

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**CITY OF FOLSOM FIRE DEPARTMENT  
MIDDLE MANAGEMENT EMPLOYEES  
(CFFDMME)**

**AND**

**CITY OF FOLSOM**

**April 1, 2011 to June 30, 2013**

**DUPLICATE ORIGINAL**  
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## **PREAMBLE**

On the date hereinafter subscribed, authorized representatives of the City of Folsom, herein called "City", and authorized representatives of the City of Folsom Fire Department Mid-Management Employees, herein called "CFFDMME", made and entered into this Memorandum of Understanding, hereinafter referred to as "Agreement" or "MOU." Pursuant to Section 3500 et seq. of the Government Code of the State of California, an agreement between the aforementioned parties has as its purpose the promotion of harmonious labor relations; establishment of an equitable and peaceful procedure for the resolution of differences; and the establishment of rates of pay, hours of work, and other terms and conditions of employment.

The term "agreement" as used herein means the written agreement provided under Section 3505.1 of the Government Code.

It is understood and agreed that this Memorandum of Understanding supersedes and replaces all previous such actions on these points by and between the City of Folsom and the CFFDMME.

## **ARTICLE I. RECOGNITION AND COVERAGE**

### **1. RECOGNITION**

The CFFDMME is recognized as the exclusive representative, as provided in the City's Employer-Employee Relations Policy, for all employees assigned to the Fire Mid-Management Bargaining Unit in the following classifications:

Battalion Chief  
Fire Division Chief  
Fire Marshal

In the event new classifications are established which are appropriate for this unit, the parties agree to meet and confer for the purpose of including such in the Fire Mid-Management Bargaining Unit.

### **2. CONTINUATION OF BENEFITS**

- A. This Memorandum of Understanding is intended both as the final expression of the agreement between the parties with respect to the included terms and as a complete and exclusive statement of the terms of this Memorandum of Understanding. No amendment,

alteration, understanding, variation, waiver or modification of any terms or provisions of this Memorandum of Understanding shall in any manner be binding upon the parties unless made and executed in writing between the parties hereto and approved and implemented by the City Council.

- B. Terms and conditions of employment as specified in this Memorandum of Understanding shall remain in full force and effect during the term of this Memorandum of Understanding unless modified pursuant to the above paragraph. Where ordinances, rules, and policies conflict with this Memorandum of Understanding, the Memorandum of Understanding shall prevail.

3. MEETING AND CONFERRING DURING THE TERM OF THE MOU

This Memorandum of Understanding shall be effective as of April 1, 2011 and shall expire June 30, 2013. Unless specifically agreed otherwise, this Memorandum of Understanding sets forth the full and entire understanding of the parties regarding the matters contained in this Memorandum of Understanding and supersedes and cancels all prior or existing understandings or agreements between the parties, whether formal or informal.

During the term of this Memorandum of Understanding, representatives of the City and CFFDMME may meet and confer on matters of mutual concern. Any agreement reached between the parties shall be memorialized in writing and be deemed a "Side Letter" to this Memorandum of Understanding.

The City Manager is authorized to enter into a Side Letter on behalf of the City for purposes of the interpretation or administration of this Memorandum of Understanding. A Side Letter to this Memorandum of Understanding shall not be deemed valid until signed by the City Manager or designee, approved as to form by the City Attorney, and signed by an authorized representative of CFFDMME. Side Letters agreed to during the term of this Memorandum of Understanding may be incorporated into any successor Memorandum of Understanding.

The parties agree to begin negotiations on a successor Memorandum of Understanding not later than 120 calendar days prior to the expiration of this Memorandum of Understanding.

4. SEVERANCE

Should any provision of this Agreement be found unlawful or unenforceable by a court of competent jurisdiction, or invalidated by

subsequent enacted legislation, the remainder of the Agreement shall continue in force. Upon occurrence of such an event, the parties shall meet and confer as soon as practical to renegotiate the invalidated provision(s).

Upon a change in the dental, vision, short term, long term, or life insurance plans provided in this Agreement, the parties agree to meet and confer over the impact of the change on employees in the Fire Mid-Management Bargaining Unit.

