

#23
JUN 14 2007



Chandler • Arizona
Where Values Make The Difference

DATE: June 14, 2007

TO: Mayor and City Council

THROUGH: W. Mark Pentz, City Manager
Debra Stapleton, Human Resources Director

FROM: Greg Fretz, Labor Relations Administrator

SUBJECT: Service Employees International Union (S.E.I.U.) Local 5

RECOMMENDATION:

The membership of the Service Employees International Union (S.E.I.U.) Local 5 ratified the attached Memorandum of Understanding (M.O.U.). The City and local bargaining teams jointly recommend that the City Council approve this M.O.U. The non-economic terms of the M.O.U. begin on July 1, 2007 and the economic terms go into effect the beginning of the 1st pay period in July (7/08/07). The M.O.U. will expire on June 30, 2009.

BACKGROUND:

As a result of the Meet and Confer Ordinance #3619 which was approved by City Council on October 28, 2004, the City of Chandler entered into meet and confer discussions in January of 2007 with three employee organizations, which were recognized by the City after the bargaining unit employees selected these organizations in three separate elections. The meet and confer process was concluded in April 2007 and the membership of all three employee organizations ratified the tentative meet and confer agreement.

DISCUSSION/SUMMARY:

1st year M.O.U.
Effective 7/08/07

Three percent (3%) wage increase.

The Labor & Trades Deferred Compensation Plan amounts have been changed to the same dollar amounts of the Administrative, Clerical & Technical unit employees. The City shall contribute a matching deferred compensation credit of up to \$15 per pay period toward the deferred compensation of any participating member or up to \$20 per pay period for employees with 10 or more years of service, as follows:

Employee contribution
At least \$10 but less than \$15 per pay period

City match
\$10 per pay period

\$15 or more per pay period
\$20 or more per pay period (10+ years only)

\$15 per pay period
\$20 per pay period

An employee who is at the top of the range for their classification and meets the additional qualifications in the M.O.U. shall receive 1% of their base pay one time per year on their date of classification.

2nd year M.O.U.-

All the provisions of the 1st year of the M.O.U. carry over to the 2nd year.
In addition:

Effective 7/06/08

A wage and vacation accrual reopener.

Effective July 1, 2007 the M.O.U. also maintains the following provisions:

- Health and Dental Insurance; for the term of this M.O.U. the City will pay 90% and the employee will pay 10% of the cost of any health insurance increased costs each year. The City will pay 100% of the dental insurance premiums for employee only coverage, 70% for employee plus one and 50% for employee plus two.
- Labor-Management Committee:
The Labor-Management Committee is a standard labor relation's process, which provides the employee organization and management an informal forum for the exchange of views and discussion of mutual concerns and problems during the term of the M.O.U. This process is distinguished from the formal meet and confer process, which takes place at the expiration of the M.O.U.

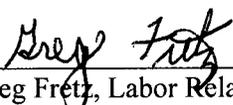
The mutual benefit to the parties of the labor-management process is the ability to solve problems as they arise throughout the term of the M.O.U. The process builds trust and commitment between labor and management and promotes future cooperation when the parties engage in the formal meet and confer process.

FISCAL IMPACT:

Total compensation increased costs are: 1st year 3.6%. This does not include retirement or merit increase costs. Each employee organization designed their economic package based on their organizations needs within the overall total compensation parameters.

PROPOSED MOTION:

Move to approve the M.O.U. with Service Employees International Union (S.E.I.U.) Local 5.



