

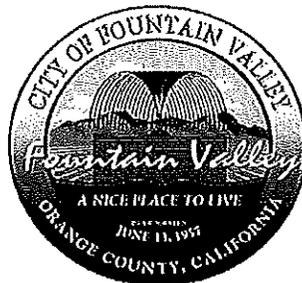
# **MEMORANDUM OF UNDERSTANDING**

**2024 – 2027**

**CITY OF FOUNTAIN VALLEY**

**AND**

**FOUNTAIN VALLEY GENERAL  
EMPLOYEES' ASSOCIATION**



This Memorandum of Understanding sets forth the terms of agreement reached between the City of Fountain Valley and the Fountain Valley General Employees' Association as the Exclusively Recognized Employee Organization for the General Unit for July 1, 2024, through June 30, 2027. Unless otherwise indicated herein, all provisions shall become effective the beginning of the pay period following City Council approval of the MOU.

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**MEMORANDUM OF UNDERSTANDING  
BETWEEN REPRESENTATIVES OF THE CITY MANAGER  
OF THE CITY OF FOUNTAIN VALLEY  
AND  
THE FOUNTAIN VALLEY GENERAL EMPLOYEES' ASSOCIATION  
(2024-2027)**

**PREAMBLE**

Representatives of the City Manager of the City of Fountain Valley and representatives of the Fountain Valley General Employees' Association (hereinafter referred to as FVGEA) have met on a number of occasions and have conferred in good faith, exchanging a number of proposals concerning wages, hours, fringe benefits, and other terms and conditions of employment for the General, non-management employees of the City.

The representatives of the City Manager and FVGEA have reached an understanding as to certain recommendations to be made to the City Council of the City of Fountain Valley and have agreed that the parties hereto will jointly urge the City Council to adopt one or more resolutions which will provide for the changes in wages, hours, fringe benefits, and other terms and conditions of employment contained herein.

Having met and conferred in good faith, representatives of the City Manager of the City of Fountain Valley and representatives of FVGEA agree as follows:

**ARTICLE 1 - RECOGNITION**

**Section 1.01 - Recognition.** Pursuant to Government Code Section 3500 et seq. and Resolution No. 9425 of the City Council of the City of Fountain Valley (Employer-Employee Relations Resolution), the City has recognized the FVGEA as the exclusive representative of all General, non-management employees (hereinafter referred to as General employees), excluding Field Services employees, of the City of Fountain Valley for purposes of representation on wages, hours, fringe benefits, and other terms and conditions of employment. As the representative of General, non-management employees, FVGEA is empowered to act on behalf of said employees, whether or not they are individually members of FVGEA.

**Section 1.02 - Representation.** This Memorandum of Understanding shall act as a bar to the raising of any question concerning such representation during the term of this MOU, except that a question of representation may be raised during the period, between 60 days and 90 days prior to the expiration of this Memorandum of Understanding.

**ARTICLE 2 – REPRESENTED CLASSIFICATIONS**

The following classifications are represented by the FVGEA:

<b>Classification</b>	<b>Classification</b>
Accountant	Information Technology Technician
Accounting Technician I	Lead Code Enforcement Officer

Accounting Technician I/Storekeeper	Lead Dispatcher
Accounting Technician II	Lead Information Technology Technician
Administrative Assistant	Lead Public Works Inspector
Administrative Specialist	Lead Records Clerk
Assistant Engineer	Management Aide
Assistant Planner	Permit Technician
Building Inspector	Plan Check Engineer
Code Enforcement Officer	Public Works Inspector
Community Services Officer	Records Clerk I
Dispatcher	Records Clerk II
Engineering Technician I	Recreation Coordinator
Engineering Technician II	Secretary
Engineering Technician III	Sr. Accounting Technician
Fire Prevention Analyst	Supervising Records Clerk
Fire Prevention Specialist	
Housing Analyst	
Housing Technician	
Human Resources Technician	
Identification Technician	

**ARTICLE 3 – JOB SHARE EMPLOYEES**

Where a permanent, full-time position is filled by two General employees on a job share basis, the General employees shall be compensated in accordance with the provisions of the salary resolution governing their classification, with the exception that salary and benefits shall be pro-rated on the basis of number of hours that the General employee is regularly scheduled to work. Such pro-ration shall be expressed as a percentage, with 100% representing 40 hours per week.

Job share employees may have the option to receive compensatory time at straight time or straight time wages for hours worked in excess of their regular schedule but less than 40 hours in a seven-day period. The provisions of the Fair Labor Standards Act (FLSA) would become applicable for any hours worked in excess of 40 hours in a seven-day period.

**ARTICLE 4 - WORK SCHEDULE**

**Section 4.01 – Work Week.** The official work week for General employees of the City shall be as follows:

- A. The work week shall consist of forty (40) hours worked within a seven-day period, beginning on the first day of each payroll period or as noted below for employees on a flexible work schedule.

- B. The City agrees to give employees seven (7) calendar days advance notice of a shift change whenever practicable.
- C. The City shall discuss with FVGEA any proposed changes in existing scheduled hours of work before such changes are put into effect. Whenever practicable, the City shall provide written notification of such proposed changes to FVGEA at least fourteen (14) calendar days before such changes are put into effect.

**Section 4.02 – City Hall Flexible Work Schedules.**

- A. 9/80 Flexible Work Schedule: The work week shall consist of forty (40) hours worked within a seven (7) day period, beginning at 11:00 a.m. on a Friday and end at 10:59 a.m. on the second Friday.

The work schedule is:

Work Days	Work Hours
Week 1 of the payroll period: Monday through Thursday	7 a.m. to 5 p.m.
Week 1 of the payroll period: Friday	8-hour flex day off
Week 2 of the payroll period: Monday through Thursday	7 a.m. to 5 p.m.
Week 2 of the payroll period: Friday	7 a.m. to 4 p.m.

The seven-day work period will begin at 11:00 a.m. on Friday and end at 10:59 a.m. the following Friday.

- B. 4/10 Flexible Work Schedule: The work week shall consist of forty (40) hours worked within a seven (7) day period. The work schedule for GEA employees at City Hall is: Monday through Thursday.

Work Period. The seven (7) day work week period will begin at midnight on Saturday and end at 11:59 p.m. the following Friday.

**Section 4.03 – Police Department and Non-City Hall 9/80 Flexible Work Schedule.** The official work week for the Police employees on the 9/80 flexible work schedule shall be as follows:

- A. Effective July 18, 1989, the flexible work schedule for City Hall employees was instituted.
- B. The work week shall consist of forty (40) hours worked within a seven-day period, beginning at noon on a Friday and ending at noon on the second Friday or beginning at noon on a Monday and ending at noon on the second Monday, depending upon the schedule.
- C. The work schedule shall consist of four (4), nine (9) hour work days plus one (1) eight (8) hour day off in one (1) week and four (4), nine (9) hour work days and one (1), eight (8) hour day in the next week.

For example:

Week 1: The employee works Monday through Thursday nine (9) hours and eight (8) hours on Friday.

Week 2: The employee works Monday through Thursday nine (9) hours and receives one (1), eight (8) hour day off on Friday.

For example:

	Monday	Tuesday	Wednesday	Thursday	Friday
Week 1	9 hours	9 hours	9 hours	9 hours	4 hours (before noon) Applies to week 1
					4 hours (after noon) Applies to week 2
Week 2	9 hours	9 hours	9 hours	9 hours	8-hour day off

**Section 4.04 – Police Department and Non-City Hall 4/10 Flexible Work Schedule.** The official work week for Police Department and Non-City Hall employees on the 4/10 flexible work schedule shall be as follows:

- A. The work week shall consist of forty (40) hours worked in a seven-day period beginning at 12:01 a.m. on the first day of the payroll period (Saturday) and ending at midnight seven days thereafter.
- B. The work schedule shall consist of four (4), ten (10) hour work days (hereinafter referred to as a 4/10 schedule) in a seven (7) day period.
- C. General employees on a 4/10 schedule may be assigned to work a shift designated by their Department.

**Section 4.05 – Flexible Schedule Provisions.** General employees on a flexible work schedule will be subject to the following provisions:

- A. The General employee on this flexible work schedule, if using sick leave or vacation, will be charged the actual number of hours scheduled for work that day.
- B. If the General employee's regularly scheduled day off falls on an observed holiday, the employee will take one additional day off during the same one week pay period and will not be eligible for additional holiday pay.
- C. The flexible work schedule is a management right and can be changed or altered at the discretion of the supervisor and work schedules may be adjusted to meet the needs of

the department. The flexible work schedule is granted if productivity and service to the public will not be decreased and there will be no adverse effects on the operation of City service to the Division/Department. The flexible work schedule is subject to the provisions of Article 4.

**ARTICLE 5 - PROBATIONARY PERIOD**

**Section 5.01 – New Hires.** All General employees hired shall serve a twelve (12) month probationary period. Upon successful completion of the probationary period, the General employee may be recommended for permanent status subject to Division Manager or Department Director and City Manager approval.

**Section 5.02 – Promotions.** All General employees promoted to a classification within this unit shall serve a twelve (12) month probationary period. Upon successful completion of the probationary period, the General employee may be recommended for permanent status subject to Division Manager or Department Director and City Manager approval.

**ARTICLE 6 - COMPENSATION**

**Section 6.01 – Compensation.**

A. The schedule of base salary rates is contained in Exhibit 3. Adjustments to the schedule of base salary rates for the General employees covered under this contract are as follows:

<i>Adjustment Effective Date</i>	<i>Adjustment Amount</i>
Pay Period Ending May 9, 2025	4%
Pay Period Ending July 4, 2025	4%
Pay Period Ending July 3, 2026	4%

B. One-Time Payment

All General employees, active as of June 30, 2024, received a one-time payment of \$3,500. For any General employees hired during the period of July 1, 2024 and April 25, 2025, they received a pro-rated one-time payment.

**Section 6.02- Deferred Compensation Matching Contribution:** The City will make up to a \$225 per month matching contribution into each employee’s deferred compensation account for each General employee who contributes into the City’s deferred compensation plan. For example, an employee contribution of \$25 per month will receive a matching City contribution of \$25 per month. An employee contribution of \$300 per month will receive a city contribution of \$225 per month.

**Section 6.03 – Merit Plan.** All General employees shall be assigned to a salary range consisting of five steps. The first step is the normal hiring rate, although General employees may be hired at a higher step within the range subject to approval of the City Manager. The fifth step is the maximum base salary rate for the classification.

Progression from one step to another within the approved salary range shall be as follows:

- A. At the time of employment, the General employee shall have a salary anniversary date established. The date shall be the first day of the pay period which is one year from the General employee's date of employment.
- B. Effective the first day of the pay period closest to one year from the date of employment, the General employee's Division Manager or Department Director shall certify in writing to the City Manager or his/her designated representative whether or not the General employee's performance has been satisfactory and, if so, the General employee shall receive a one-step increase, unless the General employee is already at the fifth step.
- C. General employees' shall be eligible for subsequent merit (step) increases annually on the first day of the pay period closest to their anniversary date, until they reach the fifth step.
- D. General employees shall receive merit increases based on their overall score on the General employee's annual performance evaluation. Based on the 16 rating areas listed below, a General employee must receive at least 53 points to receive a one-step merit increase. Points shall be awarded as follows: "Unsatisfactory," one point; "Below Average," two points; "Competent," three points; "Above Average," four points; and "Superior," five points.

General employees who receive a total score of 67 points shall be eligible for a "Special" merit increase, as described below, in addition to the regular merit increase to which they are otherwise entitled.

The 16 rating areas and total possible points in each area are as follows:

Rating	Maximum Points
Observance of hours	3
Appearance	3
Compliance with Rules and Regulations	3
Safety Practices	3
Attendance	3
Job Skill Level	5
Public Contacts	5
Cooperation/Attitude	5
Rate of Learning	5
Job Performance	5
Effectiveness Under Stress	5
Dependability	5
Proposes Constructive Suggestions	5
Self-Improvement	5
Initiative	5
Other	5

If a General employee has not been approved for a merit (step) increase, he/she may be reconsidered for such merit (step) increase at any subsequent time.

In such cases where a General employee demonstrates exceptional ability and proficiency in the performance of his/her duties, the General employee's Division Manager or Department Director may recommend to the City Manager a special merit (step) increase without regard to the length of service provisions contained in this article. Merit (step) increases approved under this section shall not change the General employee's salary anniversary date.

The granting of any leave of absence without pay in excess of thirty (30) calendar days shall result in a new salary anniversary date being established for the General employee for purposes of determining eligibility for merit (step) increases. The new anniversary date shall be based on the General employee's original date of hire, plus the number of calendar days of his/her leave in excess of thirty (30) calendar days.

**Section 6.04 – Salary on Promotion.** When a General employee is promoted from employment in one classification to employment in a different classification allocated to a higher salary range, he/she shall be advanced to the lowest step in such higher classification range which will provide not less than a one (1) step (5%) increase in compensation. A new salary anniversary date shall be established, which shall be twelve (12) months from the effective date of the promotion.

**Section 6.05 – Salary on Reclassification.** Reclassification occurs when a General employee is assigned to a different classification from the one he/she is presently occupying, as a result of substantive changes in the duties of the position, requiring assignment to a more appropriate classification. Reclassification may be to a higher or lower salary range, or may consist of job title changes only. Upon reclassification, the City Manager, with the recommendation of the Division Manager or Department Director shall place the General employee at an appropriate rate and range.