## **ARTICLE II. MANAGEMENT RIGHTS**

To ensure that the City is able to carry out its statutory functions and responsibilities, nothing contained in this article shall be construed to require the City to negotiate on matters which are solely a function of management, or not otherwise assigned as an employee right, including the following:

1. To manage the City generally and to determine issues of policy.
2. To determine the existence of facts which are the basis of management decisions.
3. To determine the necessity for and organization of any service or activity conducted by the City, and to expand or diminish services.
4. To determine the nature, manner, means, technology, and extent of services to be provided to the public.
5. To determine methods of financing.
6. To determine types of equipment or technology to be used.
7. To determine and/or change the facilities, methods, technology, means, organizational structure, and size and composition of the work force, and to allocate and assign the work which the City operations are to be conducted.
8. To determine and change the number of locations, relocations, and types of operations, processes, and materials to be used in carrying out all City functions, including, but not limited to, the right to contract for or sub-contract any work or operation of the City.
9. To assign work to and schedule employees in accordance with requirements as determined by the City, and to establish and change work

schedules and assignments upon reasonable notice and good faith meet and confer.

10. To lay off employees from duties because of lack of work or funds, or under conditions where continued work would be ineffective or non-productive.
11. To establish and modify productivity and performance programs and standards.
12. To dismiss, suspend without pay, demote, reprimand, without salary step increases, or otherwise discipline employees for cause.
13. To determine minimum qualifications, skills, abilities, knowledge, selection procedures and standards, and job classifications, and to reclassify employees.
14. To hire, transfer, promote and demote employees for nondisciplinary reasons.
15. To determine policies, procedures, and standards for selection, training and promotion of employees.
16. To establish reasonable employee performance standards, including, but not limited to, quality and quantity standards, and to require compliance therewith.
17. To maintain order and efficiency in City facilities and operations.
18. To establish, publish, and/or modify rules and regulations to maintain order and safety and health in the City. The City agrees to meet and confer on any items that fall within the scope of Government Code Section 3500 et, seq.
19. To restrict the activity of an employee organization on the municipal property and on municipal time except as set forth in the City's Personnel Rules and Regulations.
20. To take all necessary actions to carry out the mission of the City in emergencies.

### ARTICLE III. SALARY AND OTHER COMPENSATION

1. FIRE DEPARTMENT MANAGEMENT REORGANIZATION/CREATION OF FIRE DIVISION CHIEF CLASSIFICATION

- A. Effective April 1, 2011, the parties agree to create the new classification of Fire Division Chief.
- B. Employees in the class of Battalion Chief and Fire Marshal shall be granted status in the class of Fire Division Chief and shall be placed at the equivalent salary in the new salary range for the class of Fire Division Chief.
- C. At such time that the Fire Chief implements a reorganization of the management structure of the Fire Department, all employees in the class of Fire Division Chief shall advance one step. Example: An employee at Step B in the salary range for Fire Division Chief shall move to Step C. This advancement is made to reflect the deletion of other Fire Department management positions and the assumption of additional duties and responsibilities by employees in the class of Fire Division Chief.

2. ADDITIONAL SALARY STEP

Effective July 1, 2012, the parties agree to add an additional step (approximately 5%) to the top of the salary range for the class of Fire Division Chief. Employees shall continue to move through the salary range pursuant to City personnel rules.

3. TWELVE MONTH FREEZE ON SALARY STEP INCREASES

Effective April 1, 2011 and ending March 31, 2012, employee advancement through the salary range (Section 1.04.030 of City Personnel Rules) shall be frozen. Employees who would normally have advanced to a higher step during this period shall advance to the next higher step twelve (12) months from their anniversary date and shall not receive any retroactive payment nor shall the elapsed time period between April 1, 2011 and March 31, 2012 be counted for any future step advancement. This shall not affect the operation of the Article III, Section 1 above.



4. MARKET SURVEY

The City agrees to conduct a market survey of the class of Fire Division Chief or equivalent. The survey shall be concluded not later than March 1, 2013. The parties agree to meet and confer over survey results

- A. The purpose of the study is to determine the relationship of the total compensation for employees in the job classifications of Fire Division Chief or equivalent by the City of Folsom when compared to comparable job classifications in the following agencies: City of Sacramento, Sacramento Metropolitan Fire Protection District, City of Roseville, El Dorado Hills Fire District, and Cosumnes Community Services District.
- B. Compensation, for purposes of this study, shall constitute the following elements:
  - (1) Base salary (top step in the salary range)
  - (2) EMT pay
  - (3) Uniform Allowance
  - (4) Employer payment of employee retirement contribution (EPMC)
- C. Study results will identify the mean (average) and relative ranking of the base salary and total compensation, by fire classification, comparing the City of Folsom to those agencies identified in subsection a. above.
- D. The study will also identify, as a separate item, total leave accruals paid to fire classes in the City of Folsom against total leave accruals paid to comparable job classifications in those agencies identified in subsection a. above.