Greg Fretz, Labor Relations Administrator

SETTLEMENT SUMMARY SHEET
2007-2009

	<u>COMPENSATION</u>	<u>POLICE</u>	<u>FIRE</u>	<u>SEIU</u>	<u>POLICE SERGEANTS</u>
3rd year Effective 7/08/07 (Only applies to Police Officers)	WAGE INCREASE	2.8%	N/A	N/A	N/A
	DEFERRED COMP	\$10/pp EC 0.4%/pp – City match	N/A	N/A	N/A
1st year Effective 7/08/07	WAGE INCREASE	(See 3 rd year)	2.3%	3%	2.3%
	SPECIAL MERIT PAY	N/A	Topped-Out 1% of base 2 x per yr	Topped-Out 1% of base 1 x per yr	Topped-Out 1% of base 2 x per yr
	DEFERRED COMP	(See 3 rd year)	\$10/pp EC - 0.4% pp City match	\$10/pp > \$15/pp EC - \$10/pp City match \$15/pp EC - \$15/pp City match \$20/pp EC \$20/pp City match (10+ yrs only)	\$10/pp EC - 0.4% pp City Match
	HEALTH INSURANCE	City pays 90% of cost increase Employee pays 10% of cost increase	→	→	→
	DENTAL INSURANCE	City pays: 100% - Emp only 70% - Emp plus 1 50% - Emp plus 2	→	→	→
	SHIFT DIFFERENTIAL	N/A	N/A	Swing shift increase by .05 cents per hr Graveyard shift increase by .10 cents per hr (Labor & Trades)	N/A
	SICK LEAVE	N/A	17 years/1400 hrs In lieu of accrual	N/A	N/A
2nd year Effective 7/06/08	WAGE INCREASE	N/A	2.0%	N/A	N/A
	DEFERRED COMP	N/A	.66%	N/A	N/A

Memorandum
Of Understanding

July 1, 2007 - June 30, 2009

Between

SEIU Local 5
Administrative, Clerical &
Technical Unit

And

Labor & Trades Unit
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 Service Employees International Union (SEIU) Local 5, 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
- SEIU:** shall mean Service Employees International Union Local 5
- UNIT MEMBER:** shall mean a City of Chandler Administrative, Clerical & Technical unit member and a Labor and Trades unit member identified in the Chandler City Code 2-13.5.

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. SEIU Arizona Local 5 is recognized by the City of Chandler as the sole and exclusive 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-probationary, non-supervisory employees in the Administrative, Clerical & Technical bargaining unit and Labor and Trades bargaining unit. SEIU will equally and fairly represent all employees in the unit.
- B. SEIU may designate representatives and shall notify Labor Relations in writing of such designations and re-designations. 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 SEIU's request and with mutual agreement of the City, SEIU 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.
- C. During the term of this Memorandum of Understanding, SEIU bargaining unit members will also be released from duty with full pay and benefits when participating as the authorized SEIU representative in any committee or task force established by this Memorandum of Understanding; this provision also includes official City task force or committee meetings to which an employee has been assigned. SEIU representatives, including stewards, shall be released from duty with full pay and benefits to provide employee representation in any grievance

hearing or disciplinary meeting with an employee if requested by the employee. Employees will not be compensated when such duties described in this section occur outside their normal work shift.

- D. During the term of this Agreement, the City will provide up to 2,175 hours annually to be utilized by SEIU representatives as authorized by SEIU for the purpose of conducting union-related business. Any hours not utilized shall be rolled over to the following year and used as authorized by SEIU, but the total number of cumulative hours for SEIU representatives shall not exceed 3,000.
- E. The City shall furnish quarterly, or as requested, a listing of all bargaining unit members and of SEIU members on City payroll deduction for union dues. Included with each employee's name shall be the employee's current job assignment, work location, and home mailing address. SEIU agrees to use this list solely for purposes of communicating with bargaining unit members and will not share this information with other individuals or organizations.
- F. The City agrees to deduct membership dues, fees and assessments as authorized in writing by employees and to transmit such amount to SEIU 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 all twenty-six (26) paychecks of SEIU members only when the employee's earnings for such pay period are sufficient after other legally required deductions are made. SEIU 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 SEIU Constitution or the Local 5 bylaws and agrees to give the City notice of any such increase; any cost for implementing such changes shall be reimbursed by SEIU at actual cost incurred by the City.
 - 1. 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. SEIU agrees to indemnify, defend and hold the City harmless for taking action in conformance with this section.
 - 2. Authorization for membership dues deductions hereinafter 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 revocation of deductions only during the annual open enrollment period beginning July 1 and ending July 31 of each MOU year to be effective the following payroll period. The City will notify SEIU by e-mail of any revocations of authorizations for membership deductions or other supplemental union deductions within three (3) business days of receipt.
 - 3. An employee may request in writing that the City deduct from his/her paycheck a voluntary contribution of \$1.50 or \$3.00 per pay period. This contribution may be started or stopped at any time, but once stopped the employee may not request another contribution until the following MOU year.

