

Memorandum of Understanding

Between the City of Sierra Madre and the Sierra
Madre Classified Employees' Association

December 13, 2022 – June 30, 2027

Amended July 14, 2026
Resolution 26-70

Contents

ARTICLE 2	DEFINITIONS.....	5
ARTICLE 3	IMPLEMENTATION	6
ARTICLE 4	RECOGNITION	6
ARTICLE 5	PROBATIONARY PERIOD	6
Section 1	Initial Probation Periods.....	6
Section 2	Probation Period Extensions.....	7
Section 3	Evaluations.....	7
Section 4	Termination / Reinstatement	7
Section 5	Permanent Appointment	7
Section 6	Probationary Test Period	7
ARTICLE 6	TRANSFERS.....	7
ARTICLE 7	OTHER EMPLOYMENT	8
Section 1	Outside Employment or Activities	8
Section 2	Conflict of Interest	8
ARTICLE 8	THE COMPENSATION PLAN.....	8
Section 1	Salary Advancement	8
Section 2	Merit Increase	9
ARTICLE 9	COMPENSATION	9
Section 1	Increase	9
Section 2	Good Driving Incentive.....	9
Section 3	Movie Detail.....	9
Section 4	On-Call Duty	10
Section 5	Water and Sewer Certification Stipends.....	10
Section 6	Foreign Language Bonus	11
Section 7	Longevity Pay	11
Section 8	Classification and Compensation Study	11
Section 9	Performance Evaluations	11
ARTICLE 10	OVERTIME	12
Section 1	Time Worked.....	12
Section 2	Overtime Approval – Straight Time	12
Section 3	Overtime Approval – Time and One-Half.....	12
Section 4	Overtime Approval – Double Time	12
Section 5	Holiday Pay.....	13
Section 6	Compensatory Time	13

ARTICLE 11	ANNUAL VACATION LEAVE	13
Section 1	Vacation Accrual	13
Section 2	Accumulated Vacation	14
ARTICLE 12	HOLIDAYS	14
ARTICLE 13	SICK LEAVE	15
Section 1	Sick Leave Use	15
Section 2	Sick Leave Accrual	16
Section 3	Sick Leave Cash Out	16
Section 4	Reimbursement for Accrued Sick Leave	17
Section 5	Excessive Sick Leave Usage or Abuse of Sick Leave	17
ARTICLE 14	WORKERS' COMPENSATION	17
ARTICLE 15	UNIFORMS.....	17
Section 1	Uniform Use	17
Section 2	Laundry Service	18
ARTICLE 16	SAFETY EQUIPMENT.....	18
ARTICLE 17	INSURANCE	18
Section 1	Insurance Benefits.....	18
Section 2	Medical Stipend	19
Section 3	Health Insurance - Alternative Health Insurance Providers.....	19
Section 4	Life Insurance and AD&D	19
Section 5	Level IV Survivor Benefit	19
Section 6	Retirement Insurance Coverage	20
ARTICLE 18	RETIREMENT	20
Section 1	CalPERS Membership	20
Section 2	Salary Subject to PERS.....	20
Section 3	City Payment of Employer Contribution for CalPERS Retirement	21
Section 4	Employee Contribution for CalPERS Retirement	21
Section 5	Laborers' National (Industrial) Pension Fund (LNIPF).....	21
ARTICLE 19	FLEXIBLE SPENDING ACCOUNTS	21
ARTICLE 20	WORKING HOURS, EMPLOYEE ATTENDANCE & WORK PERIODS	22
Section 1	Hours of Work	22
Section 2	Work Days	22
Section 3	Pay Period	22
Section 4	Work Hours Per Year.....	22
Section 5	Minimum Hours	23

ARTICLE 21	SENIORITY	23
ARTICLE 22	LAYOFF	23
Section 1	Definitions	23
Section 2	Length of Service.....	23
Section 3	Retention Lists.....	23
Section 4	Procedure for Layoff	24
Section 5	Reduction in Assigned Working Hours.....	24
ARTICLE 23	TUITION REIMBURSEMENT PROGRAM.....	24
ARTICLE 24	DISCIPLINARY PROCEEDINGS	24
Section 1	Disciplinary Action.....	24
Section 2	Causes for Disciplinary Action.....	25
Section 3	Imposition of Disciplinary Action	25
Section 4	Notice	26
Section 5	Employee Response	26
Section 6	Final Action.....	26
Section 7	Appeals.....	26
Section 8	Procedure for Hearings before City Council	27
ARTICLE 25	EMPLOYMENT GRIEVANCE PROCEDURE	28
Section 1	Purpose	28
Section 2	Procedure - Individual Petitions.....	28
Section 3	Procedure - Association Petitions	28
Section 4	Procedure for Appeal	29
ARTICLE 26	CONTINUATION OF WAGES, HOURS AND WORKING CONDITIONS	29
ARTICLE 27	EMPLOYEE RIGHTS	29
ARTICLE 28	ASSOCIATION RIGHTS	30
Section 1	Recognition	30
Section 2	Association Dues	30
Section 3	Association Bulletin Board	30
Section 4	Representation.....	30
Section 5	Release Time	31
ARTICLE 29	MANAGEMENT RIGHTS.....	31
ARTICLE 30	AGREEMENT, MODIFICATION, WAIVER.....	31
ARTICLE 31	OBLIGATION TO SUPPORT	32
ARTICLE 32	PROVISIONS OF LAW.....	32
ARTICLE 33	RENEGOTIATION	Error! Bookmark not defined.

ARTICLE 1 PREAMBLE

It is the intent and purpose of this Agreement to set forth the understanding of the parties reached as a result of meeting and conferring in good faith regarding matters related to wages, hours and/or other items and conditions of employment between full time classified employees represented by The Sierra Madre Classified Employees Association ("Association") and the City of Sierra Madre ("City") represented by management staff, in accordance with the California Government Code, Section 3500 et. seq. and Article II, Chapter 4 of the Sierra Madre Municipal Code.

This Agreement is to set out those items on which the City and Association have reached Agreement, so that these items will not have to be renegotiated during the term of the contract. The term of this Agreement is from December 1, 2022 to June 30, 2027, having been amended and ratified by the General Employees on July 6, 2026, approved and accepted by the City Council on July 14, 2026.

Either party can re-open a portion or portions of this contract, as defined below, for negotiations through a limited re-opener for the sole purpose of discussing and considering two items prior to the conclusion of this contract in the fiscal year 2025-2026. An "item" for the purpose of the said limited re-opener shall be limited to single term/condition or benefit, e.g. good driving incentive; and shall not mean an entire article of the Memorandum of Understanding, e.g. Article 9 - Compensation. In addition to the aforementioned two items, either party can re-open a portion of this contract through a limited re-opener on one additional item that covers members who work in the Public Works Department and Utilities Department, and whose positions require possession of a certification. This one additional item cannot be salary increase/COLA or insurance benefits. A request to re-open contract negotiations pursuant to this paragraph must be issued in writing between the dates listed below by the requesting party.

Upon receipt of such timely written request, the parties agree to meet and confer in good faith; however, the Association understands and agrees that no right to any additional benefit, including but not limited to, cost of living or health and welfare benefit increase, is conferred by this Agreement or any limited re-opener negotiations.

ARTICLE 2 DEFINITIONS

Unless otherwise indicated within this Agreement the following definitions shall apply. Any words and terms that are not specifically defined in this article will have the common English language meaning as defined in the Webster's New Collegiate Dictionary.

Agreement: This document, including all attachments and amendments that are officially adopted by the Association and the City Council of the City of Sierra Madre.

Association: The City of Sierra Madre Classified Employees' Association, a collective negotiation unit that represents all classified employees of the City of Sierra Madre.

Appropriation: Authority to expend City funds granted by the Sierra Madre City Council.

City: The City of Sierra Madre, a general law city within the State of California and the County of Los Angeles.

Employee Retirement Contributions: The statutory 8% contributions to the City sponsored retirement plan administered by CalPERS.

Employer Retirement Contributions: The actuarially determined contributions to the City sponsored retirement plan administered by CalPERS necessary to fund retirement benefits.

Flexible Spending Accounts: Depository accounts maintained on behalf of employees for the purpose of exempting such expenditures from income related taxes.

Personnel Officer: The City Manager or his/her designee.

Stated Salary: Negotiated salary for all purposes except calculations and reporting to CalPERS for retirement related issues.

Salary Subject to PERS: An employee's unadjusted base salary plus the portion of the EPMC paid by the City of Sierra Madre, used solely for retirement related calculations and reporting to CalPERS.

ARTICLE 3 IMPLEMENTATION

This Agreement constitutes a mutual recommendation to be jointly submitted to the City Council of the City of Sierra Madre. It is agreed that this Agreement shall not be binding upon the parties either in whole or in part unless and until:

- The Association by a majority vote of its members formally accepts this Agreement, and
- The City Council acts, by a majority vote, to formally approve and adopt said Agreement, and
- The City Council acts to appropriate the necessary funds required to implement the provisions of this Agreement, which require funding, and
- The City Council acts in a timely manner to make the necessary changes in ordinances, resolutions, rules, policies and procedures to implement and conform to this Agreement for the period as specified in this Agreement.

ARTICLE 4 RECOGNITION

The City recognizes the Association as the recognized employee organization for all full-time classified employees of the City of Sierra Madre. Accordingly, this agreement does not apply to part-time, seasonal, management, confidential and exempt employees, or police employees. The Association recognition is in accordance with Section 2.48.040 of the Sierra Madre Municipal Code as approved by the City Council.