5. LONGEVITY PAY

- A. Subject to subsections B and C below, employees shall be eligible to receive longevity pay beginning with ten (10) or more years of City service. Longevity pay is contingent upon the fact that the eligible employee has received an overall satisfactory or above rating in his/her last annual performance evaluation. The longevity pay formula is based on 2 ½% increments and is as follows:

- 2 ½% after ten (10) continuous years of city service
- TO 5% after fifteen (15) continuous years of city service
- TO 7 ½% after twenty (20) continuous years of city service

- B. Notwithstanding subsection A above, for the period beginning April 1, 2011 and ending March 31, 2012, employee advancement from one Longevity Pay increment to the next increment shall be frozen. Employees who would normally have advanced to a higher increment during this period shall advance to the next higher increment twelve (12) months from their anniversary date and shall not receive any retroactive payment nor shall the elapsed time period between April 1, 2011 and March 31, 2012 be counted for any future advancement.
- C. Employees hired after July 1, 2010 shall not be eligible to receive Longevity Pay.

6. DEFERRED COMPENSATION

For employees participating in the City's deferred compensation program, the City agrees to make the following matching contributions in accordance with the following schedule:

<u>Length of Service</u>	<u>Maximum City Matching Contribution</u>
0 -10 years	\$225.00 per month
10 -15 years	\$250.00 per month
15 -20 years	\$275.00 per month
20+ years	\$325.00 per month

7. EDUCATION INCENTIVE PAY

- A. Employees subject to this Agreement shall be eligible for the following monthly educational incentive pay in addition to the regular base pay:

Employees who possess an Associate of Arts/Science Degree from an accredited college or university or State Fire Marshal Fire Officer Certification shall receive a 5% increase in their base salary.

**OR**

Employees who possess a Bachelor of Arts/Science Degree in Fire Technology/Science, Public administration, Business Administration or Public Safety from an accredited college or university or State Fire Marshal Chief Fire Officer Certification shall receive a 10% increase in their base salary.

**AND**

Employees hired prior to July 1, 2010 who possess a Master of Arts or Science Degree in Fire Technology/Science, Public Administration, Business Administration or Public Safety from an accredited college or university shall receive a 5% increase in their base salary. Employees hired on or after July 1, 2010 shall not qualify for an additional 5% for a Masters of Arts/Masters of Science degree.

- B. Notwithstanding subsection A above, for the period beginning April 1, 2011 and ending March 31, 2012, employee advancement from one Education Incentive Pay level to the next EIP level shall be frozen. Employees who would normally have advanced to a higher EIP level during this period shall advance to the next higher level twelve (12) months from the date they would have otherwise qualified and shall not receive any retroactive payment.
- C. Education Incentive Pay shall be received by the employee upon submitting substantial proof of eligibility acceptable to the department, and shall not be applied retroactively.
- D. Employees who were receiving Education Incentive Pay as of December 31, 2005 will continue to receive the incentive based on the above language.

8. VEHICLE ASSIGNMENT

At the discretion of the Fire Chief, employees may be provided a department vehicle for transportation to and from job-related activities. :

9. CELLULAR TELEPHONE ASSIGNMENT

At the discretion of the Fire Chief, employees may be assigned a cellular telephone for communications accessibility.

10. RETIREMENT

A. Public Employees Retirement System (PERS) -- Formula

- 1. All safety employees hired prior to June 30, 2010 shall receive the retirement benefit of 3% @ 50. All safety employees hired on or after July 1, 2010 shall receive the retirement benefit of 2%@50.
- 2. All employees hired prior to June 30, 2010 shall receive the retirement benefit based on the single highest twelve (12) months of compensation. All employees hired on or after

July 1, 2010 shall receive the retirement benefit based on the employee's highest average monthly compensation during thirty-six (36) consecutive months of employment as provided in state law pertaining to PERS.

3. Should another employee organization representing a City bargaining unit agree to a retirement benefit formula for safety employees that is different than the benefit formulas in Article III, Section 8, subsections A1, or A2, CFFDMME shall be given the option to amend the appropriate retirement benefit formula contained herein to match the retirement benefit formula agreed to with the other employee organization. Any change shall be applied prospectively.

