



**MEMORANDUM OF UNDERSTANDING**

**Between**

**CITY OF PICO RIVERA**

**And**

**SERVICE EMPLOYEES' INTERNATIONAL UNION,**

**LOCAL 721 - DIRECTORS BARGAINING UNIT**

**July 1, 2024 through June 30, 2027**

# SEIU Local 721

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## **ARTICLE 1 PREAMBLE**

This Memorandum of Understanding (“MOU”) is made and entered into between the representatives of the City of Pico Rivera, hereinafter referred to as “City” and Service Employees International Union (SEIU), Local 721, hereinafter referred to as “Union”.

The City hereby formally recognizes the Director’s Bargaining Unit (“Unit”) as the exclusive representative of those employees in the classifications listed in Appendix “A”.

The City agrees to meet and confer on all matters within the scope of representation as authorized by law, except as specified in this MOU. Pursuant to the California Government Code Section 3500, et. Seq.

During the term of this MOU, should any recognized City bargaining unit reach a signed agreement that results in a higher benefit than provided to members of the Unit, the City agrees to adjust the specified benefit to an equivalent amount.

## **Article 2 CONTRACT TERM**

This MOU shall be effective on July 1, 2024, except as otherwise provided herein, and together with all the terms, conditions and effects thereof shall expire at midnight on June 30, 2027.

The City and Union agree that the provisions contained herein shall be subject to all applicable laws and cover the period of July 1, 2024, through June 30, 2027.

Notwithstanding the above, the provisions of this MOU shall remain in effect until a successor MOU is implemented. Both parties shall have mutual satisfaction and will continue to meet and confer in good faith or at the conclusion of impasse proceedings in the event that the parties fail to reach agreement.

This MOU plus any amendments to this MOU sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understandings or agreements by the parties, whether formal or informal, regarding these matters are hereby superseded or terminated in their entirety.

Collective bargaining for a successor Unit MOU will commence six (6) months prior to the current MOU’s expiration date, unless mutually agreed to otherwise by the parties.

### **Article 3**

## **MANAGEMENT RIGHTS**

The City and Union agree that the City retains and has the exclusive decision-making authority to manage municipal services and the workforce performing those services in accordance with existing law and provisions of the established MOU. The Union further agrees that the City has, except as expressly and lawfully restricted by specific provisions of the MOU, the exclusive decision-making authority to:

1. Determine and modify the organization of City government and its constituent work units by defining the nature, facilities, methods, standards, equipment and apparatus, means, organizational structure, technology, levels and mode of delivery of service to be offered to the public;
2. Manage the City and determine and implement rules, policies, directives, procedures, and the right to manage the affairs of the City by defining the existence or nonexistence of facts, which form the basis of the Management decision consistent with law and the specific provisions of the MOU;
3. Determine the necessity, organization, and implementation of any service or activity conducted by the City or other governmental jurisdictions, and expand or diminish services;
4. Determine and plan methods of financing; determine and manage the City budget which includes changes in the number and types of personnel, of locations, relocations and types of operations, processes and materials to be used in carrying out all City budgetary functions;
5. Contract or subcontract for any work or operation of the City. No bargaining unit employee shall be laid off, demoted or suffer loss of pay or benefits as a result of the contracting out of work. The parties agree to meet and confer as required by law on matters relating to wage, hours or working conditions. Said provisions will apply except for contracts necessitated by bona fide emergencies.
6. Direct employees, including scheduling, assignment of work and overtime. Control the establishment of employee performance standards and require compliance therewith, to include the control of employee discharge, suspend, demote, reduce in pay, reprimand, and withhold salary increases and benefits, or otherwise discipline employees subject to the requirements of applicable law due to the lack of work, lack of funds, or for other legitimate reasons.
7. Take all necessary actions to protect the public and carry out its missions in emergencies.

8. The City agrees to meet and confer on the establishment of understanding and/or procedures to be enacted in the absence of a duly appointed City Manager. The policy behind the council/manager form of government is based on the principle of separation of powers, which ensures that the council and city manager can perform their duties without unnecessary interference from one another as particularly identified in Chapter 2.04 of the Pico Rivera Municipal Code.

Should the exercise of these management rights impact employees' wage, hours or working conditions, City agrees to meet and confer with Union pursuant to state law.

