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Where Values Make The Difference

Memorandum

DATE: **June 13, 2013**

TO: **Mayor and Council**

THRU: **Rich Dlugas, City Manager** PAD
Debra Stapleton, Human Resources Director DAS

FROM: **Rae Lynn Nielsen, Human Resources Supervisor** RN

SUBJECT: **Association of Chandler Employees (ACE) Memorandum of Understanding**

RECOMMENDATION: Approve ACE Memorandum of Understanding for FY 13/14 through FY 15/16.

BACKGROUND:

ACE represents the administrative, technical and clerical employees that were previously represented by SEIU Local 48. This is a new contract for this association. The City and ACE have been engaged in negotiations since late February of 2013. We are pleased to report that we have reached an agreement on a 2-year contract that will be in effect from July 1, 2013 through June 30, 2015. Both parties agreed to reopen the contract in the second year of the MOU to discuss wages, and holiday pay.

DISCUSSION/RECOMMENDATION:

Substantive changes to the MOU include:

- ACE chose to use the funds available for a 5% merit increase and divide them as outlined below:

- 3.0% on-going merit increase for merit-eligible employees in FY 13/14 with a reopener to discuss wages in the second year of the contract;
- 1% COLA for eligible employees in FY 13/14; and
- Contract will be reopened to discuss wages and holiday pay in the second year of the contract.

- City will make available 500 unions hours in FY 13/14 and allow for any unused to be rolled over to FY 14/15. In addition, the City will provide 250 hours in FY 14/15. The City will no longer fund union hours on an on-going basis after this 2-year transition to a vacation donation provision by its members to fund association hours.
- Increase maximum of compensatory bank from 55 to 60 in FY 13/14 and from 60 to 65 in FY 14/15.

There were also a significant amount of administrative issues such as grievance procedures, layoff and seniority rules as well as housekeeping issues agreed upon in order to streamline processes and improve understanding and consistency.

The City and ACE request approval of the Memorandum of Understanding.

MOTION:

Approve ACE Memorandum of Understanding for FY 13/14 through FY 15/16.

Copy: Tanya Keeton, ACE President

Memorandum
Of Understanding

July 1, 2013 - June 30, 2015

Between

Association of Chandler Employees (ACE)

Administrative, Clerical, and Technical Unit

And

The City of Chandler, Arizona

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PREAMBLE

WHEREAS, the parties enter this Memorandum of Understanding to provide for harmonious relations, cooperation and understanding in the carrying out of the personnel policy and administration of the City of Chandler, in order to promote excellence in the services provided to the residents of Chandler; and

WHEREAS, the well-being and morale of the employees of the City and the quality of services provided to the residents of Chandler are benefited when employees participate in the formulation of policies and practices affecting the wages, hours, benefits and other conditions of their employment; and

WHEREAS, the parties acknowledge that the provisions of this Memorandum of Understanding are not intended to abrogate the authority and responsibility of the City government provided for under the statutes of the State of Arizona or the charter or ordinances of the City; and

WHEREAS, the parties, through their designated representatives, met and conferred in good faith pursuant to the Meet and Confer Ordinance in order to reach agreement concerning wages, hours, benefits and other conditions of employment in the bargaining unit; and

NOW, THEREFORE, the City of Chandler and the Association of Chandler Employees (ACE), having reached this complete agreement concerning wages, hours and working conditions for the term specified, submit this Memorandum to the Mayor and the City Council of the City of Chandler with their joint recommendation that the body resolve to adopt its terms.

DEFINITIONS / GENDER

For the purpose of this Memorandum of Understanding (MOU), the following definitions shall apply:

CITY:	shall mean Chandler City government
ACE:	shall mean Association of Chandler Employees
UNIT MEMBER:	shall mean a City of Chandler Administrative, Clerical and Technical unit member identified in the Meet and Confer Ordinance.

Whenever any words used herein are in the masculine, feminine or neuter, they shall be construed as though they were also used in another gender in all cases where they would so apply.

Article I. RIGHTS

Section 1-1: EMPLOYEE ORGANIZATION RIGHTS

A. ACE is the authorized Meet and Confer representative for the purpose of representation regarding wages, hours, benefits and other conditions of employment, for all regular full-time and regular part-time non-initial probationary, non-supervisory employees in the Administrative, Clerical & Technical bargaining unit. ACE will equally and fairly represent all employees in the unit.

B. All unit members shall have the right to participate on behalf of or engage in activities on behalf of ACE and have the right to refrain from such activity. Employees shall be free from any interference, restraint, or coercion by any employee, supervisor or manager in the exercise of such right. Violations will necessitate disciplinary action.

Section 1-2: RELEASE TIME

Certain specified representatives of the association have the right to paid release time herein as follows:

A. ACE may designate up to 6 representatives and shall notify the Human Resources Director or designee in writing of such designations and re-designations. No more than two (2) of the six (6) total representatives will be employed in any single division of a department. The City will not change or adjust an employee's permanent regular work schedule or assignments solely as a result of such designation; however, at ACE's request and with mutual agreement of the City, ACE and the employee, modifications shall be made in designated representative work schedules

and assignments in order to accommodate for the time needed to fulfill designated representative responsibilities.

B. City/Association business is defined as activities involving the association during an association representative's normal work/shift and work hours (e.g. Monday through Friday 8 a.m. to 5 p.m.) in which the City, through its representatives, is a participant. Such activities include any grievance hearing, disciplinary meeting with an employee, City committee or task force established by this M.O.U., Meet & Confer process meetings and other mutually agreed upon meetings. The City and Association will discuss and may mutually agree to allow an Association representative to discuss with an employee during an employee's normal work hours/shift other matters of mutual concern to the City and the Association.

   During the term of this Memorandum of Understanding, ACE unit members will also be released from duty with full pay and benefits when participating in authorized City/Association business.

   The ACE representative is required to obtain permission at least forty-eight (48) hours in advance from their immediate supervisor to be absent from duties to attend scheduled City/Association meetings with the exception of disciplinary meetings. Subject to operational needs and scheduling factors this permission shall not be unreasonably withheld. Employees will not be compensated when such duties described in this section occur outside their normal work shift with exception of required attendance at City Task Force meetings.

C. Association-only business is defined as on- and off-site association-related activities during an association representative's normal work/shift and work hours (e.g., Monday through Friday 8 a.m. to 5 p.m.) in which the City, through its representatives, is not a participant. This includes interviewing employees, gathering information and preparing presentations.

D. On July 1, 2013, a bank of 500 hours of paid Association release hours shall be established to be used by ACE representatives as authorized by ACE for the purpose of conducting association-only business. Any hours not used by June 30, 2014, shall be rolled over for use in the second year of the Memorandum.

E. On July 1, 2014, 250 hours of paid Association release hours shall be added to the Association Leave time bank for use through June 30, 2015, to be used by ACE representatives as authorized by ACE for the purposes of conducting Association-only business. Any unused release hours will expire on June 30, 2015. The banked hours for both FY 13/14 and 14/15 will be drawn on before the donated hours as set forth in paragraph F.

