

ATTACHMENT A

MEMORANDUM OF UNDERSTANDING
BETWEEN
THE CITY OF NEWPORT BEACH
AND
THE PART TIME EMPLOYEES ASSOCIATION OF
NEWPORT BEACH



~~January 1, 2022 through December 31, 2025~~ August 23, 2025
through June 20, 2028

- ~~• Side Letter — August 23, 2022~~
- ~~• [Side Letter — November 29, 2022]~~
- ~~• Side Letter — April 11, 2023~~
- ~~• Side Letter — August 27, 2024 (supersedes 11.29.22 SL)~~

MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY OF NEWPORT BEACH AND THE PART TIME EMPLOYEES ASSOCIATION OF NEWPORT BEACH

This MEMORANDUM OF UNDERSTANDING (hereinafter referred to as "MOU") is entered into with reference to the following:

PREAMBLE

1. The Part Time Employees Association of Newport Beach ("PTEANB" or "Association"), a recognized employee organization, and the City of Newport Beach ("City"), a municipal corporation and charter city, have been meeting and conferring, in good faith, with respect to wages, hours, fringe benefits and other terms and conditions of employment.
2. PTEANB representatives and City representatives have reached an agreement as to wages, hours and other terms and conditions of employment as provided in this Memorandum of Understanding (MOU) for the period ~~from January 1, 2022 through December 31, 2025~~ August 23, 2025 through June 30, 2028.
3. This MOU, upon approval by PTEANB and the Newport Beach City Council, represents the total and complete understanding and agreement between the parties regarding all matters within the scope of representation. Except as limited herein, the City retains all management rights as set forth in the Meyers-Milias-Brown Act and Resolution No. 2001-50.

SECTION 1. GENERAL PROVISIONS

A. Recognition

In accordance with the provisions of the Charter of the City of Newport Beach, the Meyers-Milias-Brown Act of the State of California and the provisions of the Employer-Employee Relations Resolution No. 2001-50, the City acknowledges that PTEANB is the majority representative for the purpose of meeting and conferring regarding wages, hours and other terms and conditions of employment for part-time employees in those classifications specified in Exhibit "A" and meeting the following recognition requirements.

1. Recognition will continue for all employees recognized as of date of adoption of this MOU; thereafter, employees will become eligible for recognition after working a cumulative total of 1,000 hours in any fiscal year.
2. Recognition for unit membership may also occur whenever the City determines it is mandated by State or Federal law to provide Minimum Essential Coverage, as defined by the Federal Affordable Care Act.
3. Once eligible for recognition, employees remain covered under the MOU regardless of the number of hours subsequently worked.

B. Duration of Memorandum

Except as specifically provided otherwise, any ordinance, resolution or action of the City Council necessary to implement this MOU shall be considered effective as of ~~January 4, 2022~~August 23, 2025. This MOU shall remain in full force and effect until ~~December 31, 2025~~June 30, 2028, and the terms and conditions of this MOU shall continue after the date of expiration of this MOU in the event the parties have not yet agreed upon a successor MOU.

The provisions of this MOU shall prevail over conflicting provisions of the Newport Beach City Charter, the ordinances, resolutions and policies of the City of Newport Beach, and Federal and State statutes, rules and regulations which either specifically provide that agreements such as this prevail, confer rights which may be waived by any collective bargaining agreement, or are, pursuant to decisional or statutory law, superseded by the provisions of an agreement similar to this MOU.

C. Employee Data and Access

As required by law, the City shall provide PTEANB a regular list of all unit members including name, department, and job title.

D. Modifications

Any agreement, alteration, understanding, variation, or waiver or modification of any of the terms or provisions of this MOU shall not be binding upon the parties unless contained in a written document executed by authorized representatives of the parties.

E. Subcontracting

As provided in the Employer-Employee Relations Resolution No. 2001-50, the City shall determine the manner in which City services are to be provided, including whether the City should provide services directly or contract out work, including work that is currently being performed by Association members. In the event the City introduces a plan to outsource services to achieve greater efficiency and/or cost savings, and upon request by the Association, the City shall meet and confer with Association representatives to discuss the impact of the City's decision to contract out work, prior to contracting out such services. The City shall retain sole authority to decide whether or not to contract out work, including work that is currently being performed by Association members. This provision shall not limit the City's authority to enter into such an agreement for any City services.

