

MEMORANDUM OF UNDERSTANDING
BETWEEN
SOUTH BAY REGIONAL
PUBLIC COMMUNICATIONS AUTHORITY
AND MANAGEMENT AND CONFIDENTIAL EMPLOYEES

JULY 1, 2016 through JUNE 30, 2019

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PREAMBLE

THIS AGREEMENT is made and entered into by and between the SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY ("Authority") and MANAGEMENT AND CONFIDENTIAL EMPLOYEES ("Employees") employed under the following job classifications:

Operations Manager
Administration Supervisor
Technical Services Manager
Finance Manager
Executive Secretary
Financial Accountant

It is binding upon Authority only upon approval of the Executive Committee and shall apply from July 1, 2016 through June 30, 2019.

ARTICLE 1 -- CONCLUSIVENESS OF AGREEMENT

Section 1.1 -- Agreement Conclusive. This Agreement contains all of the promises and agreements of the parties. Therefore, for the life of this Agreement neither party shall be compelled to bargain with the other concerning any mandatory bargaining issue whether that issue was raised at a meet and confer session preceding this Agreement or not, unless the parties agree to bargain about it. There are two sub-groups of employees, which are defined as: Group A employees are employees with a hire date prior to October 25, 2011; Group B employees with a hire date after October 25, 2011.

ARTICLE 2 -- MANAGEMENT RIGHTS

Section 2.1 -- Management Rights. Authority retains all rights not specifically delegated by this Agreement, including but not limited to the exclusive right to determine the mission of its constituent sections; set employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; contract out work; maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work. The determination of whether or not an emergency exists is solely within the discretion of Authority and is expressly excluded from the grievance procedure.

ARTICLE 3 -- NO STRIKE, NO LOCKOUT

Section 3.1 -- Work Interruption. During the life of this Agreement, Employees will not cause, authorize, advise or encourage any interruption of work or any other concerted action. The term "interruption of work" shall include any work stoppage or strike (including economic and unfair labor practices) or any picketing or boycott activities by employees, and refusal to work on and handle equipment or produce any materials or services because of a labor dispute.

Section 3.2 -- Lockout. Authority will not lock out any employee.

Section 3.3 -- Discipline. Any employee engaging in any action prohibited by this article shall be subject to immediate discharge or such other discipline as Authority may assess. Such discharge or discipline shall not be reviewable through any grievance procedure.

ARTICLE 4 -- SAVINGS PROVISION

Section 4.1 -- Separability. Should any provision of this Agreement be declared illegal or invalid by decision of a Court of Law or any administrative agency, all other provisions of this Agreement shall nevertheless remain valid, subsisting, and in full force and effect. In the event of any such invalidation, the parties agree to meet and to attempt to negotiate substitute provisions for the provisions declared illegal or invalid.

ARTICLE 5 -- HARASSMENT AND DISCRIMINATION

Section 5.1 -- No Discrimination. Employees and Authority agree not to discriminate against any employee or applicant because of age, sex, race, national origin and/or religion.

Article 5.2 -- No Harassment. Authority expects and requires all employees to treat one another with dignity and respect. Harassment of fellow employees is a violation of law. No employment decision may be made based upon an employee's submission to or rejection of such conduct. Any employee who believes that he or she is the victim of such harassment, whether sexual, racial, ethnic or religious, is required to immediately report the conduct to a supervisor, manager or Executive Director. Any employee who engages in such conduct is subject to disciplinary action, including immediate discharge.

ARTICLE 6 -- ATTENDANCE AND LEAVES

Section 6.1 -- Bereavement Leave (Death in Immediate Family). In the event of death of a member of the employee's immediate family, bereavement leave may be granted to such employee, with the approval of the Executive Director. Such leave will be compensated for at the straight day rate.

Immediate family is construed to mean the father, mother, husband, wife, brother, sister, child, step-child, mother-in-law, father-in-law, legal guardian, foster child or foster parent, or any of either of them. Grandparent or grandchild is also considered immediate family. A maximum of three days may be granted for such leave. Absence under this section is not chargeable to sick leave.