ARTICLE 5 PROBATIONARY PERIOD

Section 1 Initial Probation Periods

The initial 12 months of employment within a particular class of employment for newly hired employees shall be a probationary period or "probation." Existing employees who have accepted a new appointment or promotion shall be subject to probation for a period of six months.

Section 2 Probation Period Extensions

Where the Personnel Officer determines that the performance of a new employee during his/her probationary period warrants an extension of that period, he/she may extend the probationary period by up to three months for any reason. The exercise of such discretion is not subject to administrative appeal or grievance procedure. The department head or designate shall notify the City Manager in writing as to the reasons for such contemplated extension of the probationary period at least 30 days prior to the conclusion of the normal probationary period, and shall give a copy of such notice to the employee.

Section 3 Evaluations

It shall be the responsibility of the department head or designate to furnish the City Manager with an evaluation report 10 days prior to the completion of each 90 days during the probationary period, or extended period of probation, and at least 10 days prior to the expiration of such period. The report shall contain a thorough investigation of the employee's performance progress and general acceptability for final determination of the employee's qualifications for permanent appointment. No probationary employee shall be terminated without prior approval of the City Manager.

Section 4 Termination / Reinstatement

Probationary employees may be rejected at any time during the probationary period without cause and without right of appeal or hearing, based upon the recommendation of the department head or designate and the approval of the City Manager. Each probationary employee shall be informed of this possibility at the time of his/her appointment or promotion.

An employee who has been released during the probationary period from a position to which he/she has been promoted, shall be reinstated to the position from which he/she was promoted, unless he/she is dismissed for cause, as provided in the Sierra Madre Personnel Rules and Regulations.

Section 5 Permanent Appointment

An employee's status shall be considered permanent upon the completion of the probationary period only if the department head or designate reports that the services of the employee have been "meets or exceeds standards" or better and that the employee is recommended for a permanent appointment and upon the approval of the City Manager. At such time as the permanent appointment is made the employee shall be entitled to the next step increase as appropriate.

Section 6 Probationary Test Period

In all instances, the probationary test period shall commence upon the employee being classified in the position to which the test period applies. Additionally, the probationary test period shall automatically, and as a matter of law, be extended by the number of days equivalent to the number of workdays that the employee did not perform services during the test period. The extension applies regardless of the cause for the employee being unable to perform services.

ARTICLE 6 TRANSFERS

Transfer of an employee from one position to another in the same or comparable class from one department to another, may be made on concurrence of both department head and the City Manager. No transfer shall be made unless the same is required for the purpose of economy and efficiency.

ARTICLE 7 OTHER EMPLOYMENT

Section 1 Outside Employment or Activities

No full-time employee shall engage in any outside employment without first obtaining written approval of the Personnel Officer. The Personnel Officer shall deny permission to the employee to engage in such outside employment if the Personnel Officer finds either that such employment renders, or would render, such employee less able, actually or potentially, to perform his or her duties as an employee of the City. Failure of any employee to obtain approval of the Personnel Officer may be grounds for dismissal. The type of outside employment may also be restricted by Government Code section 1126(b).

Section 2 Conflict of Interest

No employee shall engage in any outside employment which involves dealing or contact with any other City employee or official, in such other employee's official capacity in connection with the enforcement of interpretation of any City law or regulation or any state or federal law, the enforcement of which is charged to the City.

ARTICLE 8 THE COMPENSATION PLAN

Section 1 Salary Advancement

Application of the five steps within a range shall in general be administered in the following sequence for classified employees:

- Upon approval of the Personnel Officer, an employee may be hired at step 1 - 5 in the salary range applicable to the classification.
- The Personnel Officer shall have the authority to adjust an employee's salary step forward within the salary range when the purpose is to correct an existing inequity or give recognition to exceptional performance.
- The advancement in steps from Steps 2 to 5 shall be as follows:
 - Each additional step will be awarded to an employee upon completion of an annual performance appraisal with an overall rating of "meets or exceeds standards" or above. Each increase is subject to the department head's recommendation and approval of the City Manager.
- No step advancement shall be made until it is clearly evidenced by a "meets or exceeds standards" or better performance appraisal. Length of service alone will not be considered as an adequate explanation for recommendation for approval of a salary adjustment.

All salary increases shall be effective at the beginning of the pay period following approval by the City Manager.

Salary advancement for each employee shall not be withheld unless the employee falls below a "meets or exceeds standards" level of service as established by performance evaluation. Service shall require a minimum of at least one year at each step after step 1.

If an employee is not rated "meets or exceeds standards" or better, that employee shall not receive the next step advancement until said employee's performance reaches "meets or exceeds standards" or

better. Those employees not rated “meets or exceeds standards” or better shall be reevaluated every 90 days.

Upon approval of the City Manager, a step increase may be approved before the annual performance appraisal is submitted, if the employee will receive an overall rating of “meets or exceeds standards” when the evaluation is completed.

If an employee is denied a step increase he/she may appeal said denial through the grievance procedure contained in this Agreement.

Section 2 Merit Increase

The City's Manager, at his/her sole discretion, may approve a temporary merit step increase up to 10% for a special temporary assignment.

ARTICLE 9 COMPENSATION

Section 1 Increase

As agreed upon and adopted in City Council Resolution No. 18-35, each classic member employee paying the full statutorily required amount of the employee contribution to CalPERS for classic members, which is currently 8% for miscellaneous employees. Classic members are those members who do not qualify as new members under Government Code section 7522.04.

Upon ratification of this agreement, all currently employed CEA members will receive a 4% salary increase effective July 13, 2026.

The City may determine that financial conditions allow for a limited re-opener of the MOU as to the single item of a cost-of-living adjustment (COLA) salary increase for Fiscal Year 2026-2027. Such determination is at the City's sole discretion. No other items or provisions of the MOU are subject to reopening. If the City determines that financial conditions allow for a limited re-opener of the MOU as to the single item of a cost-of-living adjustment (COLA) salary increase for Fiscal Year 2026-2027, the parties will endeavor to commence re-opener negotiations by no later than February 1, 2026.

Section 2 Good Driving Incentive

A Good Driving Incentive Program is established for all employees required to obtain and maintain a valid class B commercial driving certification as a condition of employment (hereinafter “class B drivers”). Those employees who are class B drivers and maintain a clean driving record without tickets or accidents of any kind for the period of December 2 the prior calendar year through December 1 of the subject calendar year shall be eligible for a calendar year-end bonus of \$350 per year, subject to applicable taxes and deductions, payable at the 26th pay period of the calendar year. Verification of a clean driving record is subject to confirmation by the City of Sierra Madre Human Resources Department. Failure to verify compliance with the requirements of this section shall render any potentially eligible class B driver ineligible for payment of the year-end bonus.

Section 3 Movie Detail

When covered employees are required to work in connection with a movie detail, the employee shall be paid time and one-half of the employee's regular pay.

Section 4 On-Call Duty

Any employee assigned to the pager duty shall receive compensation of \$50 for each 24-hour period in which they are on pager duty, in addition to any other payment they receive for call-outs and/or Water Public Works Department rounds.

Assignment of on-call duty shall be on a rotating basis among qualified staff, with on-call duty or “duty man” assignments beginning at the end of regular working hours on Thursdays and ending at the beginning of regular working hours on the following Thursday. Schedules of on-call duty assignments shall be updated every four months (January, May and September) and shall be posted adjacent to the Public Works time clock, and provided to the City Manager, Director of Public Works, Public Works Management Analyst, Public Works administrative staff, City Hall front desk (2 copies), and police dispatch (2 copies.) Posting shall list duty man cell phone and appropriate contact numbers.

Members serving on-call or duty man status shall respond to the caller within 15 minutes of receiving the call. It shall be the responsibility of the person standing on-call duty to ensure that the assigned cell phone and his cell and/or home phone devices are in working order. Failure to reply to a duty-man emergency call within 15 minutes of receipt and respond to the actual emergency within 45 minutes from receiving the call shall be grounds for forfeiture of on-call duty pay for that 24-hour period, and may be cause for further disciplinary action.

Section 5 Water and Sewer Certification Stipends

Public Works employees are eligible for either water or sewer certification stipends for the following certifications:

- D-1 and T-1 certificate OR Grade 1: \$115.00 per month;
- D-2 and T-2 certificate OR Grade 2: \$265.00 per month;
- D-3 and T-3 certificate: \$145.00 per month to one eligible Utilities employee only

It is the intent of the City that one employee of the Water Division of the Utilities Department, in addition to the Utilities Services Director, possess a D-3 and T-3 certification. The City will only cover the cost associated with obtaining D-3 and T-3 certification upon pre-approval by the Utilities Services Director in writing. Thus, should an employee seek to obtain D-3 and T-3 certification and have the City cover the cost associated with obtaining the certification, the employee must first receive the pre-approval of the Utilities Services Director in writing. An employee of the Water Division of the Utilities Department who obtains a D-3 and T-3 certification may have the opportunity to receive a monthly stipend. Only one employee of the Water Division of the Utilities Department will receive the monthly stipend should he/she qualify, and the Utilities Services Director shall determine who receives it and whether the employee qualifies. Should multiple employees of the Water Division of the Utilities Department obtain the D-3 and T-3 certificates at the same time, the Utilities Services Director will decide who receives the stipend and will consider seniority in making the decision.

