

Memorandum of Understanding Between the City of Ceres and Mid Manager Bargaining Group

EFFECTIVE THROUGH JUNE 30, 2029

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AGREEMENT BETWEEN THE CITY OF CERES AND CERES MID-MANAGERS' BARGAINING GROUP

SECTION I. RECOGNITION

A. **Members:** The City of Ceres and the Ceres Mid-Managers' Bargaining Group (MMBG) agree that for purposes of administration, this agreement shall pertain to the following positions:

Mid-Managers

City Clerk
Deputy Finance Director
Deputy Public Works Director
Information Technology Manager
Public Works Superintendent
Recreation Manager
Redevelopment & Economic Development Manager

B. **Rights:** The City shall have the right to modify the above to include other positions as it may deem necessary for the conduct of City business.

C. **Job Titles:** The classifications or job titles used above are for descriptive purposes only. Their use is neither an indication nor a guarantee these classifications or titles will continue to be utilized by the City, and neither is it an assurance by the City the positions will be budgeted or filled.

D. **Hold Harmless:** In the event the MMBG requests that the City deduct dues from employee payroll on behalf of the Association, the City and the Association will agree on a "Hold Harmless" provision in advance of any deduction.

E. **Group Roster:** The City shall provide the Group with a roster of current bargaining unit members every 120 days. The City shall give the group a minimum of two business days' notice prior to the orientation of a new bargaining unit member.

Section II. COMPENSATION

A. Salary Adjustments

Upon ratification by the bargaining unit and Council approval of this MOU, the City agrees to provide a three percent (3%) salary increase to the base pay reflected in the applicable salary ranges set forth in the City's 2024-2025 Class Title and Salary Schedule, to be effective the first full pay period following Council approval. The annual increase shall occur in the subsequent fiscal years as outlined below:

- Year two: 3% effective the first full pay period after July 1, 2026.
- Year three: 3% effective the first full pay period after July 1, 2027.
- Year four: 3% effective the first full pay period after July 1, 2028.

B. Classic Member Pay

Classic employees hired (and continuously employed by the City of Ceres) prior to January 31, 2016, shall be eligible for a total of 9.5% base wage increase, so long as the employees have received at least an overall rating of satisfactory on their most recent performance evaluation. This provision will not trigger an employee's right for a disciplinary appeal under the City MOU or personnel rules.

The intent of this provision is to offset Classic members contributing to their employee retirement contributions.

Section III. SALARY STEPS

The Salary Administration of the City shall be as follows:

- A. **Step A:** The first salary step is the minimum rate and will normally be the hiring rate. Appointment may be made to other than the normal entering salary step upon recommendation of the Department Head and upon the approval of the City Manager.
- B. **Step B:** The second salary step: Six (6) months of satisfactory service at the first salary step A shall make an employee eligible.
- C. **Step C:** The third salary step: Twelve (12) months of satisfactory service at the second salary step B normally shall make an employee eligible.
- D. **Step D:** The fourth salary step: Twelve (12) months of satisfactory service at the third salary step C and the recommendation of the Department Head with the approval of the City Manager shall be required for advancement to this step.
- E. **Step E:** The fifth salary step: Twelve (12) months of satisfactory service at the fourth salary step D and the recommendation of the Department Head with the approval of the City Manager shall be required for advancement to this step.

Section IV. HEALTH & WELFARE

A. Term Life Insurance

1. During the term of this agreement, the City shall provide each employee covered by this agreement with a paid term life insurance policy equal to one-time annual salary not to exceed \$50,000 policy value.
2. The City reserves the right to provide this life insurance through a self-insured plan or under a group insurance policy or policies issued by an insurance company or insurance companies selected by the City.

B. Health Benefits

Effective with the plan year beginning January 1, 2025, the following terms shall apply:

1. All employees must enroll in an available City medical plan unless they opt out. In order to opt out, an employee must provide the following:
 - a. Proof that the employee and all individuals for whom the employee intends to claim a personal exemption deduction for the taxable year or years that begin or end in or with the City's plan year to which the opt out applies ("tax family"), have or will have minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year to which the opt out arrangement applies ("opt out period"); and
 - b. The employee must sign an attestation that the employee and his/her tax family have or will have such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment.
2. The City shall contribute the following amounts toward the combined premiums for medical, dental and vision on a semi-monthly basis (24 pay periods). The City's contribution shall not exceed the actual premiums, or the contribution amount stated herein, whichever is less. The employee shall be responsible for the balance of premiums, if any.
 - a. \$405 semi-monthly (\$810 monthly) for employees enrolled in Employee-Only medical coverage.
 - b. \$800 semi-monthly (\$1,600 monthly) for employees enrolled in Employee + 1 medical coverage.
 - c. \$1,125 semi-monthly (\$2,250 monthly) for employees enrolled in Employee + Family (more than one dependent) medical coverage.
3. The City shall pay one hundred percent (100%) of the dental and vision premiums for employees who waive medical coverage.
4. Employees who waive medical coverage shall receive \$100 semi-monthly (\$200 monthly) taxable compensation.
5. The City shall continue a Section 125 program for pre-tax deductions for the employee share of medical, dental and vision insurance premiums.
6. Benefits shall stop at the end of the month when City employment is ended for any reason. All coverage, except as required to be offered or extended under federal and state law, shall end.

There is no responsibility on the part of the City to pay, either in money or premiums, any remaining City or employee obligations beyond the month of termination of an employee's employment.

Cash payment for medical waivers will be paid only through the end of the month in which an employee's employment terminated. Such payment will be included in an employee's final pay received from the City.

Any outstanding premiums required to continue benefits through the end of the month of an employee's termination of City employment will be withheld from the final pay received from the City.

The City retains the discretion to select the City plan(s) each year. In the event the City makes changes to the plan selection, the Group will receive advance notice and opportunity to discuss concerns regarding changes.

Section V. LEAVES

A. Sick Leave and Sick Leave Conversion

1. Sick leave accumulation for full time employees shall be eight (8) hours per month (3.69 hours per pay period) for a total of 96 hours per year. Sick leave accumulation is unlimited.
2. An employee of this group who has not taken more than 36 hours of sick leave during the twelve (12) month period beginning the first pay period in January and ending the last pay period in December of each year (excluding sick leave used concurrently with protected leave) shall be entitled to convert up to 24 hours of unused sick leave to pay or leave with pay, providing that at no time shall the employee's sick leave balance fall below 192 hours.
3. Accumulated sick leave shall be paid at 50% of the accumulated balance upon retirement from City service at the employee's current hourly rate of pay, of which an amount will be contributed to the employee's Retiree Health Savings Account in accordance with Section VIII (B). Accumulated sick leave shall not be paid at separation of service for any other reason. For the purpose of this section, the term "retirement" is defined, understood and intended to mean an employee's separation from employment with the City at a time when the member qualifies for pension benefits through the 1937 Act Retirement System, concurrent with the filing of an application by the member for retirement benefits and subsequent notification by the administrators of the 1937 Act Retirement System of approval of the application and the right of the member to commence receipt of current benefits from the retirement system. Discontinuing paid work for the City under any circumstances other than defined herein, or election by the employee for deferral of retirement payments, are not considered as "retirement" for eligibility to receive payment for a portion of any unused sick leave benefits as stated herein.

B. Vacation

1. Full time employees shall accrue vacation time as follows:

Years of Continuous Service	Hours Earned Per Pay Period	Annual
1-4	3.08	10 (8 hour) Days
5-10	4.62	15 (8 hour) Days
11-19	6.15	20 (8 hour) Days

20+		1 (8 hour) Addl. Day per year for each year over 20 to maximum of 25 days per year
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2. The maximum vacation accumulation shall be 480 hours. Vacation accrual will stop when an employee in this group reaches 480 hours of accrued vacation time. Vacation accrual will resume once the vacation balance has been reduced.
3. Vacation hours paid at separation of service shall be limited to the employee's current accumulated vacation balance up to 480 hours. Payment will be at the employee's current hourly rate of pay.
4. Any employee of this group may convert up to thirty (30) hours of vacation leave to be accrued in the coming fiscal year into cash, so long as the employee irrevocably elects to convert the amount of vacation leave at least twelve (12) months prior to the conversion. Payment will be at the employee's current hourly rate of pay (1:1 ratio).

C. Management Leave

1. Employees in this group are declared as exempt under FLSA executive exemption guidelines.
2. Employees in this group shall receive ten (10) management days (eighty (80) hours) of leave per fiscal year. Management leave must be used during the fiscal year in which it is earned or will be lost. Unused management leave does not accumulate from year to year.