**Section 6.06 – Compensation on Transfer.** General employees who are transferred from one Division/Department to another and whose transfer does not include a classification change, shall not have their salary rate and salary anniversary date changed.

**Section 6.07 – Changes in Class Salary Range.** If a classification is allocated to a different salary range, a General employee in a position in that classification shall be compensated at the same numbered step in the new range that he/she was receiving in the previous range and his/her salary anniversary date shall not change.

**Section 6.08 – Compensation for Provisional Appointments.** Subject to the following limitations, a General employee who is required on the basis of a provisional appointment to serve in a class with a higher salary range than that of the classification in which he/she is normally assigned, shall receive the entrance salary step of the higher salary range or one rate higher (5%) than the rate he/she normally receives, whichever is greater:

- A. The written approval of the City Manager or his/her designee shall be required.
- B. The General employee shall perform all the duties and assume all the responsibilities of the higher class for a minimum of thirty (30) calendar days to be eligible for the higher compensation.

- C. Compensation for acting appointments shall be limited to the temporary filling of a vacant, regular position due to termination, promotion, or extended sick leave of the incumbent or the temporary filling of newly-budgeted positions.

**Section 6.09 – Salary on Demotion.** A regular, non-probationary General employee who is demoted shall have his/her salary step reduced to the nearest lower salary step of the classification to which he/she is demoted. The General employee shall not be required to serve a probation period in the lower position. The effective date of the demotion shall become the General employee's new salary anniversary date and he/she shall earn eligibility for annual merit increases thereafter.

**Section 6.10 – Overtime.** Subject to the approval of the Division Manager or Department Director, General employees may be authorized to work reasonable periods of overtime to meet operational needs of individual departments. General employees who work overtime shall be compensated as follows:

- A. Overtime shall be paid at the rate of one-and-one-half times the General employee's hourly rate for all hours worked in excess of 40 hours in a seven-day work week.
- B. The overtime rate will be calculated according to Fair Labor Standards Act (FLSA) guidelines.
- C. For purposes of determining eligibility for overtime pay, absences (i.e., vacation, sick leave, etc.), whether compensated or uncompensated, shall not be counted as hours worked, except that paid holidays which fall on and are observed on a General employee's regularly scheduled work day shall be counted as hours worked for the purposes of determining eligibility for overtime pay within a particular work week.

**Section 6.11 - Holiday Worked.** General employees on a flexible work schedule are supposed to take another day off if a holiday falls on the General employee's regularly scheduled day off to ensure the General employee is paid 80 hours for that payroll period. However, for specified classifications in the Police Department, because it is a 24-hours-a-day, seven-days-a-week operation, Police Records Clerks, Dispatchers, and Community Services Officers may work their regular schedule, even if a holiday falls on their regularly scheduled day off, and these specific General employees will be paid 90 hours (80 hours regular and 10 hours holiday pay).

**Section 6.12 - Holiday Call-In.** General employees who are called-in to duty on a holiday shall be compensated at one-and-one-half times their regular hourly rate for all hours worked during such a call-in. However, the hours worked on the holiday pursuant to this section, shall not be counted as hours worked for the purposes of any other overtime compensation.

**Section 6.13 - Compensatory Time Off in Lieu of Overtime.** Subject to the approval of the General employee's supervisor and Division Manager or Department Director, a General employee may elect to take compensatory time off in lieu of receiving overtime pay for hours worked in excess of 40 in a work week.

- A. Compensatory time off may not be earned until a General employee has worked or been paid for holiday hours, the total number of hours which is more than 40 hours in

a work week. A General employee who requests and is approved for compensatory time off in lieu of overtime is entitled to one-and-one-half hours of compensatory time off for each hour for which he/she would otherwise be entitled to overtime pay.

- B. Subject to approval of their supervisor and Division Manager or Department Director, General employees may request to "bank" up to a maximum of 60 hours of compensatory time (representing 40 hours of overtime worked) in lieu of receiving overtime pay. The use of banked compensatory time shall be subject to the approval of the Division Manager or Department Director. Upon separation from employment with the City, a General employee shall be paid at the regular rate of pay for any banked compensatory time which has not been used.

**Section 6.14 - Court Time.** General employees who are subpoenaed to appear in court to testify on City business on a regularly scheduled day off will be paid two hours of Court Standby Pay and for actual time spent in court if the General employee is called as a witness, provided that witness fees shall be remitted to the City. Court appearances made by General employees on their regularly scheduled day off shall be considered hours worked and General employees shall be paid for the actual hours spent in court at either their regular rate of pay or at their overtime rate of pay, depending on whether or not they are eligible for overtime based on the number of hours worked within the work week. General employees who have been subpoenaed should always seek an arrangement with the subpoenaing attorney to be placed on an on-call status.

*(Revised 8/16/05)*

**Section 6.15 - Shift Differential Pay.** The City shall pay Shift Differential Pay equal to 0.40 cents per hour in addition to their regular hourly rate to those General employees assigned to a shift commencing after 3:00 p.m. and ending before 9:00 a.m.

*(Revised 2/16/89, 2/16/86)*

**Section 6.16 – Remote Access.** Employees who have access to City e-mails (including texts or any other type of messaging) from any personal device and/or e-mail account while off-duty shall not perform any work or take action unless action on the e-mail is an operational necessity and overtime has been approved by the employee's supervisor. If the employee is answering for operational necessity, they must confirm with their supervisor to obtain overtime approval. Employees shall accurately report any overtime worked.

**Section 6.17 – Bilingual Pay.** Bilingual Pay is defined as compensation to employees who are routinely and consistently assigned to a position requiring communication skills in languages other than English. This is designated by CCR 571 (a) as special assignment pay.

An employee shall receive a Bilingual Premium of \$35 per month if the following conditions are met:

- A. An employee is required to speak in Spanish, Vietnamese, or other eligible language as part of the regular duties of his/her position. The Human Resources Director or

his/her designee shall determine which languages will be eligible for bilingual pay based on the needs of the community.

- B. The employee must successfully pass a proficiency test to certify that they are proficient in speaking and/or writing in Spanish, Vietnamese or other eligible language.
- C. The City will authorize up to ten (10) bilingual premium assignments at any one time. The City reserves the right to modify the number of assignments based on the needs of the City.

**Section 6.18 –Training Officer Pay** For employees in Dispatch classifications Training Officer pay shall be paid at a rate of \$1.00 per hour for all hours worked as a Training Officer. Training Officer assignments are at the discretion of the Chief of Police or designee.

### **ARTICLE 7 - UNIFORMS AND UNIFORM ALLOWANCE**

**Section 7.01 - Non-Sworn Police Personnel.** The City shall provide a uniform allowance in the following amounts per year for the following non-sworn Police classifications: Dispatcher, Lead Dispatcher, Community Services Officer, Records Clerk I, Records Clerk II, Lead Records Clerk, Identification Technician - \$300.00.

The City will pay the annual \$300 allowance in increments of 1/26<sup>th</sup>, or \$11.54 bi-weekly. For new hires, the City will pro-rate the \$300 on an annual basis based on start date and pay the employee a one-time check in that amount. The employee will receive the benefit in bi-weekly increments effective the following January 1.

The monetary value of uniforms will only be reported to CalPERS for those employees hired on or before December 31, 2012. Uniform allowance for employees hired after January 1, 2013 and later in accordance with PEPRAs provisions discussed in Article 7 may not be reported to CalPERS as pensionable compensation. PEPRAs, amendments to PEPRAs and CalPERS law will define those special pays, which may be reportable as pensionable compensation.

*(Revised 1/1/92, 1/1/91, 1/1/90, 1/1/89, 11/21/2017, 6/28/2021)*

- A. The City retains the right to determine the type of uniform to be worn by non-sworn Police personnel.
- B. Non-sworn Police personnel hired on or before June 30 shall receive 100% of the above designated uniform allowance for that calendar year. Non-sworn Police personnel hired after June 30 shall receive 50% of the above designated uniform allowance for that calendar year.

**Section 7.02 - Fire Prevention Personnel.** Fire Prevention Personnel shall be required to maintain (laundered and ready to wear) and wear uniforms as specified by the Fire Chief.

In accordance with CalPERS amendment to Section 571, subsection (a) (5) in Title 2 of the California Code of Regulations, expanding the definition of uniform allowance to include the

monetary value for the purchase of required clothing, including clothing made from specifically designed protective fabrics, but excluding items that are solely for personal health and safety such as protective vests and safety shoes. The City will report the monetary value of uniform items noted below to CalPERS and the Internal Revenue Service as uniforms/special compensation. The monetary value for the purchase of required clothing will be reported to CalPERS on a bi-weekly basis for the following:

- One Workrite Nomex Shirt
- One Workrite Nomex Pant
- Uniform belt (estimated replacement every 3 years, the pro-rata share will be reported to CalPERS annually)
- Jacket (estimated replacement every 5 years, the pro-rata share will be reported to CalPERS annually).

The Fire Department will annually provide the cost of the uniforms to the Human Resources Department so the monetary value can be determined and reported to CalPERS and the Internal Revenue Service.

The monetary value of uniforms will only be reported to CalPERS for those employees hired on or before December 31, 2012. Uniform allowance for employees hired after January 1, 2013 and later in accordance with PEPPA provisions discussed in Article 7 may not be reported to CalPERS as pensionable compensation. PEPPA, amendments to PEPPA and CalPERS law will define those special pays which may be reportable as pensionable compensation.

*(Revised 2/16/95, 08/16/2015)*

**Section 7.03 - Safety Shoes.** All employees who are required to wear safety shoes or boots shall receive an annual allowance of \$130.00.

*(Revised 1/1/92, 1/1/91, 1/1/90, 1/1/89)*

**Section 7.04 - Jackets.** Jackets are optional. However, the style and color of the jacket shall be determined by the General employee's Division Manager or Department Director.

**ARTICLE 8 - RETIREMENT**

**Section 8.01 – CalPERS Retirement System:** Employees are members of the California Public Employees' Retirement System (hereinafter referred to as CalPERS) and are subject to all applicable provisions of the City's contract with CalPERS for the miscellaneous employees.

**Section 8.02 –Employees Hired August 15, 2010 and Earlier:** Employees hired as a full-time employee prior to August 15, 2010 will be covered under the 2.5% at 55 formula with the benefits specified below.

Provision	Government Code Section
2.5% at 55 formula – effective October 8, 2005	21354.4

One Year Final Compensation (Single Highest Year)	20042
Service Credit for Unused Sick Leave	20965
2% Cost-of-Living	21329
Post Retirement Survivor Allowance	21624, 21626, & 21635
Fourth Level of 1959 Survivor Benefit	21574
Pre-Retirement Optional Settlement 2 Death Benefit	21548
Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Non-Profit Corporation	21026
Military Service Credit for Retired Persons	21027
Local System Service Credit included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement	21037

Employee Contribution. Employees agree to share the cost of their retirement benefit on a pre-tax basis by paying the full 8% employee contribution. It is the intent of the parties to accommodate employees' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution may be deducted on a pre-tax basis because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. The City shall not be responsible for any adverse tax treatment for the employees. The City has made no representation regarding such tax treatment and employees shall seek such advice from their personal tax advisors regarding such matters.

In addition to the 8% contribution referenced above, employees have agreed to pay an additional pension contribution of one and one half percent (1.5%) as cost sharing in accordance with Government Code section 20516(f), for a total employee pension contribution of nine and one half percent (9.5%) by the end of this contract. The cost sharing will increase according to the following schedule:

<i>Adjustment Effective Date</i>	<i>Employee Share</i>
Pay Period Ending July 9, 2021	8.5% (0.5% employee increase)
Pay Period Ending July 8, 2022	9.0% (0.5% employee increase)
Pay Period Ending July 7, 2023	9.5% (0.5% employee increase)

City Contribution. The City agrees to pay the employer contribution to CalPERS minus the amount paid by the employee through the cost sharing agreement.

**Section 8.03 –Employees Hired Beginning August 16, 2010 Through December 31, 2012:**

Employees whose hire date as a full-time employee is August 16, 2010, through December

31, 2012, will be covered under the 2% at 60 formula with the benefits specified below.

<u>Provision</u>	<u>Government Code Section</u>
2% at 60 Formula	21353
Three Highest Years Average Compensation	20037
Pre-Retirement Optional Settlement 2 Death Benefit	21548
Service Credit for Unused Sick Leave	20965
2% Cost-of-Living	21329
Fourth Level of 1959 Survivor Benefit	21574
Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Non- Profit Corporation	21026
Military Service Credit for Retired Persons	21027
Local System Service Credit included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement	21037

7% Employee Contribution. Employees agree to share the cost of their retirement benefit on a pre-tax basis by paying the full 7% employee contribution. It is the intent of the parties to accommodate employees' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution may be deducted on a pre-tax because the City has filed the CalPERS IRS Code section 414(h)(2) resolution. However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. The City shall not be responsible for any adverse tax treatment for the employees. The City has made no representation regarding such tax treatment and employees shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

Section 8.04 California Employees' Pension Reform Act of 2013: Assembly Bill No. 340 (2012) established the California Public Employees' Pension Reform Act of 2013 (hereinafter referred to as PEPRA). The City is required to comply with the provisions of PEPRA.