Section 6.2 -- Compensatory Time Off. Compensatory time off may be granted by the Executive Director as an alternate method of compensation for overtime work. The rate of compensatory time shall be as required by law. No employee shall accrue more than one hundred sixty (160) hours of such compensatory time. Should any employee exceed one hundred sixty (160) hours of accrued compensatory time, she/she shall receive pay in lieu thereof.

Section 6.3 -- Holidays.

(a) Offices Closed. Authority administrative offices shall be closed on the following nine (9) holidays: New Year's Day; Martin Luther King, Jr. Day; President's Day; Memorial Day; Independence Day; Labor Day; Veteran's Day; Thanksgiving Day; day after Thanksgiving; Christmas Eve; and Christmas Day. If one of the holidays falls upon a Sunday, the Monday following shall be observed as the holiday. If one of the holidays falls on a Saturday, the Friday preceding shall be observed as the holiday.

(b) Paid Floating Holidays. In addition to the fixed holidays listed above, all full-time employees, other than temporary employees, will be paid for seven floating holidays when taken anytime during the calendar year. There shall be no limit as to the number of floating holidays taken at one time, so long as the ones taken have been awarded. It should be noted that floating holidays do not carry over from year to year, but must be used during the year in which awarded. An individual must be a SBRPCA employee, on paid status, for six days in each pay period in order to be awarded a paid floating holiday for that pay period.

Accrual of floating holidays shall be handled as follows:

- (1) Permanent employees shall be awarded all floating holidays on January 1 of each year.
- (2) Probationary employees will receive floating holidays dependent upon their hire date, arranged as follows:

<u>Hire Date</u>	<u>Number Awarded</u>	<u>When Awarded</u>
Jan 1-Feb 28 (29)	7	4 on hire date, 3 on July 1
Mar 1-Apr 30	6	3 on hire date, 3 on July 1
May 1-June 30	5	2 on hire date, 3 on July 1
Jul 1-Aug 31	4	On hire date
Sep 1-Oct 31	3	On hire date
Nov 1-Dec 31	2	On hire date

Upon employment termination, floating holidays awarded but not used will be compensated for at the straight daytime pay rate.

Section 6.4 -- Hours of Work. All administrative offices of Authority shall be kept open for business on all days of the year, except Saturdays, Sundays and designated holidays, from 8:00 A.M. to 5:00 P.M. Employees shall be required to work a minimum of eight hours per day, but may work "10/40" or "9/80" plans according to schedules approved by the Executive Director.

(a) Work Week. A work week is a period of seven consecutive days, beginning at 12:00 Midnight on Friday and ending at 12:00 Midnight on the following Friday.

(b) Work Day. A work day is a period of twenty-four hours beginning at 12:00 Midnight and ending at 12:00 Midnight on the following day.

Section 6.5 -- Injury Leave. Each employee, regardless of category of employment, is authorized injury leave when the employee suffers an illness or injury while on duty or arising in and out of the course of employment. In such cases, the employee is eligible to receive compensation as provided for in the State Workers' Compensation Act. At no time may an employee use accumulated sick leave for an injury or illness which is compensable under the provisions of the Workers' Compensation Act of the State of California.

Section 6.6 -- Jury Duty Leave. Any full-time employee of the Authority who is duly summoned for jury duty during the time regularly required for the employee's office or employment, and who submits a copy of the jury duty summons to the Authority, shall be entitled, while actually serving, to the employee's regular compensation up to a maximum of fifteen (15) calendar days, provided the employee deposits with the Authority, all fees received for service. No overtime payment to the affected juror shall result from jury duty. Court-paid mileage fees may be retained by the individual. If an employee, while serving on jury duty, is temporarily released from actual service for twenty-five percent (25%) of their scheduled day or more, said employee shall report to the Authority for work during such period of temporary release. Employee will not be compensated for jury service on the employees' scheduled day off.