#### **Article 4 SEVERANCE**

Except where superseded by the terms of a personal employment agreement between an individual employee and the City, represented employees of this Unit in the classifications listed in Appendix "A", whose employment is terminated for the convenience of the City or who resign in lieu of termination for the convenience of the City, and who execute a settlement agreement and general release between the employee and City, will be paid severance equal to the sum of the highest rate of pay and any leave accruals.

All bargaining unit employees who have completed at least one (1) year of cumulative City employment (in any classification) and meet the above requirements are entitled to severance pay as follows:

1 year but less than 3 years of employment	3 month's pay
3 years but less than 7 years of employment	6 month's pay
7 years but less than 10 years of employment	9 month's pay
10 years and over of employment	negotiated

#### **Article 5 UNION LEAVE**

The City agrees that Union Stewards will be granted forty-eight (48) hours of paid leave annually to attend union sponsored meetings or training during working hours, exclusive of grievances, appeals, or bargaining sessions.

## **Article 6 SALARIES**

### **General Salary Increase**

The salary schedule attached hereto as Appendix "B" and, by reference made a part hereof, shall be adjusted as described below:

#### **Year One**

A salary increase of three percent (3%) will be effective the first full payroll period commencing on or after July 1, 2024.

#### **Year Two**

A salary increase of two percent (2%) will be effective the first full payroll period commencing on or after July 1, 2025.

#### **Year Three**

A salary increase of two percent (2%) will be effective the first full payroll period commencing on or after July 1, 2026.

### **Class and Compensation Study**

If a class and compensation study is undertaken, the parties agree to meet and confer over the results of the study. Any recommendations and findings of a study must be approved by the City Council to take effect.

In no way will an employee be adversely impacted by the implementation of a class and compensation study. Should any recognized bargaining unit receive a higher salary increase in the fiscal year of this contract, the higher salary will also become effective in this MOU on the same date.

The City agrees, all starting salaries of Directors, City Clerk and/or Deputy Directors are at the discretion and direction of the City Manager within their identified salary range.

## **Article 7 WORK SCHEDULES**

### **4/10 Work Schedule**

The City has approved a 4/10 work schedule; the Unit employees shall operate on the same schedule.

Normal days of work will be Monday through Thursday, with one (1) full day off, or as otherwise determined by the City Manager or Department Director, or their designees, at their discretion.

Holidays and personal leave days will be counted as ten (10) hours, regardless of whether or not a unit employee is working a schedule other than the 4/10.

## **Article 8 LONGEVITY**

The City shall pay longevity to Deputy Directors that have completed five (5), ten (10), and fifteen (15) years of cumulative service from their date of hire. The amount awarded is based on the table below and will be provided in a single payment the first full pay period of July.

5 Years of Service	2% of base pay
10 Years of Service	3% of base pay
15 Years of Service	4% of base pay

## **Article 9 RETIREMENT CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM (CALPERS)**

The City offers a defined retirement benefit plan through contract with the California Public Employees' Retirement System (CalPERS). Unit members are eligible for one (1) of three (3) benefit tiers pursuant to the City's contract with CalPERS. Information provided here is a summary of the benefits. The CalPERS contract is available to unit members or Union representatives upon request.

The applicable benefit tier available to an individual employee depends on their date of hire and/or status as a "new member," as defined by the Public Employees' Pension Reform Act of 2013 (PEPRA, AB 340) and as assigned by CalPERS. Each benefit tier defines the applicable retirement formula, final compensation period, and employee contribution/cost sharing as follows:

### **Tier I: Full-Time Employees hired on or before June 30, 2012**

1. Shall be eligible for the CalPERS retirement benefits formula based on 2.5% at age 55.
2. The final retirement compensation level shall be calculated using the single highest year of CalPERS reportable earnings, per the California Government Code.
3. Beginning with the first full pay period beginning on or after July 1, 2017, Tier I members shall pay four percent (4.0%) of the eight percent (8.0%) member contribution. The City will continue to pay the remaining four percent (4.0%) of the employee share.