F. Beginning July 1, 2013, a unit member may contribute no more than 5 hours per year of accrued vacation to be placed in an Association leave time bank for use by the Association to engage in legitimate Association business. The following

conditions shall apply to the leave bank.

1) The Association shall supply the City with a Release Hours Authorization Form, which includes the name of the unit member and the number of hours of vacation donated by the unit member into the leave time bank.

2) The donating unit member shall sign the form before it is submitted to the City.

3) The City shall withdraw the bank hours from donating members' vacation balances in the 1st full pay period in July.

4) Until revoked in writing by the unit member, the executed Release Hours Authorization form provides the unit member's authorization for vacation hours to be withdrawn from the unit member's vacation balance in July of every year.

    a. A unit member may revoke his or her authorization for the donation of vacation hours by submitting written revocation to the ACE President who will forward to Human Resources no later than June 1. The revocation shall apply prospectively to the vacation donation scheduled to take place in July.

    b. An individual who is hired or transferred into an ACE-represented position after the withdrawal of donated vacation hours in July, and who executes a Release Hours Authorization form, may elect at that time to have the vacation hours withdrawn from his or her vacation balance: (i) in the first full pay period after receipt of the Authorization form by the City, or (ii) the following July. A new unit member who elects to have vacation hours withdrawn before July, will have additional hours withdrawn in July.

    c. The Release Hours Authorization of a unit member shall be automatically revoked when the individual is no longer in a position covered by this MOU. The revocation shall apply only prospectively to the vacation donation scheduled to take place in July.

5) Donated hours in the leave time bank shall be used in the same manner as Association release hours and may only be used by ACE representatives as authorized by ACE for the purpose of conducting Association-only business as defined above in Section 1-2 (C).

6) Human Resources shall keep a record of all time donated and used and shall supply the ACE President with a monthly report.

7) Any unused donated hours in the Association leave time bank may be carried over from one fiscal year to the next.

8) The Association shall indemnify, defend, and hold harmless the City against any and all claims made and any actions brought against the City arising from or related in any way to the actions taken by the City to comply with any of the provisions of this Section.

Section 1-3: DUES DEDUCTIONS

Upon request, the City will provide a listing of all unit members and of ACE members on City payroll deduction for association dues. Included with each employee's name shall be the employee's current job assignment and work location. ACE agrees to use this list solely for purposes of communicating with unit members and will not share this information with other individuals or organizations.

The City agrees to deduct membership dues, fees, and assessments as authorized in writing by employees and to transmit such amounts to ACE no later than the fourteenth (14th) day following the end of the pay period in which the deduction occurs. Membership dues will be deducted from twenty-four (24) paychecks of ACE members only when the employee's earnings for such pay period are sufficient to cover the dues amount after other legally required deductions are made. ACE reserves the right during the term of this agreement to increase the amount withheld for all employees pursuant to any generalized dues increase passed according to the ACE bylaws and agrees to give the City notice of any such increase. Any cost for implementing such changes shall be reimbursed by ACE at the actual cost incurred by the City.

The City assumes no liability on account of any action taken pursuant to this section. The City will, as promptly as technically possible, implement corrections brought to its attention. ACE agrees to indemnify, defend and hold the City harmless for taking action in conformance with this section.

Authorization for membership dues deductions herein under shall remain in effect during the term hereof unless revoked in writing by the employee after the first year of the MOU. The City shall accept revocations of authorizations for deductions only during the annual open enrollment period beginning July 1 and ending July 31 of each MOU year. Revocations will be effective the following payroll period after received by the City. The City will notify ACE by e-mail of any revocations of authorizations for membership deductions or other supplemental association deductions within three (3) business days of receipt.

Section 1-4: USE OF FACILITIES/SERVICES AND TRAINING

A. Solicitation, Distribution, and Use of Facilities and Services

1) ACE representatives shall be allowed reasonable contact with unit members on City premises (grounds and facilities) before and after scheduled working

hours or in a non-work area during scheduled work hours provided that the unit members are on their own time (i.e. lunch, approved breaks) so long as such contact will not interfere with any work operation or the safety and security of any worksite.

2) All ACE representatives must schedule with a supervisor forty-eight (48) hours in advance if the purpose is to have an Association meeting and must check in with the appropriate supervisor as soon as they have arrived. All visitors will be required to conform to the safety regulation of the worksite.

3) The City shall provide ACE with space for bulletin boards of up to 4' by 3' (width by height) for the exclusive use of ACE in mutually agreeable locations in areas frequented by employees in each main facility where unit members are employed. The bulletin boards shall be used only for the following notices: recreational and social affairs of the association; association meetings; association elections; reports of the Executive Board or committees; rulings or policies of the state or international organizations; and legislative enactments and judicial decisions affecting public sector labor relations. Notices shall not contain anything political, anything reflecting adversely on the City or any of its employees, or anything that is disruptive of the City's operations. The City may order the removal of any posted notice on the basis that it violates the requirements herein. The Association may dispute the order of removal by filing a grievance pursuant to Section 2-3, the Grievance procedure. Posted material will be signed by an authorized official of the organization. The Association agrees to remove dated material and to keep the bulletin board in good order.

4) In order to foster good communications among represented employees, the City shall post the approved Memorandum of Understanding on the City's Human Resources internet page and intranet page under Labor Relations.

   In recognition of the Association's responsibility to represent all of the employees of the represented bargaining unit, ACE may send meeting notices via the City's e-mail system and bulletin board updates via the City's inter-departmental mail system.

   Additionally, ACE may send via the City's e-mail system and the City's inter-departmental mail system messages related to City business of which ACE is a participant with prior notification to the Human Resources Director or designee. Examples of such City business include but are not limited to Labor-Management meetings, and other projects and committees that are a joint effort of both the City and the Association.

5) ACE shall have the right to meet with newly hired unit members or an employee moved into an ACE position, on City time to discuss the rights and benefits under the MOU for one-half (½) hour during new hire orientation or at

the work location with prior approval from the unit member's supervisor.

6) The City shall provide ACE with regular notification of newly hired unit members and any employee who is moved into an ACE-represented position, including the title of the position hired or moved into, employee number, and cost center. The City shall provide regular notification to ACE of those employees who are no longer ACE unit members because of death, retirement, promotion, or separation from the City.

B. Labor Relations Training

Annually, the Association or Human Resources may hold a training/discussion session to familiarize attendees with the terms of this MOU and discuss other labor relations issues. Elected Association representatives and/or appointed designees may attend this meeting as well as invited supervisors and/or appointed City designees.

Section 1-5: CITY AND MANAGEMENT RIGHTS

The City and the City Manager's rights are not subjugated or diminished in any way by any express or implied duty or obligation to meet and confer. Retained management rights are not subject to the grievance procedure contained in any Memorandum of Understanding, nor are they subject to any other appeal or complaint process.

A. The City has and will continue to retain, whether exercised or not, the unilateral and exclusive right to operate, administer, and manage municipal services and the workforce performing those services. The City retains all rights not specifically limited by this Memorandum of Understanding.