Section 8.05 New Members and New Employees Under PEPRA:

New Members Defined by PEPRA. New Members are defined by PEPRA as an employee who becomes a member of a public retirement system for the first time on or after January 1, 2013 and:

- A. Was not a member of a public retirement system before January 1, 2013; or
- B. Was a member of a public retirement system before January 1, 2013 that is not subject to reciprocity with CalPERS; or

C. Alternatively, anyone who was an active member of a retirement system, has a break in service of six (6) months or more, and returns to active membership in the same system with a new employer.

New Employees Defined by PEPRA. New Employees are defined by PEPRA as an individual hired on or after January 1, 2013 and:

- A. Never worked in the public sector before January 1, 2013; or
- B. Worked in the public sector before January 1, 2013, but worked for an employer with a retirement plan that did not have reciprocity with CalPERS.

New Members and New Employees will be covered under the 2% at 62 formula with the benefits specified below.

Provision	Government Code Section
\$500 Retired Death Benefit	Section 21620
1959 Survivor Benefit Level 4	Section 21574
2% @ 62 Formula for Miscellaneous/Industrial Members	Section 7522.20
2% Annual Cost-of-Living Allowance Increase	Section 21329
Additional Service Credit 2 Years - Local Member	Section 20903
Different Level of Benefits	Section 20475
Final Compensation 3 Years	Section 20037
Military Service Credit as Public Service	Section 21024
Military Service Credit for Retired Persons	Section 21027
Post-Retirement Survivor Allowance to Continue After Remarriage	Section 21635
Pre-Retirement Death Benefits to Continue After Remarriage of Survivor	Section 21551
Pre-Retirement Option 2W Death Benefit	Section 21548
Prior Service	Section 20055
Public Service Credit for Peace Corps, AmeriCorps VISTA, or AmeriCorps Service	Section 21023.5
Public Service Credit for Periods of Layoff	Section 21022
Unused Sick Leave Credit - Local Member	Section 20965

Employee Contribution. PEPRA (Government Code Section 7522.30) states "Equal sharing of normal costs between public employers and public employees shall be the standard." The standard shall be that employees pay at least 50% of normal costs and that employers not pay any of the required employee contribution.

The "normal cost rate" shall mean the annual actuarially determined normal cost for the employer's defined benefit plan expressed as a percentage of payroll.

New Members and New Employees shall pay 50% of the normal cost adjusted annually in accordance with the CalPERS actuarial valuation for the City of Fountain Valley's 2% at 62 plan. Any change to the New Member and New Employee contribution rate will become effective the first payroll period closest to July 1 of the appropriate year.

Upon receipt of the annual actuarial valuation from CalPERS for the 2% at 62 plan, the Human Resources Department will forward a copy to the Association specifying the New Member and New Employee contribution rate for the upcoming period. This process shall serve as the meet and confer process for any increase in the employee contribution rate. The Association may request to meet with the City if the New Member and New Employee contribution rate increases.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

**Section 8.06 Classic/Legacy Employees Under the California Employees' Pension Reform Act of 2013:** An individual hired on or after January 1, 2013 who was employed by any public employer before January 1, 2013 and who does not meet the definition of "New Member" or "New Employee" under the PEPRRA will be designated as a Classic/Legacy Employee. Classic/Legacy Employees are defined as those individuals who are:

- A. Working for an employer providing CalPERS retirement benefits who begins employment with the City of Fountain Valley without a break in service or a break in service of less than six (6) months; or
- B. Current member of a public retirement system or plan with reciprocity with CalPERS.

Classic/Legacy members will be covered under the 2% at 60 formula with the benefits specified below.

<u>Provision</u>	<u>Government Code Section</u>
2% at 60 Formula	21353
Three Highest Years Average Compensation	20037
Pre-Retirement Optional Settlement 2 Death Benefit	21548
Service Credit for Unused Sick Leave	20965
2% Cost-of-Living	21329
Fourth Level of 1959 Survivor Benefit	21574
Public Service Credit for Periods of Layoff	21022
Public Service for Peace Corps or America Corps: VISTA Service	21023.5
Military Service Credit as Public Service	21024
Public Service Credit for Service Rendered to a Non-Profit Corporation	21026
Military Service Credit for Retired Persons	21027
Local System Service Credit included in Basic Death Benefit	21536
Cancellation of Payments for Service Credit Purchase upon Industrial Disability Retirement	21037

7% Employee Contribution. Employees agree to share the cost of retirement contribution on a pre-tax basis by paying the full 7% employee contribution. It is the intent of the parties to accommodate employees' desire that said sums may be deducted on a pre-tax basis as deferred income for federal and state tax purposes. The parties believe the contribution is pre-taxable because the City has filed the CalPERS IRS Code section 414(h)(2) resolution.

However, any income tax obligations or penalties arising from such tax treatment shall be the exclusive responsibility of the employee. In the event of any adverse tax treatment for the employees, the City shall not be responsible therefore and the City has made no representation regarding such tax treatment and employees shall seek such advice from their personal tax advisors regarding such matters.

City Contribution. The City agrees to pay the employer contribution to CalPERS.

#### **Section 8.07 – Compensation Reportable to CalPERS.**

##### Employees Hired on or Before December 31, 2012.

For purposes of calculating retirement benefits, the City will report to the California Public Employees' Retirement System all regular compensation and special compensation (uniform allowance).

Employees Hired January 1, 2013 and Later. For purposes of calculating retirement benefits, the City will report to the California Public Employees' Retirement System all regular compensation. In accordance with PEPRA, for employees hired beginning January 1, 2013 and later, special compensation (uniform allowance) is not pensionable compensation. PEPRA, amendments to PEPRA and CalPERS law will define those special pays which may be reportable as pensionable compensation.

Section 8.08 - Social Security. In the event the City and its employees are required to participate in the Federal Social Security program, the contribution designated by law to be the responsibility of the General employee shall be paid in full by the employee and the City shall not be obligated to pay or "pick up" any portion thereof.

### **ARTICLE 9 – HEALTH AND OTHER INSURANCE FOR EMPLOYEES**

Section 9.01 – Group Medical and Dental Insurance for Employees Hired August 15, 2010 and Earlier. The City contracts with the California Public Employees' Retirement System's Public Employees' Medical and Hospital Care Act (PEMHCA) for medical insurance for City employees. The payment of premiums towards group medical/dental/life insurance will be through the administration of a cafeteria plan.

The City shall pay the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act. In addition to the CalPERS statutory minimum employer contribution, the City shall make contributions to a flexible benefits plan as noted herein.

##### Employees Defined.

- A. Tier 1 Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 15, 2009 and earlier.
- B. Tier 2 Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 16, 2009 through August 15, 2010.

Tier 1 and 2 Employees City Contribution. The City contribution for full-time Tier 1 and 2 employees is as follows:

Enrollment Tier	Flex Dollars	Longevity Health Stipend	Total Flex Dollar Allowance
Electing Employee Only coverage	\$525.00	\$981.88	\$1,506.88
Electing Employee +1 Dependent coverage	\$1025.00	\$481.88	\$1,506.88
Electing Employee + Family coverage	\$1,300.00	\$206.88	\$1,506.88

The City contribution for full-time Tier 1 and 2 – 20 hour job share employees is as follows:

Enrollment Tier	Flex Dollars	Longevity Health Stipend	Total Flex Dollar Allowance
Electing Employee Only coverage	\$262.50	\$490.94	\$753.44
Electing Employee +1 Dependent coverage	\$512.50	\$240.94	\$753.44
Electing Employee + Family coverage	\$650.00	\$103.44	\$753.44

The City contribution for full-time Tier 1 and 2 – 25 hour job share employees is as follows:

Enrollment Tier	Flex Dollars	Longevity Health Stipend	Total Flex Dollar Allowance
Electing Employee Only coverage	\$328.13	\$613.67	\$941.80
Electing Employee +1 Dependent coverage	\$640.63	\$301.17	\$941.80
Electing Employee + Family coverage	\$812.50	\$129.30	\$941.80

The City contribution for full-time Tier 1 and 2 – 30 hour job share employees is as follows:

Enrollment Tier	Flex Dollars	Longevity Health Stipend	Total Flex Dollar Allowance
Electing Employee Only coverage	\$393.75	\$736.41	\$1130.16
Electing Employee +1 Dependent coverage	\$768.75	\$361.41	\$1130.16
Electing Employee + Family coverage	\$975.00	\$155.16	\$1130.16

The amount identified as flex dollars is inclusive of the CalPERS statutory minimum. For example, for 2025, employees electing Employee Only coverage shall receive \$525.00 = \$158.00 for the CalPERS statutory minimum and an additional \$367.00 in flex dollars.

General employees who elect not to be covered under the medical plan provided through the cafeteria plan shall receive the equivalent of the CalPERS statutory minimum as cash wages. However, the employee will be required to pay for dental and life insurance premiums, both of which are mandatorily deducted out of the waiver of premium contribution (CalPERS statutory minimum).

Separation then Return to City Service. If an employee separates employment and later

returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the employee's new hire date and he/she will be considered a Tier 3 employee and only eligible for Tier 3 benefits.

**Section 9.02 – Group Medical and Dental Insurance for Employees Hired August 16, 2010 and Later.**

Tier 3 Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 16, 2010 and later.

The contribution for a full-time Tier 3 employee is:

<b>Enrollment Tier</b>	<b>Flex Dollar Allowance</b>
Electing Employee Only coverage	\$675.00
Electing Employee +1 Dependent coverage	\$1,175.00
Electing Employee + Family coverage	\$1,450.00

The City contribution for full-time Tier 3 – 20 hour job share employees is as follows:

<b>Enrollment Tier</b>	<b>Flex Dollar Allowance</b>
Electing Employee Only coverage	\$337.50
Electing Employee +1 Dependent coverage	\$587.50
Electing Employee + Family coverage	\$725.00

The City contribution for full-time Tier 3 – 30 hour job share employees is as follows:

<b>Enrollment Tier</b>	<b>Flex Dollar Allowance</b>
Electing Employee Only coverage	\$506.25
Electing Employee +1 Dependent coverage	\$881.25
Electing Employee + Family coverage	\$1,087.50

Tier 3 employees do not qualify for the longevity health stipend.

**Section 9.03 – Cafeteria Plan.** The provisions of the Cafeteria Plan are described below.

Benefits Provided Through the Cafeteria Plan. The insurance benefits provided for in this Article will be provided through the provision of a cafeteria plan adopted in accordance with the provisions of Internal Revenue Code §125: medical and dental. These provisions will supersede the previous Memorandum of Understanding provisions.

Each month the City will contribute to the cafeteria plan flex dollars for Tier 1, Tier 2 and Tier 3 employees as specified in Section 9.01 and 9.02. In addition, the City will contribute a longevity health stipend for Tier 1 and 2 employees as specified in Section 9.01. The City's flex dollar contribution includes the CalPERS statutory minimum paid by the City.

Prior to January 1, 2011, dependent dental premiums were fully employee paid. However, due to the provisions of the cafeteria plan, dependent dental premiums are to be deducted from the flex dollars for Tier 1, Tier 2 and Tier 3 employees. Upon retirement, retirees are not covered by a cafeteria plan; therefore, dependent dental premiums will be fully retiree

paid if coverage is elected. Nothing in these provisions require City contributions towards dependent dental premiums.

The Purchase of Optional Benefits Through the Cafeteria Plan. The cafeteria plan offers General employees the opportunity to purchase optional AFLAC and vision insurance. Eligible employees may select from any of the medical insurance plans offered by CalPERS. If CalPERS changes any of the medical insurance plans by either adding or deleting the plan options, employees will be limited to those plan options offered by CalPERS.

General employees may also elect any of the optional AFLAC insurance options the City offers to employees at the employee's sole cost.

Dental and life insurance are not optional benefits and such premiums will be deducted from each employee's cafeteria plan flex dollars or waiver of premium contribution.

Employee Contributions for Benefit Options. If a General employee chooses optional benefits whose aggregate cost exceeds the total flex dollar City contribution to the cafeteria plan, the City will automatically deduct the excess amount on a pre-tax basis, if applicable, from the employee's bi-weekly pay.

The Receipt of Cash Through the Cafeteria Plan. General employees will be eligible to receive cash (subject to taxation as wages) through the cafeteria plan if they either opt out of receiving medical insurance or if they choose optional benefits that do not cost as much as the flex dollar allowance provided by the City towards the cafeteria plan. Any such employee shall be eligible to receive in cash up to a maximum of \$350 per month. Employees in this unit who are receiving cash through the cafeteria plan in excess of \$350 as of January 1, 2018 are grandfathered (per a side letter of agreement) to continue to receive cash in excess of \$350 per month until they are no longer represented by the General Employee Unit, or the receipt of cash falls below \$350. If medical is declined, the employee will receive in cash the CalPERS statutory minimum minus the required dental and life insurance premiums.

In order to opt out of the City's medical coverage, employees will be required to maintain and provide proof of group health plan coverage through an alternative source and the alternative group health plan coverage must meet the Affordable Care Act's requirements regarding affordability and minimum value.

**Section 9.04 – Term Life Insurance.** The amount of term life insurance for each General employee shall be equivalent to the employee's annual salary, rounded upward to the nearest thousand dollar increment, with a maximum policy amount of \$50,000 per employee.