4. Beginning with the first full pay period beginning on or after July 1, 2021, Tier I members shall pay eight percent (8.0%) of the eight percent (8.0%) member contribution. Effective the same date, all employee CalPERS contributions towards the eight percent (8%) normal cost will be offset through an increase in the employee's base wage. For example, if an employee contributes an additional four percent (4%) to the CalPERS normal cost, that employee will receive a corresponding four percent (4%) base raise at the same time. This base wage increase has been incorporated in the salary schedules in Appendix B – Salary Schedules.

Tier II: Full-Time Employees hired after June 30, 2012

1. Shall receive the CalPERS retirement benefit formula based on 2.0% at age 60.
2. The final retirement compensation level shall be calculated using the average of the three (3) highest consecutive year earnings, per the California Government Code.
3. Employees in Tier II are responsible for paying the full amount of the employee share, equal to fifty percent (50%) of the total "normal cost" as determined by CalPERS annual valuation reports up to an eight percent (8%) contribution rate. The City offers retiree medical through CalPERS medical. The City pays the minimum contribution required by the Public Employees Medical and Hospital Care Act (PEMHCA) toward the retiree's CalPERS medical insurance premium.

Tier III: "New Members" under PEPRA - Full time employees hired on or after January 1, 2013

- a. New Members are covered by the 2% at age sixty-two (62) benefit formula.
- b. New Members' retirement benefit will be based on the highest thirty-six (36) consecutive months of compensation earnable.
- c. Per PEPRA, the City does not make contributions towards the employee share for new members. New members are responsible for paying the full amount of the employee share, equal to fifty percent (50%) of the total "normal cost" as determined by CalPERS annual valuation reports. The City will not make any contributions towards the employee share of PERS, as outlined in AB 340.

The City has adopted the CalPERS resolution in accordance with IRS Code section 414(h)(2) to ensure that the employee contribution is made on a pre-tax basis by way of payroll deduction. All employee-paid member contributions shall be pre-tax via payroll deduction.

## **ARTICLE 10 SUPPLEMENTAL BENEFITS**

### **Deferred Compensation Plan**

The City has available a deferred compensation plan (i.e., Internal Revenue Code Section 457 program), which employees may choose to participate in at their own expense.

In order to qualify for the City matching contribution, employees must be enrolled in the Deferred Compensation Plan and must be making bi-weekly contributions.

The City will match contributions up to a maximum of one percent (1.0%) of base compensation.

Participation in the Deferred Compensation Plan is voluntary. The City will endeavor to provide education to all employees on the benefits of participating in the Deferred Compensation Program.

### **Health and Wellness Benefits**

The City agrees to make available to each member of the Directors Unit, by means of reimbursement, up to seven hundred fifty dollars (\$750) per fiscal year for use by the employee for any of the following purposes:

1. Membership, subscriptions, and/or one-time fees associated with a health club, fitness center, physical training, fitness classes, or exercise gym(s);
2. Other formal mental and physical wellness programs, recovery treatments, alternative medication, and dietary supplements (smoking cessation, weight control, nutrition, chiropractic, mobility therapy, and/or similar programs); and
3. Reimbursement for employee medical expenses and health screenings (deductibles or co-payments) not covered by the employee's health, dental or vision insurance.

Reimbursement will be made based on approval by the City Manager or designee, if sufficient documentation such as expense receipts from the health screening, gym membership, vitamins, and other mental or physical health programs is provided.

## **Article 11 RETIREE HEALTH INSURANCE**

Retiree Health Insurance - The City offers retiree medical health coverage through CalPERS medical.

For Employees Hired Before July 1, 2012:

C. Vision Benefits:

The City shall pay one hundred percent (100%) of the vision insurance premium for the employee and eligible dependents.

D. Cash In-Lieu of Benefits Program:

1. The Cash In-Lieu of Benefits Program (i.e., "Cash In-Lieu") allows employees to opt out of the City's provided health plans under certain conditions. An employee will be eligible for the Cash In-Lieu Program only when the employee provides proof of other medical coverage and an executed *Health Insurance Waiver* form. An employee may participate in the Cash In-Lieu Program only at the time of Open Enrollment, when a qualifying life event (QLE) occurs, or at the time of hire. In the event the employee loses health coverage through the alternative source, the employee should immediately contact Human Resources regarding the employee's eligibility to enroll in the City's Health Plan.