F. Savings

Should any part of this MOU be rendered or declared illegal or invalid by legislation, decree of court of competent jurisdiction or other established governmental administrative tribunal, such invalidation shall not affect the remaining portions of this MOU.

SECTION 2. COMPENSATION

A. Pay for Time Worked

1. Salary Adjustments

~~Base salary increase for all PTEANB represented classifications shall be as follows and as specified in Exhibit A:~~

~~Effective the pay period following January 1, 2022, base salaries will be increased by 1%~~

~~Effective the pay period following January 1, 2023, employee base salaries will be increased by 3%~~

~~Effective the pay period following January 1, 2024, employee base salaries will be increased by 3%~~

~~Effective the pay period following January 1, 2025, employee base salaries will be increased by 3%~~

Effective August 23, 2025 salary adjustments for the part-time positions with full-time equivalents shall be tied to the salary adjustments received by the full-time equivalent position. Some part-time classifications are not associated with a full-time equivalent position. The salary adjustments for these classifications shall be tied to the salary adjustments identified in Exhibit *

Notwithstanding the above adjustments, the top step pay rate of Police Reserve Officer shall be, at a minimum, equal to Step 1 of Police Officer.

Salary Schedule Adjustment

~~Effective the pay period which includes July 1, 2023, the City will add a new top step ("New Top Step") to the salary schedule for all represented positions, which shall be five percent (5%) more than the current top step ("Current Top Step"). The Parties acknowledge and agree that the first step for all represented positions currently in effect is not being eliminated.~~

~~With the following exception, step advancement through the salary ranges is unaffected by the addition of the New Top Step:~~

Employees who have been at the Current Top Step for longer than 12 months as of June 30, 2023, will advance to the New Top Step in the pay period which includes July 1, 2023. Effective August 23, 2025, or as soon thereafter as is reasonably practicable, all part-time classification salary schedules will adjust to match the base salary hourly rates of the equivalent full-time classifications. Accordingly, employees working part-time in classifications that have a full-time counterpart will move to the full-time step with the salary that is closest to their current salary, whether higher or lower than their current step.

Notwithstanding the above, part-time classifications that are aligned with full-time

classifications represented by the Newport Beach City Employees Association shall receive a 4% equity adjustment effective August 23, 2025, or as soon thereafter as is reasonably practicable.

2. Compensation for Overtime - Normal Overtime

- a. Advanced Approval - Employees must have advanced approval from their supervisor to work overtime.
- b. FLSA Overtime - Overtime earned for actual work hours in excess of 40 in the employee's defined FLSA workweek.
- c. Contract Overtime - Overtime earned for an employee whose hours paid in their defined FLSA workweek exceeds 40. For purposes of calculating hours paid for contract overtime, Leave does not count as hours worked for purposes of calculating or earning overtime.
- d. Rate at Which Overtime is Calculated - Both FLSA and Contract Overtime (paid at time and one half - 1.5) shall be calculated at the regular rate of pay, except that the rate at which Contract Overtime is calculated shall not include the City's Cafeteria Plan Allowance, the opt-out Cafeteria Plan Allowance, or any cash back an employee may receive from the Cafeteria Plan Allowance by choosing benefits which cost less than the Allowance.
- e. Workweek for Purposes of Calculating Overtime - Employees workweek shall begin on Saturday at 12:00 a.m. and will end exactly 168 hours later the following Friday at 11:59 p.m.
- f. Reporting Time - The City calculates overtime in tenths of an hour. An employee who works in excess of three minutes of the next tenth should round up to the next tenth and if the employee works three minutes or less of the next tenth should round down. For example, if an employee whose normal work schedule ends at 5:00 p.m. works until 5:03 p.m. he/she should round down and not report the additional three minutes. However, if the employee works until 5:04 p.m., he/she should report an additional tenth of an hour of time worked.

3. Minimum Wage Adjustment

Salary ranges of positions that fall below the State minimum wage due to increases in the State minimum wage rate will be adjusted to ensure that employees are earning at least the State minimum wage.