D. Bereavement Leave

1. An employee in this bargaining unit shall be entitled to leave with pay for a maximum of five (5) work days in the event of the death of the employee's spouse, registered domestic partner or children (including stepchildren).
2. An employee in this bargaining unit shall be entitled to leave with pay for a maximum of three (3) work days in the event of the death of the employee's parents, siblings, or grandchildren. The definition of parent and siblings as used herein shall mean stepparent or sibling, foster parent as well as natural parents of the employee.
3. An employee in this unit shall be entitled to leave with pay for a maximum of one (1) work day in the event of the death of an employee's brother or sister by marriage or domestic partnership, parents by marriage, or domestic partnership employee's grandparents or grandparents by marriage or domestic partnership.
4. Additional bereavement time may be granted and paid from accrued vacation, sick, or management leave, upon request from the employee and approval of the appropriate department representative.

Section VI. HOLIDAYS

A. Holidays and Paid Personal Holiday

Employees in this group will receive the following thirteen (13) paid City holidays:

New Year's Day
Martin Luther King Day
President's Day
Memorial Day
Juneteenth Day
Independence Day
Labor Day
Veteran's Day
Thanksgiving Day
The Day after Thanksgiving Day
Christmas Eve
Christmas Day
New Year's Eve Day

One (1) paid personal holiday beginning each fiscal year shall be provided on a date acceptable to both the member's supervisor and the group member, and after completion of six months of initial employment by a group member. The paid holiday does not accumulate from year-to-year but must be taken within the fiscal year earned. Paid personal holidays not taken within the fiscal year accrued will be forfeited.

Section VII. OVERTIME

The parties agree that all employees in this bargaining unit are exempt from the overtime requirements of the Fair Labor Standards Act (FLSA).

Section VIII. MISCELLANEOUS BENEFITS

A. Retirement

1. Effective July 1, 2004, the City provided enhanced retirement benefits pursuant to the formula outlined in Government Code Section 31676.14, commonly known as 2% at 55 for the miscellaneous employees in this group, calculated on the single highest year of compensation.
2. Unit members hired on and after January 1, 2013, and designated as "new members" to StanCERA who are miscellaneous employees shall be enrolled in the 2 % @62 retirement formula as required by law under the California Public Employees' Pension Reform Act ("PEPRA" – AB 340/SB 197). As required under PEPRA, "new members" shall:

- a. Individually pay an initial Member contribution rate of 50% of the normal cost rate for the Defined Benefit Plan in which said "new member" is enrolled, rounded to the nearest quarter of 1%, or the current contribution rate of similarly situated employees, whichever is greater; and
 - b. Have "final compensation" measured by the highest average annual pensionable compensation earned by the member during a period of at least 36 consecutive months.
3. Any provision in this Agreement which contradicts any provision of PEPRA shall be deemed null and void, with the contrary PEPRA provision(s) being given full force and effect.
4. Except for "new members" as defined above in Subsection 2, the employee contribution for retirement will be as follows:
 - 100% of the amount of the employee share of the current fiscal year retirement rate.
- Said member's contribution shall be vested in the name of the employee as permitted under the rules and regulations of the 1937 Act Stanislaus County Retirement System.
5. Upon attaining 30 years of service with the City or attaining the maximum employee benefit contribution requirement under the 1937 Act Stanislaus County Employees' Retirement System, the City shall continue to pay only the qualifying member's employee portion of the retirement contribution into a City-approved deferred compensation plan. The employee must designate, in the proper written format, into which plan the funds are to be disbursed in their name. The deferred compensation contribution, in lieu of the retirement payment, shall be effective with the first payroll period following the member's satisfaction of the 1937 Act maximum contribution attainment. The City's maximum obligation for deferred compensation contribution in lieu of retirement payments for the remainder of the employee's tenure with the City will be only for that actual amount being paid by the City for the member portion when the employee attained 30 years of service or maximum employee benefit contribution requirements under the 1937 Act.

B. Retiree Health Savings Plan

The City agrees to implement a retiree health savings plan through a provider selected by the City. Upon retirement employees in this group will contribute the following amount of any Sick Leave Conversion and or Cash Out to this plan: (1) 0-25 years of service: 50% of allowable Conversion and or Cash Out will be contributed to a Retiree Health Savings Account: (2) 26+ years of service: 100% of allowable Conversion and or Cash Out will be contributed to a Retiree Health Savings Account.