Cash In-Lieu of Benefits Program amounts for new enrollees shall be equal to the PEMHCA minimum or two hundred dollars (\$200), whichever is higher. Current participants will be grandfathered into the cash in-lieu benefits program at a rate equal to eighty percent (80%) of the health program amount they would qualify for. The amount will be distributed through the normal payroll process in twenty-four (24) equal payments.

When an employee leaves employment, the City must offer the opportunity to continue the medical, dental, and vision benefits they have upon terminating. If the employee is participating in the Cash In-Lieu of Benefits Program, Consolidated Omnibus Budget Reconciliation Act (COBRA) medical benefits continuation will not be available.

2. Upon retirement, if an employee was not previously enrolled in a City sponsored PERS medical plan, the employee may be eligible to enroll in the CalPERS retirement medical plan subject to CalPERS regulations.

## **Article 13 TYPES OF LEAVE**

### Administrative Leave

City agrees that each employee in the Unit shall receive eighty (80) hours of administrative leave the first full pay period of July of each year.

A total of one hundred twenty (120) hours of administrative leave may be accumulated. Administrative Leave cannot be "cashed out".

The City pays one hundred percent (100%) of the retiree's health insurance premium based on the retiree's level of coverage.

For Employees Hired on or after July 1, 2012:

The City pays the minimum contribution required by the Public Employees Medical and Hospital Care Act (PEMHCA) toward the retiree's CalPERS medical insurance premium. This amount is adjusted annually by CalPERS.

In addition, the City agrees to establish a "retiree health savings account" program wherein the City matches employee contributions towards this program. The maximum matching amount provided by the City would be one percent (1.0%) of base salary. Program details will be discussed between unit employees and the City in order to establish a program that meets all IRS and PERS guidelines and regulations.

## **Article 12 HEALTH AND RELATED BENEFITS**

**A. Medical Benefits:**

**1. Employees Hired Before July 1, 2012**

The City shall pay one hundred percent (100%) of the health insurance premiums for HMO providers and a maximum of eighty five percent (85%) of the premium rate for PERS CARE (PPO).

**2. Employees Hired On or After July 1, 2012**

The City shall pay one hundred percent (100%) of the health insurance premiums for the employee and eligible dependents not to exceed the Kaiser HMO premium rate. Employees may choose a different health care provider offered by the City, however, any cost greater than the Kaiser HMO premium rate shall be paid by the employee, through payroll deductions.

**B. Dental Benefits:**

The City shall pay one hundred percent (100%) of the dental insurance premium for the employee and eligible dependents not to exceed the HMO premium rate. Employees may choose a different dental plan offered by the City, however, any cost greater than the HMO premium rate shall be paid by the employee, through payroll deductions. The City shall offer at least one dental plan that covers adult orthodontia and has a benefit cap greater than one thousand five hundred dollars (\$1,500) per year.

### Sick Leave

Sick leave with pay is granted to all permanent, probationary, and provisional employees.

The following are details of the sick leave provision:

#### Accrual

Sick leave allowance is one hundred and five (105) hours per year

Each employee will accrue four point zero three eight five (4.0385) hours of sick leave each pay period.

The maximum number of accrued hours per year is one hundred and five (105) hours.

The maximum number of hours available for cash payment per year is eighty-one (81) hours.

Use - An employee's sick leave accruals can be used for an illness or medical appointment of an employee or family member.

Physician's Certificate - An employee may be required to provide the supervisor or Department Head with a physician's certification of illness or a release to return to work. An employee injured off the job shall be required to provide a physician's release to return to work.

Accumulation - Up to eight hundred (800) hours of sick leave may be accumulated during the course of employment with the City. If an employee's sick leave is exhausted, the employee may use vacation time for illness but only after a full work-day advance request and with the approval of the employee's supervisor, Department Director and Director of Human Resources.

Cash Payment - In June of each year (i.e., the first full pay period of June), each employee may choose to take any or all of the fiscal year's accumulated sick leave as cash, provided the "cash out" amount does not exceed eighty-one (81) hours. The balance of the sick leave may be left on the books. Per California Labor Code, sick leave is paid at the employee's rate of pay at the time of pay out (i.e., the employee's pay rate during the first full pay period in June).

Credit Upon Termination - Employees who terminate employment may be paid the salary equivalent of all accrued sick leave prior to the effective date of termination. Per California Labor Code, sick leave is paid at the employee's rate of pay at the time of termination/separation. Accumulated sick leave may also be converted to service credit with CalPERS at time of retirement, subject to CalPERS law. A choice of either sick leave

as service credit or cash-out of sick leave will be given.