B. The exclusive rights of the City shall include, but not be limited to, the following:

1) The right to:
   - Determine the purpose of each of its departments, agencies, boards and commissions;
   - Set standards of service to be offered to the public and exercise control and discretion over its organization and operations;
   - Direct and supervise its employees, take disciplinary actions, relieve its employees from duty because of lack of work or for legitimate reasons;
   - Determine whether goods or services shall be made, purchased or contracted for;
   - Determine the methods, means, and personnel by which the employer's operations are to be conducted. The City has the right to take all necessary actions to maintain uninterrupted service to the community;
   - Determine the methods, means and personnel by which the City's services are to be provided, including the right to schedule, and assign

work and overtime, to hire, transfer and reassign unit members and to otherwise act in the interests of efficient service to the community;

- Establish and revise work schedules and work locations;
- Establish, revise and implement standards for hiring and promoting unit members; determine the need for additional positions and the qualifications of new unit members; and determine the qualifications for and/or the qualifications of unit members considered for transfer and/or promotion;
- Evaluate and judge the skill, ability and efficiency and general work performance of unit members;
- Adopt and manage its budget, provide for the funding of certain levels of service, to add, delete, modify, or suspend certain programs, functions, divisions, and departments as the City Council in the exercise of its legislative authority to create and manage the City's budget and to determine whatever action to be necessary and appropriate; and
- Take all necessary actions to maintain uninterrupted service to the community.

2) The Mayor and City Council may, at their option and sole discretion, direct the City Manager to consult with the City's employees, or their authorized representatives, about the direct consequences that decisions on these matters may have on wages hours, and working conditions.

C. The enumeration of the above rights is illustrative only and is not to be construed as being all-inclusive.

D. The City's rules and regulations, administrative directives, departmental rules and regulations, and work place practices shall govern employee relations unless there is a specific conflict with this Memorandum of Understanding. Where a specific conflict exists, the Memorandum of Understanding shall govern.

E. This Memorandum of Understanding cannot conflict with the Meet and Confer Ordinance or any other law.

Section 1-6: SENIORITY

A. Seniority shall be defined as the status obtained by length of City service within the classified service. Seniority is cumulative when an individual is demoted under the rule. City service must be continuous to be considered except if an employee is rehired within two years of separation from City service. Should an employee return to work within two years, the most recent hire date will determine practices concerning vacation and shift selection.

B. In the event that the City of Chandler has to lay off bargaining unit employees, and the employees choose to utilize the "bump" option to another classification, the employee's City seniority date with the City of Chandler will determine practices

concerning vacation, overtime, scheduling, and shift selection.

Section 1-7: JOB SECURITY

In the unlikely event that during the term of this agreement the City anticipates a possible layoff of bargaining unit employees, the possible contracting out of any bargaining unit work, or the curtailment of bargaining unit services provided to the citizens of the City of Chandler, the following provisions shall apply:

A. Notification to ACE: The City shall advise ACE in a timely fashion, in no case less than 60 days prior to layoff of bargaining unit members or the issuance of a Request for Proposals, of its intent to lay-off unit members or of recommendations for contracting of work presently being performed by unit members which would result in a reduction in the number of permanent unit positions. ACE may request an opportunity to discuss these recommendations and to consider alternatives in the Labor-Management Committee prior to any final recommendation to the City Council. Failure by the City to notify ACE under this article may be subject to the grievance procedure of this MOU. The management recommendations and final decision by the City shall not be subject to the grievance procedure of the MOU.

B. Alternatives to Layoff: In lieu of layoff, qualified employees will be given the opportunity to transfer to vacant City positions in the same classification or demote to lower classifications in accordance with the Personnel Rules. Temporary employees, including those hired through a temporary employment agency, performing bargaining unit work that does not require specialized skills will be laid off before a bargaining unit employee is laid off in the same job classification.

C. Notice to Employees: A minimum of thirty (30) calendar days' notice shall be provided to any employee subject to layoff. The notice of layoff shall specify the reasons for the layoff and inform the affected employee of his or her bumping rights as well as recall rights. A copy of the layoff notice shall be provided to ACE.

D. Layoff: When a position has been abolished due to reorganization, lack of funds, lack of work, or in accordance with Personnel Rule 2, Section 6, or a position must be used to provide work for an employee demoted during promotional probation, then the employee occupying such position shall be laid-off.

    1) A laid-off employee may request, in writing, to be placed in a position of the same classification in any City department. An employee in the same class who has the least seniority with the City shall be laid off and the laid off employee with the greater seniority will be placed in the position.

    2) When no position of the same class exists within the City or all employees in the class have greater seniority than the laid-off employee, the employee may request, in writing, to be placed in a lower class within the same job family. The lower class may be in any department of the City. When such a request

is made, the Human Resources Director or designee shall determine if the employee meets the minimum qualifications and can perform the essential functions for the requested classification.

3) If a position does not exist in the same classification, or the employee does not have the seniority to bump another employee, Human Resources will determine if the employee has seniority to bump into any position that was previously held by the employee, provided that the position is at the same or lower pay grade than the employee's current job classification.

4) The Human Resources Director or designee shall determine whether the employee meets the minimum qualifications for the classification. No employee shall bump into any position for which he or she does not meet the minimum qualifications or is unable to perform the essential job functions.

5) In all classes, if any employee bumps into an occupied position, the employee in the job classification who has the least seniority with the City shall be subject to layoff and the employee with greater seniority placed in the position.

6) If the above options outlined in (D) 1-3 do not result in a placement, the employee will be placed on the layoff register.

E. Layoff Register: The City will maintain a layoff list; names of laid-off employees, and employees electing a demotion in lieu of layoff, shall be kept on the layoff list for two (2) years. A layoff register is one which includes the names of persons who were laid-off from a class pursuant to these rules, and whose names were placed on the register by the Human Resources Director after written request by eligible applicants. The City shall provide the required form for requesting inclusion on the layoff register upon notifying the employee of their being laid off. Layoff registers are maintained in seniority order relative to the length of service of the former employee.

An employee who has been appointed to a position in a lower class as a result of a layoff action may be placed on the layoff register for the higher class or classes formerly held. An employee returning to a higher class under these conditions shall not be considered to be promoted. When a vacancy occurs in the classification from which an employee has been laid-off or demoted in lieu of a lay-off, notice of such vacancy will be sent to employees on the lay-off list. The vacancy will be offered to employees on the lay-off list in order of seniority before the City recruits applicants for the position. Employees who are eligible for recall shall be given at least fourteen (14) calendar days' notice of recall; notice of recall shall be sent to the employee by certified or registered mail with a copy to ACE. If an employee is recalled to a position in a lower-rated job classification, he or she shall retain the right to return to the job classification he or she held prior to being laid off, in the event it subsequently becomes available within two (2) years of the recall date.

Section 1-8: UNIFORM DISCIPLINARY PROCESS

A. Unit members have the right to be represented by ACE and to have one (1) ACE representative present during the disciplinary process, including at any meeting or work-related reprimand which the member reasonably believes could and/or would result in disciplinary action being taken against that member. The disciplinary process does not apply to an interview of an employee during the normal course of work, counseling, instruction, informal verbal admonishment or other routine or unplanned contact with a supervisor. The unit member will have a reasonable amount of time to obtain association representation.