Employees will not receive Level 1 plus Level 2 stipends cumulatively. In other words, if an employee receives a Level 2 certification in Distribution he/she will receive only the Level 2 stipend, not Level 2 plus Level 1. However, employees will receive a stipend for each certification held. So if an employee holds a D-2 and T-2 certificate, he/she will receive two times the Level 2 stipend. The same applies to Grade 1 and Grade 2 sewer stipends. Employees cannot receive compensation for both water and sewer stipends.

Section 6 Foreign Language Bonus

For members covered under this agreement who work at a front counter that are proficient to assist customers in an alternate language may be eligible for a one-time Foreign Language Bonus of \$750. In order to earn the bonus, the member must pass a test, agreed upon between the Association and the City Manager, for reading and writing in the foreign language.

Section 7 Longevity Pay

Effective July 1, 2016, Longevity Pay recognizes City service, and shall be exclusive of all other premiums and other pays, and shall be established for all full-time employees represented by the MOU. A one-time "Longevity-Pay bonus" will be paid at the employee's current annual rate of pay at the time of eligibility. The effective date of Longevity Pay shall be the beginning of the pay period following the employee's qualifying anniversary date of eligibility.

An employee is eligible to receive Longevity Pay at such time when the employee begins each year of service as follows:

Eligible Years of Service	Longevity Pay
10	2.5%
15	2.5%
20	2.5%
25	2.5%
30	2.5%
35	2.5%
40	2.5%

This Longevity Pay is not compensation earnable since it does not meet all of the requirements under 2 C.C.R. § 571.

Section 8 Classification and Compensation Study

The City shall conduct a classification and compensation study in a manner the City deems appropriate for positions classified in the Classified Employees Association classification. Similar classifications in the non-profit and the private sectors, and at the following peer cities Santa Fe Springs, Commerce, Westlake Village, La Canada, Hawaiian Gardens, Artesia, Claremont, San Dimas, and the most similar peer cities: San Marino, Signal Hill, and South Pasadena, shall be used for the study. The study is to be completed by no later than May 16, 2022.

Section 9 Performance Evaluations

Should an annual performance appraisal not be completed by the first full pay period following the employee's annual anniversary date, the department head may, at their sole discretion, recommend to the City Manager the award of an additional step to an eligible employee (up to step 5). The department head may consider the supervisor's feedback regarding the employee's performance in making their recommendation. The City Manager's or designee determination on whether to award the additional step is final. The awarded additional step will be effective the first full pay period following the City Manager's approval. An annual performance appraisal must still be completed for the employee irrespective of whether an additional step was awarded prior to its completion.

Section 10 Voluntary ICMA 457 Deferred Compensation

The City will contribute a matching contribution amount of up to \$25.00 per pay period not to exceed \$50.00 in total per month where the employee makes a contribution to their voluntary ICMA 457 Deferred Compensation Plan.

ARTICLE 10 OVERTIME

All overtime assigned and worked shall be compensated for in the following manner:

Section 1 Time Worked

"Overtime" is all actual hours worked over 40 hours in a seven-day period. In determining an employee's eligibility for overtime compensation in a work period, paid leaves and unpaid leaves of absence shall be excluded from the total hours worked. Paid leaves of absence include, but are not limited to: vacation, sick leave, administrative leave, compensatory leave, worker's compensation leave, jury duty, bereavement leave and military leave.

Section 2 Overtime Approval – Straight Time

All overtime must be approved prior to being worked and shall be paid at the employee's regular straight time rate, except to the extent that actual hours worked within a seven day period exceed 40 hours as defined in Section 1.

Section 3 Overtime Approval – Time and One-Half

All overtime must be approved prior to being earned. The time that exceeds 40 hours of work as defined in Section 1 shall be paid at time and one-half the employee's regular rate of pay as defined under the Federal Fair Labor Standards Act (FLSA).

An employee assigned to weekend Water Department rounds shall be paid at the rate of one and ½ times his/her regular straight time rate for all time worked while performing this duty. Employees shall receive a minimum of two hours compensation regardless of whether the employee actually worked less than two hours. This provision shall be applicable to employees even though the employee's regular workweek is not completed and total hours worked is less than 40 hours in a seven day period.

Section 4 Overtime Approval – Double Time

All overtime must be approved prior to being worked. All call-outs shall be compensated at a rate equal to two times the regular straight time rate of any employee required to make such call-outs, rounds and work. In case of such a call-out, compensation shall be for a minimum of two hours of each occasion.

An employee called back to work after completing his/her normal work shift and having left City premises and/or work location for non-scheduled overtime, utilized in the case of an emergency, shall be paid at the rate of two times his/her regular straight time rate for each hour worked. Employees who are called back to work shall receive a minimum of two hours compensation regardless of whether the employee actually works less than two hours.

This provision shall be applicable to employees even though the employee's regular workweek is not completed. However, this provision shall not apply to an employee whose normal work shift has been extended, or to an employee who has been called to report to work one hour earlier than his/her normal work shift would begin.

Section 5 Holiday Pay

Employees who work on a holiday will be compensated accordingly. If it is an employee's regular work day, the employee will receive holiday pay, plus time and one-half for the hours worked. If it is an employee's regular day off per the 9/80 work schedule, the employee will receive eight hours of floating holiday, plus time and one-half for the hours worked.

Employees who work the Mount Wilson Trail Race on the Saturday of Memorial Day weekend will be compensated at time and one-half for the hours worked.

An employee assigned to Water Department rounds on a holiday shall be paid double time. Employees shall receive a minimum of two hours compensation regardless of whether the employee actually worked less than two hours.

Section 6 Compensatory Time

Any employee working overtime may designate either compensation on the next paycheck or "credit" to their compensatory time account. Overtime worked at the employee's regular straight time rate shall be credited as compensatory time at one-hour credit for one hour worked. Overtime worked at the time and one-half rate shall be credited to compensatory time at one and one-half hour credit for each hour worked.

- The compensatory time account for any employee shall be limited to 160 hours, and must be approved prior to being earned and reported on the next payroll time sheet.
- An employee shall notify his/her Department at least 72 hours prior to taking time off credited to compensatory time.
- When an employee terminates for any reason, the unused compensatory balance shall be paid to the employee at the employee's final regular pay rate.
- An employee may use his/her compensatory time to extend his/her vacation period with the approval of the department head.

ARTICLE 11 ANNUAL VACATION LEAVE

Full-time employees are entitled to annual vacation leave with pay. Vacation leave shall be earned from the first day of probationary employment and may be used only as it is earned. Requests for vacation leave exceeding the amount of leave will require the prior approval of the Personnel Officer.

Section 1 Vacation Accrual

Every full-time probationary and regular employee shall accrue paid vacation leave per payroll period as follows:

<u>Length of Service</u>	<u>Service Years</u>	<u>Per Payroll</u>	<u>Annually</u>
0 - 48 months	1 – 4	3.71 hours	96.46 hours
49 - 60 months	5	4.01 hours	104.26 hours
61 - 72 months	6	4.32 hours	112.32 hours
73 - 84 months	7	4.62 hours	120.12 hours
85 - 96 months	8	4.93 hours	128.18 hours
97 - 108 months	9	5.24 hours	136.24 hours

109 - 120 months	10	5.55 hours	144.30 hours
121 - 132 months	11	5.85 hours	152.10 hours
133 - 144 months	12	6.16 hours	160.16 hours
145 - 156 months	13	6.47 hours	168.22 hours
Over 157 months	Over 14	6.78 hours	176.28 hours

Vacation shall accrue bi-weekly on a pro rata basis and increases shall occur at the beginning of the month.

For purposes of this section, continuous service shall include time in which an employee is on an authorized leave of absence with pay.

Section 2 Accumulated Vacation

Employees may accumulate up to a total of 135 hours vacation time, not including the current year's allocation as of January 1, of any given year, with the additional following restrictions:

- Employees are encouraged to take a minimum of two weeks (80 hours) vacation each year, if earned. A Request for Leave of Absence Form shall be submitted 15 working days prior to any use of vacation leave.
- After 40 hours of non-sick leave has been taken in a 12-month period the employee may request payment for accumulated vacation leave in cash or deferred compensation at the employee's regular straight time rate.

ARTICLE 12 HOLIDAYS

Every employee shall be entitled to the following holidays with pay each calendar year and such other days as may be designated by action of the City Council:

- January 1 (New Year's Day)
- The third Monday in January (Martin Luther King's Birthday)
- The third Monday in February (Presidents' Birthday)
- The last Monday in May (Memorial Day)
- July 4 (Independence Day)
- The first Monday in September (Labor Day)
- The second Monday in October (Columbus Day)
- November 11 (Veteran's Day)
- Thanksgiving Day (fourth Thursday in November)
- The Friday after Thanksgiving Day
- December 24* (Christmas Eve)
- December 25 (Christmas Day)
- December 31* (New Year's Eve)

* Denotes a partial holiday of four hours.

If any such holiday falls on a Sunday, the Monday following shall be treated as the holiday. If the holiday falls on a Saturday, the Friday preceding shall be treated as the holiday.

No employee shall be entitled to compensation for any holiday herein specified unless the employee was employed by the City on the day preceding and the day following the holiday. For the purposes of this

paragraph, an employee who is absent on authorized vacation with pay or on accrued sick leave shall be deemed to be employed at such time.

One day (nine hours) of Floating Holiday shall be granted to an employee working on a holiday, except for holidays that fall on an employee's eight-hour work day, which will be compensated at eight hours and for the noted half day holidays which will be four hours.