**VACATION**

Length: The amount of vacation that a member accrues is based on years of service.

One through Four Years	88 Hours (3.385 hours per pay period)
Five through Nine Years	128 Hours (4.923 hours per pay period)
Ten Years through Nineteen	168 Hours (6.462 hours per pay period)
Twenty Years or More	208 Hours (8 hours per pay period)

The City Manager or designee has discretion to assign an appropriate vacation accrual – per the table above – for existing members in this unit or new hires based on their prior public sector service.

Accrual: Vacation leave will begin accruing immediately upon the employee's official start-date.

Credit upon Termination: Employees who terminate employment shall be paid the salary equivalent of all accrued vacation leave earned prior to the effective date of termination. Per California Labor Code, vacation leave is paid at the employee's rate of pay at the time of termination/separation.

Schedules: Each department will keep and monitor the vacation schedule of its employees. Each employee shall request vacation time in writing in advance of the time desired. Such request will be signed by the employee and must be approved by the employee's supervisor and/or Department Director to be valid. The Department Director will determine the vacation schedule with due regard for the wishes of the employee and the needs of the department subject to the MOU. In the event a vacation request is denied, the reason for the denial shall be provided in writing.

Accumulation: Vacation time may be accumulated to a maximum of three-hundred and twenty (320) hours. Employees with hours in excess of three hundred and twenty (320) will have those excess hours paid out the first payday in December. Per California Labor Code, vacation leave is paid at the employee's rate of pay at the time of pay out (i.e., the employee's pay rate during the first payday of December).

Vacation Cash Out: Each year in December (first payday of December), an employee may opt to cash out any or all vacation hours that exceed one-hundred twenty (120) hours. If a cash out is elected, a minimum balance of one-hundred twenty (120) hours must remain on the books. Per California Labor Code, vacation leave is paid at the

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employee's rate of pay at the time of pay out (i.e., the employee's pay rate during the first payday of December).

Emergency Cash-Out: At the request of the eligible employee, emergency vacation leave payouts may be approved throughout the year without the minimum balance requirement. Employees must submit the request in writing to the City Manager or designee describing the emergency. An emergency is defined as follows:

An emergency is defined as follows:

1. A severe financial hardship;
2. An event that was unforeseeable (including but not limited to: illness, accident or casualty);
3. The event was incurred by employee, spouse or dependent; and
4. Where employee has no other means to cover costs.

The City Manager's or designee's decision is final.

Industrial Illness or Injury Leave:

An employee who is absent from work due to a work-related injury or illness shall be on industrial accident leave. The City shall conform to Workers' Compensation laws of the State of California in effect at the time of injury. Employees may receive information on Workers' Compensation Procedures from the Human Resources Division.

When a waiting period is required in order to begin Workers' Compensation benefits, an injured worker may use available leave time along with the City paid Workers' Compensation rate per day. Following the waiting period, an injured worker on total disability will receive the State Worker's Compensation rate. The employee may make up the difference between the State mandated rate and their base pay by utilizing available leave time.

If an injured worker has exhausted all available leave, continues to receive Workers' Compensation benefits, and is medically unable to return to work, the City shall compensate the injured worker the difference between the State mandated benefit and sixty-six and two-thirds percent (66.667%) of the employee's base pay for a period not to exceed ninety (90) days from the date leave is exhausted or unless State law says differently.

Jury Duty:

Service as a juror by employees will be limited to serving once in any two (2)-year period. Payment for jury duty service will be limited to ten (10) days. If an employee is assigned to a

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trial within the first ten (10) days of jury service, the employee's time to complete the trial will be paid by the City.

The employee must obtain proof of jury service from the Court and submit it to the Finance Department upon completion of their jury duty. The employee must also submit any payment received from the Court (except mileage reimbursement) to the Finance Department in order to receive full salary for the time served.