   An employee subject to suspension, demotion, or discharge shall be entitled, prior to the imposition of that suspension, demotion, or discharge, to a notice which states the specific reasons for the proposed discipline, with sufficient specific information to enable the employee to understand the reasons and the right to respond either orally or in writing.

B. An employee subject to suspension, demotion or discharge shall be entitled, upon request, to a Personnel Fact-Finding Group meeting as outlined in Rule 5 § 6 of the Personnel Rules. A (02) of this rule is changed to the "ACE President or designee".

   The ACE President or designee may not serve on a fact finding group if he/she has a direct connection with or works in the same department as the employee whose appeal is being heard.

   Prior to imposing a demotion or discharge, except in egregious circumstances, the City will implement progressive discipline steps, including (a) verbal counseling, (b) written counseling, (c) written reprimand, (d) suspension. An employee may not be disciplined or discharged without just cause. The City is not required to impose disciplinary action in the specific order listed herein and has complete discretion to choose the discipline appropriate to the particular reasons for the discipline. The grounds for discipline and types of discipline imposed are not grievable matters under this MOU.

   Any disciplinary action against an employee shall be initiated no more than fifteen (15) workdays after the later to occur of the following; (i) the date the City learns of the alleged conduct upon which the discipline is based, or (ii) the completion of a diligent and timely investigation during which the conduct that is the basis for the discipline is discovered, confirmed, or disclosed. This timeframe for commencing disciplinary action shall not apply to disciplinary actions for conduct which constitute a violation of City, State, or Federal law. For the purpose of this provision, discipline shall be considered initiated as of the date of the disciplinary letter or the advance notice of discipline where required.

C. In the event of a search of an employee locker or personal property, an authorized association representative will be present unless the association representation is

declined by the employee.

Wherever possible, the City shall offer training or other alternatives to discipline when performance issues are involved to assist with a unit member's improvement. This provision shall not be subject to the grievance procedure of this agreement.

D. If an employee is placed on a formal performance improvement plan, the employee shall receive a written plan of action from the employee's supervisor. The plan of action may include, mentoring, training, improvement options, and/or goals. There will be regularly scheduled meetings (minimum monthly) with the supervisor to assess performance, and progress will be documented in writing.

Section 1-9: PERSONNEL RECORDS REVIEW

A. Only one (1) official personnel file shall be maintained on any single unit member. The official file shall be located in the Human Resources Division unless another location is designated and the member is notified in writing. Each member shall have the right to review the contents of his/her official Human Resources or Department file upon request. Nothing may be removed from the file by the member, but copies of the contents shall be provided to the member at his/her request. Copies in excess of 100 pages may be at a charge of 10 cents per page.

B. With the written permission of the employee, a representative of the Association may review the member's official Human Resources or Department file and obtain copies of the contents upon request. Copies in excess of 100 pages may be at a charge of 10 cents per page.

C. A unit member shall have the opportunity to review, sign and date any and all material prior to its inclusion in the official Human Resources or Department file except routine matters chronicling job and pay changes. The member may also attach a response to such materials within thirty (30) days of receipt. All material in the file other than routine matters chronicling job and pay changes must be signed and dated by the author. The City may transmit documents to the employee at the employee's last known address by means of U.S. mail or hand-delivery, except disciplinary notification, which must be sent by certified mail when the employee is on leave.

D. The employee may include in his/her official personnel file material relevant to his/her performance of assigned duties and/or relevant to professional development.

E. Documents relating to disciplinary actions, including written letters of reprimand, demotions or suspensions, which are three (3) or more years old shall not be considered for any promotion, transfer, disciplinary or other corrective action. Should the same or similar infraction occur within three years of the original, the new discipline may refer to the original.

Counseling forms or memos are not disciplinary actions and shall not be placed in the official Human Resources file.

F. Any public request for documents relating to an employee's employment shall be communicated promptly to the employee. Confidential personal information shall be redacted prior to such submission, including the following:

Address
Phone number
Social Security number
Any personal account numbers
All family member information

Article II. LABOR-MANAGEMENT RELATIONS

Section 2-1: LABOR-MANAGEMENT COMMITTEE

A. There shall be a Labor-Management Committee consisting of up to five (5) representatives of ACE from the Administrative, Clerical and Technical employee group and up to five (5) representatives of the City, and an additional representative of ACE and the City's Human Resources Director or Designee who shall be the chairpersons. Additional representatives may attend if mutually agreed upon. The purpose of the Committee is to facilitate positive labor-management relationships by providing a forum for free and informal discussion of mutual concerns and problems, which may include discussion of the implementation of major new programs or substantial modifications of existing major department programs that will have a significant impact on service delivery, work schedules, or duties.

B. The Committee shall meet at the request of either party, at mutually agreed upon times. Departmental Labor-Management committee meetings may be held by mutual agreement.

C. Before the City enacts any new or revised Personnel Rules and prior to Human Resources putting into effect any new or revised Administrative Regulations or policy amendments, ACE will have an opportunity to review, meet to discuss, and comment on the proposed changes. This provision excludes updates to policies that are required as a result of changes in Federal, State, or City law.

Section 2-2: HEALTH & SAFETY

A. The City of Chandler acknowledges its responsibility to provide safe, healthy work environments for City employees and users of City services. Every employee has the right to safe and healthy working conditions. Every employee acknowledges they have a responsibility to work in a safe manner and follow the safety rules and regulations. Upon request of ACE, the City will meet with ACE to discuss and

address safety concerns relating to the facilities where employees are assigned to work. If the representative of ACE is a unit member, such representative shall not lose pay or benefits for meetings mutually scheduled during duty time.

B. Where the unit member has a good reason to believe that a work assignment presents health and safety risks outside of those normally associated with the work which may harm his/her life or limb, he/she may refuse to begin or continue a work assignment until reviewed by the Safety Coordinator or his/her designee. The work assignment will be investigated by the Safety Coordinator or his/her designee in conjunction with the employee and supervisor. Employees shall not be subject to discipline or retaliation for exercising this right unless it is determined by the Safety Coordinator or his/her designee that the employee's refusal was not based on a good-faith belief of a threat to health or safety.

Section 2-3: GRIEVANCE PROCEDURE

A. Purpose

The purpose of this grievance procedure shall be to secure, at the lowest possible administrative level, swift and equitable resolutions to problems that may arise and are subject to review under this procedure.

B. Definitions

1) A "grievance" is a written allegation by a grievant, submitted as herein specified, claiming violation(s) of the terms of this Memorandum. Any grievance shall include the basis and date of the grievance as known at the time of submission, the section(s) of the MOU which the grievant believes has been violated, and the remedy or solution being sought by the grievant.

2) A "grievant" shall be any unit member or, if the grievance involves 3 or more unit members, a group grievance filed by ACE.

"Workdays" shall mean Monday through Friday, not including holidays observed by the City.