**Section 9.05 – Long-Term Disability.** The City shall maintain and pay the full premium for a long-term disability insurance policy for all General employees. The purpose of long-term disability insurance is to ensure that General employees will have a source of income if they are disabled from performing their regular duties for a period longer than sixty (60) calendar days.

Eligibility. A General employee's eligibility for long-term disability benefits depends on whether the General employee's disability is industrial or non-industrial in nature. If the

disability is industrially related, the General employee's eligibility for long-term disability benefits begins on the sixty-first (61<sup>st</sup>) calendar day of continuous absence from work. If the General employee's disability is not industrially related, the General employee's eligibility begins either on the sixty-first (61<sup>st</sup>) calendar day of the General employee's absence from work, or upon expiration of the General employee's sick leave, whichever period is longer.

Benefits. A General employee who is eligible to receive long-term disability benefits will receive 66-2/3% of the General employee's monthly salary as of the date the General employee's disability began less any deductible benefits up to a maximum monthly benefit of \$5,000 as provided for in the long-term disability policy.

A General employee who is receiving long-term disability benefits is considered to be in an off-payroll status and will not accrue benefits during the time that he/she is in such status.

In addition, General employees who are in an off-payroll status while receiving long-term disability benefits are responsible for maintaining group health and life insurance coverage and for paying the premiums therefore.

The City reserves the right to self-insure any or all long-term disability benefits, provided that there shall be no change to existing eligibility requirements or coverage unless mutually agreed to in writing by both the City and FVGEA.

Section 9.06 – Flexible Spending Accounts. The City shall provide a voluntary Flexible Spending Plan (Section 125 Plan under the Internal Revenue Code) to General employees. Enrollment in the plan allows employees to pay for out-of-pocket Health Care and Dependent Care costs with pre-tax dollars. Flexible Spending Account limits will be followed by the City as set each year by the Internal Revenue Service (IRS).

At enrollment and annually thereafter, participants must designate the Flexible Spending Account election amount for the remainder of the year for new hires and for the next year for current employees. The annual amount is deducted from the employee's paycheck in equal installments, on a pre-tax basis, and credited to the employee's Flexible Spending Account. Reimbursement will be paid directly by a third-party administrator.

Federal law prohibits any change in a Flexible Spending Account during the calendar year unless the employee or his/her dependent(s) have a qualifying "life event," as defined by the California Department of Insurance. Examples of a qualifying "life event" include marriage, divorce or legal separation, birth or adoption of a dependent, death of a dependent, or a change in the employee or employee's spouse's employment status. The change in the Flexible Spending Account must be due to and consistent with the "life event" which permits the change.

An annual open enrollment period will be provided for the upcoming calendar year's program. General employees must affirmatively enroll in the Flexible Spending Account for each year. There is no automatic renewal.

When estimating annual expenses, General employees are cautioned to only consider those expenses he/she is reasonably certain he/she will incur. Any amount left in a General employee's Flexible Spending Account at the end of the year is forfeited.

Deductions for Flexible Spending Accounts shall not reduce earnable compensation for purposes of calculating benefits or contributions for CalPERS.

The City maintains the right to select and change, if needed, the vendor to administer the Flexible Spending Account program.

**Section 9.07 – Voluntary Vision Program.** The City will offer a voluntary vision care plan as one of the health programs offered under the City's cafeteria plan.

The City intends to offer the vision program through Vision Service Plan (VSP). The City reserves the right to change vision insurance providers if necessary and if so, will provide similar benefits with the new provider. Enrollment in the vision program is voluntary with premiums paid by the employee.

### **ARTICLE 10 – MEDICAL/DENTAL INSURANCE FOR RETIREES**

The City shall provide group medical/dental insurance to General employees who retire from the City meeting the criteria and subject to the conditions and limitations noted below. The City contracts with the California Public Employees' Retirement System's Public Employees' Medical and Hospital Care Act (PEMHCA) for medical insurance for City employees and retirees. Benefits are grouped in tiers based upon hire date and years of continuous City service.

**Section 10.01 - Retired Employee Definition.** A General employee is a retired employee when he/she:

- A. Has reached 50 years in age or greater;
- B. Has been employed for at least five years;
- C. Is a vested member of CalPERS;
- D. Retires with a service retirement after October 1, 1980.

**Section 10.02 – Disability Retired Employee Definition.** A "disability retired employee" shall refer to an employee who:

- A. Has received a disability retirement from CalPERS,
- B. Whose injury or illness constitutes a total disability as defined by CalPERS.

**Section 10.03 – Coverage Eligibility Criteria.**

- A. Retired employees and disability retired employees must retire directly from active duty and maintain continuous coverage both prior to and subsequent to their retirement.
- B. Any lapse in coverage for the retiree or his/her dependents will result in a permanent loss of City contributions towards such retiree's medical and dental premiums or dependent medical premiums in excess of the CalPERS statutory minimum employer contribution.

- C. Retirees, surviving spouses, or surviving dependents will be responsible for paying for dependent dental premiums in order to continue coverage. The City will not make any contribution towards dependent dental premiums.

**Section 10.04 – Eligible Qualified Dependent Coverage Limitation.** For Tier 1 and Tier 2 employees retiring beginning August 16, 2011 and later, City contributions towards medical premiums in excess of the CalPERS statutory minimum employer contribution are limited to the eligible retiree and those dependent(s) covered on the employee's plan for a minimum of two full years (24 months) prior to the General employee's retirement date. Such dependent will be classified as qualified dependent.

**Dependent Children.** City contributions for dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions toward the dependent child's medical or dental premiums past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

- A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.
- B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.
- C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

Effective during the period between September 1, 2011 and December 31, 2011, General employees may add qualified dependents to their medical/dental insurance coverage in accordance with plan provisions. This one-time enrollment period will allow employees to add dependents onto the employee's medical/dental plan to ensure dependents are covered on the plan prior to retirement.

Premiums for additional covered dependents or dependents added on at a later date in accordance with plan provisions will be paid entirely by the retiree and will be classified as non-qualified dependents. Dependent dental premiums will be paid entirely by the retiree. Failure to pay premiums for non-qualified dependents will result in loss of coverage.

**Section 10.5 – Tier 1 and 2 Employee City Contributions.**

- A. Tier 1 Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 15, 2009 and earlier.
- B. Tier 2 Employees are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 16, 2009 through August 15, 2010.

The City contribution is specified below based upon the Tier 1 and 2 employee's eligibility tier. The payment of premiums for retirees in excess of the CalPERS statutory minimum will be through the administration of an Integral Part Trust or retiree trust for Tier 1 and 2 employees only. The retiree is responsible for paying for all Medicare premiums.

- A. If a retiree chooses benefits whose aggregate premium cost exceeds the total City contribution, the retiree will be responsible for paying the excess premiums.
- B. If retired August 15, 2011 and earlier, City contributions for retiree dental premiums will continue until the retiree's death.
- C. If retired August 16, 2011 and later, City contributions and dental coverage will cease upon the retiree or dependent's eligibility for Medicare at age 65. This provision applies to employees hired beginning February 16, 1986 and later. The retiree may continue coverage under COBRA for 18 months but will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.
- D. Employees hired February 15, 1986 and earlier who retire beginning August 16, 2011 and later will continue in accordance with the retiree health provisions specified in FVGEA-- Tier 1B and FVGEA – Tier 1F Disability Retirement.
- E. If a retiree covers dependents on the dental plan, the retiree will pay the full premiums for dependent coverage. The dependent dental premium will be deducted from the City contribution to the retiree trust. If the retiree, surviving spouse, or surviving dependent is not receiving any contribution to the retiree trust, such individual will be billed directly for such premiums. Coverage will be cancelled if payment for premiums is not received in accordance with established timelines.
- F. The retiree is responsible for paying for all Medicare premiums.

**Section 10.06 – Tier 3 City Contributions.** Tier 3 employees (new hires) are defined as those individuals employed in a full-time position with the City of Fountain Valley beginning August 16, 2010 and later. New hires are not eligible for City contributions in excess of the CalPERS statutory minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act for each retiree. The retiree is responsible for paying for all Medicare premiums. Dental coverage will end at retirement. However, dental coverage eligibility will be extended through COBRA continuation of coverage for a maximum of 18 months. If dental coverage is elected, the retiree will pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

**Section 10.07 – Separation then Return to City Service.** If an employee separates employment and later returns to employment with the City of Fountain Valley, the date the employee returned to employment will become the hire date for the employee and will be considered a new hire and only eligible for new hire benefits.

**Section 10.08 – Limitations.**

- A. There is no cash back provision if the premiums for the medical and dental plans for qualified dependents is less than the difference between the CalPERS statutory minimum

and the medical premium for the plan selected for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for General employees for Tier 1 employees.

B. Retirees are not eligible for life or vision insurance coverage through the City.

**Section 10.09 – Retiree Medical/Dental Tiers.** The following is a synopsis of each Tier:

Tier	Hire Date	Years of Continuous City Service
FVGEA – Tier 1-A	N/A	5 years but less than 10 years
FVGEA – Tier 1-B	2/15/86 and earlier	10 or more years
FVGEA – Tier 1-C	2/16/86-2/15/94	10 or more years
FVGEA – Tier 1-D	2/16/94-8/15/09	5 years but less than 15 years
FVGEA – Tier 1-E	2/16/94-8/15/09	15 or more years
FVGEA – Tier 1-F (Disability Retirement)	2/15/86 and earlier	N/A
FVGEA – Tier 1-G (Disability Retirement)	2/16/86 and later	N/A
FVGEA – Tier 2-A	8/16/09-8/15/10	N/A
FVGEA – Tier 3-A	8/16/10 and later	N/A

The eligibility criteria, City contribution, eligible qualified dependent coverage limitation, coverage at age 65+ and eligible qualified dependent for each tier is described in Exhibit 4.

**ARTICLE 11 - LEAVES**

**Section 11.01 – Holidays.** General employees shall be entitled to 11 paid holidays per calendar year except as otherwise provided for in this Memorandum of Understanding. The City requires all General employees to work the regularly scheduled work day before a holiday and the first regularly scheduled work day after a holiday in order for the General employee to be paid for the holiday, unless the General employee is on authorized leave time. The 11 paid holidays to which General employees are entitled shall be as follows:

- New Year's Day
- President's Day (Washington's Birthday)
- Martin Luther King Jr. Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans' Day
- Thanksgiving and the day after Thanksgiving
- Christmas
- "Floating Holiday"

Holidays will be paid at the full day work rate (i.e., if an employee is scheduled to work a 4/10 shift, the holiday will be paid out at 10 hours).

The exact date upon which each of the above holidays will be observed and during which City Hall will be closed shall be set by Administrative Regulation each year.

Floating Holiday. The "floating holiday" may be taken at any time during the year, subject to the approval of the General employee's Division Manager or Department Director. The "floating holiday" must be used during the calendar year and may not be carried over from one year to the next. General employees who separate from employment may not be compensated for any unused holiday.

Holiday on Regularly Scheduled Day Off. If a holiday falls on the employee's regularly scheduled day off, the General employee will take another day off during that same pay period.

Holiday Closure. City Hall will close during the week between Christmas and New Years of each year. The City's observed holidays which fall on a regularly scheduled Friday flex day, will be deferred and taken during the holiday closure. If there are not sufficient holidays to cover the entire period, the employee will be required to use accrued vacation and/or compensatory leave to cover their time during the closure.

**Section 11.02 – Vacation Accrual.** General employees who work a forty (40) hour work week shall accrue vacation time at the following rates:

Years of Service	Annual Hours	Hours Per Payroll Period
1	80	3.08
2-4	120	4.62
5-7	130	5.00
8-9	140	5.38
10-12	150	5.77
13-14	160	6.15
15-17	170	6.54
18-19	180	6.92
20+	192	7.38

Every General employee's vacation will be subject to a hard cap accrual. Specifically, once the General employee's vacation accrual reaches the maximum of 280 hours, he/she will not accrue vacation hours so long as his/her accrual is at the cap. Once the accrual falls below the hard cap, the employee will again accrue vacation time. Employees are not entitled to any vacation hours not received because their accrual was impacted by the hard cap.

- Due to current staffing challenges, an exception to the hard cap will be made for Police Dispatchers. The hard cap will be enforced when the staffing challenges are resolved.

**Section 11.03 - Annual Vacation Payoff.** At the end of each calendar year, General employees shall have the option of receiving a cash payment for accrued vacation up to a maximum of eighty (80) hours if the following criteria are met:

- A. A minimum of eighty (80) hours of vacation have been used during the calendar year. Vacation may be utilized in any increment as approved by his/her supervisor as long as a minimum of eighty (80) hours have been used.

B. A minimum accrual of twenty (20) hours of vacation remains after payoff. If the aforementioned criteria have been met, General employees may request a cash payment of eighty (80) hours maximum to be included in the paycheck to be issued within the first payroll period in December.

To request a vacation payoff, the employee must submit an irrevocable election form specifying the number of hours the employees is requesting which must be received in the Human Resources Department before December 31 of the year prior to the payoff. For example, to receive a payout in 2026, a General employee must submit a completed irrevocable election form to Human Resources before December 31, 2025. If during the 2026 calendar year, the employee meets the criteria specified herein to be eligible for vacation payoff, he/she will receive the requested payoff. If the employee does not submit the irrevocable election form within the required timeline or he/she does not meet the criteria for payoff, no payoff will be given.