B. Public Employees Retirement System (PERS) -- Contributions

1. The City agrees to pay the full cost of employer contributions to the Public Employees' Retirement System (PERS) for all employees in the CFFDMME bargaining unit, as currently contracted with PERS. Employees shall pay the employee share of retirement according to the following implementation schedule:
  - a. Effective April 1, 2011, safety employees shall pay 5% of the employee share of retirement.
  - b. Effective July 1, 2011, safety employees shall pay 7% of the employee share of retirement.
  - c. Effective July 1, 2012, safety employees shall pay 9% of the employee share of retirement.
2. Should another employee organization representing a City bargaining unit agree to an employee retirement contribution schedule for safety employees that is less than the employee retirement contribution schedule in Article III, Section 8, subsection B1, paragraphs a, b, and c above, CFFDMME shall be given the option to amend the employee contribution amounts contained herein to match the employee retirement contribution amounts agreed to with the other employee organization. Any change shall be applied prospectively.
3. The City agrees to continue Government Code Section 20691, Conversion of Employer Paid Member Contributions (EPMC).

11. PRE-RETIREMENT OPTIONAL SETTLEMENT 2 DEATH BENEFIT (SURVIVORS)

The City agrees to modify the City's contract with the Public Employees' Retirement System (PERS) to add Government Code Section 21548, Pre-Retirement Optional Settlement 2 Death Benefit.

12. EMT 1A CERTIFICATION

The parties agree that EMT 1A certification shall be optional. Employees who possess a valid Emergency Medical technician 1 (EMT 1) Certificate shall receive a \$250.00 per month increase in their base salary.

**ARTICLE IV. OVERTIME**

1. OVERTIME COMPUTATION

- A. Employees assigned to a 56-hour workweek shall be compensated at the rate of time and one-half of the total hourly compensation rate for all hours worked in emergency response that are not part of the employee's normally assigned work schedule.
- B. Employees assigned to a 40 hour work week and assigned to work overtime in a 56-hour shift position shall be compensated at one and one-half times the employee's straight time hourly rate of pay based on a 56 hour work week (2912 hours worked per year rather than 2080 hours).
- C. Employees assigned to work a special event for which the City is reimbursed for the cost of City fire personnel shall be compensated at one and one-half times the employee's straight time hourly rate of pay based on either a 40 hour or 56 hour work schedule, depending on the employee's normal assigned work week.
- D. For purposes of this section, total hourly compensation shall include base salary, and any education incentive pay, longevity pay, paramedic pay, EMT pay and 40-hour work schedule salary differential received by an employee.

**ARTICLE V. HOURS OF WORK**

1. **SHIFTS**

- A. Employees shall work either a 56-hour workweek or a 40-hour workweek. There shall be a twelve (12) day work cycle.
- B. Employees assigned to a 40-hour workweek may work a flexible schedule upon approval of the Fire Chief. Telecommuting may be considered as part of this flexible schedule for assignments that may be applicable.

**ARTICLE VI. LEAVES**

1. **ANNUAL LEAVE**

- A. Vacation and sick leave accrual will be combined and earned as annual leave. Employees who have accumulated sick leave hours shall retain such hours and may use such sick leave credits pursuant to City Personnel Rules.
- B. Employees shall receive the following Annual Leave credits. This is inclusive of 13 holidays for suppression personnel.

Non-shift personnel (40 hour work week):

<u>Length of Service Allowance</u>	<u>Annual Leave</u>
0 - 5 years	16 hours per month
5 - 10 years	19 hours per month
10 - 15 years	22 hours per month
15+ years	25 hours per month

Shift personnel (56 hour work week):

<u>Length of Service Allowance</u>	<u>Annual Leave</u>
0 - 5 years	36 hours per month
5 - 10 years	41 hours per month
10 - 15 years	45 hours per month
15+ years	48 hours per month

- C. Employees may accumulate the unused portion of any earned annual leave credits, provided that on December 31 of each calendar year non-shift employees shall not have accumulated more than 715 hours of annual leave, and shift employees shall not have accumulated more than 1001 hours of annual leave.
  - (1) To avoid exceeding the maximum of 715/1001 hours of accumulated annual leave, the City may direct an employee to take time off on annual leave. However, in the event the City does not approve annual leave for an employee in an amount sufficient to reduce accumulated annual leave to 715/1001 hours by December 31, the number of hours that exceed 715/1001 hours shall be cashed-out on an hour-for-hour basis at the employee's regular hourly rate of pay.
- D. Employees may cash out accrued annual leave on an hour-for-hour, straight time basis (based on a 56 hour work schedule or a 40 hour work schedule) for their permanent job classification. Employees may cash out accrued annual leave twice annually, in December and June. To cash out in June, employees must have used at least 48 hours of accrued furlough time, annual leave, sick Leave, and /or HIL between January 1 and June 30. To cash out in December, employees must have used at least 96 hours of accrued furlough time, annual leave, sick leave, and/or HIL between January 1 and December 31. In no event shall the cash out of annual leave result in an annual leave balance of less than 240 (inclusive of Holiday-in-lieu time) hours. Annual leave shall be cashed out pursuant to procedures established by the City Human Resources Department.