All association members, with the exception of those who work at the Public Works Yard, will receive holiday pay when City Hall, the Library, and the Community Recreation Center are closed on the regular work days the week between Christmas holiday and the New Year's Day holiday. The employees who work at the Public Works Yard will work the week between the Christmas and New Year's Eve holidays and will receive 27 hours of Floating Holiday the first pay period in January, pro-rated to the date of hire for the first calendar year of employment.

All Floating Holiday earned must be used by the end of the corresponding calendar year. Any time not used will be cashed out on the last pay period of the calendar year. Floating holidays may be used at any time subject to:

- Use in at least fifteen minute increments in the calendar year; and
- Two days advance approval unless waived by the department head.

Terminating employees shall be compensated for accrued unused floating holiday hours.

The Personnel Officer is empowered to determine whether the City shall observe special days declared by the President or Governor as days of thanksgiving or mourning. The Personnel Officer is also empowered to declare limited service days. On such limited service days, employees will have the option to work or take the day off. If the employee chooses to take the day off, he/she shall utilize floating holiday, compensatory time, or vacation leave. If no such paid leave is available, the Personnel Officer may grant leave without pay.

ARTICLE 13 SICK LEAVE

Sick leave is leave from duty which may be granted by the City to an employee because of illness, injury, exposure to contagious disease; illness or injury of a member of the employee's immediate family requiring the employee's attendance; and medical, dental and optical appointments to the extent that such appointments cannot be scheduled outside the work day.

An employee's immediate family shall consist of the employee's spouse or domestic partner, children, step-children; the employee's spouse or the domestic partner's mother, father, brother, sister, grandchildren or grandparents; or other members of the employee's family residing in the employee's home or other member of the employee's family primarily dependent upon the employee.

Section 1 Sick Leave Use

An employee may be granted sick leave only in case of actual sickness as defined above or as otherwise required by law. In the event that an employee or a member of the employee's immediate family recovers from any such sickness after being granted sick leave, and during the regularly scheduled hours of work, then such employee shall notify the appropriate immediate supervisor and be available to return to duty.

In order to apply for sick leave use, an employee shall notify the appropriate immediate supervisor within one hour after the time established at the beginning of the employee's workday, unless the City determines that the employee's duties require more restrictive reporting. Additionally, each department may have its own guidelines for reporting in sick. Failure to provide notice without good cause shall result in that day of absence being treated as leave of absence without pay.

If the employee is absent on sick leave for more than one day the employee shall keep their immediate supervisor informed as to the date the employee expects to return to work.

Sick leave shall not be granted to any employee absent from duty as a result of any sickness, injury or disability purposely self-inflicted or caused by willful misconduct.

Sick leave shall not be granted to any employee absent from duty after separation from City service or during a City authorized leave of absence without pay or any other absence from duty not authorized by the City.

Sick leave shall not be granted to any employee to permit the extension of the employee's vacation.

The City may require a physician's certification at any time as to the sickness or injury of the employee or their immediate family member and the date of the employee's intended return to work.

Employees will not be permitted to use vacation or other leave in lieu of sick leave unless approved by the Personnel Officer.

Section 2 Sick Leave Accrual

Employees shall accrue 3.69 hours of sick leave per pay period for a total of 96 hours per year. Accrual shall occur on a daily basis. No accrual shall take place for any day in which the employee has performed less than a full day of service.

Sick leave may be accrued to a maximum of 2,000 hours except as provided below.

Sick leave granted by the City and used by an employee shall be deducted from the employee's accrued sick leave balance.

Employees granted a leave of absence with pay or other approved leave with pay shall accrue sick leave during such leave as provided therein.

Sick leave shall not be accrued by an employee absent from duty after separation from City service or during a City authorized leave of absence without pay, or any other absence from duty not authorized by the City.

Section 3 Sick Leave Cash Out

On an annual basis, employees may make an irrevocable election to cash out at their base hourly rate of pay up to 40 total hours of sick leave pursuant to the City's policy on sick leave cash out in the City's Personnel Rules and Regulations. Per the policy, to be eligible for such cash out, employees must timely submit an irrevocable leave election form and maintain 120 hours of combined vacation and sick leave remaining after the cash out.

Section 4 Reimbursement for Accrued Sick Leave

Employee shall have no financial claim to reimbursement for unused sick leave upon leaving City employment, except as follows:

- Employees who voluntarily resign after completion of five years of continuous service shall receive 50% of any unused sick leave. Such compensation shall be calculated based on the employee's existing range and step at the time of resignation. No employee shall receive compensation for more than 1000 hours.
- Employees, upon retirement from the City's service and after completion of five years of continuous service, shall receive 50% of any unused sick leave. Such compensation shall be calculated based on the employee's existing range and step at the time of retirement. No employee shall receive compensation for more than 1000 hours.

Section 5 Excessive Sick Leave Usage or Abuse of Sick Leave

An employee who is excessively absent may be subject to disciplinary action. Excessive absenteeism shall include absence in excess of the average annual departmental sick leave usage unless covered/authorized by any lawfully protected leaves. Excessive absenteeism may occur regardless of the employee's accrual.

ARTICLE 14 WORKERS' COMPENSATION

All injuries sustained in the course of employment shall be reported at once to the employee's supervisor, who shall in turn promptly report the same to the Personnel Officer. The Personnel Officer shall authorize medical treatment for the employee at one of the City's approved medical clinics. In the event the employee is physically incapacitated in such a manner as to prevent submission of a report, the supervisor shall complete and forward the required reports to the Personnel Officer within 12 hours following the injury.

Any permanent classified employee directed by either the City's or his/her physician to be absent from work due to an injury or illness arising out of and in the course and scope of City employment, shall receive full salary during the first six months of such absence. During the period of time that an employee is on leave as a result of a work related injury/illness and receiving full salary from the City, the employee shall sign over to the City any workers' compensation disability payments received by the employee. Failure to do so shall cause the City to cease payment of the employee's salary. An employee who has received a leave of absence pursuant to this section shall not accrue sick or vacation time during the period of disability.

ARTICLE 15 UNIFORMS

Section 1 Uniform Use

Each employee required to wear a uniform covered by this Agreement shall be entitled to City provided uniforms. Work shirts shall not be worn outside of normal work schedule, excluding travel time to and from work. The suggested annual uniform allocation for Public Works Employees shall consist of the following:

- Four work pants.
- Four work shirts.
- Six tee shirts, issued July 15th each year.

- Two pair of work boots, one pair issued on July 15th and the other pair issued on January 15th.
- Rain Gear as required.

All non-Public Works employees are permitted to wear “business casual” attire year-round, except when required to attend a meeting involving members of the general public, or other elected or appointed officials, or employees of any federal, state or local government agency when business dress is appropriate. Business casual attire shall be subject to the requirements and guidelines contained with the City of Sierra Madre Personnel Rules and Regulations, as such may be amended from time to time by the City of Sierra Madre in its sole and absolute discretion.

Section 2 Laundry Service

The City shall contract with a laundry service, at no direct cost to the employees, but subject to the IRS tax guidelines, who shall be responsible for the cleaning and maintenance of City supplied uniforms for those employees required to wear uniforms as part of their duties.

ARTICLE 16 SAFETY EQUIPMENT

The City shall furnish to employees any safety equipment required, and shall provide access and training through a safety committee.

ARTICLE 17 INSURANCE

Section 1 Insurance Benefits

The City shall maintain the following overall level of insurance benefits for each employee covered by this Agreement for the duration hereof. The specific coverage is subject to the provisions of the individual insurance company's master contract(s) as issued to the City of Sierra Madre for each type of insurance.

- Insurance benefits offered by the City include:
 - Health Insurance
 - Dental Insurance
 - Life and Accidental Death Insurance
 - Vision Insurance
 - Survivor Benefit
 - Workers Compensation
 - Unemployment
- The City has participated in the CalPERS medical program since 1995 to provide health coverage for association members. Pursuant to Government Code Section 22892 of the Public Employees’ Medical and Hospital Care Act (PEMHCA), for the calendar year beginning January 2023, the City will contribute \$151.00. for each association member towards the PERS Health Care Plan. This amount is adjusted annually.
- The City will contribute an amount over its contribution under PEMHCA (which is \$151.00 per month for the calendar year beginning January 2023. The total contribution per month, including the City’s contribution under PEMHCA, shall be through an IRS Section 125 Flexible Benefit Plan (FBP) administered by either the City or its designee, and be up to a maximum of:

Employee Only	\$850.00
Employee +1	\$1,050
Family (3 plus)	\$1,200

Effective December 1, 2023 for the monthly premiums starting on January 1, 2024, the total contribution per month shall be up to a maximum of:

Employee Only	\$892.50
Employee +1	\$1,102.50
Family (3 plus)	\$1,260

- In addition, the City provides a Flexible Spending Plan to allow employees to contribute to their health, dental and vision insurance coverage on a pre-tax basis.
- The specific benefits are subject to change by the insurance carrier. The exact provisions governing each benefit program are contained in the Master Contract issued by the insurance carrier to the City of Sierra Madre.
- All insurance benefits offered by the City are subject to COBRA upon an employee's resignation, retirement or other COBRA defined event.
- Refer to the certificate of coverage for a complete description of benefits and coverage. The City reserves the right to select any insurance carrier or other method of providing coverage to fund the benefits of the employees under the terms of this Agreement, provided that the benefits to employees shall be not less than those in existence as of implementation of this Agreement.

Section 2 Medical Stipend

An employee who elects not to purchase medical, dental, and vision insurance through the City's plan and is covered by another group insurance plan, will receive a medical stipend of \$325 per month.