Bereavement Leave:

Up to five (5) days of bereavement leave shall be granted to full-time employees who have been employed with the City at least thirty (30) days prior to commencement of such leave for a death in the immediate family, three (3) of which are paid and two (2) of which employees can use their accrued sick, vacation and/or administrative leave or unpaid time if employees do not have accrued sick, vacation and/or administration leave. The immediate family shall be defined as parents, stepparents, stepsiblings, stepchildren, parents-in-law, siblings-in-law, spouse, siblings, children, grandparents, grandchildren, step-grandchildren, and court-appointed or other verifiable guardian. Upon request and with supervisory approval, a day of vacation may be added to bereavement leave to accommodate personal or travel needs.

**HOLIDAYS**

The City recognizes twelve (12) holidays per year. Should a City-recognized holiday fall on a Friday, the Observation will fall on the previous Thursday. Should it fall on a Saturday or Sunday, the observation of the holiday will be the following Monday. Authorized City paid holidays shall be as follows:

1. New Year's Day
2. Martin Luther King Day
3. President's Day
4. Cesar Chavez Day
5. Memorial Day
6. Juneteenth
7. Independence Day
8. Labor Day
9. Veteran's Day
10. Thanksgiving Day
11. Day after Thanksgiving (recognized as the day before Thanksgiving)
12. Christmas Day

The City shall fund the amount of hours per the current MOU productive schedule of compensation for each holiday.



**Article 14  
TECHNOLOGY STIPEND**

Employees in the Unit will be compensated one hundred and fifty dollars (\$150) per month as reimbursement for device/cell phone use. Such reimbursement shall be taxable as compensation.

Payment of the monthly device/cell phone statement is the responsibility of the device/cell phone owner. The device/cell phone contract will be in the name of the employee who will be solely responsible for all payments to the service provider. The City does not accept any liability claims, charges, or disputes between the service provider and the employee.

Recipients of a technology stipend must notify the City of their device/cell phone number and must continue to maintain the device/cell phone rental or air-time/pay-as-you-go contract while in receipt of the stipend.

**Article 15  
TRANSPORTATION ALLOWANCE**

Unit employees' duties under this Agreement require that they have use of an automobile in the normal course of conducting City's business. The City therefore agrees to provide the Assistant City Manager five hundred dollars (\$500) per month as transportation allowance. Each of the Directors, the City Clerk, and Deputy Directors, shall receive a car allowance in the sum of four hundred dollars (\$400) per month. All employees shall be responsible for maintaining and paying for liability insurance as required by law and for all their automobile's operating, maintenance, and repair costs.

This will not exclude members of this Unit from receiving any benefit included in the City's travel policy.

**Article 16  
PERSONAL LIABILITY**

City may provide representation by legal counsel of City's choice to any employee required to testify before a Grand Jury, Administrative Hearing, or Trial that arise out of the performance of employee's duties.

**Article 17**  
**NON-DISCRIMINATION**

The City and Union mutually recognize and agree fully to protect the rights of all employees hereby to join and participate in the activities of the Union. The City and Union mutually reaffirm their respective policies of non-discrimination in the treatment of any employee because of race, religion, sex (including gender, gender identity, gender expression, and pregnancy), national origin, ancestry, disability, medical condition, genetic characteristics or information, marital status, age, sexual orientation (including homosexuality, bisexuality, or heterosexuality), union activity or any other legally protected classification.

**Article 18**  
**USE OF CITY FACILITIES**

The Union shall be permitted to use City facilities, on prior approval, for the purpose of holding meetings to the extent that such facilities can be made available, and to the extent that the use of a facility will not interfere with department operations. Participating employees will attend said meetings in their own time.

**Article 19**  
**PERSONNEL FOLDERS**

A Unit employee shall be entitled to review the contents of their official departmental personnel folder at reasonable intervals upon request. Such review shall not interfere with the normal business of the department.

The employee may authorize a City representative or Designee to inspect the personnel folder, upon written consent of the employee. The written consent must be presented in person by the employee to the City's Human Resources Department. The City representative or Designee may not remove or have a copy of any document in the folder. The employee or Union representative's review of the personnel folder shall not interfere with the normal business of the department.

No evaluation or disciplinary document may be placed in an employee's personnel file without their review and a copy of the document presented to them. The employee shall acknowledge that they have reviewed and received a copy of the document by signing the document with the understanding that such signature does not necessarily indicate agreement with its contents.

**Article 20**  
**EMPLOYEE RELATIONS**

Meetings at reasonable intervals will be scheduled at the request of the Union or the City for the purpose of informally discussing employer-employee relations issues.