- G. SEIU representatives shall be allowed reasonable contact with employees on City grounds and facilities, so long as such will not interfere with any work operation or the safety and security of any worksite. International and Local representatives will check in with the appropriate supervisor and will be required to conform to the safety regulation of the worksite.
- H. The City shall provide SEIU with space for bulletin boards of up to 4' by 3' (width by height) for the exclusive use of SEIU in mutually agreeable locations in areas frequented by employees in each main facility where unit members are employed. Authorized SEIU representatives shall have the sole and exclusive right to post any notice of activities and matters of SEIU business on these bulletin boards which is not in violation of any City law or abusive of any person or organization. SEIU may grieve any removal by the City of posted material.
- I. 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 recognizing the Union's responsibility to represent all of the employees of the represented bargaining units, SEIU may send meeting notices, and announcements, via the City's e-mail system and bulletin board updates via the City's inter-departmental mail system.

Additionally, SEIU may send via the City's e-mail system and the City's inter-departmental mail system messages related to City business of which SEIU is a participant. 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 union.

- J. SEIU shall have the right to a half-hour during New Hire Orientation on City time of all new permanent bargaining unit employees and to present SEIU materials to newly hired employees during such orientation.
- K. The City shall not unreasonably deny SEIU requests for unpaid leaves of absence of up to 12 months for unit employees to engage in SEIU business.
- L. During the month of July or August 2007, the Union and Labor Relations will hold a four (4) hour training/discussion session to facilitate the familiarization of the terms of this MOU and discuss other labor relations issues. The union elected officers and union representatives will attend this meeting as well as invited supervisors.

Section 1-2: CITY AND MANAGEMENT RIGHTS

The City and the City Manager's rights are not subjugated or diminished in any way by any expressed 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. It is the right of the City to determine the purpose of each of its departments, agencies, boards and commissions, and to set standards of service to be offered to the public and exercise control and discretion over its organization and operations. It is also the right of the City to direct 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, and 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. 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. The enumeration of the above rights is illustrative only and is not to be construed as being all-inclusive.
- C. 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.
- D. This Memorandum of Understanding cannot contradict the Meet and Confer Ordinance.

Section 1-3: 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 SEIU: The City shall advise SEIU 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. SEIU 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. The City Manager shall inform the City Council of SEIU's position on such recommendations. Failure by the City to notify SEIU 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. Any temporary employee including those hired through a temporary employment agency performing bargaining unit work will be laid off before bargaining unit employees are laid off in a similar 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 SEIU.
- D. Seniority: Seniority shall be defined as the length of continuous service after date of initial hire with the City of Chandler. In the event of any layoff of bargaining unit members, the employees affected shall be in reverse order of seniority.
- E. 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. The lower class may be in any department of the City. When such a request is made, the employee shall be placed in a lower class if the person had been employed by the City at any time in the class, or the person meets all the minimum requirements for the class.
 - 3. When the laid-off employee meets the requirements to be placed in a lower class, an employee in the class who has the least seniority with the City shall be laid-off and the laid-off employee with greater seniority placed in the position.
- F. 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 SEIU. 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 1-4: SENIORITY

- A. Seniority shall be defined as the length of continuous service after date of initial hire with the City of Chandler. For purposes of layoff, seniority shall include any approved leaves of absence.
- B. The City will maintain current division/department practices concerning vacation and overtime selection. The parties agree to discuss vacation, overtime selection practices and other applicable issues where length of service may be utilized in the Labor-Management Committee setting. Any recommendation by the Labor-Management Committee for changes in current practices must be approved by the City Manager.
- C. Any unit member who is ordered to active military duty shall continue to earn creditable service time for seniority during the period of such active duty as per the Uniformed Services Employment and Reemployment Rights Act (USERRA).

Section 1-5: UNIFORM DISCIPLINARY PROCESS

- A. An employee subject to discipline or discharge shall be entitled, prior to the

imposition of that discipline 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; to the right to respond either orally or in writing; and to representation.