Section 6.7 -- Unpaid Leaves of Absence. An unpaid leave of absence not to exceed 90 calendar days may be granted to an employee for good cause providing operational requirements are met. Leaves of absence shall not be granted during holiday seasons or when there is a personnel shortage, unless there are other employees sufficiently trained and willing to do the additional work. Leave of absence must be approved by the Executive Director and his/her decision is final.

The length of leave of absence granted shall be based on the employee's length of continuous service with the Authority.

Less than one year	10 calendar days maximum
One year to less than three	30 calendar days maximum
Three years to less than five	60 calendar days maximum
Five years or more	90 calendar days maximum

Granting of a leave of absence will take into account all other employees' approved leave time. In no case shall more than one full-time employee be absent on approved leave of absence at the same time.

Request Procedures

Only one unpaid leave of absence may be granted an employee in a calendar year. Except in case of emergency, a written and fully documented request for leave of absence should be received by the Executive Director at least 30 calendar days prior to the effective date of the leave. In all cases, employee must use appropriate leave entitlements before requesting an unpaid leave of absence. Once an employee is on leave of absence, accrued leave entitlements may not be used. Leaves of absence are not to be used to circumvent the vacation and holiday scheduling process. When an employee is unable to request a leave of absence, due to injury, illness, travel or similar reason, they may be administratively placed on leave of absence.

Benefits

Sick leave, holidays and vacation leave do not accrue during an unpaid leave of absence. Seniority, time in service, performance evaluation scheduling, and eligibility for merit increases are affected by an unpaid leave of absence. Authority shall pay its portion of medical, dental, life insurance, and vision plan premiums for a period not to exceed 30 days after the beginning of the unpaid leave of absence. General wage increases granted to other employees during the leave of absence will not be implemented until the employee actually returns to work.

Return to Work

Employees returning from a leave of absence of more than 10 calendar days will notify the Executive Director two weeks before their actual return date. The employee will be returned to their original job status.

Extension of Leave

Employees may request extension of their approved leave of absence, as long as they do not exceed the maximum time allowed for their years of service. Such request should be in writing and received the Executive Director two weeks in advance of the expiration of their leave. Extension of the leave of absence must be approved by the Executive Director and his/her decision is final.

Cancellation of Leave

An employee may request cancellation of an approved leave of absence at any time before or during said leave. A written request will be submitted, explaining the reason for cancellation.

Violating Leave of Absence

The following constitute violations of the spirit and intent of grant leave of absence, and shall result in automatic quit by the employee or termination of the employee.

- (a) Employees who engage in or apply for other employment while on leave of absence, will be considered as having quit without notice. No termination benefits will be paid by Authority.
- (b) Employees who fail to return from leave of absence on the prescribed day, and have not obtained an extension, will be considered as having quit without notice. No termination benefits will be paid by Authority.
- (c) Employees who obtain an approved leave of absence through fraud or misrepresentation, shall be subject to discharge.

Last Minute Requests

An employee must receive prior written approval to be on leave of absence. Last minute requests for leave of absence, without prior approval, shall be considered unauthorized absence from duty unless it is deemed an emergency by the Executive Director and employee.

Section 6.8 -- Maternity Leave.

No less than, all provisions provided for by California State and/or Federal law shall be granted to full-time employees.

Section 6.9 -- Military Leave. Military leave shall be granted to full-time employees in accordance with the provisions of State of California law. All full-time employees entitled to military leave shall give the Executive Director an opportunity, within the limits of military regulations, to determine when such leave shall be taken.

Section 6.10 -- Sick Leave. Each full-time employee is eligible for paid sick leave upon completion of three months of continuous service. Accrual of this leave begins with the first day of the first pay period after day of hire and at the rate of ten hours per month. An eligible employee may accrue a maximum of 500 hours of paid sick leave.