**Article 21**  
**FAIR LABOR STANDARDS ACT (FLSA)**

Pursuant to the Fair Labor Standards Act (FLSA), all employees shall have a fixed workweek that consists of a regular recurring period of one hundred sixty-eight (168) consecutive hours (seven (7) twenty four (24)-hour periods), which can begin and end on any day of the week and at any time of the day.

Employees in this Unit shall be treated as salaried employees in accordance with the provisions of the FLSA.

**Article 22**  
**TRAINING AND PROFESSIONAL DEVELOPMENT**

The City shall allow Unit employees to attend training and professional development courses or classes pertaining to their respective positions. The City shall pay or reimburse all expenses for training and professional development inclusive of travel, registration, lodging, and transportation.

Unit employees shall justify and receive written approval for such trainings and professional development before the course or training sessions commence. The training and professional development request and invoice of completion shall be signed by the Unit employee and the City Manager or designee.

**Article 23**  
**PROFESSIONAL DUES/REGISTRATION**

Employees in classifications represented by the Union who require registration or professional membership as a condition of employment will have such expenses paid by the City. At the City Manager's or designee's discretion, payment may either be made directly by the City to the appropriate organization or agency or may be reimbursed to the employee. In either case, payment will only be on the basis of adequate documentation as required by the employee's appointing authority.

## **Article 24 TUITION REIMBURSEMENT**

Tuition reimbursement for professional development shall be allowed for classroom or on-line type courses. The Unit employee may be reimbursed up to five thousand two hundred fifty dollars (\$5,250) per fiscal year, not to exceed the Internal Revenue Service (IRS) maximum in a given year covered by the term of the MOU, after the course has been completed, and the Unit employee receives a transcribed grade of a "B" or better AND commits to continued service (employment) to the City of Pico Rivera for the equivalent of the school units, not to exceed two (2) years. Tuition advancement shall not be permitted.

If the Unit employee does not meet the commitment of continued service (employment), they surrender the cost of the course on the final payment of employment.

All financial documentation shall be submitted at the end of the course and an official grade/transcript from the course shall be submitted as certification. Requests for reimbursement and approval must be in accordance with the City's policy on tuition reimbursement.

## **Article 25 EMPLOYEE VOLUNTEER SERVICE HOURS**

The City shall grant each Unit employee ten (10) hours of productive pay while providing volunteer hours at a community event in the City of Pico Rivera with pre-approval from the City Manager. The intent of the Employee Volunteer Service Hours program is to motivate employees to serve community needs through the City of Pico Rivera leadership. It is at the discretion of the Unit employee as to how and where to provide the volunteer service hours.

## **Article 26 SEVERABILITY**

If an article, section, position, or portion thereof contained in this MOU or application thereof to any person or circumstance is held to be unconstitutional, invalid by operation of law, or by any tribunal or office of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by tribunal or office, the remainder of the MOU and application of such provisions or portion thereof, to other persons or circumstances, shall be deemed severable, shall not be affected, and shall remain in full force and effect. Furthermore, the City and the Union shall enter into immediate negotiations for the purpose of arriving at a mutually satisfactory replacement of such article, section, position, or portion.

**Article 27**  
**EFFECT**

It is understood and agreed that this agreement shall not become effective for any purpose or be binding on either party until approved by the City Council and the Unit membership, and nothing herein shall be construed as obligating the City Council to approve in whole or in part. If the City Council approves in full, then this agreement shall become effective immediately upon ratification. The MOU constitutes and includes all negotiations, compromises, and representations made by either party; and both parties acknowledge that each has met and conferred in good faith in negotiations to this point.

SEIU 721 – DIRECTORS UNIT  
MEMORANDUM OF UNDERSTANDING  
July 1, 2024 – June 30, 2027  
PAGE 19 OF 21


IN WITNESS THERE OF, the parties hereto have caused this Memorandum of Understanding to be executed this 29<sup>th</sup> day of July 2024.