**Section 11.04 – Sick Leave Accrual Rate.** Sick leave shall accrue according to regular work schedule. General employees working a 5/8 or 9/80 flexible work schedule shall accrue sick leave at the rate of 3.69 hours per bi-weekly pay period (one (1), eight (8) hour day per month) and General employees working a 4/10 schedule shall accrue sick leave at the rate of 4.62 hours per bi-weekly pay period (one (1), ten (10) hour day per month). Upon separation from service with the City, all accrued sick leave shall be converted to the eight (8) hour accrual rate.

In accordance with California Labor Code section 245 et seq., should a General employee separate from employment with the City of Fountain Valley, and then return to City employment within one (1) year from the date of separation, the employee's accrued, unused sick leave hours at the time of separation after any sick leave payoff if any, shall be reinstated upon re-hire.

**Section 11.05 - Sick Leave Usage.** The first five (5) days of work hours equivalent (e.g. 50 hours for employees on a 4/10 work schedule) of paid sick leave taken each 12 month period will be considered sick leave used pursuant to the Healthy Workplaces, Healthy Families Act of 2014 (California Labor Code sections 245-249). The 12 month period is July through June 30 for employees hired prior to July 1, 2015. For employees hired on or after July 1, 2015, the 12 month period is the 12 month period beginning on the employee's hire date, until the following July 1, at which point the employee's 12 month period will change to July 1 – June 30.

- A. **Employee's Sick Leave.** Employees can use sick leave for themselves for preventative care (such as physical exams) or care of an existing health condition.
- B. **Family Sick Leave.** Employees can use up to a maximum of one-half of one year's annual accrued sick leave (e.g. 48 hours for employees on a 9/80 schedule or 60 hours for employees on a 4/10 work schedule) per year for family sick leave. Family sick leave may be used for the diagnosis, care or treatment of an existing health condition of, or preventative care for family members. In this section, the term "family members" means any of the following:

A child (biological, adopted, foster child, step child, legal ward or a child to whom the employee stands in loco parentis) regardless of age or dependency status.
A biological, adoptive, or foster parent, step parent or legal guardian of an employee or the employee's spouse or registered domestic partner or a person who stood in loco parentis when the employee was a minor child.
A spouse.
A registered domestic partner.
A grandparent.
A grandchild.
A sibling.
An employee may designate one person per 12-month period at the time the employee requests family sick leave.
Individuals who live in the same household or whose relationship to the employee is that of a dependent or near-dependent.

Sick leave usage for family illness is separate from Family Care and Medical Leave, the provisions of which are included in Administrative Regulation No. 1050; however, sick leave usage for family illness may run concurrently with Family Care and Medical Leave.

- C. Other Sick Leave. Employees can use the first five (5) days of sick leave for specified purposes if they or their family members are victims of violence, domestic violence, sexual assault or stalking as set forth in California Labor Code section 230(f) and 230.1(a).

After an employee has used five (5) sick leave days (or work hours equivalent) in a 12 month period, the use of sick leave shall be subject to the approval of the Division Manager or Department Director who may request a physician's statement or other documentation substantiating the illness at any time and may require a release to duty before allowing a General employee to return to duty. General employees will be required to use accrued sick leave prior to requesting a leave of absence without pay.

**Section 11.06 - Sick Leave Payoff.** Upon completion of ten (10) years of continuous service with the City, General employees who separate from the City due to retirement or the death of the employee shall be paid for unused sick leave according to the following schedule:

Usage	Payoff
1% to 25%	75% not to exceed \$10,000
26% to 50%	50% not to exceed \$10,000
51% to 75%	25% not to exceed \$10,000
In excess of 75%	No Payoff

General employees who resign shall be paid for unused sick leave according to the following schedule:

Usage	Payoff
1% to 25%	75% not to exceed \$6,000
26% to 50%	50% not to exceed \$6,000
51% to 75%	25% not to exceed \$6,000

In excess of 75%	No Payoff
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General employees terminated for cause are ineligible for any payoff of unused sick leave.

A retiring General employee may, however, elect to forego his/her sick leave payoff so all his/her sick leave accrual at the time of retirement is credited toward CalPERS service credit as specified in Section 11.08. A General employee electing to forego his/her sick leave payoff must submit a written election to the Human Resources Department prior to retirement.

**Section 11.07 - Retirement Credit for Unused Sick Leave.** Pursuant to Government Code Section 20862.8 and the City's contract with CalPERS, General employees who retire from the City may receive service credit towards their retirement for all accrued, unused sick leave for which they do not receive compensation. This provision shall apply to General employees whose effective date of retirement is within four months of separation from employment with the City.

**Section 11.08 – Bereavement.** General employees who have been employed for at least thirty (30) days with the City shall be entitled to a maximum of five (5) working days absence (three (3) of which shall be with pay) for each occurrence as Bereavement Leave, when they are compelled to be absent from duty by reason of death of an immediate family member, or in the event of critical illness where death appears to be imminent.

For purposes of bereavement leave, "immediate family member" refers to spouse, child, step-child, grandchild, brother, sister, parent, step-parents, mother-in-law, father-in-law, grandparents, or legal guardian.

**Section 11.09 - Industrial Injury Leave.** General employees who sustain injuries or illnesses arising out of their employment or in the course of their employment shall be entitled to a maximum of 90 calendar days of industrial injury leave at full salary and benefits, in lieu of temporary disability benefits. General employees who are absent from work for longer than 90 calendar days due to industrial illness or injury will receive those benefits provided for in the Workers' Compensation Law, as well as, any long-term disability benefits to which they may be entitled. General employees will also be permitted, after exhaustion of the 90 days industrial injury leave, to use accrued sick leave to supplement their workers' compensation benefits for a maximum of 60 calendar days. In no case, will a General employee be permitted to receive more than their regular pay.

## **ARTICLE 12 - ILLEGAL/CONTROLLED SUBSTANCE SCREENING**

FVGEA acknowledges the City's right to at its discretion include illegal/controlled substance screening as part of the pre-employment physical examination for General employees hired subsequent to the effective date of this agreement.

"Illegal/Controlled Substance" is defined as a drug, substance, or immediate precursor which is included in Schedules I through V, inclusive of the "California Uniform Controlled Substances Act" (Health and Safety Code Sections 11054-11057), as well as opiates and narcotic drugs, as defined in Health and Safety Code Sections 11018-11020.

A program for reasonable and post-accident drug and alcohol testing has been agreed to in concept. The parties shall meet and confer on the construction of the specific policy language, along similar lines as a plan recently adopted by the City of El Segundo or a comparable policy as negotiated and will be added as an exhibit to this MOU.

### ARTICLE 13 - GRIEVANCE PROCEDURE

General. The following grievance procedure is for the purpose of affording General employees a means of obtaining appropriate consideration by supervisory and management personnel of problems within their power to resolve.

Scope of Grievance Procedure. A grievance may be initiated by any General employee who believes that the application of a policy, practice, rule, or procedure has been incorrect or inappropriate, and has adversely affected his or her employment.

A. The following subjects are excluded from the scope of the grievance procedure:

1. Matters which have other means of appeal within the City, including disciplinary actions.
2. Matters which are within the exclusive jurisdiction of another agency and for which a means of appeal is provided.
3. Matters pertaining to clarification of any of the provisions of this Memorandum of Understanding are within the scope of the grievance procedure (see Interpretation of MOU section below).
4. Classification content.
5. Performance evaluations. (See Performance Evaluations section below)

Form. All grievances must be submitted in writing and must contain the following information:

- A. General employee's name, title, department, and division.
- B. The name of the individual or organization, if any, representing the General employee in the grievance procedure.
- C. The date the grievance is being submitted.
- D. The nature of the grievance, including a statement of the specific rules, regulations, policies, procedures, ordinances, or resolutions, if any, which are alleged to have been violated, the date the alleged violation occurred, and the specific decision or action which constituted the alleged violation.
- E. The facts and/or circumstances which gave rise to the grievance.
- F. Any available support documentation or other material which is to be considered in conjunction with the grievance.

G. A statement of the remedy which the General employee is seeking.

Informal Discussion. If a General employee has a problem relating to a work situation, the General employee is encouraged to request a meeting with his/her immediate supervisor to discuss the problem in an effort to clarify the issue and to work cooperatively towards settlement.

Formal Grievance Procedure.

A. Step 1

1. A General employee shall submit a grievance to his/her immediate supervisor within fifteen (15) calendar days of the occurrence giving rise to the grievance, or within fifteen (15) calendar days of the date that the employee became aware of the occurrence giving rise to the grievance. Grievances submitted pursuant to this section shall include a statement of efforts that have been undertaken to resolve the grievance informally.
2. Upon receipt of a formal grievance, the General employee's supervisor shall make an initial determination as to whether or not he/she has the authority to resolve the grievance. If so, the supervisor shall proceed as outlined in Step 1 - No. 3. If the supervisor determines that it is not within his/her authority to resolve the grievance, the grievance shall be forwarded to the appropriate individual within the chain-of-command for consideration and the General employee shall be so notified.
3. Within fifteen (15) calendar days after receipt of a formal grievance, the supervisor to whom the grievance is directed shall meet with the General employee and/or his or her designated representative. Within fifteen (15) calendar days after meeting with the General employee, the supervisor shall forward his or her decision in writing to the General employee.

Step 2

1. A formal grievance that has not been satisfactorily resolved at the supervisory level may be submitted to the General employee's Division Manager or Department Director within fifteen (15) calendar days after receipt of the decision rendered by the appropriate supervisor.
2. Within fifteen (15) calendar days after receiving the grievance, the Division Manager or Department Director shall schedule a meeting with the General employee and/or his/her designated representative. Within fifteen (15) calendar days after meeting with the General employee, the Division Manager or Department Director shall notify the General employee in writing of his/her decision.

Appeal to City Manager.

- A. Grievances which are not satisfactorily resolved under Step 2 and which meet the conditions set forth below, may be submitted to the City Manager within fifteen calendar days after receipt of the written decision from Step 2.

- B. Grievances which meet one or more of the following conditions may be submitted to the City Manager:
1. The grievant alleges an abuse of discretion on the part of the Division Manager or Department Director during the grievance process.
  2. The remedy sought is not within the authority of the Division Manager or Department Director to approve or implement.
- C. Grievances submitted to the City Manager shall be accompanied by the following information:
1. Copies of the written decisions at Steps 1 and 2.
  2. Information indicating how or in what manner the Division Manager or Department Director abused his or her discretion, if an abuse of discretion is alleged.
- D. Within fifteen (15) calendar days after receipt of the grievance, the City Manager shall schedule a meeting with the General employee and/or his/her designated representative. The date, time, and location of the meeting shall be acceptable to both parties and shall be scheduled so as to accommodate those individuals whose presence may be required at the meeting.
- E. The City Manager may conduct such activities as are necessary and appropriate to properly resolve the employee's grievance.
- F. The City Manager shall submit a written response to the General employee within fifteen (15) calendar days after meeting with the General employee, or within fifteen (15) calendar days after completing his/her investigation.

Extension or Waiver of Time Limits. Any of the time limits contained in this grievance procedure may be extended or waived upon mutual agreement of the City and the employee or his/her representative.

Conduct of Grievance Procedure.

- A. A General employee may be represented by a person of his/her choosing at any step of the grievance procedure.
- B. General employees shall be assured freedom from reprisal for utilizing the grievance procedure.
- D. Proceedings held pursuant to this grievance procedure shall not be evidentiary hearings. This limitation shall not preclude the grievant from presenting witnesses or other evidentiary matter as part of the proceedings.

Performance Evaluations. With respect to performance evaluations being excluded from the grievance process, any performance evaluation in which the General employee disagrees with all or part of the evaluation and provides written support, will be forwarded to the City

Manager or designee with all documentation by the Human Resources office when the evaluation is received. The City Manager or designee may then take whatever action is deemed appropriate, if any.

Appeals of Testing and Selection Procedures.

- A. A General employee who wishes to appeal a testing or selection procedure, or the results thereof, shall present his/her appeal to the immediate supervisor, who shall forward the appeal through the chain-of-command to the City Manager/Personnel Officer or his/her designated representative. Appeals of testing or selection procedures may not be filed until the testing and selection process is completed, and shall be filed within fifteen (15) calendar days after the certification of the eligible list. All persons who participated in the testing and selection process shall be notified of the date on which the eligible list is certified.
- B. Upon receiving an appeal of a testing or selection procedure, or the results thereof, the City Manager or designee shall investigate, or cause to be investigated, all relevant facts regarding the appeal and shall make a determination which shall be final. Such an appeal shall not require a hearing.
- C. A General employee can only appeal a selection/testing procedure if the result would place him/her on the eligible list, or change his/her position on this list. An individual appealing a testing/selection procedure must have been an applicant, or would have been but for the procedure being appealed.
- D. If the City Manager or designee makes a determination sustaining the appeal, and such determination results in the invalidation of all or part of the testing and selection procedure, a new recruitment shall be initiated.

Interpretation of MOU. Questions regarding the interpretation and/or application of any of the provisions of this Memorandum of Understanding shall be formally raised only by the parties to the MOU, subject to the following conditions:

- A. The party raising the question of interpretation/application of the MOU shall notify the other party of the nature of the question within ten (10) working days after the matter is brought to their attention.
- B. Both parties shall attempt to resolve the dispute at the supervisory or departmental level, if appropriate. If it is not possible to resolve the matter at the supervisory or departmental level, both parties shall submit a statement of the facts concerning the matter to the City Manager or designee for his/her findings and determination. The decision of the City Manager or designee shall be final.