4. Assignment Pay

Night Shift Differential:

Police Department Staff: Unit members assigned to the Police Department shall be eligible for Night Shift Differential of \$1.50 per hour,

payable for each regularly scheduled hour worked between 6:00 p.m. and 6:00 a.m.

Library Staff: Unit members assigned to the Library Department shall be eligible for Night Shift Differential of \$1.00 per hour, payable for each regularly scheduled hour worked after 5:00 p.m. and for all hours of shifts worked on Sundays.

Overtime worked either as an extension of an assigned shift or scheduled as an overtime shift shall not qualify the employee for Night Shift Differential. To qualify for the differential, the hours worked have to be part of the employee's regularly assigned schedule.

The parties agree that to the extent permitted by law, the shift differential pay in this section is special compensation and shall be reported to CalPERS as such pursuant to Title 2 CCR, Section 571(a)(4) Shift Differential Pay.

Matron Pay: Female Police Department employees assigned matron duties shall receive one (1) hour straight time pay for each shift matron duties are performed. The employee must work a minimum shift of eight (8) hours to be eligible.

Bilingual Pay: Employees certified as bilingual (Spanish) shall be eligible to receive seventy-five cents (\$0.75) per hour in bilingual pay. The certification process will confirm the employee is fluent at the appropriate conversational level in speaking Spanish. Employees certified shall receive bilingual pay the first full pay period following certification. Additional languages may be considered upon Department Director determination of the benefit to the City and upon approval by the Human Resources Director.

The parties agree that to the extent permitted by law, the Bilingual pay in this section is special compensation and shall be reported to CalPERS as such pursuant to Title 2 CCR, Section 571(a)(4) Bilingual Premium.

SECTION 3. FRINGE BENEFITS

A. Cafeteria Plan

~~The City has implemented an IRS-qualified Cafeteria Plan. Employees shall have the option of allocating Cafeteria Plan contributions towards the City's existing medical insurance as program rules allow. Employees shall be allowed to change coverages in accordance with plan rules and during regular open enrollment periods. For employees enrolled in medical plans, the cafeteria amount is inclusive of each year's statutory minimum CalPERS medical insurance contribution. Employees waiving medical coverage and eligible for opt-out benefits described below must provide proof of minimum essential coverage ("MEC") through another source (other than coverage in the individual market, whether or not obtained through Covered California).~~

~~An employee who enters the unit, whether as a new employee or as an employee~~

coming from a full time unit, shall have the most recent date he/she enters the unit be the date which dictates the employee's cafeteria benefit amount.

Cafeteria Plan – 3 Benefit Tiers

Effective January 1, 2017, the City adopted a three (3) Tiered Cafeteria benefit structure. Tier eligibility is based on the date of enrollment into the PTEANB and health coverage requirements set forth by the Federal Affordable Care Act (hereinafter referred to as "the Act".)

TIER 1

Criteria: Tier 1 benefits are available to unit members to whom the City must offer affordable health coverage as required by the Act. Under the Act's current definition, eligible unit members in this group work an average of 30 hours or more per week as determined by the City's look-back measurement method for determining employee eligibility for health coverage. Unit members found to be eligible using the look-back measurement will be offered Tier 1 benefits the following January. Eligibility may also occur when otherwise mandated under the Act.

Each year, in order to meet Minimum Essential Coverage (MEC) guidelines as established by the Act, the City shall identify the portion of the cafeteria benefit that is allocated to medical-only coverage. The remaining portion of the cafeteria benefit may be used toward the purchase of additional medical coverage or be payable to the employee as taxable cash back. For example, in 2022, the MEC is \$485 per month and the City would identify \$485 per month to medical-only coverage. Tier 1 Group A employees enrolled in medical plans would be eligible to receive \$485 towards medical-only and \$290 for the purchase of additional medical coverage or payable as taxable cash back. The amounts allocated to medical-only versus other benefits/cash back may adjust annually in order for the City to meet its obligation to meet MEC requirements.