- B. Unit members have the right to be represented by SEIU and to have an SEIU 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 union representation.
- C. 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, Section 6 of the Personnel Rules. 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.
- D. Any disciplinary action against an employee shall be initiated no more than fifteen (15) workdays from the date the City knows of the alleged conduct after diligent and timely investigation except for conduct which would constitute the commission of a crime. Initiation of discipline for the purposes of this provision is the date of the administrative charging letter or notice.
- E. In the event of a search of an employee locker or personal property, an authorized union representative will be present unless the union representation is declined by the employee.
- F. Wherever possible, the City shall offer training or other alternatives to discipline when it involves performance issues to assist with a unit member's improvement. This provision shall not be subject to the grievance procedure of this agreement.
- G. All unit members shall have the right to participate on behalf of or engage in activities on behalf of SEIU 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 1-6: 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 Department unless another location is designated and the member 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 shall be at a charge of 10 cents per page.
- B. With the written permission of the employee, a representative of the Union 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 shall be at a charge of 10 cents per page.
- C. A 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 their 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 be removed from an employee's personnel file, upon the employee's written request. Counseling forms or memos shall not be considered as disciplinary actions and shall be removed after one year upon employee's request.
- 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 eight (8) representatives of SEIU from the Labor & Trades and/or Administrative, Clerical & Technical employee groups and up to eight (8) representatives of the City, and an additional representative of SEIU and the City's Labor Relations Administrator who shall be the chairpersons. 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 quarterly or at the request of either party, at mutually agreed upon times.
- C. SEIU representatives who are unit members shall not lose pay or benefits for meetings mutually scheduled during duty time.
- D. During the term of this MOU the Labor-Management Committee will discuss:
 - Service compensation issues
 - Holiday issues
 - Training & career development issues
 - Wage, compensation and reclassification issuesAnd will convene:
 - A Health Care Taskforce
 - A Vacation Accrual Taskforce

Section 2-2: HEALTH & SAFETY

- A. The City of Chandler acknowledges its responsibility to provide safe, healthful work environments for City employees and users of City services. Every employee has the right to safe and healthful 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 SEIU, the City will meet with SEIU to discuss and address safety concerns relating to the facilities where employees are assigned to work. If the representative of the SEIU 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 those normally associated with the work which may harm his life or limb, he/she may refuse to begin or continue a work

assignment until reviewed by the Safety Administrator or their designee. These incidents will be investigated by the Safety Administrator or their designee. Employees shall not be subject to discipline or retaliation for exercising this right unless it is determined by the Safety Administrator or their 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

1. 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.
2. As a matter of good labor-management relations, the parties encourage a unit member who believes that he has a bona fide grievance to discuss and attempt to resolve it with his immediate non-unit supervisor. If such informal discussion is held and does not resolve the grievance, the unit member may file a formal grievance in accordance with the procedure outlined in Section C.

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 SEIU Local 5.
3. "Workdays" shall mean Monday through Friday, not including holidays observed by the City.

C. Procedure

1. Step 1

The unit member shall reduce his grievance to writing by signing and completing all parts of the grievance form provided by SEIU and submit it to his immediate non-unit supervisor within fifteen (15) workdays of the occurrence being grieved or the date when the grievant knew or reasonably should have known. The supervisor shall further consider and discuss the grievance with the grievant and the grievant's representative, if any, as he

deems appropriate, and shall, within five (5) workdays of having received the written grievance, submit his response thereto in writing to the grievant. The parties by written agreement may move the grievance to Step II of the grievance procedure.

2. Step 2

If the written response of the immediate non-unit supervisor does not result in a resolution of the grievance, the grievant may appeal the grievance by presenting it to the Division Manager within five (5) workdays of the grievant's receipt of the supervisor's response. Unless mutually agreed otherwise, the Division Manager shall hold a meeting at which the grievant shall be afforded the opportunity to fully present his position and to be represented. Within five (5) workdays of receipt of the grievance, or after the grievance meeting, the Division Manager shall submit his response to the grievance to the grievant and the grievant's representative, if any.