Section 3 Health Insurance - Alternative Health Insurance Providers

The City will allow the Association to sponsor an alternative provider of health insurance premiums provided that:

- The coverage is at least as comprehensive as the coverage provided through CalPERS (including deductibles, co-payments and service levels); and
- Contracting with the alternative insurance provider does not in any way compromise the City's participation in the CalPERS Health Plans for employees or retirees.

Section 4 Life Insurance and AD&D

Term Life Insurance Coverage is provided for employee only at an amount of \$50,000.

Section 5 Level IV Survivor Benefit

The employee paid survivor benefit is at Level IV.

Section 6 Retirement Insurance Coverage

The City has participated in the CalPERS medical program since 1995 for association members. As such, the City is obligated to contribute toward the cost of retiree medical coverage for the retiree's and spouse's lifetime so long as they remain eligible for and covered by this medical program. The City provides additional benefits based this Memorandum of Understanding beyond those required under PEMHCA. The following is a summary of these benefits:

All association members who retire from the City (including disability retirement) and continue coverage in the CalPERS medical program are eligible for the benefit provided in the PEMHCA resolutions. Those resolutions provide for the City to contribute toward retiree premiums at an equal amount to the active employees, for 2014 this amount is \$113.05.

In addition to the benefits described above, the City also provides the following monthly subsidy, inclusive of the contribution above, toward retiree (single coverage) medical premiums until the retiree reaches age 65:

- For CEA employees hired before October 15, 1995 who meet the requirements for CalPERS retirement (including industrial disability retirement), the City will pay 5% times the number of years worked for the City times the lesser of the actual premium for the lowest cost HMO premium in the Los Angeles area region.
- For CEA employees hired on or after October 15th, 1995 who retire (including disability retirement) at age 60 or older with at least 30 years of service with the City, will receive 100% of the actual premium or the lowest cost active employee HMO premium in the LA area region, whichever is less.

All other insurance coverage (vision, dental, & life) terminates upon retirement and is subject to COBRA. Dependent health insurance coverage may be extended by co-payment. Premiums for dependent co-payment must be submitted monthly in advance prior to the 15th of each month. The dependent co-pay coverage will terminate at age 65 or five years after the employee's death, whichever occurs first or within the guidelines of COBRA.

Dental insurance and dependent health insurance coverage will be subject to current COBRA and insurance provider guidelines. No insurance coverage will be extended for vision, life or AD&D insurance. Premiums made to the City for COBRA coverage must be submitted monthly in advance prior to the 15th of each month.

ARTICLE 18 RETIREMENT

Section 1 CalPERS Membership

Consistent with the Government Code, employees who are local safety or miscellaneous members of the California Public Employees Retirement System are entitled to the benefits as indicated in the December 30, 1979 amendment to the contract between the Board of Administration of CalPERS and the City Council. The contract has been amended to provide for military buy-back.

Section 2 Salary Subject to PERS

The calculation of the salary subject to PERS will follow "CalPERS Public Agency & Schools Procedures Manual" as it pertains to "reportable and un-reportable wages".

Section 3 City Payment of Employer Contribution for CalPERS Retirement

The City shall pay the employer share of the CalPERS retirement contribution as actuarially determined by CalPERS for each fiscal year covered by the Agreement. For classic members, as defined in Section 4 of this Article, the retirement benefit is 2.5% at 55 for miscellaneous employees. For new members, as defined in Section 4 of this Article, the retirement benefit is 2% @ 62.

Section 4 Employee Contribution for CalPERS Retirement

Classic member employees shall pay the full statutorily required amount of the employee contribution to CalPERS for classic members, which is currently 8% for miscellaneous employees. Classic members are those members who do not qualify as new members under Government Code section 7522.04.

Pursuant to the Public Employees' Pension Reform Act of 2013, new member employees shall pay 50% of the normal cost rate for the defined benefit plan in which the new member employee is enrolled, rounded to the nearest quarter of 1%. (Government Code section 7522.30.) New members are defined under Government Code section 7522.04.

Section 5 Laborers' National (Industrial) Pension Fund (LNIPF)

Beginning March 3, 2002, the City began contributing, on behalf of each association member, one percent (1%) of base salary into the LIUNA supplemental pension fund, the Laborers' National (Industrial) Pension Fund (LNIPF); in exchange, the base salaries for all members of the CEA were decreased by 1%.

Beginning in 2010 the LIUNA Supplemental Pension Fund was certified in the critical zone ("red zone") by the IRS. As part of the rehabilitation plan required by the Pension Protection Act of 2006 (PPA), the City was mandated to pay an additional 0.05% surcharge in 2010, which increased to 0.1% between 2011 and 2013. In 2013 Laborers' National (Industrial) Pension Fund (LNIPF) imposed a default schedule upon the City in order for LNIPF to restore the plan's financial health. The default schedule is as follows:

2014	1.38%
2015	1.49%
2016	1.60%
2017	1.71%
2018	1.82%
2019	1.93%
2020	2.04%
2021	2.15%
2022	2.26%

ARTICLE 19 FLEXIBLE SPENDING ACCOUNTS

The City has established under Internal Revenue Code section 125, a flexible spending account for day care and uncovered medical (including dental and optical) costs. The plan allows employees to fund the costs on a pre-tax basis and reduce income related taxes.

ARTICLE 20 WORKING HOURS, EMPLOYEE ATTENDANCE & WORK PERIODS

Section 1 Hours of Work

9/80 Alternative Work Schedule

The work schedule for regular full-time unit employees shall consist of 80 hours in a 14 day pre-established alternative work schedule. The City has adopted a 9/80 alternative work schedule as follows:

- For purposes of calculating overtime under the FLSA, generally for those employees working in City Hall, each seven day work period shall be identified in the signed Job Description.
- Notwithstanding special pay provisions of this Agreement, employees will not be eligible for overtime premium until an employee actually works more than 40 hours during the pre-established seven day work period.
- Employees will work 80 hours during each two-week period, as follows: employees will work nine hours each day (generally Monday through Thursday) observing the one hour unpaid lunch break and two paid breaks established in this Agreement and eight hours on an alternative day, generally, the Friday that City Hall is open (observing the breaks established in the MOU). City offices will be closed on the alternate Fridays, with employees not being required to report for duty.

4/10 Work Schedule

The 4/10 work schedule shall be an option for the City to select for employees in the Public Works Department. The work day under the 4/10 work schedule begins at 6:30 AM and ends at 5:00 PM. Paid holidays that occur when employees are working the 4/10 work schedule will amount to 10 hours.

The 9/80 work schedule will also remain an option for the City to select for employees in the Public Works Department. The City reserves the right to utilize either the 4/10 work schedule or the 9/80 work schedule at its discretion; and may decide at any time to revert to the 9/80 schedule at its discretion. The City will endeavor to provide advanced notice of its decision to revert to the 9/80 schedule when practicable. Such decision is final and is not subject to any grievance procedure or appeal.

Section 2 Work Days

A full workday shall include:

- Two paid 15 minute rest periods
- One unpaid lunch period of not less than 30 minutes or more than one hour.

Section 3 Pay Period

A pay period shall include 14 calendar days beginning at 12:01 a.m. Sunday and ending on Saturday at 12:00 midnight.

Section 4 Work Hours Per Year

Total hours worked shall be based on 2080 hours per year.

Section 5 Minimum Hours

Employees shall be required to work a minimum of eight hours per day assigned. Employees for whom necessity requires a different schedule shall work according to regulations that do not exceed state and federal regulations.

Employees shall be required to be in attendance at their work locations in accordance with the schedule of hours stipulated by the department head. Failure to observe work schedules shall be cause for disciplinary action. All departments shall be responsible for daily attendance records, which shall be properly recorded and reported at the end of each pay period. Personnel reporting after the designated time or leaving prior to the designated end of shift shall be considered tardy and absent without leave.

ARTICLE 21 SENIORITY

Seniority shall be based on the length of time of uninterrupted service of an employee in the classified service of the City.

ARTICLE 22 LAYOFF

Section 1 Definitions

- Retention Lists: Classified employees, probationary permanent, listed in order of seniority and by class series and classification; the most senior employee to be listed first.
- Seniority: The length of time of uninterrupted service of an employee in the classified service of the City.
- Bumping: The process by which an employee with greater seniority causes an employee with less seniority to be displaced from his present position.
- Assigned List: That list which shows the effective date of reduction of working hours, employee's name and classification. Order of list shows employee whose hours were reduced first and then those subsequent reductions.

Section 2 Length of Service

Classified employees shall be subject to layoff for lack of work or lack of funds. Whenever a classified employee is laid off, the order of layoff within the class shall be determined by the length of service. The employee who has been employed the shortest time in the class, plus higher class, shall be laid off first. Re-employment shall be in the reverse order of layoff. Persons laid off because of lack of work or lack of funds are eligible for re-employment for a period of 12 months and shall be reemployed in preference to new applicants.

Employees who take voluntary demotions or voluntary reductions in assigned time in lieu of layoff or to remain in their present positions rather than be reclassified or reassigned, shall be granted the same re-employment rights as those laid off.

Section 3 Retention Lists

The Personnel Officer shall establish and maintain retention lists for all classes and class series. These lists are to be revised from time to time to insure the accuracy and availability of the persons on such lists.

Section 4 Procedure for Layoff

Employees scheduled to be laid off shall be notified not less than 15 days prior to the date of layoff. The notice shall contain the reason for layoff and the effective date. Upon receipt of notice of layoff, the employee must notify the Personnel Officer within three working days whether he/she is electing his/her rights to "bump" the last person to be hired. The notice must be in writing.