Tier 1 – Group A: This benefit level applies to employees who first enrolled as PTEANB members prior to July 1, 2014 and work 30 hours or more per week. The City shall provide a cafeteria benefit of \$775 per month toward medical benefits for these members. Tier 1 employees who have waived medical coverage and have been receiving an "opt out" benefit of \$263.40 per month are grandfathered. No additional employees will be provided this "opt out" benefit.

Tier 1 – Group B: This benefit level applies to employees who first enrolled as PTEANB members on or after July 1, 2014 and work 30 hours or more per week. The City shall provide this group a cafeteria benefit of \$650 per month toward medical benefits. This amount is allocated to medical benefits only to meet the MEC. No portion of the cafeteria benefit is payable to the employee as taxable cash back. There is no "opt out" cash benefit for eligible unit members who waive coverage. Should the Minimum Essential Coverage exceed \$650 per month, the City shall adjust the monthly benefit to comply with the MEC threshold.

TIER 2

Criteria: Tier 2 benefits are available to employees who first enrolled as PTEANB

~~members prior to July 1, 2016 and to whom the City is not required by the Act to offer affordable health coverage. In accordance with the Act's current definition, unit members in Tier 2 work an average of less than 30 hours per week as determined by the City's look-back measurement method for determining employee eligibility for health coverage.~~

~~*Tier 2 – Group A:* For Tier 2 unit members who are enrolled in a City medical plan, the City provides a cafeteria benefit of \$4.25 per hour for each hour worked, to a maximum of 60 hours per pay period. Use of paid leave shall be considered as time worked for the purpose of continuing the \$4.25 per hour benefit.~~

~~*Tier 2 – Group B:* (1) Tier 2 employees who first enrolled as PTEANB members prior to July 1, 2014 and who waive medical coverage, shall receive from the City an "opt out" cafeteria benefit of \$3.25 per hour worked, to a maximum of 60 hours per pay period. Paid leave shall not be considered as time worked for the purpose of continuing the \$3.25 per hour benefit. (2) There is no "opt out" benefit for employees who waive medical coverage and who became PTEANB members on or after July 1, 2014.~~

TIER3

~~Tier 3 applies to employees who first enrolled as PTEANB members on or after July 1, 2016 and to whom the City is not required by the Act to offer affordable health coverage. In accordance with the Act's current definition, unit members in Tier 3 work an average of less than 30 hours per week as determined by the City's look-back measurement method for determining employee eligibility for health coverage. Unit members in Tier 3 do not receive any cafeteria benefit.~~

The City has implemented an IRS qualified Cafeteria Plan. Unit members shall have the option of allocating Cafeteria Plan contributions to the City's existing medical insurance as program rules allow. Employees shall be allowed to change coverages in accordance with plan rules and during regular open enrollment periods. For employees enrolled in medical plans, the cafeteria amount is inclusive of each year's statutory minimum CalPERS medical insurance contribution. Employees eligible for opt-out benefits described below must provide proof of minimum essential coverage ("MEC") through another source, other than coverage in the individual market, whether or not obtained through Covered California.

An employee who enters the unit, whether as a new employee or as an employee coming from a full-time unit, shall have the most recent date he/she enters the unit be the date which dictates the employee's cafeteria benefit amount.

Effective January 1, 2026, the cafeteria plan for part-time members will be administered as follows:

All unit members will be offered the equivalent of the minimum essential coverage, regardless of the number of hours worked. For example, if the MEC for 2026 equals \$700 per month, all unit members enrolled in medical plans would be eligible to receive \$700 per month towards medical benefits. No portion of the cafeteria benefit is payable to the employee as taxable cash back. Further, there is no "opt out" cash benefit for

eligible unit members who waive coverage.

Notwithstanding the above, these unit members are eligible for the following:

Employees currently receiving \$775 per month towards medical-only benefits will continue to receive \$775 per month. Employees who receive an opt-out allowance of \$263.40 per month will continue to receive \$263.40 per month. No additional employees will be provided with this "opt out" benefit. Should the minimum essential coverage exceed \$775 per month, the City shall adjust the monthly benefit to match the MEC for employees enrolled in medical-only benefits; however, the opt out benefit of \$263.40 will not adjust.