## 2. MANAGEMENT LEAVE

Employees shall receive management leave at a rate of 80 hours annually based on a fiscal calendar. Such leave shall be posted to affected employees on July 1<sup>st</sup> each year. Employees promoted with less than 12 months service in a CFFDMME shall accrue management leave on a prorated basis.

## 3. LEAVE CONVERSION RATES

The City and CFFDMME agree to the following terms related to the conversion of leave hours by employees when they are placed in temporary and permanent assignments within the department.

- A. Conversion from 56 Hour to 40 Hour Work Week Assignments. Employees temporarily or permanently assigned to staff positions

on a 40 hour work week schedule shall have all leave usage banks converted using a division factor of 1.4 for each hour available in the leave bank. As an example, a 56-hour employee with 100 hours of annual leave would see their annual leave bank adjusted to 71.43 hours when the employee is assigned to a 40 hour work assignment.

- B. Conversion from 40 Hour to 56 Hour Work Week Assignments. Employees temporarily or permanently assigned to line positions on a 56 hour work week schedule shall have all leave usage banks converted using a multiplier factor of 1.4 for each hour available in the leave bank. As an example, a 40-hour employee with 71.43 hours of annual leave would see their annual leave bank adjusted to 100 hours when the employee is assigned to a 56 hour work assignment.
- C. Leave usage rates shall be applied at the hourly rate used by the employee during the temporary or permanent assignment.
- D. Leave conversion rates shall be applied to all leave accrual banks provided to the employee by the City.

4. SICK LEAVE

Sick Leave accumulated in excess 350 hours shall be compensated as follows:

- A. 25% pay upon resignation or layoff
- B. 50% pay upon retirement
- C. No pay for dismissal for cause

5. HOLIDAY PAY

Effective April 1, 2011, employees shall cease accruing Holiday Leave time; instead, employees shall receive a 6% Holiday Pay differential. Holiday Pay shall be multiplied by the employee's salary step. Employees with accrued Holiday Leave credits on the books may take such time off in the same manner as Annual Leave. Holiday Pay shall be compensable for retirement (PERS) purposes.

6. VACATION SCHEDULING

The City and CFFDMME agree to establish a vacation scheduling procedure as noted below:



- A. No more than two (2) employees shall be granted leave for vacation purposes at the same time; provided, however, that on holidays the Fire Chief may authorize more than two employees.
- B. Employees shall not be granted leave for vacation purposes for more than forty-five (45) consecutive calendar days. Employees must return to duty for at least fourteen (14) calendar days before being eligible to take additional leave for vacation purposes.
- C. Employees will not be contacted during vacation periods to work overtime during their vacation and will not be force hired to maintain normal day-to-day minimum staffing during their scheduled vacation period. Employees may be subject to vacation cancellation and recall pursuant to City Personnel Rules and Regulations.

7. BEREAVEMENT LEAVE

Classified permanent or promotional probationary employees may be granted a maximum of ninety-six (96) hours or four (4) shifts from accrued leave time for each instance to deal with matters related to the funeral, death, or critical illness (where death appears imminent) of any member of the employee's immediate family, including aunt, uncle, brother-in-law, sister-in-law, daughter-in-law and son-in-law.

Annual Leave usage for Bereavement Leave shall be taken by the employee in twelve hour or greater increments.

8. EMPLOYEE FURLOUGH

Employee furloughs shall terminate effective April 1, 2011. For those employees with accrued Furlough Leave on the books, the use of Furlough Leave shall be treated the same as Annual Leave, except that accrued Furlough Leave shall have no cash value.

9. PERSONAL LEAVE TIME

A. Effective April 1, 2011, each employee in the CFFDMME bargaining unit shall accrue a one-time bank of 40 hours of Personal Leave Time (PLT). PLT may be used by employees for time off on an hour for hour basis until the employee has exhausted the bank. Use of PLT time shall be subject to the following:

- 1. Use of PLT shall be subject to the operating needs of the Fire department.