- The "bumping" employee must have seniority over the last person to be hired in his class. If he/she does not have enough seniority, he/she may "bump" the last person hired in succeeding lower classes in the same class series until he/she reaches the last class and then in any class in which he/she has established permanency and over which he/she has seniority. Transferring seniority from one class series to another or from one unrelated class to another is not allowed.
- The employee being "bumped" has the same seniority "bumping" rights and may exercise them in accordance with these rules as though he/she was being laid off.

Any employee going to a lower class pursuant to this rule shall receive the maximum of the salary range of the lower class provided that such salary is not greater than the salary received in the higher position. In all cases where an employee elects to exercise his seniority rights and move to a lower class in lieu of layoff, his name shall be placed on a layoff list for the position from which he/she moved.

In computation of seniority, all services within a class plus higher class within the same class series shall count as seniority within the class. Continuous or uninterrupted service as a probationary or permanent employee within a class rather than actual days worked shall determine seniority.

No permanent or probationary employee shall be laid off from any probation while employees serving under emergency, provisional, or limited-term employment are retained in positions of the same class. A limited-term employee may be laid off (separated/terminated) at the end of his assignment without regard to the procedures set forth in these rules.

Section 5 Reduction in Assigned Working Hours

The Personnel Officer may reduce the number of assigned working hours and consequent hourly compensation for any classified position. Such reduction may be of a temporary or permanent nature. When the assigned hours for a position are to be permanently reduced, the affected employee shall be given not less than 15 calendar days' notice. The employee's name will then be placed on an "assignment list" which shall be kept by name, classification, and effective date of reduction.

ARTICLE 23 TUITION REIMBURSEMENT PROGRAM

Members of the Classified Employees Association shall be eligible for tuition reimbursement and educational cost program after completing the initial probationary period in the full-time position.

ARTICLE 24 DISCIPLINARY PROCEEDINGS

Section 1 Disciplinary Action

Disciplinary action may be imposed upon any classified employee for any of the causes set forth in this Rule. For the purpose of this section, "disciplinary action" ("action") shall mean suspension without pay

for a period not to exceed 30 calendar days, reduction in class or position, or any combination thereof; or dismissal from the service.

Section 2 Causes for Disciplinary Action

Any of the following shall be cause for the imposition of disciplinary action:

- Incompleteness, incompetence or inefficiency in the performance of the employee's duties;
- Insubordinate conduct directed at a supervisor or department head;
- Violation of any official regulation or order;
- Final conviction including a plea of guilty or nolo contendere of any criminal offense involving moral turpitude;
- Negligent or willful conduct by any employee either during or outside of duty hours, which results in or causes damage to public property, waste of public supplies or brings discredit to City;
- Fraud in securing employment or making a false statement on an application for employment; or dishonesty;
- Being under the influence of alcohol or dangerous illegal drugs or narcotics while on duty or in violation of City Drug and Alcohol Policy;
- Excessive absenteeism; inexcusable absence without leave; and abuse of sick leave;
- Discourteous treatment of the public;
- Any act or conduct either during or outside of duty hours which is of such a nature that it causes or may tend to cause discredit to the City, the employee's department or division;
- Any violation of the City's gift policy;
- Any other good and sufficient cause.

Section 3 Imposition of Disciplinary Action

All forms of disciplinary action shall be commenced by means of a written "notice of intended disciplinary action" prepared by the department head and then served upon the affected employee. The affected employee shall have a right to respond to the notice pursuant to section 5 of this Article. However, any intended discipline or other City action consisting of written reprimands or other forms of disciplinary action, such as transfer or reassignment (when the same is done for disciplinary or punitive purposes) whereby the potential impact (when the same is done for disciplinary or punitive purposes) and whereby the potential economic impact (without regard to real or possible losses of overtime compensation) upon the affected employee is in an amount less than the employee's scheduled daily compensation, shall not give rise to any form of post-department head administrative or judicial appeal and the determination of the department head shall be final and conclusive.

Section 4 Notice

In cases of discipline, pre-disciplinary written notice of the intended action shall be given to the employee setting forth the following information:

- Grounds for proposed discipline.
- Act or omission giving rise to intended discipline.
- All documents or records upon which the proposed discipline is based.
- The date by which the employee can respond and the person to whom the employee can respond.

Section 5 Employee Response

The employee shall have five working days from the day the "notice of intended disciplinary action" is served on him/her to advise of his/her intent to participate in a pre-disciplinary meeting pursuant to this bargaining agreement and *Skelly v. State Personnel Board*. This pre-disciplinary meeting shall be presided over by the City Manager or his/her designee. Any such requests to convene a pre-disciplinary meeting shall be in writing and shall be postmarked within five working days from the date the notice is served upon the employee. If the employee either fails to request a pre-disciplinary meeting or fails to do so in a timely manner, then at the expiration of the five working day period for serving such request, the City Manager or his/her designee may render a determination based solely upon the pre-disciplinary supportive documents that were served upon the employee in accord with this Article 22, section 4.

Section 6 Final Action

After considering the employee's response, if any, to the "notice of intended disciplinary action," or after expiration of the time to respond and no response having been made, a written notice of final determination shall be served upon the employee within a reasonable time after the pre-disciplinary meeting is conducted. If the notice imposes discipline, then the effective date of that discipline shall be set forth within the notice. Absent an effective date set forth within the notice, the effective date of disciplinary action shall be deemed the date upon which the notice was signed by the City Manager or his/her designee. Subject to the limitations described in Article 8, the employee may appeal the City Manager/designee's determination pursuant to section 7.

Section 7 Appeals

A permanent employee upon whom disciplinary action has been taken may appeal to the City Council within 14 calendar days after receiving a copy of the City Manager's decision and by filing written answer to such decision. Appeal can be made on the following grounds:

- That the procedures set forth in the Rules and Regulations have not been followed.
- That the action taken was not in accord with the facts.

The appeal must be made in writing and submitted to the City Manager. If the appeal is not received by the City Manager within 14 calendar days after the employee has received a copy of the City Manager's decision, the employee waives his/her right to appeal the decision and the decision will become final.

Upon receipt of a timely appeal, the City Manager shall advise the City Council thereof and shall forward to each member of the Council a copy of the statement of charges, the City Manager's notice of decision and the employee's answer to such decision. The City Manager, upon instruction from the City Council, shall give the appealing party written notice of the time and place of the hearing to be held before the City Council upon such appeal. The hearing shall be limited to items which are disputed by the employee and contained within employee's written answer to such decision. All items not disputed by the employee shall be deemed admitted by the employee for the purposes of the hearing.

The City Council may, in its sole discretion, refer the hearing to a mutually agreed upon advisory hearing officer. It shall be the hearing officer's responsibility to render an advisory opinion and award and recommendation for penalty to the City Council. The selection of the advisory hearing officer shall be either by a mutual agreement between the parties as to the person selected, or by a timely request to the State Mediation and Conciliation Service for a list of names of seven arbitrators with experience in disciplinary matters in the public sector. The selection of the arbitrator shall be performed by an alternate striking of the names until one name remains. The hearing before the advisory hearing officer shall be conducted in the manner most conducive to the determination of the truth, and the hearing officer shall not necessarily be bound by the technical rules of evidence. The hearing officer shall have authority to issue subpoenas at the request of either party.

At the conclusion of the advisory hearing, and after receipt of the advisory report, recommendations and penalty, the record of the advisory proceedings shall be forwarded to the City Council for their determination, which shall be final and binding.

The parties shall be permitted to argue the hearing officer's advisory report and recommendation before the City Council. All arguments before the City Council will be confined to the Council sustaining the advisory arbitration award, rejecting the advisory arbitration award or modifying it with respect to findings and/or penalty.

In no event shall a trial de novo be convened before the City Council when it has elected to defer the matter to advisory arbitration.

After fully considering the parties' arguments with respect to the advisory arbitration and award, the City Council shall render a decision, which shall be final and binding.

Section 8 Procedure for Hearings before City Council

If the City Council does not refer the hearing to an advisory hearing officer, the following procedure shall apply for hearings before the City Council. Hearings shall be conducted in the manner most conducive to determination of the truth, and the City Council shall not be bound by technical rules of evidence. Decisions made by the City Council shall not be invalidated by any informality of the proceedings.

Each side will be permitted an opening statement (City Manager or designee first) and closing arguments (City Manager or designee first). The City Manager or designee shall first present the witnesses and evidence to sustain the charges and the employee will then present his witnesses and evidence in defense. Each side will be allowed to examine and cross-examine witnesses.

Whether the hearing is held in public or closed session, the City Council, after it concludes the hearing, may deliberate its decision in closed session. No persons other than persons of the City Council and the City Attorney shall be permitted to be present during the deliberations.

The City Council may sustain or reject any or all of the charges filed against the employee and may sustain, reject, or modify the disciplinary action involved against the employee. The decision of the City Council shall be final and conclusive in all cases.

ARTICLE 25 EMPLOYMENT GRIEVANCE PROCEDURE

Section 1 Purpose

The purpose of this rule is to provide each employee a grievance procedure within the scope and framework of the City's personnel system. For the purpose of this Rule, the word "grievance" shall mean and include any complaint affecting wages, hours and terms and conditions of employment arising out of alleged violations of established rules and regulations, policies, administrative procedures, working conditions, job relations, extension of probation or this Agreement, except that the same shall not include any disciplinary action or proceedings.