**FOR THE CITY**

  
\_\_\_\_\_  
Steve Carmona  
City Manager

DATE: 7-29-24

**FOR THE UNION**

  
\_\_\_\_\_  
Jie (Jane) Guo  
President

DATE: 7/29/2024

**APPENDIX B – SALARY RANGES FOR UNIT EMPLOYEES**

**YEAR ONE – FY 2024/25**

Position	Group	Zone A 2024-25 3%	Zone B 2024-25 3%	Zone C 2024-25 3%	Zone D 2024-25 3%
Assistant City Manager	VII				\$16,561 - \$20,575
Director	VII	\$13,101 - \$15,066	\$15,067 - \$16,873	\$16,874 - \$18,210	
Deputy Director	VII				\$11,747 - \$14,013
City Clerk	VII				\$10,374 - \$12,723

**YEAR TWO – FY 2025/26**

Position	Group	Zone A 2025-26 2%	Zone B 2025-26 2%	Zone C 2025-26 2%	Zone D 2025-26 2%
Assistant City Manager	VII				\$16,892 - \$20,987
Director	VII	\$13,363 - \$15,367	\$15,368 - \$17,210	\$17,211 - \$18,574	
Deputy Director	VII				\$11,982 - \$14,293
City Clerk	VII				\$10,581 - \$12,977

**YEAR THREE – FY 2026/27**

Position	Group	Zone A 2026-27 2%	Zone B 2026-27 2%	Zone C 2026-27 2%	Zone D 2026-27 2%
Assistant City Manager	VII				\$17,230 - \$21,406
Director	VII	\$13,630 - \$15,675	\$15,676 - \$17,555	\$17,556 - \$18,946	
Deputy Director	VII				\$12,222 - \$14,579
City Clerk	VII				\$10,793 - \$13,237

**APPENDIX A**

Assistant City Manager  
City Clerk  
Director  
Deputy Director.





**To:** Mayor and City Council

**From:** City Manager

**Meeting Date:** July 29, 2024

**Subject:** MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PICO RIVERA AND SERVICE EMPLOYEES INTERNATIONAL UNION DIRECTORS UNIT MEMBERS FOR A THREE-YEAR TERM, JULY 1, 2024 THROUGH JUNE 30, 2027

**Recommendation:**

1. Approve a Memorandum of Understanding (MOU) between the City of Pico Rivera and the Service Employees International Union – Directors Unit (SEIU Directors) for a three-year period (July 1, 2024 – June 30, 2027).

**Fiscal Impact:**

Some of the negotiated items have associated costs (outlined below). Those items having a direct fiscal impact to the City during the term of the MOU are described more fully below. The total estimated three-year cost of this package is \$503,191.

**Discussion:**

Management began meeting with the employees represented by SEIU Directors' Unit in March 2024 in order to discuss a successor MOU to the current one which expired on June 30, 2024. City Management and the SEIU Directors' Unit representatives met to negotiate new MOU terms. Negotiations were successful and both sides agreed to terms for a new MOU.

Management conferred with the City Council in closed session on June 25, 2024 and throughout the negotiations process (as evidenced in City Minutes) to discuss the negotiations, provide costing estimates, and solicit feedback from the City Council. Direction was provided to management concerning the various negotiated items.

CITY COUNCIL AGENDA REPORT – SPECIAL MEETING OF JULY 29, 2024  
MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF PICO RIVERA AND  
SERVICE EMPLOYEES INTERNATIONAL UNION DIRECTORS' UNIT MEMBERS FOR A  
THREE-YEAR TERM, JULY 1, 2024 THROUGH JUNE 30, 2027

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The list of new terms agreed upon between management and the SEIU Director group for the subsequent MOU are listed below:

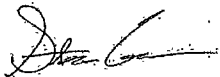
**Term** - 3 Years (July 1, 2024 through June 30, 2027)

**Salaries - Cost of Living Adjustment ("COLA")**

- a. 3% COLA effective first full pay period in July 2024
- b. 2% COLA effective first full pay period in July 2025
- c. 2% COLA effective first full pay period in July 2026

The estimated three-year total cost of this proposed MOU is based on current Directors' Unit members' salaries as well as any benefits or additional pays tied to said salaries, such as CalPERS retirement contributions, Deferred Compensation matching and Longevity Pay.

Overall negotiations were positive and the SEIU Directors' Unit members and management feel this proposed MOU fairly compensates employees while simultaneously improving the work environment in the City of Pico Rivera.



Steve Carmona

SC:AG:KS:nk

Enclosure: 1) Memorandum of Understanding