**ARTICLE 14 - APPEALS OF DISCIPLINARY ACTIONS**

General Provisions.

- A. Any permanent General employee shall have the right to appeal any disciplinary action imposed on him/her, subject to the conditions contained in this section.

- B. For purposes of this section, "Disciplinary Actions" refer to the following: oral reprimand, written reprimand, suspension (with or without pay), demotion or reduction in pay, termination, or forfeiture of pay.
- C. Oral reprimands not memorialized may not be appealed. However, any oral reprimand that is confirmed in writing may be appealed but only to the next level within the chain-of-command.
- D. At all times, prior to and during the imposition and appeal of a disciplinary action, the City shall take whatever steps necessary to ensure compliance with procedural due process requirements. Pre-disciplinary efforts will include at a minimum and where appropriate and required by case law, notice to the General employee of the intent to take disciplinary action, a description of the action, a statement of reasons on which the action is based, copies of material on which the notice is based, the opportunity to be heard prior to the rendering of a decision, and a statement of the right to appeal.

#### Appeal Procedures.

- A. Disciplinary action imposed against a General employee may be appealed for any of the following reasons:
  - 1. A disagreement or dispute over the facts giving rise to the imposition of disciplinary action.
  - 2. Abuse of discretion by the supervisor imposing discipline, or by a reviewing authority. Abuse of discretion includes, but is not limited to: exceeding or acting without authority, denying a General employee procedural due process, or imposing discipline that is not warranted in either type or degree by the offense.
- B. Appeal of a disciplinary action must be filed with the Division Manager or Department Director within fifteen (15) calendar days of the date the disciplinary action was imposed.
- C. Appeal of a disciplinary action must be in writing, and must include, as a minimum, the following:
  - 1. If the General employee is alleging a disagreement over facts, a statement regarding what facts, if any, are in dispute. If there is no dispute over the facts, the appeal should so state.
  - 2. If the General employee is alleging abuse of discretion by the supervisor who imposed disciplinary action on him/her, a statement setting forth the manner in which the supervisor imposing the disciplinary action abused his/her discretion. Specifically, the statement must show that the supervisor has exceeded or acted without authority; that the General employee was denied procedural due process; or that the disciplinary action imposed was not warranted by the facts of the situation.
  - 3. The remedy being sought by the General employee.

- D. Upon receiving an appeal of a disciplinary action, the Division Manager or Department Director shall first determine whether or not the appeal complies with Appeals Procedures B and C.1, 2, and 3. If not, the appeal shall be denied on the basis of one or more of the following:
1. The appeal was not filed in a timely manner, pursuant to Appeals Procedure B.
  2. The appeal does not allege a dispute over the facts, or abuse of discretion, or is otherwise incomplete.
- E. If the appeal complies with Appeals Procedures C.1, 2 and 3, the Division Manager or Department Director shall take the necessary steps to determine the merits of the appeal. Included in such steps will be the opportunity for the General employee and his/her designated representative to meet with the Division Manager or Department Director, and to review any additional evidence which supports the disciplinary action.
- F. Within five (5) working days after completing his/her investigation of appeal, the Division Manager or Department Director shall notify the employee in writing of his/her decision, and the reasons therefor.

Appeal to the City Manager.

- A. The decision of the Division Manager or Department Director may be appealed to the City Manager within fifteen (15) days after the Division Manager's or Department Director's decision is rendered. Upon receiving such an appeal, the City Manager shall proceed in the same manner as outlined in Appeals Procedures D.
- B. If the disciplinary action imposed involves a significant property right, a General employee shall be assured the right to a formal hearing, unless such right is specifically waived by the General employee. If the disciplinary action does not involve a significant property right, the City Manager may conduct a formal or informal hearing, or no hearing.
- C. Within fifteen (15) calendar days after completing the investigation of the appeal, the City Manager shall notify the General employee in writing of his/her decision and the reasons therefor. The decision of the City Manager shall be final, except as provided in Section 2.52.200 of the Fountain Valley Municipal Code.

**ARTICLE 15 – CONTRACTING OUT REOPENER**

The City and the FVGEA agree to re-open the Memorandum of Understanding to discuss contracting out services performed by employees if the City determines it is appropriate to pursue this course of action.

**ARTICLE 16 – FURLOUGH REOPENER**

The City and the Association agree to re-open the Memorandum of Understanding to discuss furloughs if the City experiences substantial revenue loss or expenses that are unexpected and unrecoverable.

**ARTICLE 17 - FVGEE AND EMPLOYEE RIGHTS**

Employee Rights. The City shall not hinder or discipline a General employee for exercising any rights or benefits provided in the Memorandum of Understanding.

Payroll Deduction.

- A. Membership dues of certified FVGEE members in this Unit and insurance premiums for such FVGEE sponsored insurance programs shall be deducted by the City from the pay warrants of such members. The City agrees that once per fiscal year it shall, upon written request of FVGEE, change the amount of the FVGEE deduction for the purposes of any changes in FVGEE dues, provided that each employee affected by such request has provided the Human Resources Department with written pre-authorization to increase said General employees' FVGEE dues deduction. The City shall promptly transmit the dues and insurance premiums so deducted to FVGEE.
- B. FVGEE shall notify the City, in writing, as to the amount of dues uniformly required of all members of FVGEE and also the amount of insurance premiums required of employees who choose to participate in such programs.

Indemnification. FVGEE shall indemnify, defend and hold the City harmless from any and all claims and liabilities, demands, suits or any other action as a result of implementation and maintaining this Agreement.

Employee Information Listing. Upon request, the City shall provide FVGEE with a listing of all current employees in this Unit. Such file shall include employee name, job classification, and department.

Use of Bulletin Boards. Space shall be made available to FVGEE on departmental bulletin boards within the Representation Unit, provided such use does not interfere with the needs of the department and material posted is not derogatory to the City, City employees or other employee organizations. Notice shall be dated and signed by the authorized representatives of FVGEE responsible for its issuance.

Use of City Facilities. FVGEE may, with the approval of the City, hold meetings of their members on City property, provided request is made to the City as to the specific location and dates of the meeting prior to such meeting.

**ARTICLE 18 - MANAGEMENT RIGHTS**

Except as otherwise specifically provided in this MOU, the City has and retains the sole and exclusive rights and functions of management, including, but not limited to, the following:

- A. To determine the merits, necessity, nature or extent of services to be performed, as well as, the right to determine and implement its public function and responsibility, and the mission of its constituent departments, commissions and boards; and to determine budgets and appropriations of funds and to set municipal fees and charges.

- B. To manage all facilities and operations of the City, including the methods, means and personnel by which the City's operations are to be conducted.
- C. To schedule working hours, allot and assign work.
- D. To establish, modify, or change work schedules or standards.
- E. To direct the working forces, including the right to hire, promote, demote, or transfer any employee.
- F. To determine the location of all plants and facilities.
- G. To determine the layout and the machinery, equipment, or materials to be used.
- H. To determine processes, techniques, methods and means of all operations, including changes or adjustments of any machinery or equipment.
- I. To determine the size and composition of the working force.
- J. To determine the policy and procedure affecting the selection or training of new employees.
- K. To establish, assess and implement employee performance standards, including, but not limited to, quality and quantity standards; the assessment of employee performances; and the procedures for said assessment.
- L. To control and determine the use and location of City's property, material, machinery, and equipment.
- M. To schedule the operation of and to determine the number and duration of shifts.
- N. To determine measures to promote safety and to protect health and property.
- O. To transfer work from one job to another or from one plant or Unit to another.
- P. To introduce new, improved, or different methods of operations, or to change existing methods.
- Q. To relieve employees from duty for lack of work or for other reasons deemed legitimate by management.
- R. To reprimand, suspend, discharge or otherwise discipline employees for cause. The judgment of management shall govern except for an abuse of discretion.
- S. To establish and determine job classifications.
- T. To contract or subcontract construction, services, maintenance, distribution or any other work with outside public or private entities.

U. To take such other and further action as may be necessary to organize and operate the City in the most efficient and economical manner for the best interest of the public it serves.

**ARTICLE 19 - NON-DISCRIMINATION**

Neither the City nor the FVGEA shall discriminate against any employee because of race, color, sex, gender (including pregnancy, childbirth, medical conditions related to pregnancy or childbirth, gender identity, gender expression, transgender and breastfeeding or a medical condition related to breastfeeding), reproductive health decision making, age, national origin, political or religious affiliations, marital status, sexual orientation, genetic information, military or veteran status, medical condition (including cancer, a record of cancer, genetic characteristics, diseases or disorders) or physical or mental disability, or for any other reason identified by applicable law.

The City and FVGEA shall reopen any provision of this agreement for the purpose of complying with any final order of any federal or state agency or court of competent jurisdiction regarding a modification or change in any provision of this agreement in compliance with federal or state anti-discrimination laws.

**ARTICLE 20 - GENERAL PROVISIONS**

Maintenance of Benefits. City and FVGEA agree that wages, benefits and other terms and conditions of employment shall not be reduced during the term of this agreement except as provided for herein.

Severability. In the event that any provision of this Memorandum of Understanding is declared by a court of competent jurisdiction to be illegal or unenforceable, or is rendered void by virtue of statutory or legislative enactment, that provision of the Memorandum of Understanding shall be null and void, but such nullification shall not affect any other provision of this Memorandum of Understanding, which other provisions shall remain in full force and effect.

Integration, Modification and Ratification. This memorandum sets forth the entire agreement of the parties with respect to improvements or changes in the wages, hours, benefits and other terms and conditions of employment for the employees represented by FVGEA for the term of this agreement. This memorandum may be modified or amended only by written agreement between the parties hereto. This memorandum shall be of no force and effect unless or until duly adopted, ratified and approved by the City Council of the City of Fountain Valley, or in the alternative, the substantive provisions hereof are adopted by resolution of the City Council.

Term. The term of this Memorandum of Understanding shall be for a period of three (3) years, beginning July 1, 2024 and ending midnight June 30, 2027.

IN WITNESS WHEREOF, the parties hereto executed this Memorandum of Understanding on September 25, 2025.

APPROVED AS TO FORM:



\_\_\_\_\_  
Colin Burns, Attorney for the City

CITY OF FOUNTAIN VALLEY



\_\_\_\_\_  
Maggie Le, City Manager

FOUNTAIN VALLEY GENERAL EMPLOYEES' ASSOCIATION:

Timothy Davis

Timothy Davis (Sep 16, 2025 16:06:34 PDT)

\_\_\_\_\_  
Tim Davis

Monica Kerr

Monica Kerr (Sep 16, 2025 16:18:07 PDT)

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Monica Kerr



Carlos Rubio (Sep 16, 2025 16:04:37 PDT)

\_\_\_\_\_  
Carlos Rubio  
Teamsters Local 986

EXHIBIT 1

LAYOFF POLICY AND PROCEDURE

Rule XI of the City of Fountain Valley's Personnel Rules and Regulations "Layoff Policy and Procedure" is hereby incorporated in the MOU for ease of reference.

The City and Association agree to add the following clarification language regarding bumping rights:

"SECTION 1105. Seniority/Bumping Procedure: In order to retreat to a former or lower class, an employee must have more seniority than at least one of the incumbents in the retreat class and request displacement action in writing to the Human Resources Director within five (5) working days of receipt of notice of layoff.

Employees retreating to a lower or similar class shall be placed at the salary step representing the least loss of pay. In no case, shall the salary be increased above that received in the class from which the employee was laid off.

Employees retreating to a lower or similar class shall serve a probationary period in the new class unless they have previously successfully completed a probationary period in the class or a class in the class series."

EXHIBIT 2

CITY OF FOUNTAIN VALLEY
ESTABLISHED SALARY RANGES FOR CLASSIFICATIONS
REPRESENTED BY THE FOUNTAIN VALLEY GENERAL EMPLOYEES ASSOCIATION

EFFECTIVE: April 26, 2025 (Pay Period Ending May 9, 2025)

Table with columns: Range/Min, Effective Date, Class Code, Classification, Step 1, Step 2, Step 3, Step 4, Step 5. Rows include various job titles like Accountant, Accounting Technician I, Accounting Technician II, Administrative Assistant, Administrative Specialist, Architectural Engineer, Architectural Drafting, Building Inspector, Code Enforcement Officer, Community Services Officer, Dispatcher, Engineering Technician I, Engineering Technician II, Fire Prevention Specialist, Fire Prevention Analyst, Housing Analyst, Housing Technician, Human Resources Technician, Information Technology Technician, Sr. Accounting Technician, and Lead Code Enforcement Officer.