Employees currently receiving an "opt-out" cafeteria benefit of \$3.25 per hour worked will continue to receive \$3.25 per hour, up to a maximum of 60 hours per pay period. The opt out amount of \$3.25 per hour will not be applied to paid leave, as it is not considered time worked for purposes of the \$3.25 per hour benefit.

B. Healthcare Reform

The parties recognize that certain State and Federal laws, programs, and regulations, including the Affordable Care Act, may impact future medical plan offerings. Either party may request to reopen discussions regarding medical insurance for the purpose of discussing alternative approaches and proposals to providing healthcare coverage. In addition, should State or Federal laws concerning taxation of healthcare benefits change, the parties agree to meet and discuss the impact of such change.

C. Flex Leave

Members accrue flex leave in lieu of vacation and sick leave. Employees accrue Flex Leave at the rate of .06 hours for each hour worked. The maximum allowable balance for Flex Leave is one hundred twenty (~~100~~120) hours. Once an employee reaches the maximum allowable balance, Flex Leave will stop accruing until the employee's balance falls below ~~100~~120 hours.

D. Leave Sellback

Employees have the option of converting accrued Flex Leave to cash on an hour for hour basis subject to the following: On or before the pay period which includes December 15 (starting on December 15, 2019) of each calendar year, an employee may make an irrevocable election to cash out accrued flex leave which will be earned in the following calendar year. The employee can elect to receive the cash out in the pay period which includes June 30 and/or the pay period which includes December 15 for those Flex Leave benefits that have been earned during that portion of the year.

E. Jury Duty

PTEANB employees legally required to serve as a juror, and who provide appropriate documentation, shall be eligible for leave with pay for jury service occurring during the

employee's regularly scheduled shift, and as provided in the City of Newport Beach Employee Policy Manual. Employees will be paid for the hours they would have been regularly scheduled to work during those days when they were required to be on jury duty.

F. Retirement Benefit

1. PERS Retirement

The City contracts with the California Public Employees Retirement System (~~PERS~~) ~~to PERS) – provide to – retirement provide – benefits retirement – for benefits – its for its~~ Miscellaneous employees. Pursuant to prior agreements and state mandated reform, the City has implemented first, second and third tier retirement benefits:

Tier 1: For employees hired by the City and enrolled in PERS on or before November 23, 2012, the retirement formula shall be the ~~2.5% @ 2.5%~~ 55 calculated on the basis of the single highest year.

Tier 2: For employees first hired by the City and enrolled in PERS between November 24 and December 31, 2012, or hired on or after January 1, 2013 and are current classic members of the retirement system, as defined in the Public Employees Pension Reform Act ("PEPRA"), the retirement formula shall be ~~2% @ 2%~~ 60 calculated on the average 36 highest months' salary.

Tier 3: For employees first eligible for the PERS benefit on or after January 1, 2013, and who do not meet the Tier 2 criteria because they are new members as defined by the PEPRA, the retirement formula shall be 2% @ 62 calculated on the average 36 highest months' salary.

2. Employee Contributions

~~The Association has agreed to share in the rising cost of pension obligations. Under the terms of this MOU, unit members will contribute additional amounts toward the CalPERS retirement benefit, to the extent permissible by law. Should any provision be deemed invalid, the City and Association agree to meet for the purpose of renegotiating employee retirement contributions.~~

~~Employee retirement contributions that in addition to the normal CalPERS Member Contribution (of 7% or 8%) shall be calculated on base pay, special pays, and other pays normally reported as "PERSable" compensation and will be made on a pre-tax basis through payroll deduction, to the extent allowable by law. It is recognized that these payments will not be reported to CalPERS as contributions toward either the Member or Employer rate, as provided under Government Code Section 20516(f).~~

~~Under a separate agreement and ratified via a contract amendment with CalPERS in 2008, Tier I employees shall contribute 2.42% compensation earnable (as cost sharing) per Government Code Section 20516(a).~~

~~Tier I Employees – shall contribute a total employee contribution of 13% as follows:~~

~~Tier I—Eight percent (8%) member contribution, 2.42% of compensation earnable as cost sharing per Government Code Section 20516(a) and 2.58% of compensation earnable as cost sharing per Government Code Section 201516(f).~~