C. Grievance Procedure
Step 1

1) As a matter of good labor-management relations, a unit member who believes that he/she has a bona fide grievance shall meet and discuss and attempt to resolve it with his/her immediate supervisor within ten (10) workdays from the date of the occurrence or circumstances from which the employee's purported grievance arises or the date when the unit member reasonably should have known about the occurrence or circumstance.

2) The informal discussion meeting shall be held with the employee and the immediate supervisor only, representatives of either party are not allowed at this step.

Step 2

Either party may elect to have representation from Step 2 forward in the grievance procedure.

If the matter is not resolved through the informal discussions at Step 1, the unit member may reduce his/her grievance to writing by signing and completing all parts of the grievance form provided by ACE and submit it to his/her immediate supervisor within fifteen (15) workdays of the occurrence or circumstances being grieved or the date when the grievant knew or reasonably should have known about the occurrence or circumstances.

The supervisor shall further consider and discuss the grievance with the grievant and the grievant's representative, if any. Within five (5) workdays of having received the written grievance or following the meeting, whichever is later, the supervisor will submit a response thereto in writing to the grievant.

Step 3

If the written response of the immediate supervisor does not result in resolution of the grievance, the grievant may appeal the grievance by presenting it to the Division Manager in writing within five (5) workdays of the grievant's receipt of the supervisor's response.

The Division Manager shall hold a meeting at which the grievant shall be afforded the opportunity to fully present his/her position. Within five (5) workdays of receipt of the grievance or after the grievance meeting, the Division Manager shall submit his/her response in writing to the grievance to the grievant and the grievant's representative, if any.

Step 4

If the written response of the Division Manager does not result in resolution of the grievance, the grievant may appeal the grievance in writing to the Department Director within five (5) workdays of the grievant's receipt of the Step 3 response.

The Department Director shall hold a meeting within five (5) workdays of receipt of the grievance regarding the grievance at which the grievant shall be afforded the opportunity to fully present his/her position. Within five (5) workdays of the meeting, the Department Director or his/her designee shall submit his/her response to the grievant and the grievant's representative, if any.

By mutual agreement, the parties may request to submit the grievance to the HR Director or designee for internal mediation in Step 4. The grievance, as originally written, and the attached response from the immediate supervisor and the Division Manager must be submitted to the HR Director or designee, within five (5) workdays of the receipt of the Division Manager's answer. The HR Director or designee shall, within ten (10) workdays of the receipt of the grievance, meet with the Department Director or designee and the unit member and representative in an attempt to resolve the grievance. The HR Director or designee shall then submit written recommendations for resolution to the unit member and the Department Director within five (5) workdays of the meeting. Within five (5) workdays of the receipt of the recommendations, the Department Director or designee shall submit a response to the grievant and the grievant's representative, if any.

Step 5

If the grievance remains unresolved, within five (5) calendar days of receipt of the Department Director's response, the grievant may appeal the grievance, in writing, by requesting to present it to the Grievance Committee. The Grievance Committee shall be composed of:

Chair – A City employee designated by the City Manager

Secretary – Human Resources Director or designee

President of ACE or designee.

The Grievance Committee shall convene a meeting within 10 workdays of the written notice regarding the grievance at which the grievant shall be afforded the opportunity to fully present his/her position.

Step 6

If the grievance remains unresolved after the Grievance Committee meeting, within fifteen (15) calendar days of receipt of the response, the grievant and ACE may request in writing to engage in non-binding mediation. The mediator will be one of the commissioners from the Arizona office of the Federal Mediation and Conciliation Service.

Step 7

If the grievance remains unresolved after mediation, the grievant and ACE may jointly elect, in writing, within ten (10) workdays from the conclusion of the mediation, to submit the grievance for review by an arbitrator.

The parties or their designated representatives shall agree on an arbitrator and if they are unable to agree on an arbitrator within a reasonable time, either party may request the Federal Mediation and Conciliation Service to submit to them a list of seven (7) arbitrators who have had experience in the public sector. The parties shall, within ten (10) workdays of the receipt of said list, select the arbitrator by alternately striking names from said list until one name remains. Such person shall then become the arbitrator. The arbitrator so selected shall hold a hearing as expeditiously as possible at a time and place convenient to the parties, and shall be bound by the following:

i. The arbitrator shall be bound by the language of the Memorandum and departmental rules and regulations consistent therewith in considering any issue properly before him.

ii. The arbitrator shall expressly confine himself to the precise issue submitted to him and shall have no authority to consider any other issue not so submitted to him.

iii. The arbitrator shall be bound by applicable Federal, State, and City law.

iv. The arbitrator shall submit findings and advisory recommendations to the grievant and to the City Manager. The City and ACE shall equally share the joint costs of arbitration. Each party will bear the direct cost of preparing and presenting their own case. Time spent by a current employee as a grievant or a witness in an arbitration hearing shall be considered work time.

v. The City Manager shall, within ten (10) workdays of the receipt of the written findings and recommendations from the arbitrator, make the final determination of the grievance and submit it in writing to the grievant and his designated representative.

The grievant and ACE may elect jointly to by-pass arbitration and submit the unsolved grievance directly to the City Manager. The City Manager shall have ten (10) workdays from the receipt of the grievance to make a final determination of the grievance and submit it in writing to the grievant and his/her designated representative.

The City Manager may extend the time limits for the response by giving a written notice to the grievant and representative, if any.

D. Representation

One ACE representative shall be released from duty with full pay and benefits to provide employee representation in any grievance meeting of a unit member if requested by the unit member.

The representative shall have no conflict of interest in the issue being grieved. If the City reasonably believes there is a conflict, ACE will be contacted and another representative will be mutually agreed upon to act as the representative.

E. Time Limits and General Provisions

Failure of City Management representatives to comply with time limits specified in Section C shall entitle the grievant to appeal to the next level of review; and failure of the grievant to comply with said time limits shall constitute abandonment of the grievance; except, however, that the parties may extend time limits by mutual written agreement in advance.

F. Association Grievance

ACE may, in its own name, file a grievance that alleges violations by the City of the rights accorded to ACE by the specific terms of the Memorandum. ACE shall file such grievance with the Human Resources Director or designee within ten (10) workdays of the occurrence prompting the grievance. All other grievances must be filed and signed by a unit member, subject to the provisions of this Article.

G. Employer Grievance

Employer grievances, should they occur as a result of official ACE activities or actions, including the failure to act as required under this agreement, will be presented directly to the President of ACE within ten (10) workdays of the occurrence prompting the grievance. The President shall in each case provide a written answer within five (5) workdays from receipt of the grievance.

Section 2-4: PROHIBITION OF STRIKES AND LOCKOUTS

A. The parties acknowledge it is contrary to the public interest and a threat to the public health and safety and unlawful for any City employee directly or indirectly to instigate, institute, encourage, authorize or participate in a strike, cessation of work, slow-down or other form of work interruption, and any City employee who participates in any way in such activity or supports it shall abandon and terminate his/her employment and no longer hold such position or be entitled to any of the rights thereof.