3. Step 3

- a. If the response to the second level of review does not result in resolution of the grievance, the grievant may appeal the grievance by presenting it to the Department Director within five (5) workdays of the grievant's receipt of the Step 2 response.
- b. 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 position and to be represented. Within five (5) workdays of the hearing, the Department Director or his designee shall submit his response to the grievant and the grievant's representative, if any.
- c. By mutual agreement, the parties may combine steps 3 and 3.5.

Step 3.5 Grievance Mediation Step

If the grievance remains unsettled, within fifteen (15) calendar days the parties shall engage in non-binding mediation. The mediator will be one of the commissioners from the Arizona office of the Federal Mediation and Conciliation Service.

4. Step 4

- a. If the response of the Department Director does not result in resolution of the grievance, the grievant may, within five (5) workdays of the Step 3 response, appeal the grievance by presenting it to the Grievance Committee. The Grievance Committee shall be composed of:
Chairman – A City employee designated by the City Manager.
Secretary – Labor Relations Administrator or designee.
Member – President of SEIU Local 5 Chandler Chapter or designee.

- b. The Grievance Committee shall schedule a hearing regarding the grievance at which the grievant shall be afforded the opportunity to fully present his position and to be represented.
- c. If the grievant and SEIU Local 5 jointly so elect, in writing within ten (10) workdays, in lieu of such hearing the grievance may be reviewed 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 State and City law.
 - iv. The Grievance Committee or the arbitrator shall submit findings and advisory recommendations to the grievant and to the City Manager. The cost of the arbitrator and any other mutually incurred cost shall be borne equally by the parties.
 - v. The City Manager shall, within ten (10) workdays of the receipt of the written findings and recommendations, make the final determination of the grievance and submit it in writing to the grievant and his designated representative.

D. Time Limits

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.

- E. SEIU Local 5 may, in its own name, file a grievance that alleges violations by the

City of the rights accorded to SEIU by the specific terms of the Memorandum. SEIU shall file such grievance at Step 3 of the procedure. All other grievances must be filed and signed by a unit member, subject to the provisions of this Article.

- F. Employer grievances, should they occur as a result of official SEIU activities or actions, including the failure to act as required under this agreement, will be presented directly to the President of SEIU Local 5 Chandler Chapter within ten (10) days of the occurrence prompting the grievance. The President shall in each case provide a written answer within five (5) days 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 of emoluments thereof.
- B. SEIU Local 5 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

Section 3-1: WAGES

- A. Across-the-board wage increase:

Effective 7/08/07, all unit members will receive a wage increase of 3% of base wages.

Note: For fiscal year beginning July 1, 2008 see Section 6-3 F.

- B. Shift Differential:

Effective 7/8/07, 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
- From 12:00 a.m. to 3:59 a.m. shall be paid an additional \$0.50 per hour
- From 4:00 a.m. to 7:59 a.m. shall be paid an additional \$0.70 per hour

Effective 7/8/07, the differential rate of pay for employees working shifts that begin:

- From 11:00 p.m. to 3:00 a.m. shall be an additional \$0.70 per hour.

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

C. Reconciliation of Pay Grades

A variance in pay rates that may exist between employees in the Labor and Trades bargaining unit and the Administrative, Clerical and Technical bargaining unit in comparable pay grades shall be reconciled by raising the minimum compensation amount to the higher amount effective 7/8/07. The top of the pay grade shall also be raised to the higher amount effective 7/8/07.

All other employees, i.e., those not at the minimum are eligible to receive a merit increase on his/her normal merit date of classification.

D. Special Merit Pay effective 7/08/07

1. In recognition of continuous service and overall performance, the City agrees to implement the following performance pay formula for unit members.
2. On the employees date of classification, a unit member who is at the top of the pay range for their classification and who meets the additional qualifications specified in this article shall receive special merit pay of 1% of his/her base pay.
3. Qualifications:
 - a. A unit member must have completed at least one (1) year of continuous full-time service at the top step in his/her classification.
 - b. A unit member must have achieved the overall performance rating as satisfactory or better on his/her latest scheduled performance evaluation on file in the Human Resources Department.
 - c. A unit member must have performed an "added value" activity agreed to by the Labor/Management Committee.