C. Memberships

Annual dues will be paid for employees in this unit for one service club or organization in the Ceres community. Discretion as to the appropriateness of the club or organization shall rest with the City Manager. Any time spent in service to such club or organization shall be strictly voluntarily and shall not constitute hours worked for the City.

D. Professional Development

1. As an incentive for further individual professional and managerial growth for each employee in this group, the professional development allowance will be \$750 per employee. Independent of, supplemental to, and not to be used as a substitution for or in conjunction with other budgeted City funds for training or conferences, the purpose of this benefit will be to assist in the payment of expenses for the employee to attend a national or international professional conference associated with or related to the employee profession and responsibilities with this City, enrollment in pertinent management training courses, enrollment in academic/educational classes or curriculum relative to their City employment, and/or payment for applicable tuition, books, or reference resources. Acquisition of computer hardware, computer software, or other technological equipment may be allowed, provided it is for the employee's individual use and benefit in the course of performing their City-employment responsibilities and the purchase(s) remain the property of the City.
2. Each employee shall obtain the Director's written approval of their intended use of said professional development funds prior to each encumbrance or expenditure. The annual allocation of funds for this purpose may be carried over into one subsequent fiscal year. No portion of these monies shall be provided to the employee for cash purposes or as additional compensation during employment or upon separation from employment.

E. Educational Incentives

In order to promote highly trained and skilled professionals, the City is willing to provide education incentive to those individuals who demonstrate their improved education level. Education must be from an accredited college and/or nationally recognized association and approved in advance by the City Manager. The incentives provided shall be as follows:

1. Mid-Managers who achieve and maintain certification within their field shall receive an additional pay incentive of five percent (5%).
2. Mid-Managers with a master's degree shall receive an additional pay incentive of seven and one-half percent (7.5%).

The percentages shall be applied singularly and not compounded; i.e., five percent (5%) for a field-related certification, and seven and one-half percent

(7.5%) for a Master's degree shall not be combined to be twelve and one half percent (12.5%).

F. Continuation of Benefits

Other benefits with respect to terms and conditions of employment not specifically stated in this agreement or in the City's personnel rules shall be granted pursuant to the agreement with the Miscellaneous Bargaining Unit and shall continue in full force and effect for this group.

Section IX. EXTENSION OF RE-EMPLOYMENT LIST

Employees laid-off from employment in accordance with Ceres Personnel Rule XVI. Layoff Policies and Procedure shall be maintained upon the City's re-employment list for three (3) consecutive years while employees who are demoted shall have five (5) consecutive years in which to be reinstated to a previously held position.

Section X. CITY RIGHTS

It is understood and agreed that it is the interest and prerogative of the City to operate and manage its affairs to the full extent of the law. Included in, but not limited to those duties and powers are the exclusive prerogative to: determine its organization; direct work of its employees, determine the times and hours of site operation; determine the kinds and levels of services to be provided, and the methods and means of providing them; establish its policies, goals, and objectives; determine staffing patterns; determine the number and kinds of personnel required to maintain the efficiency of employer operations; build, move or modify facilities; establish budget procedures and determine budgetary allocation; determine the methods of raising revenue; contract out work; and take appropriate action on any matter in the event of an emergency. The City retains the rights to hire, lay-off, assign, evaluate, promote, transfer, terminate, and rehire employees, as long as it does not violate the provisions of this Agreement. It is understood and agreed that applicable law governs this provision and that it is in the party's interest and the prerogative of the City to operate and manage its affairs to the full extent of the law.

Section XI. TERM OF AGREEMENT

The term of this agreement shall be from date of ratification through June 30, 2029. In the event the City makes changes to the Personnel Rules during the term of the agreement, the City will provide the MMBG with the opportunity to meet and confer over the changes as required by law.

The Parties agree to reopen the terms of this agreement to discuss Section IV (B) (2), regarding the City contribution toward health benefits should the premium for the lowest cost HMO plan increase by 5% or more.

CITY OF CERES
GROUP

Dated: _____, 2025

Douglas D. Dunford,
City Manager

Delilah Vasquez,
Director of Human Resources

CERES MID-MANAGERS' BARGAINING

Dated: _____, 2025

Fallon Martin,
Ceres Mid-Managers' Bargaining Group