B. ACE pledges to maintain unimpaired municipal services as directed by the City.

C. During the term of this MOU the City will not lock out unit members.

Article III. WAGES & COMPENSATION

All items in Article III will be eligible subjects of negotiation as part of the Wage and Compensation reopener in the second year of the contract.

Section 3-1: SHIFT DIFFERENTIAL

A shift is defined as the number of regularly scheduled hours for one work day. A unit member shall receive the shift differential pay associated with a particular shift when the unit member actually works that shift. If a unit member is reassigned to a different shift because he or she has suffered an on-the-job injury, the unit member shall continue to receive the shift differential pay associated with the shift to which the unit member was originally assigned until the unit member is released to return to full duty. If a unit member is reassigned to a different shift because of a non-job-related injury or at the unit member's own request, the unit member will receive the shift differential pay, if any, associated with the new shift.

The differential rate of pay for employees working shifts that end:

- From 8:00 p.m. to 11:59 p.m. shall be an additional $0.30 per hour (mid-day shift)
- From 12:00 a.m. to 3:59 a.m. shall be an additional $0.50 per hour (swing shift differential)
- From 4:00 a.m. to 7:59 a.m. shall be an additional $0.70 per hour (graveyard shift differential)

An employee is eligible for no more than one shift differential per shift.

Section 3-2: MERIT PAY

For FY 13/14 the City will fund a merit increase of up to 3% for eligible unit members, effective on the first day of the pay period in which the date of the unit member's current job classification falls, until the unit member is at the top of the pay grade.

Section 3-3: GENERAL SALARY ADJUSTMENT

Effective July 14, 2013, pay ranges for all ACE classifications will be increased by one percent (1%). Rates of pay for unit members shall be increased by 1% or the amount that brings the unit member's pay to the new top of the pay range for the unit member's job classification, whichever amount is lower. If a unit member's pay is above the adjusted pay range for his/her classification, the unit member will not receive any pay increases.

Section 3-4: SPECIAL MERIT PAY

1) In recognition of continuous service and overall performance, the City agrees to implement the following performance pay formula for unit members. On the unit member's date of classification, a unit member who is at the top of the pay range for his/her classification and who meets the additional qualifications specified in this article shall receive special merit pay of 1% of his/her base annual pay.

2) Qualifications:

   A unit member must have completed at least one (1) full year of continuous full-time service at the top of the pay range for his/her classification.

   a. A unit member must have achieved the overall performance rating of "meets expectations" or better on his/her latest scheduled performance evaluation on file in the Human Resources Department.

   b. A unit member must have performed an "added value" activity agreed to by the Labor/Management Committee.

3. The Special Merit Pay provision is suspended. This issue will be discussed in the Article III Wage and Compensation reopener in the second year of the MOU.

Section 3-5: DEFERRED COMPENSATION

A. The City shall contribute a matching deferred compensation contribution as follows:

Employee contribution	City match
At least $5 but less than $10 per pay period	$5 per pay period
$10 or more per pay period	$10 per pay period
$15 or more per pay period (employees with 10 or more years of service only)	$15 per pay period

Section 3-6: OVERTIME

A. Overtime is defined as time worked in excess of 40 hours per 7-day work period for all classes of non-exempt full-time unit members. All paid leave taken in lieu of hours worked, except leave taken as compensatory time, shall be counted as hours worked for purposes of overtime calculations. Payment for hours worked on a holiday, as part of the regularly scheduled hours of work, shall be compensated as provided by this Memorandum.

B. An employee's request to be compensated for overtime hours worked either with pay or with compensatory time will not be unreasonably denied. In the event such

request is denied, the responsible manager will document his/her reasons for denial in writing upon employee's written request. This provision shall not be subject to the grievance procedure but may be discussed in the Labor-Management Committee.

C. The City will provide a reasonable amount of advance notice prior to requiring an employee to work overtime, unless an emergency situation precludes advance notice.

D. Unit members will not be required to flex their work hours to avoid payment of overtime, except by mutual agreement. The supervisor and the employee may agree to allow the flexing of work hours during a work week.

E. Effective July 1, 2013, unit members shall not accrue compensatory time in excess of 60 hours maximum.

F. Effective July 1, 2014, unit members shall not accrue compensatory time in excess of 65 hours maximum.

G. Unit Members shall be paid for accrued compensatory time:

1) When the accrued compensatory time exceeds the applicable maximum. Payment will be for that amount which exceeds the maximum.

2) Upon separation for any reason, including death of the employee.

3) When authorized by the Department Director.

Section 3-7: CALL-BACK PAY

A. Unit members called back to work after leaving City facilities upon completion of their regular shift shall receive a minimum of two (2) hours' pay at one and one-half (1½) times their regular rate of pay.

B. Unit members called by a supervisor or by a co-worker with supervisor approval to consult about work after completion of their regular shift will be paid at time and one-half (1½) the regular rate of pay for each quarter hour, calculated to the next highest quarter hour (five (5) minutes goes to the next highest quarter hour). There will be no compensation for calls of less than five (5) minutes.

Section 3-8: WORKING OUT OF CLASSIFICATION

Employees will be assigned to temporary detail to higher-class pay for assignments anticipated to last one (1) pay period or longer.

Article IV. HOURS OF WORK & WORKING CONDITIONS

Section 4-1: HOURS OF WORK

A. The standard work week for all unit members shall be forty (40) hours.

B. Except for emergency situations, any proposed changes to the regular work schedule or shift schedule of a unit member(s) shall be communicated to the Association and to the affected unit member(s) in writing at least fifteen (15) business days prior to implementation. The Association may request a Labor-Management meeting upon notification to discuss the change. The implementation of the new schedule will not be delayed based on the meeting date, the required 15 business day period commences with the written notification. The requirements of this paragraph may be waived by mutual consent.

C. Changes in a daily work schedule because of staff shortages will not require advance notice. Efforts will be made to provide notice and flexibility, but are not guaranteed.

D. Under normal conditions, a unit member shall have each workday two (2) paid fifteen (15) minute rest breaks.

Section 4-2: HOURS OF LEAVE

A. The City will continue the existing vacation, holiday, bereavement and sick leave policies except as modified in this section.

Every full-time ACE bargaining unit member who works a full-time schedule 52 weeks a year, shall be credited vacation leave for every completed pay period as follows:

Years of Service	Hours
0 – 4 years	4.7
5 – 9 years	5.6
10 – 14 years	6.5
15 – 19 years	7.4
20 + years	8.3

Regular employees who work less than full-time but 1,040 hours or more a year in a budgetarily approved position shall be credited vacation leave on a prorated basis. The prorated basis shall be established by dividing the number of hours scheduled per week by 40 and multiplying by the accrual rate for a full-time employee with the same length of service.

B. Each employee shall receive bereavement leave hours consistent with his or her work shift hours. Bereavement leave does not need to be used consecutively, upon supervisor approval. Immediate family members include mother, father, spouse, child, brother, sister, grandfather, grandmother, grandchild, or person serving in loco parentis of either the employee or the employee's spouse.

C. Unit members shall have the option to receive a non-retirement-eligible payment for the cash value of up to twenty (20) hours of their vacation accrual balance at the employee's base hourly rate. This option shall be exercised only once per fiscal year.