Section 2 Procedure - Individual Petitions

An employee or group of employees having a complaint or grievance should present their grievance in a written statement to his/her immediate supervisor for resolution. If the point of dispute cannot be resolved with the immediate supervisor, the grievant may present his/her written complaint to the department head. The employee or group of employees shall file the grievance within 30 calendar days of its occurrence or within 30 calendar days of the employee or employees knowing the alleged violation, or within 30 calendar days of the employee or employees being reasonably required to know of the occurrence.

Unresolved complaints that have been brought to the attention of a department head shall then be submitted in writing to the City Manager not more than 14 days from the date of written presentation to the department head. The department head, will, by endorsement, cite findings and recommendations in response to the grievance.

The City Manager shall cause an investigation to be made of the complaint and shall reply in writing to the department head of action deemed appropriate. In the event of failure to resolve the cause of the dispute, the grievant may request a conference with the City Manager and department head for the joint discussion and resolution of the matter.

Section 3 Procedure - Association Petitions

The Association may file a grievance on behalf of the Association as a whole for any violation of this Agreement. The grievance shall be filed within 30 calendar days of the occurrence or within 30 calendar days of the Association knowing of the occurrence or within 30 calendar days of the Association being reasonably required to know of the occurrence. The grievance shall be presented in writing to the City Manager reciting the background, written or verbal orders, specific examples, circumstances, specific complaints and requested remedial action.

The City Manager shall cause an investigation to be made of the complaint and shall reply in writing to the Association stating the action taken. In the event of failure to resolve the cause of the dispute, the Association by a majority vote of its Board of Directors and by notifying any/all employees affected by this grievance, may then request a meeting with the City Manager. The City Manager shall hold a meeting for the discussion and attempted resolution of the matter. The meeting shall be held by the City Manager within 30 calendar days of his/her reply to the grievance.

Section 4 Procedure for Appeal

Any grievant presenting a grievance pursuant to the procedures hereinabove set forth, who is dissatisfied with the determination of the City Manager, may appeal such decision by filing a written letter of appeal with the City Council within 30 calendar days after the giving of notice by the City Manager. The City Council, upon receiving a timely appeal, shall instruct the City Manager to give the appealing party (or parties) written notice of the time and place of the hearing.

At the time of the hearing before the City Council, all interested parties shall be given reasonable opportunity to be heard upon the merits of the grievance and the positions taken with reference thereto. Upon conclusion of such hearing, the City Council shall review the testimony given and shall approve, disapprove or approve with modification, the decision rendered by the City Manager. The City Council's decision shall be final and conclusive in all cases.

The City Council may, at its sole discretion, refer the hearing to a designated advisory hearing officer to render an opinion and award, advisory to the City Council, in accordance with the procedures provided in section 7 of Article 23.

ARTICLE 26 CONTINUATION OF WAGES, HOURS AND WORKING CONDITIONS

The provisions of the Agreement shall not be revised to affect the employees covered by this Agreement adversely during the term of this Agreement.

Any policies, procedures, benefits or past practices that affect wages, hours and/or other terms and conditions of employment shall not be revised to affect the employees covered by this Agreement adversely during the term of this Agreement unless by mutual agreement of the parties. Employees shall read the Personnel Rules and Regulations of the City of Sierra Madre and sign acceptance thereof upon completion of employee orientation upon hiring.

ARTICLE 27 EMPLOYEE RIGHTS

Each individual employee shall have the following rights, which he/she may exercise in accordance with the City's Employer-Employee Relations Resolution and all applicable laws, ordinances, and the rules and regulations of this Agreement:

- The right to form, join and participate in the activities of employee organizations of his/her own choosing for the purpose of representation on matters of his/her employee relations with the City, or to refuse to join or participate in the activities of any employee organization.
- The right to pay dues to such employees' organization through regular payroll deduction.
- The right to be free from interference, intimidation, restraint, coercion, discrimination, or reprisal on the part of their Department Head for their membership or non-membership in any employee organization or with respect to any lawful activity associated therewith which is within the scope or representation.
- The right to represent himself/herself individually in his/her employee relationship with the City.

- The City shall maintain only one official employee personnel file and that file shall be in the custody of the Personnel Officer. That personnel file shall be the only official source or repository of documents pertaining to the employee's performance, past and present, leave requests, disciplinary records and commendations.
- The employee's personnel file shall contain all information relating to the employee from date and time of appointment. In no event shall any material be placed in the employee's official personnel file without his/her knowledge.

Whenever an employee desires to represent himself/herself in consulting with City management during his/her regular hours of work, he/she shall first request from his/her department head permission to take time to do so. Said request shall be granted unless the needs of the department are such that the employee's services cannot be spared during the particular time requested. In such case, the employee shall be permitted to reschedule his/her appointment with City management.

ARTICLE 28 ASSOCIATION RIGHTS

Section 1 Recognition

The City recognizes the right of the Association to govern its internal affairs.

Section 2 Association Dues

Upon the receipt of a written request and authorization from an employee for deduction of Association "dues," the City shall withhold such dues and deductions from the salary of the employee, and remit the withholdings to the Association in a timely manner. The City shall continue to withhold such deductions unless the employee files a written statement with the City withdrawing authorization for the continued withholding of the deductions.

Section 3 Association Bulletin Board

The Association shall have use of specific bulletin board space, clearly marked and identified as such, and said space shall be the only space which is authorized for the posting of Association business. Material placed on the bulletin board shall be at the discretion of the Association with the understanding that materials so posted shall be for legitimate communications with members. Said posting shall not be offensive to good taste, defamatory, or involve support or opposition to candidates for political office within the City government. The Personnel Officer shall have the right to remove any such materials upon prior notice to the Association representative. The Association shall be responsible for maintaining the space provided in an orderly condition and shall promptly remove outdated materials.

Section 4 Representation

The employee shall be allowed to designate a representative to assist the employee in:

- Preparing and presenting grievances.
- Preparing and processing material for disciplinary hearings.
- Preparing and presenting material for any legitimate employer-employee relations matter for which representation is granted pursuant to existing law.

Section 5 Release Time

Subject to the needs of the department and prior approval of the Personnel Officer, designated employee representatives shall be allowed reasonable release time from regularly scheduled duties to present grievances and material for disciplinary hearing on behalf of the affected employee, if said employee requests assistance, and to meet with City management representatives relative to matters of employer-employee relations.

ARTICLE 29 MANAGEMENT RIGHTS

The rights of the City include authority under state law, but are not limited to the exclusive right to determine the mission of its constituent departments, commissions and board; set standards and levels of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted; determine the content of job classifications; determine style and/or types of City-issued wearing apparel equipment or technology used, establish and enforce dress and grooming standards; assign work to and schedule employees in accordance with requirements as determined by the City and establish and change work schedules and assignments upon reasonable notice; and determine organization structure, size and composition of the work force; take all necessary actions to carry out its mission in emergencies; and exercise complete discretion over its organization and the technology of performing its work.

In exercising the above rights, the City shall comply with all applicable provisions of this Agreement.

In exercising the above rights, the City shall not in any way, directly or indirectly, be subject to the grievance procedure herein, provided the City has complied with all applicable provisions of this Agreement and all applicable State laws.

ARTICLE 30 AGREEMENT, MODIFICATION, WAIVER

No agreement, alteration, understanding, variation, waiver or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed in writing and affixed hereto by all parties and approved by City Council.

The waiver of any breach, term or condition of this memorandum by either party shall not constitute a precedent in the future enforcement of all of its terms and provisions.

ARTICLE 31 OBLIGATION TO SUPPORT

The parties agree that, subsequent to the execution of this Agreement and during the period of time said Agreement is pending before the City Council for action, neither the employee organization nor management, nor their authorized representatives, will appear before the City Council or meet individually or privately with said members of the City Council, to advocate any amendment, deletion or addition to the terms and conditions of this Agreement. It is further understood that this article shall not preclude the parties from appearing before the City Council to advocate or urge the adoption and approval of this Agreement in its entirety.

Furthermore, the parties may, by mutual agreement, appear before the City Council to request a modification to this Agreement.

ARTICLE 32 PROVISIONS OF LAW

This Agreement is subject to all future and current applicable federal or state laws and regulations.

If any part or provision of this Agreement is in conflict with such applicable provisions of federal or state laws or regulations, or is otherwise held to be invalid or unenforceable by any tribunal of competent jurisdiction, such part or provision shall be suspended and superseded by such applicable law or regulations, and the remainder of the Agreement shall not be affected, and the Employees' Association and/or the City shall have the right to meet and confer within 30 days concerning said section. This Agreement shall supersede all City rules or ordinances, which are in conflict with the Agreement.

If any City rule or ordinance is not in conflict with this Agreement, it shall supersede this Agreement.

Current Rules and Regulations of the City that do not deal with matters covered by this Agreement shall remain in full force and effect.

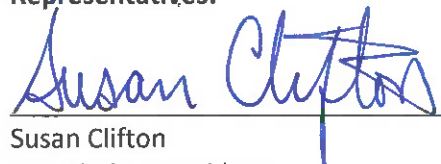
ARTICLE 33 RENEGOTIATION

The parties agree that negotiations for the successor Memorandum of Understanding for the fiscal year beginning July 1, 2027 shall begin by the mutual exchange of written proposals by March 2027 and shall continue until agreement is reached, or impasse is declared by either party.