FVGEA	4/28/2025	025	Lead Operator	Actual	\$ 81,683.21	\$ 85,158.57	\$ 89,372.68	\$ 93,449.79	\$ 98,372.83
				Monthly	\$ 6,799.27	\$ 7,093.05	\$ 7,447.68	\$ 7,820.07	\$ 8,211.67
				Bi-weekly	\$ 3,399.64	\$ 3,546.53	\$ 3,723.84	\$ 3,910.04	\$ 4,105.84
				Hourly	\$ 38.0758	\$ 40.0714	\$ 42.0874	\$ 44.1169	\$ 46.1715
FVGEA	4/29/2025	056	Lead Information Technology Technician	Actual	\$ 85,029.43	\$ 88,180.40	\$ 91,437.44	\$ 94,899.31	\$ 99,707.28
				Monthly	\$ 7,085.79	\$ 7,348.37	\$ 7,619.79	\$ 7,908.28	\$ 8,308.94
				Bi-weekly	\$ 3,542.89	\$ 3,674.19	\$ 3,809.89	\$ 3,954.14	\$ 4,154.47
				Hourly	\$ 39.4173	\$ 41.0521	\$ 42.7055	\$ 44.4555	\$ 47.0183
FVGEA	4/29/2025	009	Lead Video Work Inspector	Actual	\$ 85,714.54	\$ 89,000.59	\$ 92,500.82	\$ 96,225.84	\$ 101,186.63
				Monthly	\$ 7,142.88	\$ 7,416.72	\$ 7,708.40	\$ 8,018.82	\$ 8,432.22
				Bi-weekly	\$ 3,571.44	\$ 3,708.36	\$ 3,854.20	\$ 4,009.41	\$ 4,216.11
				Hourly	\$ 41.5001	\$ 43.2854	\$ 45.0950	\$ 46.9425	\$ 48.8299
FVGEA	4/29/2025	024	Lead Records Clerk	Actual	\$ 82,978.00	\$ 85,991.69	\$ 89,061.90	\$ 92,294.56	\$ 95,690.28
				Monthly	\$ 6,914.83	\$ 7,165.97	\$ 7,421.82	\$ 7,682.88	\$ 7,949.19
				Bi-weekly	\$ 3,457.42	\$ 3,582.99	\$ 3,710.91	\$ 3,841.44	\$ 3,974.59
				Hourly	\$ 37.6118	\$ 39.3774	\$ 41.1784	\$ 43.0122	\$ 44.8814
FVGEA	4/29/2025	074	Management Aide	Actual	\$ 74,793.74	\$ 77,785.43	\$ 80,870.50	\$ 84,053.81	\$ 87,339.29
				Monthly	\$ 6,232.81	\$ 6,482.12	\$ 6,741.71	\$ 7,011.15	\$ 7,290.77
				Bi-weekly	\$ 3,116.41	\$ 3,241.06	\$ 3,370.86	\$ 3,505.58	\$ 3,645.39
				Hourly	\$ 32.8118	\$ 34.7774	\$ 36.7844	\$ 38.8322	\$ 40.9214
FVGEA	4/29/2025	027	Print Technician	Actual	\$ 65,441.52	\$ 67,756.68	\$ 70,193.38	\$ 72,763.05	\$ 75,469.73
				Monthly	\$ 5,453.46	\$ 5,646.39	\$ 5,857.78	\$ 6,088.60	\$ 6,338.31
				Bi-weekly	\$ 2,726.73	\$ 2,823.20	\$ 2,928.89	\$ 3,044.30	\$ 3,169.16
				Hourly	\$ 31.4115	\$ 33.0656	\$ 34.7681	\$ 36.5189	\$ 38.3200
FVGEA	4/29/2025	058	Print Check Engineer	Actual	\$ 106,152.49	\$ 111,468.19	\$ 117,033.10	\$ 122,851.78	\$ 128,929.92
				Monthly	\$ 8,846.04	\$ 9,288.35	\$ 9,752.76	\$ 10,249.32	\$ 10,779.16
				Bi-weekly	\$ 4,423.02	\$ 4,644.18	\$ 4,876.38	\$ 5,124.66	\$ 5,389.58
				Hourly	\$ 41.0343	\$ 43.5688	\$ 46.2656	\$ 49.0370	\$ 51.8831
FVGEA	4/29/2025	054	Public Works Inspector	Actual	\$ 81,883.88	\$ 85,713.47	\$ 89,690.15	\$ 93,819.10	\$ 98,103.68
				Monthly	\$ 6,823.65	\$ 7,142.79	\$ 7,475.01	\$ 7,820.76	\$ 8,180.31
				Bi-weekly	\$ 3,411.83	\$ 3,571.40	\$ 3,737.51	\$ 3,910.38	\$ 4,090.16
				Hourly	\$ 39.2483	\$ 41.7064	\$ 44.2880	\$ 46.9823	\$ 49.7923
FVGEA	4/29/2025	089	Records Clerk I	Actual	\$ 63,301.51	\$ 66,069.84	\$ 68,983.07	\$ 72,041.12	\$ 75,254.88
				Monthly	\$ 5,275.13	\$ 5,505.82	\$ 5,746.92	\$ 6,008.43	\$ 6,281.24
				Bi-weekly	\$ 2,637.57	\$ 2,752.91	\$ 2,873.46	\$ 3,004.21	\$ 3,140.62
				Hourly	\$ 25.0669	\$ 26.0224	\$ 27.0000	\$ 28.0000	\$ 29.0228
FVGEA	4/29/2025	009	Records Clerk II	Actual	\$ 69,315.77	\$ 72,281.62	\$ 75,395.81	\$ 78,560.42	\$ 81,776.63
				Monthly	\$ 5,776.31	\$ 6,023.47	\$ 6,282.98	\$ 6,554.70	\$ 6,838.89
				Bi-weekly	\$ 2,888.16	\$ 3,011.74	\$ 3,141.49	\$ 3,277.35	\$ 3,419.44
				Hourly	\$ 28.5173	\$ 30.0430	\$ 31.6101	\$ 33.2222	\$ 34.8814
FVGEA	4/29/2025	078	Recorition Coordinator	Actual	\$ 66,272.58	\$ 69,298.20	\$ 72,466.81	\$ 75,778.79	\$ 79,234.73
				Monthly	\$ 5,522.71	\$ 5,774.85	\$ 6,038.90	\$ 6,314.73	\$ 6,602.89
				Bi-weekly	\$ 2,761.36	\$ 2,887.43	\$ 3,019.45	\$ 3,157.37	\$ 3,301.44
				Hourly	\$ 31.6810	\$ 33.4543	\$ 35.2776	\$ 37.1640	\$ 39.1673
FVGEA	4/29/2025	011	Secretary	Actual	\$ 69,497.89	\$ 72,422.71	\$ 75,497.71	\$ 78,724.59	\$ 82,104.51
				Monthly	\$ 5,791.49	\$ 6,035.23	\$ 6,289.81	\$ 6,554.55	\$ 6,829.54
				Bi-weekly	\$ 2,895.74	\$ 3,017.62	\$ 3,144.91	\$ 3,277.28	\$ 3,414.77
				Hourly	\$ 31.9101	\$ 33.6668	\$ 35.4705	\$ 37.3254	\$ 39.2302
FVGEA	4/29/2025	085	Supervising Records Clerk	Actual	\$ 74,154.38	\$ 77,463.15	\$ 80,926.30	\$ 84,544.12	\$ 88,318.32
				Monthly	\$ 6,179.53	\$ 6,455.26	\$ 6,743.86	\$ 7,044.51	\$ 7,357.36
				Bi-weekly	\$ 3,089.77	\$ 3,227.63	\$ 3,371.93	\$ 3,522.26	\$ 3,678.68
				Hourly	\$ 35.6816	\$ 37.4343	\$ 39.2699	\$ 41.1713	\$ 43.1448

**EXHIBIT 3  
RETIREE MEDICAL/DENTAL TIERS**

<b>FVGEA – TIER 1-A</b>	
<b>HIRE DATE:</b> Not applicable.	<b>YEARS OF SERVICE:</b> 5 years but less than 10 years continuous service with the City.
<b>ELIGIBILITY CRITERIA:</b>	
A. Is at least 50 years of age;	
B. Has been employed by the City for at least 5 years;	
C. Is a vested member of CalPERS;	
D. Has applied for and received a service retirement from CalPERS;	
E. Effective date of retirement occurred no earlier than October 1, 1980;	
F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;	
G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.	
<b>NOT ELIGIBLE FOR LIFE INSURANCE:</b> Retired employees shall not be eligible for life insurance coverage.	
<b>RETIREE CONTRIBUTION:</b> The employee enrolls at their own expense for both medical and dental insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS.	
<b>If retired beginning August 16, 2011 and later:</b> If dental coverage is elected, dental	

<p>coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.</p>	
<p><b>FVGEA – TIER 1-B</b></p>	
<p><b>HIRE DATE:</b> February 15, 1986 and earlier.</p>	<p><b>YEARS OF SERVICE:</b> 10 or more years continuous service with the City.</p>
<p><b><u>ELIGIBILITY CRITERIA:</u></b></p> <ul style="list-style-type: none"> <li>A. Is at least 50 years of age;</li> <li>B. Has been employed by the City for at least 5 years;</li> <li>C. Is a vested member of CalPERS;</li> <li>D. Has applied for and received a service retirement from CalPERS;</li> <li>E. Effective date of retirement occurred no earlier than October 1, 1980;</li> <li>F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;</li> <li>G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.</li> </ul> <p><b><u>NOT ELIGIBLE FOR LIFE INSURANCE:</u></b> Retired employees shall not be eligible for life insurance coverage.</p> <p><b><u>ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:</u></b></p> <p><i>If retired August 15, 2011 and earlier:</i> Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.</p> <p><i>If retired beginning August 16, 2011 and later:</i> Coverage is limited to the eligible retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement.</p> <p><b><u>Dependent Children.</u></b> City contributions towards medical for qualified dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions towards the dependent child(s) medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:</p> <ul style="list-style-type: none"> <li>A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.</li> <li>B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.</li> <li>C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.</li> </ul> <p><b><u>NON-QUALIFIED DEPENDENT(S):</u></b> Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.</p> <p><b><u>CITY CONTRIBUTION:</u></b></p>	

***If retired August 15, 2011 and earlier:*** The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for General employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider's group health benefit agreement.

***If retired beginning August 16, 2011 and later:*** The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for General employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent, if applicable.

**COVERAGE AT AGE 65+:** Coverage will become supplemental to Medicare at age 65. The City will pay the supplemental to Medicare/basic medical premium as applicable for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for General employees for Tier 1 employees. The retiree will continue paying the dependent dental premium, if coverage is elected, and will be responsible for paying Medicare premiums.

**ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:**

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. If none of the events listed above which would terminate coverage occurs, coverage for dependent survivors of deceased retirees or employees killed in the line of duty under the City's group medical insurance plan will continue in accordance with the provisions of the City's group medical insurance carrier, after which the dependent survivors will be provided an opportunity to continue their coverage under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). The City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for General employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

**FVGEA – TIER 1-C**

<b>HIRE DATE:</b> February 16, 1986 through February 15, 1994.	<b>YEARS OF SERVICE:</b> 10 or more years continuous service with the City.
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**ELIGIBILITY CRITERIA:**

- A. Is at least 50 years of age;
- B. Has been employed by the City for at least 5 years;
- C. Is a vested member of CalPERS;
- D. Has applied for and received a service retirement from CalPERS;
- E. Effective date of retirement occurred no earlier than October 1, 1980;
- F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;
- G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.

**NOT ELIGIBLE FOR LIFE INSURANCE:** Retired employees shall not be eligible for life insurance coverage.

**ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:**

*If retired August 15, 2011 and earlier:* Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

*If retired beginning August 16, 2011 and later:* Coverage is limited to the eligible retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement.

**Dependent Children.** City contributions towards medical for qualified dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions towards the dependent child(s) medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

- A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.
- B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.
- C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

**NON-QUALIFIED DEPENDENT(S):** Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

**CITY CONTRIBUTION:**

*If retired August 15, 2011 and earlier:* The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for General employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider's group health benefit agreement.

*If retired beginning August 16, 2011 and later:* The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for General employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent, if applicable.

**COVERAGE AT AGE 65+:**

*If retired August 15, 2011 and earlier:* Coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section

22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Retiree only dental premiums will continue to be paid by the City until the retiree's death. The retiree will continue paying the dependent dental premium, if coverage is elected, and will be responsible for paying Medicare premiums.

***If retired beginning August 16, 2011 and later:*** Medical coverage will terminate upon the retiree or qualified dependent reaching age 65, at which time, the employee continues coverage at own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. The retiree will be responsible for paying Medicare premiums. Dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

**ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:**

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. While covered, the City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for General employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

**FVGEA – TIER 1-D**

**HIRE DATE:** February 16, 1994 through August 15, 2009.

**YEARS OF SERVICE:** 5 years but less than 15 years continuous service with the City.

**ELIGIBILITY CRITERIA:**

- A. Is at least 50 years of age;
- B. Has been employed by the City for at least 5 years;
- C. Is a vested member of CalPERS;
- D. Has applied for and received a service retirement from CalPERS;
- E. Effective date of retirement occurred no earlier than October 1, 1980;
- F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;
- G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.

**NOT ELIGIBLE FOR LIFE INSURANCE:** Retired employees shall not be eligible for life insurance coverage.

**RETIREE CONTRIBUTION:** The employee enrolls at their own expense for both medical and dental insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS.