D. Employees who need leave donations because they have exhausted all of their leave balances, may request vacation or comp time donations from other employees in accordance with the current City of Chandler Policy. Upon approval from the Department Head, the City will notify employees of such request(s) through citywide email or other means, of an employees' need of leave donation.

Section 4-3: JOB DESCRIPTIONS & RECLASSIFICATIONS

A. Any proposed changes to the job description of an ACE-covered classification shall be communicated to ACE and to the affected unit members at least 5 business days prior to implementation. The Association may request a Labor-Management meeting upon notification to discuss the change. The implementation of the job description change will not be delayed based on the meeting date.

B. If, during the term of this agreement, the City conducts a classification study, ACE shall be entitled to participate in the planning of the study. Findings of the study shall be reported to the Labor-Management Committee.

C. A unit member whose position is reclassified to a higher salary grade shall receive at least a 5% increase. Department Directors may authorize up to a 10% increase in the base rate of pay. No salary increase shall result in less than the minimum or more than the maximum of the new salary grade. An employee whose position is reclassified to a class at the same or lower salary grade shall continue to receive the same base rate of pay; however, if the employee's current base rate of pay is higher than the maximum of the lower salary grade, the employee will not be eligible for increases in base pay until the maximum of the salary range reaches the employee's existing salary including general salary adjustments which includes COLA and merit increases.

D. A unit member shall not be required to serve a new probationary period if the employee is assigned to a new class or is transferred to a like or similar position as a result of a reclassification of the employee's current position.

E. If a department has refused or failed to provide written feedback on the status of an employee's written request for a job reclassification review for more than 45 calendar days; ACE may initiate a job reclassification request directly to the Human Resources Director by submitting ACE's written notification of their intent to the employee's supervisor with a copy to the Department Director.

All written requests submitted by ACE will include the following information:

- A full description of new duties and responsibilities (Position Description Questionnaire).
- A full explanation of why the Association feels the position(s) should be reclassified including internal and external considerations.
- A list of comparative positions/classifications that led to the request.
- Such information as is normally considered relevant to a classification review.

The Human Resources Division will make every effort to review the request in a timely manner, based on citywide priorities, and will advise the Department Director, employee, and supervisor of their findings.

Section 4-4: VACANCIES

A. When the City seeks to fill a regular full-time or a regular part-time bargaining unit vacancy, the City must use the following procedure:

1) All ACE Job Classifications will be posted internally for 5 business days. The City will review the applications to determine if there is a need to perform an external recruitment. Postings will be publicized by posting announcements on official bulletin boards. The posting shall specify the title and salary of the class; the nature of the work to be performed; the qualifications required and preferred for the performance of the job; the manner of making application; shift, hours, work location, and other pertinent information. The job description used must be the same as the one on file in the Human Resources Division at the time of the vacancy.

2) Vacancies in bargaining unit positions shall be filled first from the layoff register and shall then follow the normal process in the Personnel Rules.

Section 4-5: LIGHT DUTY

A. Any unit member medically restricted to light or modified duty due to illness or injury incurred on-the-job or off-the-job, will be eligible for light duty assignment under the procedure outlined in Light or Modified Duty or Early Return to Work Program Administrative Regulation.

Section 4-6: TRAINING AND CAREER DEVELOPMENT

A. The City of Chandler supports the training, education and career development of City employees.

B. The parties agree to jointly support the inclusion of City employees in future local, state and federal training and retraining programs.

C. The parties recognize that training programs promote efficient and cost-effective public service. The parties agree to discuss these programs and issues in the Labor-Management Committee setting at the request of either party.

D. The City shall provide the training and education necessary to maintain certifications needed to perform an employee's current job essential functions as defined in the Minimum Qualifications of the job description. The supervisor will attempt to arrange schedules in order to accommodate the time needed to take the required training.

Section 4-7: TUITION REIMBURSEMENT

A. When funds are expressly allocated for such purpose in the annual City budget for the applicable fiscal year, the City will assist ACE unit members in their pursuit of additional formal education from an institution in areas related to a City career field as provided in the City's tuition reimbursement policy.

1) Any unit member who has successfully completed at least six (6) months of the initial probationary period and is eligible for vacation benefits is eligible for consideration of tuition reimbursements.

2) Courses of education or training must be in areas related to a City career field and must meet the requirements as defined in the Tuition Reimbursement Policy.

3) The current reimbursement allowed per tax calendar year is a total of $3,200.00. If the employee completes courses, which exceed the maximum allowable reimbursement, the employee shall be responsible for payment of the balance.

4) Reimbursement shall include only tuition costs and is not authorized to cover the cost of normal academic expenses such as special fees, laboratory fees, registration fees, books, supplies and other such materials and services.

5) The amount of reimbursement shall be reduced by any financial assistance the employee receives from any outside source. When applying for tuition reimbursement, the employee must indicate on the Tuition Reimbursement Application form any financial assistance received from an outside source,

which the employee is not required to repay.

6) Tuition costs, to the amount authorized, may be paid to the employee upon presentation of proof of tuition payment and a passing grade of "C" or higher.

7) If an employee terminates from City employment for any reason within twelve months of completion of the course, the employee shall return to the City 100% of the reimbursement.

Section 4-8: UNIFORMS AND EQUIPMENT

A. The City will maintain the current uniform policy for bargaining unit employees who are required to wear City uniforms.

The Police Department will provide $100 per year to all unit members in the Police Department who are required to wear uniforms and boots as a required part of that uniform.

B. For Administrative, Clerical, & Technical unit members in other City departments who are required to wear safety shoes, the City will provide a $140 voucher and one additional $60 voucher after 6 months to purchase another pair of safety shoes. Replacement clothing or footwear due to work-related damage shall be paid upon supervisor approval. Unit members receiving purchased clothing or shoes, or other clothing allowances, laundering, ironing, and repair services will continue to receive these allotments

C. The City shall notify unit members and ACE and discuss in the Labor-Management Committee setting any changes to current uniform policies at least 30 days prior to implementation.

Section 4-9: Holidays

Section 4-9 Holidays will be opened for negotiation in the second year of the MOU.

A. When possible, without decreasing the effectiveness of the various municipal services, all unit members, except temporary unit members and regular part-time unit members scheduled to work less than 1040 hours per year, shall be allowed ten (10) observed paid holidays and one (1) personal holiday. The observed holidays shall be provided as follows:

New Year's Day	January 1
Martin Luther King Jr. /Civil Rights Day	3rd Monday in January
President's Day	3rd Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	1st Monday in September

Veteran's Day	November 11
Thanksgiving Day	4th Thursday in November
Day After Thanksgiving	Friday after Thanksgiving
Christmas Day	December 25
Personal Holiday	

B. When an official holiday falls on Sunday, it will be observed on the following Monday. When an official holiday falls on a Saturday, it will be observed on the preceding Friday.

C. Compensation or paid time off when not working a Holiday.

1) Except as provided in Section 4-8 (C.5), full-time unit members shall receive 8 hours of paid time off on a holiday when the holiday falls on a regularly scheduled workday.