~~Temporary Reduction. Effective the pay period that includes January 1, 2023, Tier I Employees shall contribute a total employee contribution of 11.5% as follows: Tier I—Eight percent (8%) member contributions, 2.42% of compensation earnable as cost sharing per Government Code section 20516(a) and 1.08% of compensation earnable as cost sharing per Government Code section 20516(f). This reduction in the employee contribution rate sunsets at the end of the last full pay period in December 2025. Accordingly, effective the pay period that includes January 1, 2026, Tier I Employees shall contribute a total employee contribution of 13% as follows: Tier I—Eight percent (8%) member contribution, 2.42% of compensation earnable as cost sharing per Government Code section 20516(a) and 2.58% of compensation earnable as cost sharing per Government Code section 20516(f).~~

~~Tier II Employees—shall contribute a total employee contribution of 13% as follows: seven percent (7%) (compensation earnable) member contribution and six percent (6%) of compensation earnable as cost sharing per Government Code section 20516(f).~~

~~Temporary Reduction. Effective the pay period that includes January 1, 2023, Tier II Employees shall contribute a total employee contribution of 11.5% as follows: seven percent (7%) (compensation earnable) member contribution and four and one-half percent (4.5%) of compensation earnable as cost sharing per Government Code section 20516(f). This reduction in the employee contribution rate sunsets at the end of the last full pay period in December 2025. Accordingly, effective the pay period that includes January 1, 2026, Tier II Employees shall contribute a total employee contribution of 13% as follows: seven percent (7%) (compensation earnable) member contribution and six percent (6%) of compensation earnable as cost sharing per Government Code section 20516(f).~~

~~Tier III Employees: The minimum statutory employee contribution for employees in Tier III is subject to the provisions of the (PEPRA) and equals 50% of the "total normal cost". Tier III employees shall make an additional contribution of pensionable compensation toward retirement pursuant to Government Code Section 20516(f), for a total employee contribution of 13% of pensionable compensation.~~

~~Temporary Reduction. Effective the pay period that includes January 1, 2023, the minimum statutory employee contribution for employees in Tier III is subject to the provision of PEPRA and equals 50% of the "total normal cost". Tier III employees shall make an additional contribution of pensionable compensation toward retirement pursuant to Government Code section 201516(f), such that the total employee contribution equals no less than 11.5% of pensionable compensation (i.e., the greater of 11.5% of 50% of the "total normal cost"). This reduction in the employee contribution rate sunsets at the end of the last full pay period in December 2025. Accordingly, effective the pay period that includes January 1, 2026, the minimum statutory contribution for employees in Tier III is subject to the provisions of PEPRA and equals 50% of the "total normal cost". Tier III employees shall make~~

~~an additional contribution of pensionable compensation toward retirement pursuant to Government Code section 20516(f), such that the total employee contribution equals no less than 13% of pensionable compensation~~

Tier I:

Tier I employees shall contribute eight percent (8%) of compensation earnable for the CalPERS member contribution.

Tier II:

Tier II employees shall contribute the statutory CalPERS Member Contribution equal to seven percent (7%) of compensation earnable, plus an additional one percent (1%) of compensation earnable toward retirement costs under Government Code Section 20516(f), for a total contribution of 8% of compensation earnable.

Tier III:

The minimum statutory employee contribution for employees in Tier III, subject to the provisions of the Public Employees' Pension Reform Act (PEPRA) equals 50% of the "total normal cost", and is calculated annually for possible adjustments as provided in the CalPERS valuations.

In addition to the statutorily required 50% contribution of total normal costs, Tier III employees shall contribute an additional amount of pensionable compensation toward retirement pursuant to Government Code section 20516(f) so that their contribution equals a total of 8% of pensionable compensation. Provided, however, that the employee contribution shall never fall below the statutory required contribution.

The City contracts with PERS for the 4th Level 1959 Survivors Insurance Benefit, \$500 Lump Sum Death Benefit, Sick Leave Credit, Military Service Credit, 2% Cost of Living Adjustment and the pre-retirement option settlement 2 death benefit (Section 21548).

Employees in the classifications Police Cadet and Police Reserve Officer are excluded from membership in PERS, as provided in the contract between the City of Newport Beach and the Board of Administration of the Public Employees' Retirement System.

