a commute incentive which will be subject to meet and confer. Employees hired after July 1, 1994 may initially receive a parking permit for another downtown lot subject to availability of space at the Civic Center garage. Light duty employees assigned to the Civic Center will receive Civic Center parking temporary permits for the duration of the light duty assignment.

#### **ARTICLE XXVI- RESIDENCY**

For purposes of emergency response availability, represented employees shall live within 90 miles travel distance of the city limits of Palo Alto.

#### **ARTICLE XXVII - FULL UNDERSTANDING**

**Section 1.** The Memorandum of Agreement contains the full and entire understanding of the parties regarding the matters set forth herein.

**Section 2. Severability.** If any of the provision herein contained be rendered or declared invalid by reason of any State or Federal legislation, or by ruling of any court of competent jurisdiction, such invalidation of such part or portion of this Memorandum of Agreement shall not invalidate the remaining portions hereof, and they shall remain in full force and effect, insofar as such remaining portions are severable.

**Section 3.** It is the intent of the parties that ordinances, resolutions, rules and regulations enacted pursuant to this Memorandum of Agreement be administered and observed in good faith.

**Section 4.** Nothing in this Memorandum of Agreement shall preclude the parties from mutually agreeing to meet and confer on any subject with the scope of representation during the term of this agreement.

**Section 5.** Merit System Rules and Regulations During the term of this Memorandum of Agreement, Management may propose certain changes in the City Merit System Rules and Regulations. With regard to such changes which pertain to the representation unit, the parties agree to review, and upon request, meet and confer regarding the changes.

#### **ARTICLE XXVIII - DURATION**

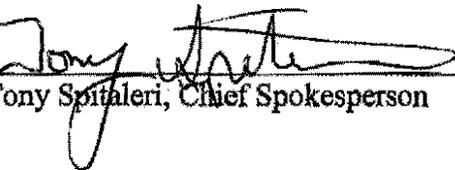
This Memorandum of Agreement shall become effective upon signing by the parties hereto, except that those provisions herein that have specific effective dates shall take effect on those dates regardless of signing date, once this Memorandum of Agreement is signed by the parties hereto. This Memorandum of Agreement shall expire June 30, 2014.

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Signed this 29<sup>th</sup> day of February, 2012.

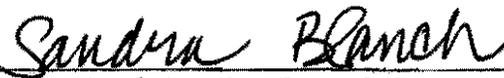
FOR THE PALO ALTO FIRE CHIEFS'  
ASSOCIATION:

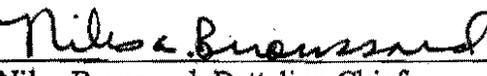
FOR THE CITY OF PALO ALTO:

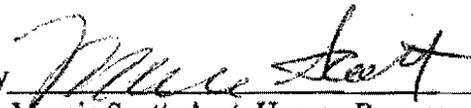
By   
Tony Spitaleri, Chief Spokesperson

By   
James R. Keene, City Manager

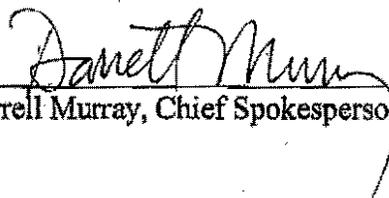
By   
Kim Roderick, Emergency Medical  
Services Coordinator

By   
Sandra Blanch, Interim Human Resources  
Director

By   
Niles Broussard, Battalion Chief

By   
Marcie Scott, Asst. Human Resources  
Director

By \_\_\_\_\_  
Geoffrey Blackshire, Battalion Chief

By   
Darrell Murray, Chief Spokesperson (IEDA)

By \_\_\_\_\_  
Chris Woodard, Battalion Chief