***If retired beginning August 16, 2011 and later:*** If dental coverage is elected, dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to

<p>terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.</p>	
<p><b>FVGEA – TIER 1-E</b></p>	
<p><b>HIRE DATE:</b> February 16, 1994 through August 15, 2009.</p>	<p><b>YEARS OF SERVICE:</b> 15 or more years continuous service with the City.</p>
<p><b><u>ELIGIBILITY CRITERIA:</u></b></p> <p>A. Is at least 50 years of age;</p> <p>B. Has been employed by the City for at least 5 years;</p> <p>C. Is a vested member of CalPERS;</p> <p>D. Has applied for and received a service retirement from CalPERS;</p> <p>E. Effective date of retirement occurred no earlier than October 1, 1980;</p> <p>F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;</p> <p>G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.</p> <p><b><u>NOT ELIGIBLE FOR LIFE INSURANCE:</u></b> Retired employees shall not be eligible for life insurance coverage.</p> <p><b><u>ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:</u></b></p> <p><i>If retired August 15, 2011 and earlier:</i> Coverage is limited to the eligible retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.</p> <p><i>If retired beginning August 16, 2011 and later:</i> Coverage is limited to the eligible retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement.</p> <p><b><u>Dependent Children.</u></b> City contributions towards medical for qualified dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions towards the dependent child(s) medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:</p> <p>A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.</p> <p>B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.</p> <p>C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.</p> <p><b><u>NON-QUALIFIED DEPENDENT(S):</u></b> Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.</p> <p><b><u>CITY CONTRIBUTION:</u></b></p> <p><i>If retired August 15, 2011 and earlier:</i> The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental</p>	

premium up to the maximum the City contributes for General employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependent(s) as defined in the service provider's group health benefit agreement.

*If retired beginning August 16, 2011 and later:* The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for General employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree, and medical coverage only for the qualified dependent, if applicable.

**COVERAGE AT AGE 65+:**

*If retired August 15, 2011 and earlier:* Coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Retiree only dental premiums will continue to be paid by the City until retiree's death. The retiree will continue paying the dependent dental premium, if coverage is elected, and will be responsible for paying Medicare premiums.

*If retired beginning August 16, 2011 and later:* Medical coverage will terminate upon the retiree or qualified dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. The retiree will be responsible for paying Medicare premiums. Dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

**ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:**

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. While covered, the City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for General employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

**FVGEA – TIER 1-F: DISABILITY RETIREMENT**

<b>HIRE DATE:</b> February 15, 1986 and earlier.	<b>YEARS OF SERVICE:</b> Not applicable.
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**ELIGIBILITY CRITERIA:** A "disability retired employee" shall refer to an employee who has received a disability retirement from CalPERS and whose injury or illness constitutes a total disability, as defined by the City's group medical insurance carrier. The disability retired employee must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement. Any lapse in coverage will

make the employee ineligible for coverage.

**NOT ELIGIBLE FOR LIFE INSURANCE:** Retired employees shall not be eligible for life insurance coverage.

**ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:**

*If retired August 15, 2011 and earlier:* Coverage is limited to the eligible disability retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

*If retired beginning August 16, 2011 and later:* Coverage is limited to the eligible retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement.

**Dependent Children.** City contributions towards medical for qualified dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions towards the dependent child(s) medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

- A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.
- B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.
- C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

**NON-QUALIFIED DEPENDENT(S):** Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

**CITY CONTRIBUTION:**

*If retired August 15, 2011 and earlier:* The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for General employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependents as defined in the service provider's group health benefit agreement.

*If retired beginning August 16, 2011 and later:* The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for General employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent, if applicable.

**COVERAGE AT AGE 65+:** Coverage will become supplemental to Medicare at age 65. The City will pay the supplemental to Medicare/basic medical premium, as applicable, for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for General employees for Tier 1 employees. The retiree

will continue paying the dependent dental premium, if coverage is elected, and will be responsible for paying Medicare premiums.

**ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:**

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. If none of the events listed above which would terminate coverage occurs, coverage for dependent survivors of deceased retirees or employees killed in the line of duty under the City's group medical insurance plan will continue in accordance with the provisions of the City's group medical insurance carrier, after which the dependent survivors will be provided an opportunity to continue their coverage under the provisions of the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA). The City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for General employees for Tier 1 employees. Dental premiums for the surviving dependents are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is elected.

**FVGEA – TIER 1-G: DISABILITY RETIREMENT**

**HIRE DATE:** February 16, 1986 and later. | **YEARS OF SERVICE:** Not applicable.

**ELIGIBILITY CRITERIA:** A "disability retired employee" shall refer to an employee who has received a disability retirement from CalPERS and whose injury or illness constitutes a total disability, as defined by the City's group medical insurance carrier. The disability retired employee must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement. Any lapse in coverage will make the employee ineligible for coverage.

**NOT ELIGIBLE FOR LIFE INSURANCE:** Retired employees shall not be eligible for life insurance coverage.

**ELIGIBLE QUALIFIED DEPENDENT COVERAGE LIMITATION:**

*If retired August 15, 2011 and earlier:* Coverage is limited to the eligible disability retiree and those specific dependent(s) as defined in the service provider's group benefit agreement that were covered at the time of the employee's retirement.

*If retired beginning August 16, 2011 and later:* Coverage is limited to the eligible retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two (2) full years (24 months) prior to retirement.

**Dependent Children.** City contributions towards medical for qualified dependent children will end the month during which the dependent child turns age 23. The dependent child may continue on the plan until age 26, in accordance with plan provisions; however, the City will not pay any contributions towards the dependent child(s) medical premium past age 23. The following examples illustrate the impact to the City contribution when a dependent child turns age 23:

- A. If the retiree covers 1) himself/herself and 2) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays only single coverage for the retiree.
- B. If the retiree covers 1) himself/herself, 2) a spouse and 3) a dependent child, the month during which the dependent child reaches age 23, the City ceases contributions for the dependent child and pays two-party coverage for the retiree and spouse.
- C. If the retiree covers 1) himself/herself, 2) a spouse and 3) more than one (1) dependent child, the City will continue to pay family coverage for the retiree, spouse

and dependent child under age 23. Effective during the month during which the youngest child reaches age 23, the City ceases contributions for the dependent child(ren) and pays two-party coverage for the retiree and spouse.

**NON-QUALIFIED DEPENDENT(S):** Dependent(s) not meeting the criteria for eligible qualified dependent will be designated as non-qualified dependent and ineligible for City contributions towards medical insurance.

**CITY CONTRIBUTION:**

***If retired August 15, 2011 and earlier:*** The City will contribute towards the monthly medical premium for the retiree and eligible qualified dependent(s) and retiree only dental premium up to the maximum the City contributes for General employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for eligible dependents as defined in the service provider's group health benefit agreement.

***If retired beginning August 16, 2011 and later:*** The City will contribute towards the monthly medical premium for the retiree and qualified dependent(s) who were covered on the employee's plan for a minimum of two full years (24 months) prior to retirement (designated as qualified dependent) up to the maximum the City contributes for General employees for Tier 1 employees. The premiums shall be based on medical/dental coverage for the eligible retiree and medical coverage only for the qualified dependent, if applicable.

**COVERAGE AT AGE 65+:**

***If retired August 15, 2011 and earlier:*** Coverage will terminate upon the retiree or covered dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Retiree only dental premiums will continue to be paid by the City until the retiree's death. The retiree will continue paying the dependent dental premium, if coverage is elected, and will be responsible for paying Medicare premiums.

***If retired beginning August 16, 2011 and later:*** Medical coverage will terminate upon the retiree or qualified dependent reaching age 65, at which time, the employee continues coverage at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. The retiree will be responsible for paying Medicare premiums. Dental coverage will cease upon the retiree or qualified dependent reaching age 65 at which time he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.

**ELIGIBLE QUALIFIED DEPENDENT – SURVIVING DEPENDENT(S) COVERAGE:**

Coverage for dependent survivors of deceased retired employees or employees killed in the line of duty shall continue until remarriage of the surviving spouse or until eligibility of the surviving spouse for other group medical insurance or Medicare at age 65. When any of the above occurs, coverage for the surviving spouse and covered dependent(s) will terminate. While covered, the City pays the actual medical premium for the surviving dependent(s) up to the maximum the City contributes for General employees for Tier 1 employees. Dental premiums for the surviving dependent(s) are paid by the survivor and will be deducted from the City reimbursement or the survivor will be billed if coverage is

elected.	
<b>FVGEA – TIER 2-A (SERVICE AND DISABILITY RETIRED EMPLOYEES)</b>	
<b>HIRE DATE:</b> August 16, 2009 through August 15, 2010.	<b>YEARS OF SERVICE:</b> Not applicable.
<p><b><u>ELIGIBILITY CRITERIA:</u></b></p> <p>A. Is at least 50 years of age;</p> <p>B. Has been employed by the City for at least 5 years;</p> <p>C. Is a vested member of CalPERS;</p> <p>D. Has applied for and received a service retirement from CalPERS;</p> <p>E. Effective date of retirement occurred no earlier than October 1, 1980;</p> <p>F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;</p> <p>G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.</p> <p><b><u>NOT ELIGIBLE FOR LIFE INSURANCE:</u></b> Retired employees shall not be eligible for life insurance coverage.</p> <p><b><u>RETIREE CONTRIBUTION:</u></b> The employee enrolls at their own expense for both medical and dental insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS.</p> <p><b><i>If retired beginning August 16, 2011 and later:</i></b> If dental coverage is elected, dental coverage will cease upon the retiree or qualified dependent reaching age 65, at which time, he/she may elect COBRA to continue coverage for 18 months or may elect to terminate dental coverage. The retiree will be required to pay the full premium plus the 2% administrative fee. Failure to pay premiums will result in loss of coverage.</p>	
<b>FVGEA – TIER 3-A (SERVICE AND DISABILITY RETIRED EMPLOYEES)</b>	
<b>HIRE DATE:</b> August 16, 2010 and later.	<b>YEARS OF SERVICE:</b> Not applicable.
<p><b><u>ELIGIBILITY CRITERIA:</u></b></p> <p>A. Is at least 50 years of age;</p> <p>B. Has been employed by the City for at least 5 years;</p> <p>C. Is a vested member of CalPERS;</p> <p>D. Has applied for and received a service retirement from CalPERS;</p> <p>E. Effective date of retirement occurred no earlier than October 1, 1980;</p> <p>F. Must retire directly from active duty and must maintain continuous coverage both prior to and subsequent to their retirement;</p> <p>G. Any lapse in coverage will make the employee ineligible for 1) City contributions towards medical and dependent medical premiums in excess of the CalPERS statutory minimum employer contribution and 2) participation in the dental plan.</p> <p><b><u>NOT ELIGIBLE FOR LIFE INSURANCE:</u></b> Retired employees shall not be eligible for life insurance coverage.</p> <p><b><u>RETIREE CONTRIBUTION:</u></b> The employee enrolls at their own expense for medical insurance. Only while participating in the CalPERS medical plan will the City pay the minimum employer contribution specified in Section 22892 of the Public Employees' Medical and Hospital Care Act (PEMHCA) to CalPERS. Dental coverage will end at retirement. Dental coverage eligibility will be extended through COBRA continuation of coverage for a maximum of 18 months. Extension of coverage may apply in accordance with COBRA regulations; however, unless the retiree meets these COBRA provisions,</p>	

the maximum coverage period for dental upon retirement is 18 months, To maintain coverage, the full premium plus a 2% administrative fee is payable by the retiree. The employee is not eligible for any flexible spending or other contribution from the City towards continued dental insurance upon retirement.

# 9.25.25 Agenda Final General Employees Association MOU for signature

Final Audit Report

2025-09-16

Created:	2025-09-15
By:	Tania Knauerhaze (tania.knauerhaze@fountainvalley.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAHI-LA0EKSJVjDgcbXoEM1MgCePnr05Cm

## "9.25.25 Agenda Final General Employees Association MOU for signature" History

-  Document created by Tania Knauerhaze (tania.knauerhaze@fountainvalley.org)  
2025-09-15 - 11:03:23 PM GMT
-  Document emailed to crubio@teamsters986.org for signature  
2025-09-15 - 11:04:47 PM GMT
-  Email viewed by crubio@teamsters986.org  
2025-09-16 - 11:03:02 PM GMT
-  Signer crubio@teamsters986.org entered name at signing as Carlos Rubio  
2025-09-16 - 11:04:35 PM GMT
-  Document e-signed by Carlos Rubio (crubio@teamsters986.org)  
Signature Date: 2025-09-16 - 11:04:37 PM GMT - Time Source: server
-  Document emailed to tim.davis@fountainvalley.gov for signature  
2025-09-16 - 11:04:38 PM GMT
-  Email viewed by tim.davis@fountainvalley.gov  
2025-09-16 - 11:04:44 PM GMT
-  Signer tim.davis@fountainvalley.gov entered name at signing as Timothy Davis  
2025-09-16 - 11:06:36 PM GMT
-  Document e-signed by Timothy Davis (tim.davis@fountainvalley.gov)  
Signature Date: 2025-09-16 - 11:06:38 PM GMT - Time Source: server
-  Document emailed to Monica Kerr (monica.kerr@fountainvalley.org) for signature  
2025-09-16 - 11:06:40 PM GMT

 Email viewed by Monica Kerr (monica.kerr@fountainvalley.org)  
2025-09-16 - 11:06:45 PM GMT

 Document e-signed by Monica Kerr (monica.kerr@fountainvalley.org)  
Signature Date: 2025-09-16 - 11:18:07 PM GMT - Time Source: server

 Agreement completed.  
2025-09-16 - 11:18:07 PM GMT