E. Merit Pay

- a. The City will continue current practice of up to 5% merit increase,

applied on the date of the unit employees' current job classification until the unit member is at the top of his pay grade.

Section 3-2: DEFERRED COMPENSATION

- A. Beginning July 8, 2007, the City shall contribute a matching deferred compensation credit of up to \$15 per pay period toward the deferred compensation of any participating member or up to \$20 per pay period for employees with 10 or more years of service, as follows:

<u>Employee contribution</u>	<u>City match</u>
At least \$10 but less than \$15 per pay period	\$10 per pay period
\$15 or more per pay period	\$15 per pay period
\$20 or more per pay period (employees with 10 or more years of service only)	\$20 per pay period

Section 3-3: OVERTIME

- A. 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.
- B. 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.

Section 3-4: 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 under five (5) minutes.

*Provisions of C & D only apply to Labor and Trades bargaining unit.

- C. If an employee works eight (8) straight hours or more but less than twelve (12) straight hours before the start of his/her normal shift, then the employee will continue to work for the first four (4) hours of his/her normal shift then be allowed to leave work and return home for the last four (4) hours if his/her normal shift on paid

City time. (Also applies to ten (10) hour shift employee, i.e., 5 and 5).

Or, Employee may request four (4) or (5) hours of leave time in lieu of work first half or normal shift. Each division manager or equivalent has the final authority to approve or deny such request.

- D. If an employee works twelve (12) straight hours before the start of his/her normal shift then the employee will be allowed to leave work and return home for his/her normal eight (8) hour shift on paid City time. (also applies to ten (10) hour shift employee).

Section 3-5: WORKING OUT OF CLASSIFICATION

Current practice on payment for temporary detail will be changed to entitle employees 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 workweek for all unit members shall be forty (40) hours. The parties agree to hold a Labor-Management Committee meeting to discuss alternate work schedules at the request of either party.
- 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 Union and to the affected unit member(s) and shall be discussed in a Labor-Management Committee meeting at least 30 calendar days prior to implementation. The requirements of this paragraph may be waived by mutual consent.
- C. Under normal conditions, a unit member shall have each workday two (2) paid fifteen (15) minute rest breaks.
- D. Unit members will not be required to flex their work hours to avoid the paying of overtime.

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.

- B. Each employee is eligible for a Floating Holiday, effective 1/1/07.
- C. Each employee shall receive bereavement leave hours consistent with his or her work shift hours. Within the first 6 months of this agreement, a Labor-Management sub-committee will review and discuss the issue of awarding holiday leave hours consistent with work shift hours.

Section 4-3: RECLASSIFICATIONS

- A. Any proposed job description changes to bargaining unit positions shall be communicated to SEIU and to affected bargaining unit members and shall be discussed in a Labor-Management meeting at least 30 calendar days prior to implementation. Additionally, at SEIU's request, a Labor-Management Committee will meet to review the duties, responsibilities and qualifications of bargaining unit positions.
- B. If, during the term of this agreement, the City conducts a reclassification study, SEIU shall be entitled to participate in the planning of this reclassification study, and 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 be 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.
- 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 not provided written feedback on the status of an employee's written request for a job reclassification review for a period of greater than 45 calendar days; SEIU may initiate a job reclassification request directly to the Human Resources Director by submitting SEIU's written notification of their intent to the employee's supervisor with a copy to the Department Director.

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

- A full description of new duties and responsibilities (Position Description Questionnaire).
- A full explanation of why the union 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 employee, supervisor, and SEIU of their findings.

Section 4-4: VACANCIES

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

1. Such vacancies must be publicized by posting announcements on official bulletin boards designated by Human Resources and on all division bulletin boards. The posting shall be for not less than 10 consecutive work days unless by mutual agreement with SEIU Local 5 to post for less time and 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, days off, work location, and other pertinent information. The job description used must be the same as the one on file in the Human Resources Department 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.

B. The parties shall discuss in the Labor-Management Committee the considerations, criteria, and process for determining the most qualified candidates for bargaining unit positions.