2. Use of PLT shall not cause the Fire department to backfill behind an employee using PLT.
3. PLT shall have no cash value and may not be cashed out. If an employee terminates employment with the City or retires, any PLT remaining in the bank shall be surrendered with no value to the employee.

## ARTICLE VII. INSURANCE

The City's obligation for health, dental, vision, life and disability insurance coverage is limited to plan contribution. Plan content, including eligibility criteria, is determined by the respective carriers.

### 1. HEALTH INSURANCE

- A. Effective April 1, 2011, as demonstrated in the example below, employees shall be included in the same health plan design as the majority of City employees, including copayments. The City's maximum monthly contribution for active employee health insurance coverage shall be adjusted annually to an amount equal to 50% of the increase, if any, above the prior year's Kaiser monthly premium rate combined with the City's prior year contribution amount for employee only, employee plus 1, and employee plus 2 or more (rounded to the next whole number). The employee is responsible for the difference between the applicable premium and the City's contribution.

Example:

Employee only category: The 2010 monthly premium for Kaiser employee only is \$507.89 and the City's maximum monthly contribution is \$486.00. If this premium increases by 10% for 2011, or to \$558.68, the City's contribution for 2011 for the employee only category would be computed as follows:  $\$558.68 - \$507.89 = \$50.79$ ,  $\$50.79 \times 50\% = \$23.40$ ,  $\$486.00 + \$23.40 = \$509.40$ . After rounding to the next whole number, the City's maximum contribution for health insurance for the employee only category would be \$509 per month. If the premium increases by 10% for 2012, or to \$614.55, the City's contribution for 2012 for the employee only category would be computed as follows:  $\$614.55 - \$558.68 = \$55.87$ ,  $\$55.87 \times 50\% = \$27.93$ ,  $\$509.00 + \$27.93 = \$536.93$ . After rounding to the next whole number, the City's maximum contribution for health insurance for the employee only category would be \$537 per month.

Employee plus 1 category: The 2010 monthly premium for Kaiser employee plus 1 is \$1,015.78 and the City's maximum monthly contribution is \$972.00. If this premium increases by 10% for 2011, or to \$1,117.36, the City's contribution for 2011 for the employee plus 1 category would be computed as follows:  $\$1,117.36 - \$1,015.78 = \$101.58$ ,  $\$101.58 \times 50\% = \$50.79$ ,  $\$972.00 + \$50.79 = \$1,022.79$ . After rounding to the next whole number, the City's maximum contribution for health insurance for the employee plus 1 category would be \$1,023 per month. If the premium increases by 10% for 2012, or to \$1,229.10, the City's contribution for 2012 for the employee plus 1 category would be computed as follows:  $\$1,229.10 - \$1,117.36 = \$111.74$ ,  $\$111.74 \times 50\% = \$55.87$ ,  $\$1,023.00 + \$55.87 = \$1,078.87$ . After rounding to the next whole number, the City's maximum contribution for health insurance for the employee plus 1 category would be \$1,079 per month.

Employee plus 2 or more category: The 2010 monthly premium for Kaiser employee plus 2 or more is \$1,320.52 and the City's maximum monthly contribution is \$1,263.00. If this premium increases by 10% for 2011, or to \$1,452.57, the City's contribution for 2011 for the employee plus 2 or more category would be computed as follows:  $\$1,452.57 - \$1,320.00 = \$132.57$ ,  $\$132.57 \times 50\% = \$66.29$ ,  $\$1,263 + \$66.29 = \$1,329.29$ . After rounding to the next whole number, the City's maximum contribution for health insurance for the employee plus 2 or more category would be \$1,329 per month. If the premium increases by 10% for 2012, or to \$1,597.83, the City's contribution for 2012 for the employee plus 2 or more category would be computed as follows:  $\$1,597.83 - \$1,452.57 = \$145.26$ ,  $\$145.26 \times 50\% = \$72.63$ ,  $\$1,329 + \$72.63 = \$1,401.63$ . After rounding to the next whole number, the City's maximum contribution for health insurance for the employee plus 2 or more category would be \$1,402 per month.