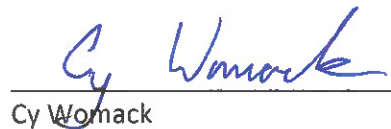
This Agreement shall remain in full force and effect until either a new Memorandum of Understanding is negotiated by the City and the Association and said Memorandum of Understanding has been approved and ratified by both the Association and the City Council, or a "last, best, final offer" has been imposed by the City Council pursuant to the Personnel Rules and Regulations and Government Code Section 3505.4.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed the day of July 6, 2026.

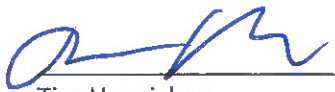
**Sierra Madre Employees Association
Representatives:**



Susan Clifton
Association President

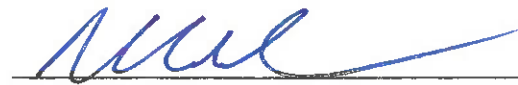


Cy Womack
Association Negotiating Team Member



Tim Hunsicker
Association Negotiating Team Member

**City of Sierra Madre Management
Representatives:**



Michael Bruckner
City Manager

RESOLUTION NO. 26-70

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE, CALIFORNIA, APPROVING THE CLASSIFICATION PLAN AND SALARY MATRIX FOR CLASSIFIED EMPLOYEES ASSOCIATION AND CONFIDENTIAL-EXEMPT EMPLOYEES, ADOPTING THE CLASSIFIED EMPLOYEES ASSOCIATION MOU, AND ADOPTING AMENDMENTS TO THE TERMS AND CONDITIONS OF EMPLOYMENT FOR THE EXECUTIVE MANAGEMENT AND CONFIDENTIAL-EXEMPT EMPLOYEES, AND APPROVING THE CITY MANAGER'S PERFORMANCE BONUS

RECITALS

WHEREAS, the City of Sierra Madre employs full-time employees who are members of the Sierra Madre Classified Employees Association, Confidential-Exempt, and Executive Management; and

WHEREAS, the City Council recognizes the Sierra Madre Classified Employee Association, under Section 2.48.040 of the City of Sierra Madre Municipal Code; and

WHEREAS, the City Council negotiated a memorandum of understanding (MOU) with all the Classified Employees Association for all covered employees a 4% cost of living adjustment for Fiscal Year 2026-27; and

WHEREAS, the City Council authorized a 4% cost of living adjustment for Fiscal Year 2026-27 for all unrepresented employees covered under the Confidential-Exempt classification; and

WHEREAS, the City Council has authorized modifying the Classification Plan and Salary Matrix for Classified Employees Association and Confidential-Exempt employees for Fiscal Year 2026-27 by approving a 4% cost of living adjustment to the Classified Employees Association and Confidential-Exempt employees; and

WHEREAS, the City Council has authorized modifying the Executive Management and Confidential-Exempt employees Terms and Conditions of Employment (TCE).

THEREFORE, THE CITY COUNCIL OF THE CITY OF SIERRA MADRE, CALIFORNIA, DOES RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals above are true and correct and incorporated herein by reference.

SECTION 2. The City Council hereby adopts the Memorandum of Understanding between the City of Sierra Madre and the Classified Employees Association.

SECTION 3. The City Council authorizes the amendments to the Terms and Conditions of Employment for the Executive Management and Confidential-Exempt employees.

SECTION 4. The City Council adopts the Classification Plan and Salary Matrix for Fiscal Year 2026-27 as presented in Attachment 2.

SECTION 5. The City Council approves a one-time performance bonus of \$10,000 pursuant to Section VI(c) of the City Manager Employment Agreement.

SECTION 6. The City Clerk shall certify to the adoption of this Resolution and shall cause the same to be processed in accordance with applicable law.

SECTION 7. CEQA. The proposed action does not constitute as a project under the California Environmental Quality Act ("CEQA"), based on Section 15061(b) (3) of the

CEQA Guidelines, as it can be determined with certainty that it will have no impact on the environment.

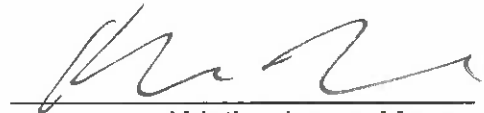
SECTION 8. Severability. If any sections, subsections, subdivisions, paragraph, sentence, clause or phrase of this Resolution or any part hereof or exhibit hereto is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Resolution or any part thereof or exhibit thereto. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that anyone or more sections, subsections, subdivisions, paragraph, sentences, clauses or phrases be declared invalid.

SECTION 9. Certification. Pursuant to Government Code Section 36932, the City Clerk shall certify the passage, approval, and adoption of this Resolution by the City Council.

SECTION 10. Effective Date. This Resolution shall take effect immediately upon adoption with the exception of the COLA for members of the Classified Employees Association and Confidential-Exempt employees.

SECTION 11. Effective Date. The 4% COLA for members of the Classified Employees Association and Confidential-Exempt employees shall take effect July 13, 2026.

PASSED, APPROVED, AND ADOPTED this 14th day of July, 2026.



Kristine Lowe, Mayor

I HEREBY CERTIFY the foregoing Resolution was duly passed, approved, and adopted by the City Council of the City of Sierra Madre, California, at a meeting held on the 14th day of July, 2026, by the following vote:

AYES: Mayor Kristine Lowe, Mayor Pro Tem Gene Goss, Council Members Kelly Kriebs and Robert Parkhurst

NOES: None.

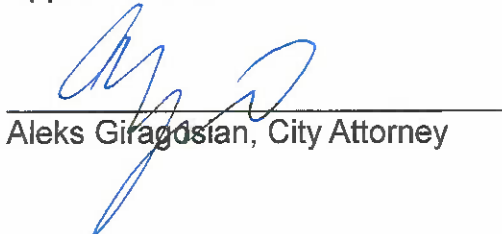
ABSENT: Council Member Edward Garcia

ABSTAINED: None.



Laura Aguilar, City Clerk

Approved as to form:



Aleks Giragosian, City Attorney

RESOLUTION NO. 26-74

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SIERRA MADRE ADOPTING THE FISCAL YEAR 2026-2027 BUDGET ADJUSTMENTS AND APPROPRIATING THE AMOUNTS PROJECTED AS PERTAIN TO THE CONCLUSION OF THE LABOR NEGOTIATION WITH THE CLASSIFIED EMPLOYEES ASSOCIATION (CEA) AND THE RECOMMENDED APPROVING OF A 4% COST-OF-LIVING ADJUSTMENT (COLA) TO BOTH THE CEA AND CONFIDENTIAL-EXEMPT (CE) EMPLOYEES

RECITALS

WHEREAS, the City Manager presented the City's 2026-2027 budget to the City Council for its consideration; and the City Council, in a public meeting on June 23, 2026, carefully considered and adopted the budget; and

WHEREAS, on July 14, 2026 the City Manager proposed FY 2026-2027 budget amendments pertaining to 4% COLA adjustments to the CEA and CE employees; and

WHEREAS, on July 14, 2026, additional appropriations for the City as described in the staff report are hereby adopted for the fiscal year commencing July 1, 2026 and concluding on June 30, 2027; and

WHEREAS, on July 14, 2026, the City Manager and Finance Director are hereby authorized to make transfers between budget line items

THEREFORE, THE CITY COUNCIL OF THE CITY OF SIERRA MADRE, CALIFORNIA, DOES RESOLVE AS FOLLOWS:

SECTION 1. Recitals. The Recitals above are true and correct and incorporated herein by reference.

SECTION 2. The City Council hereby approves the budget amendments pertaining to 4% cost of living adjustment for the Classified Employees Association and Confidential-Exempt employees.

SECTION 3. The City Council authorizes additional appropriations for special revenue funds; 37004 Transportation Prop A, 38004 Environmental, and 38005 Gas Tax.

SECTION 4. The City Clerk shall certify to the adoption of this Resolution and shall cause the same to be processed in accordance with applicable law.

SECTION 5. CEQA. The proposed action does not constitute as a project under the California Environmental Quality Act ("CEQA"), based on Section 15061(b) (3) of the CEQA Guidelines, as it can be determined with certainty that it will have no impact on the environment.

SECTION 6. Severability. If any sections, subsections, subdivisions, paragraph, sentence, clause or phrase of this Resolution or any part hereof or exhibit hereto is for any reason held to be invalid, such invalidity shall not affect the validity of the remaining portions of this Resolution or any part thereof or exhibit thereto. The City Council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause or phrase hereof, irrespective of the fact that anyone or more sections, subsections, subdivisions, paragraph, sentences, clauses or phrases be declared invalid.

SECTION 7. Certification. Pursuant to Government Code Section 36932, the City Clerk shall certify the passage, approval, and adoption of this Resolution by the City Council.

SECTION 8. Effective Date. This Resolution shall take effect immediately upon adoption.

PASSED, APPROVED, AND ADOPTED this 14th day of July, 2026.


Kristine Lowe, Mayor

I HEREBY CERTIFY the foregoing Resolution was duly passed, approved, and adopted by the City Council of the City of Sierra Madre, California, at a meeting held on the 14th day of July, 2026, by the following vote:

AYES: Mayor Kristine Lowe, Mayor Pro Tem Gene Goss, Council Members Kelly Kriebs and Robert Parkhurst

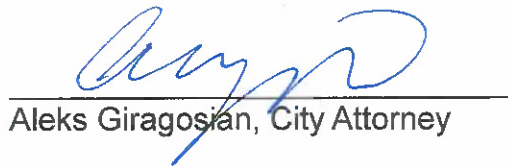
NOES: None.

ABSENT: Council Member Edward Garcia

ABSTAINED: None.


Laura Aguilar, City Clerk

Approved as to form:


Aleks Giragosian, City Attorney