Section 4-5: LIGHT DUTY

- A. Any unit member medically restricted to light or modified duty due to illness or injury on-the-job or off-the-job, will be eligible for light duty assignment under the procedure outlined in Administrative Regulation CC Reg. MS-35.
- B. The parties agree to discuss light duty issues in the Labor-Management Committee setting.
- C. The City shall notify SEIU of the disposition of every bargaining unit case of light or modified duty requested.

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.
- D. The City shall provide the training and education necessary to maintain certifications needed to perform an employee's current job.

Section 4-7: UNIFORMS AND EQUIPMENT

- A. The City will maintain the current uniform policy for bargaining unit employees who are required to wear City uniforms.
- B. The Police Department will provide \$100 per year to all bargaining unit employees in the Police Department who are required to wear uniforms and boots as a required part of that uniform.
- C. For Administrative, Clerical, & Technical bargaining unit employees 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.
- D. Any Labor & Trades unit member required to wear a City uniform will be provided a two-week supply of uniforms, laundering, ironing and repair services, and vouchers for two pairs of safety footwear (up to \$140 each) per year. Replacement clothing or footwear due to work-related damage shall be paid upon supervisor approval. Members receiving purchased clothing or shoes, cleaning services or other clothing and/or tool allowances will continue to receive these allotments.
- E. During the term of this Memorandum of Understanding the Parties agree to discuss and review, within the framework of the Labor-Management Committee established by this M.O.U., the City's policies for the provision of equipment to bargaining unit employees.
- F. The City shall notify employees and SEIU Local 5 and discuss in the Labor-Management Committee setting any changes to current uniform policies at least 30 days prior to implementation.

Article V. BENEFITS

Section 5-1: HEALTH AND DENTAL BENEFITS

A. Health insurance:

The City will pay 90% of any increase and employees will pay 10% of any increase in health insurance costs during the term of this Memorandum of Understanding.

B. Dental insurance:

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 a SEIU representative in the process of evaluating health insurance coverage and providers, including review of existing contracts, Requests for Proposals and responses. The City Council shall be informed of SEIU recommendations regarding any proposed new contract for health insurance coverage or any contract extension.

Section 5-2: LIFE INSURANCE

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 the present employee-funded flexible spending account for reimbursement of health care expenses.

Section 5-5: COMPASSIONATE/CATASTROPHIC LEAVE and SHORT-TERM DISABILITY POLICIES

During the first year of this Memorandum of Understanding, the Parties agree to discuss and review within the framework of the Labor-Management Committee established by this MOU the City's policies for providing short-term disability insurance and for compassionate/ catastrophic leave for bargaining unit members.

Section 5-6: RETIREMENT HEALTH SAVINGS PLAN

A. Retirement Health Savings Plan:

During the term of the MOU the City will continue the current Health Savings Plan. Prior to implementing any changes, the City would meet with SEIU Local 5 to discuss these changes and get input.

B. Evaluation of program:

Prior to open enrollment, the City will meet with SEIU representatives in the Labor-Management Committee setting to review the initial implementation of the Retiree Health Savings Plan.

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, SEIU Local 5 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 SEIU Local 5 and the City.

Section 6-3: TERM AND EFFECT OF MEMORANDUM

- A. This MOU shall remain in full force and effect from July 1 (for non-economic provisions) and from the beginning of the 1st pay period in July 2007 (for economic provisions) through June 30, 2009 and thereafter shall continue in effect year-by-year unless one of the parties notifies the other in writing no later than November 1st of its request to modify or terminate it. Upon such notification, the parties agree that the meet and confer process will be conducted jointly for the Administrative, Clerical & Technical and the Labor & Trades employee groups, with the purpose of negotiating a single Memorandum of Understanding covering both employee groups.
- B. Except as expressly provided in this MOU, the City and SEIU Local 5 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 wage and vacation accrual reopener.

IN WITNESS WHEREOF, the parties hereto have hereunto subscribed their names this 14th
Day of JUNE, 2007

City of Chandler

By: _____
Mayor

Attest: _____
City Clerk

Approved to form:

Miles J. D. House
City Attorney

Employee Organization Representative

By: Donald W. Larver

(SEAL)

ATTEST: _____