- B. Employees who select a health plan with higher monthly premiums than the maximum monthly premium paid by the City (Section A above) shall pay the difference through payroll deduction. Should employees select a health plan with lower monthly premiums than the maximum monthly premium paid the City, the City's contribution shall be limited to the cost of the monthly premium.
- C. Notwithstanding Section 1, Item A, the City's maximum monthly contribution for active employee health insurance coverage shall not be reduced more than eighty percent (80%) of the Kaiser premium cost for the employee only category, employee plus 1 category, or employee plus 2 or more category.

- D. The City will maintain an IRS 125 Medical Reimbursement Account. Employees may participate in the account pursuant to administrative procedures established by the City.
- E. Employees hired after October 1, 2000 and who retire from City service must have at least 60 months of continuous service as a City employee to qualify for dental and vision benefits.

2. DENTAL INSURANCE

Dental insurance will be provided by Delta Dental Services, Inc. The City will contribute 100% of the monthly premium for an employee, employee and dependent or an employee plus family as set forth in the plan document. The Delta Dental Preferred Provider Program shall provide coverage maximum of \$1,750 per year for employees/dependents who patronize Preferred Provider Program participating dentists. Employees/dependents that choose non-participating dentists shall have a coverage maximum of \$1,500 per year.

3. VISION CARE

Vision insurance will be provided by Vision Services Plan (VSP). The City will contribute 100% of the monthly premium for an employee, employee and dependent or an employee plus family as set forth in the plan document.

The following elements shall provide the basis of VSP coverage:

- A. One eye exam every 12 months;
- B. One set of lenses every 12 months;
- C. \$100 allowance/whole sale basis for frames; and
- D. A co-pay of \$5.00 per visit.

4. LIFE INSURANCE

The City agrees to provide \$60,000 life insurance coverage and \$60,000 accidental death and dismemberment coverage for employees covered by this MOU.

Eligible dependents shall receive \$1,000 life insurance coverage.

5. SHORT TERM DISABILITY PROGRAM

The City agrees to continue the current Short-Term Disability Program, for employees covered by this MOU.

The City agrees to provide a Short Term Disability Insurance Program, with the City paying 100% of the premium rate for the weekly indemnity insurance program (short-term disability) of 60% of salary for up to 26 weeks. The waiting period for initiation of benefits shall be 12 calendar days.

6. LONG TERM DISABILITY PROGRAM

The City agrees to provide a long-term disability program for employee coverage shall provide for a maximum benefit of 60% of salary, up to age 65. This program is for non-job-related injuries or illness.

7. RETIREE HEALTH INSURANCE

A. Effective May 8, 2007, employees who retire<sup>1</sup> from City service may participate in the health insurance plans made available by the City for active employees. The amount of the City's monthly contribution shall be determined as set forth below. Any costs that exceed the maximum paid by the City towards retiree health insurance costs shall be borne by the retiree.

1. Employees who retire with less than 5 years of service<sup>2</sup> shall not be eligible to receive any City contribution toward the cost of retiree health insurance.
2. Employees who retire with more than 5 years of service shall qualify for a monthly City retiree health insurance contribution.
  - a. Subject to the maximum set forth in Item 3 below, the City retiree health insurance contribution shall be as follows:
  - b. Retiree only – an amount equal the City's contribution towards active employee health insurance for the category of "employee only."
  - c. Retiree and one dependent – an amount equal to the City's contribution towards active employee health insurance for the category of "employee plus one."

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<sup>1</sup> "Existing employees" are exclusively permanent and/or probationary employees of the City of Folsom on the date this Addendum is approved by the Folsom City Council. "Retire" or "retiree" is defined as any classified City employee who (1) applies for retirement with the Public Employees' Retirement System (PERS) within ninety (90) days after terminating employment with the City; and (2) receives a PERS retirement benefit.

<sup>2</sup> "Service" is defined as full time (or equivalent) continuous permanent and/or probationary employment status with the City of Folsom.