3. PARS Retirement

PTEANB employees not enrolled in the PERS retirement system will participate in the Public Agency Retirement Services (PARS) program. The City will make a matching 3.75% contribution to PARS on behalf of the employees.

G. Other Benefits Not Provided

No other fringe benefits are provided to employees in the Part Time Unit.

SECTION 4. MISCELLANEOUS.

A. Direct Deposit

All employees shall participate in the payroll direct deposit system.

B. Recreation Department Step Adjustment

Unit members in the classification Recreation Leader, Senior Recreation Leader, Pool Lifeguard, Senior Pool Lifeguard, Senior Services Van Driver, Marine Naturalist Interpreter, ~~and~~ Park Patrol Officer, Assistant Recreation Coordinator, or comparable classifications as amended, may be eligible for salary step increases upon meeting the following criteria: 365 days have passed since the last salary step increase; employee has worked a minimum of 125 hours in the classification within the preceding 365 days; and the employee is rated as "Contributor" or greater on his or her most recent performance evaluation. Additional salary steps must remain in the range in order to receive the adjustment.

C. Telecommuting Program

The City agrees to pilot a telecommuting program with unit members. Subject to supervisory approval, eligible employees will qualify for an annual telecommuting bank of hours equal to the number of hours they typically work in a pay period. Example: An employee who is regularly scheduled to work 32 hours per pay period would be eligible for 32 hours of telecommuting per calendar year, subject to supervisory approval. While unit members are invited to participate in policy formation, the terms and conditions are subject to management approval before the program will be implemented. Additionally, the provisions of the policy shall not trigger any right of grievance or appeal. This will be a pilot program which shall terminate upon the expiration of this MOU. Once approved, a copy of the policy governing this program will be attached as an addendum to this MOU.

D. Overpayment

Employees will be notified by Payroll or Human Resources prior to the recovery of overpayments on paychecks. Recovery of more than 15% of net pay will be subject to a repayment schedule established by the appointing authority under guidelines issued by the Finance Department or Human Resources. Such recovery shall not exceed 15% per month of disposable earnings, as defined by State law, except a mutually agreed upon accelerated payment plan for faster recovery.

Recoupments under this section shall be limited to forty-eight (48) months. However, nothing in this section is intended to preclude the City from seeking recoupment of overpayments due to fraud or other knowing concealment through any available legal forum.

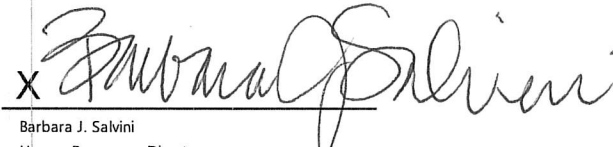
Signatures are on the next page.

For PTEANB:

X 

Mary Craig
President

For the City:

X 

Barbara J. Salvini
Human Resources Director

EXHIBIT A

Some part-time classifications are not associated with a full-time equivalent position. The salary adjustments for these classifications shall be tied to the salary adjustments as follows:

<u>Job Classification</u>	<u>Bargaining Unit</u>
<u>GIS Technical Aide</u>	<u>NBPTEA</u>
<u>Intern</u>	<u>NBCEA</u>
<u>Library Page</u>	<u>NBCEA</u>
<u>Literacy Coordinator</u>	<u>NBCEA</u>
<u>Maintenance Aide</u>	<u>League</u>
<u>Police Cadet</u>	<u>NBPA</u>
<u>Pool Lifeguard</u>	<u>NBCEA</u>
<u>Senior Pool Lifeguard</u>	<u>NBCEA</u>
<u>Pool Swim Instructor</u>	<u>NBCEA</u>
<u>Public Works Technical Aide</u>	<u>NBPTEA</u>
<u>Recreation Leader</u>	<u>NBCEA</u>
<u>Senior Recreation Leader</u>	<u>NBCEA</u>
<u>Support Services Aide</u>	<u>NBFA</u>
<u>Review Officer</u>	<u>NBCEA</u>

Pursuant to Section 2A1 of this MOU, Police Reserve Officer shall be, at a minimum, equal to Step 1 of Police Officer.