2) In addition, such unit members working an alternative work schedule of other than 8 hours, 5 days a week, may take available vacation leave or compensatory leave on the holiday to equal the number of hours normally worked on that day. Flex time may be used with supervisor approval.

3) Except as provided in Section 4-8 (C.5), when a holiday falls on a non-scheduled work day, unit members shall be provided 8 hours of paid time off on an alternate day during the pay period. When operational requirements do not permit an alternate day off in lieu of the official holiday, non-exempt unit members will receive 8 hours of holiday pay. Full-time unit members working an alternative work schedule of other than 8 hours, 5 days a week, may take available vacation leave or compensatory leave on the alternate day to equal the number of hours normally worked on the holiday. Flex time may be used with supervisor approval.

4) Regular part-time unit members who are scheduled to work at least 1040 hours per year shall be provided paid time off for the holidays on a prorated basis. The prorated basis shall be calculated based on the position's number of budgeted hours.

5) Department Directors have the discretion of requiring unit members to return to a regular schedule of five 8-hour days for the week in which the holiday occurs with the exception of employees on a 9-80 work schedule.

D. Compensation of paid time off when working a Holiday

Unit members who work a holiday shall receive compensation at one and one-half times their rate of pay for each hour worked on a holiday. In addition, full-time, non-exempt unit members shall receive 8 hours of holiday pay, or 8 hours of paid time off during the pay period. Regular non-exempt, part-time unit members who are

scheduled to work at least 1040 hours per year and who work a holiday shall be provided holiday pay on a prorated basis, or paid time off on an alternate day during the pay period. The prorated basis shall be calculated based on the position's number of budgeted hours.

E. Holiday Pay When Unit member is on Leave or Separates from City Service

1) Unit members shall receive no additional pay and shall not be charged with vacation or sick leave time while on paid leave when a holiday occurs.

2) Unit members must work or be on paid leave the last scheduled work day before the holiday and the first scheduled work day after the holiday to be paid for the holiday.

3) A unit member who is separated from City service when the last day worked is the last working day before a holiday shall not be paid for the holiday.

F. All unit members shall receive payment for holiday work on the payroll immediately following the conclusion of the pay period in which the work was performed.

G. The personal holiday must be used during the tax calendar year and cannot be accrued or paid in lieu of time off.

H. Unit members must complete and submit a leave request for approval prior to the date of the personal holiday. If the request is denied by the Department Director, the reasons shall be stated. Failure to request the personal holiday leave prior to the date taken shall be sufficient reason to deny the leave. In a bona fide emergency, the Department Director may approve the personal holiday leave after the fact. The determination as to whether a bona fide emergency existed shall be at the sole discretion of the Department Director.

Article V. BENEFITS

Section 5-1: HEALTH AND DENTAL BENEFITS

A. Health insurance:

During the term of this Memorandum of Understanding the City will pay 80% and employees will pay 20% of the cost of the monthly premium of the City's medical insurance benefit.

B. Dental insurance:

During the term of this Memorandum of Understanding the City will pay the following portion of employee dental insurance premiums:

Employee only	100% of premium
Employee plus one	70% of premium
Employee plus two	50% of premium

C. Evaluation of insurance coverage:

The City shall involve an ACE representative in the process of evaluating health insurance coverage and providers, including review of existing contracts, Requests for Proposals and responses.

Section 5-2: LIFE INSURANCE

During the term of this Memorandum of Understanding the City shall make group life insurance coverage available for every regular or initial probationary unit member who works in a budgetary approved position of 20 hours or more per week at least equal to the unit member's annual salary. Additional life insurance coverage for the unit member, spouse and dependent children shall also be made available. The premiums for this insurance shall be paid by the City or the unit member as determined by the City Council. The City will continue the existing life and dismemberment insurance coverage. Additionally, the City will continue to provide to each unit member a death benefit covering the unit member's commute to and from his City work location.

Section 5-3: WORKERS COMPENSATION

The City will continue its existing Workers Compensation coverage.

Section 5-4: HEALTH CARE REIMBURSEMENT ACCOUNT

During the term of this Memorandum of Understanding, the City will continue to offer an employee-funded flexible spending account for reimbursement of health care expenses.

Section 5-5: RETIREMENT HEALTH SAVINGS PLAN

During the term of this Memorandum of Understanding the City will continue the current Retirement Health Savings Plan (RHSP) for all regular, benefited employees with a contribution of $800 for every year of City service paid in to retiring employees' RHSP accounts provided they have five (5) or more years of service with the City at the time of retirement. Prior to implementing any changes to the RHSP, the City will meet with ACE to discuss these changes and obtain input.

Section 5-6: Employee Beneficiary Payments

The beneficiaries of an employee who dies prior to retirement shall receive compensation for all accumulated sick leave at the rate of fifty percent (50%) of the accumulated sick leave hours at the employee's current base rate and shall receive compensation for Years of Service Pay as established by the City Manager for each twelve (12) month year of City of Chandler service prorated for any partial year.

Article VI. MISCELLANEOUS

Section 6-1: SAVING CLAUSE

A. If any article or section of this MOU should be held invalid by operation of law or by final judgment of any court of competent jurisdiction, or if compliance with or enforcement of any article or section should be restrained by such court, the remainder of this MOU shall not be affected thereby; and upon issuance of such final decree, the parties, upon request of either of them, shall meet and confer and endeavor to agree on a substitute provision or that such a substitute provision is not indicated.

B. It is recognized by the parties that this MOU shall be administered in compliance with appropriate provisions of the Fair Labor Standards Act as may be amended.

Section 6-2: COPIES OF MEMORANDUM

Within sixty (60) days of the date that this MOU is adopted by the City Council, ACE will arrange for printing of jointly approved copies of it for furnishing one to every unit employee, unit supervisor and to management personnel. The cost of such duplication will be paid for equally by ACE and the City.

Section 6-3: TERM AND EFFECT OF MEMORANDUM

A. This MOU shall remain in full force and effect from July 1, 2013 through June 30, 2015, unless a specific provision of the MOU provides otherwise and thereafter shall continue in effect year-by-year unless one of the parties notifies the other in writing no later than November 1 of the year immediately preceding the expiration of the MOU of its request to modify

B. Except as expressly provided in this MOU, the City and ACE shall not be required to meet and confer concerning any matter, whether covered or not covered herein, during the term or extensions thereof. The parties by mutual agreement may reopen the MOU.

C. If any section or provision of this MOU violates existing Federal, State, or City law, then such law shall supersede such provisions or section.

D. The lawful provisions of this MOU are binding upon the parties for the term thereof.

E. This MOU constitutes the total and entire agreement between the parties and no verbal statement shall supersede any of its specific provisions.

F. In the second year of the MOU there will be a Wages and Compensation (Article III) and Holiday (Section 4-9) reopener.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names this

_____Day of_____, 2013

City of Chandler

By: _____
Mayor

Attest: _____
City Clerk

Approved to form:

_____
City Attorney

ACE

By: _____
ACE President