- d. Retiree and two or more dependents – an amount equal to the City’s contribution towards active employee health insurance for the category of “employee plus two or more” until the retiree reaches age 55. Thereafter, the City’s contribution towards a retiree with two or more dependents shall be an amount equal to the City’s contribution towards active employee health insurance for the category of “employee plus one” plus \$100.
3. The City’s monthly contribution toward the cost of retiree health insurance shall not exceed the maximum monthly contribution paid by the City to active employee health insurance for the categories of employee only (for retiree only), employee plus one (for retiree plus one dependent), and employee plus one plus \$100 (for retiree plus two or more dependents), as of January 1, 2012.
    - a. The January 1, 2012 cap for each category shall be adjusted each January thereafter by an amount not to exceed 3%, depending on the percent increase in the Consumer Price Index (CPI), U.S. Department of Labor, for November - November of the previous year, Index CPI-W, Urban Wage Earners and Clerical Workers, Series #CWUR0400SA0, United States. (Example, if the cost of living for the specified period increases by 2%, the cap shall be increased by 2%. If the cost of living for the specified period increases by 4%, the cap shall be increased by 3% (cost of living increases in the cap shall be rounded to the nearest tenth.)
- B. Pursuant to applicable law, as soon as administratively possible the City shall establish a tax exempt Voluntary Employee Benefit Association (VEBA) or Retiree Health Savings Account (RHSA) for all employees in the Fire Bargaining Unit. The purpose of the VEBA/RHSA is to provide a mechanism whereby employees may voluntarily contribute toward future costs of retiree health insurance premiums and related expenses. The principles governing VEBA/RHSA shall be established by the City Human Resources Department.
    1. The City shall contribute \$25 per pay period into the VEBA/RHSA for each probationary/permanent employee hired after the effective date of this MOU.
- C. Retiree Health Benefits Reopener
    1. The City agrees to conduct a bi-annual actuarial study of the cost of health benefit programs for employees who retire from City employment.

2. A copy of the completed actuarial study shall be sent to each employee organization that represents City employees. Upon request of either the City or CFFDMME, the parties agree to reopen the MOU and meet and confer in good faith on MOU provisions covering health, dental, and/or vision insurance programs for active employees and/or active employees who retiree from City employment.

3. If the City and an employee organization other than CFFDMME reopen that employee organization's MOU on the MOU provisions referenced in Item 2 above, the City will immediately notify CFFDMME and offer to meet and confer.

D. Employees who retire from City service must have at least 60 months of continuous service as a City employee to qualify for dental and vision insurance benefits provided to active employees.

8. PERS RETIREMENT -- ALTERNATE DEATH BENEFIT

During the term of this Agreement, CFFDMME may elect to request the City to amend its contract with the California Public Employees Retirement System to add the Alternate Death Benefit for Local Fire Members credited with 20 or more years of service (Government Code Section 21547.7). CFFDMME agrees that all costs associated with this PERS contract amendment shall be borne by employees in the CFFDMME Bargaining Unit. To this end, the City will deduct a flat amount per paycheck from each employee in CFFDMME Bargaining Unit sufficient to fund the cost of this PERS contract amendment.

ARTICLE VIII. ALLOWANCES AND REIMBURSEMENTS

1. UNIFORM ALLOWANCE

A. The City agrees to pay employees the sum of nine hundred seventy five (\$975) per year for the purchase of approved on duty uniforms and attire. All uniforms purchased shall comply with the most current regulations and specifications as identified in Standard Operating Procedures (SOP).

B. The City agrees to continue providing employees covered by this MOU the current uniform laundering services, with costs being assumed by the City.

2. TUITION/BOOKS REIMBURSEMENT

Employees who attend job related classes/training programs that are approved by the department shall be entitled to reimbursement of costs for books, tuition, and lodging (pursuant to the City's lodging reimbursement schedule) up to eight hundred dollars (\$800.00) per fiscal year. The Fire Chief may authorize additional employee reimbursement costs above this limit, when requested by the employee, should said request not exceed the budgeted amount of the department for this program.

Approval shall be given by the department Training Division prior to the beginning of the class/training program. The City shall implement a procedure that allows for payment of an authorized class up front when requested by the employee.

An employee may repeat a job-related course to maintain or upgrade his/her knowledge, skills and abilities.

Attendance in job related classes/training programs will be non-mandatory and will not include overtime payment or reimbursement for costs of transportation, meals, or other incidental expenditures, unless otherwise specified prior to the course and approved by the department.

Employees who fail to attend or satisfactorily complete a job related class/training program shall reimburse the department for all costs incurred by the City. The City shall deduct the total amount of monies spent by the department from the employee's paycheck over the next four (4) pay periods.

3. SCBA OPTICS REIMBURSEMENT

Optical wear (lenses) suitable for insertion into SCBA mask are reimbursable by the City. Employees should use the claim reimbursement form and submit it within thirty (30) days using the chain of command.

**ARTICLE IX. MISCELLANEOUS**

1. JOB CLASSIFICATIONS

- A. The City recognizes that CFFDMME has a vital interest in the content of fire job specifications, including minimum qualifications and promotional patterns, for classifications represented by CFFDMME.