(a) General Sick Leave Policy. Sick leave is not a discretionary privilege, but is allowed only in case of necessity and actual sickness. Up to 50% of the annual accrual, may, however, be used for family illnesses requiring the physical presence of the employee (for purposes of this section, family is defined as a spouse, parents and/or children residing in the household), or for routine doctor, visual care, and dental appointments with advance supervisor's approval. All sick leave must be approved by the employee's supervisor, who will verify eligibility and leave balance with the Personnel Office.

No employee will accrue sick leave unless at least six days are worked during each payroll period. Approved paid sick leave, paid vacation leave, paid bereavement leave, temporary military leave of absence or absence due to work connected disability shall be considered to be time worked under this section. When an employee has used all accumulated sick leave, further absence shall be charged to any and all accrued vacation leave and compensatory time. Employees receiving state disability payments will not be required to exhaust vacation leave and compensatory time while on disability.

(b) Conditions for Eligibility for Sick Leave Compensation. To receive paid sick leave, the employee must meet the following conditions:

(1) When the employee is absent for three or more consecutive working days, a doctor's certification of illness will be furnished upon return to work. A supervisor may require an employee to furnish a doctor's certificate for lesser absences to establish proof of illness. Submittal shall be made upon return to work.

(2) Employees returning from an absence due to illness or disability may be required to be examined by Authority's physician at Authority expense.

(3) At no time will sick leave be authorized for injuries compensable under Worker's Compensation Insurance.

(c) Ineligible Employee. If deemed ineligible for sick leave compensation, an employee may be subject to progressive discipline and/or loss of pay.

(d) Checking Validity of Employee's Illness. The Authority reserves the right to periodically check validity of employee's illness or a family member's illness through telephone or personal contact when the Authority has reasonable suspicion that the employee is feigning illness of him or herself or the family member.

(e) Sick Leave a Privilege. The employee, the bargaining unit, and the Authority recognize that sick leave is a privilege granted to the employee and should be viewed by the employee as insurance, and is not to be considered a means of compensation or extra vacation.

Section 6.11 -- Vacation Leave. Each full-time employee is eligible for paid vacation leave upon completion of six months of continuous service. Accrual of this leave begins with the first day of the first pay period after day of hire. Upon employment termination, vacation leave is computed up to and including the last day worked. Vacation leave shall be earned in accordance with the following schedule:

<u>Completed Years of Service</u>	<u>Work Hours Per Month</u>	<u>Work Hours Per Year</u>	<u>Maximum Accumulation</u>
Less than 5	8	96	120
5 through 9	12	144	240
10 or more	16	192	336

The Vacation Year shall be the Calendar Year. All accumulation maxima shown above are as of each succeeding January 1, with no limit on accumulation between each January 1. If requirements of the service necessitate cancellation of scheduled vacation leave and it cannot be rescheduled and used before the end of the Calendar Year, a maximum of 20 hours in addition to the accrual maxima may be carried over for use not later than February 1 of the following Calendar Year.

No employees will accrue vacation leave unless at least six days are worked during each payroll period. Approved paid sick leave, paid vacation leave, paid bereavement leave, temporary military leave for active duty, or absence due to work-connected disability, shall be considered to be time worked under this section.

Section 6.12 – Administrative Leave. Each full-time employee is eligible for Administrative Leave upon completion of twelve months in a management position. An award of 48 hours each calendar year will be provided to each full-time employee and may be used at the employee's discretion after the approval of the Executive Director. Upon employment termination, Administration Leave will be compensated hour for hour for the unused leave during that same year. There will be no accumulation from year to year and will be forfeited if unused in the calendar year.

ARTICLE 7 -- SPECIAL PAY

Section 7.1 -- Acting Pay. Employees assigned to a higher position in an acting status during the absence of an incumbent or to fill a vacancy until the vacancy can be filled by appointment, shall receive an additional rate of 10% above their hourly salary.

Eligibility for compensation shall begin only when the incumbent of the higher position certifies the ability of the employee to fill the higher position.

Section 7.2 -- Payment for Unused Sick Leave (Optional). Each full-time employee may convert, for cash, a limited number of hours of sick leave twice each year; the last pay period in May and the last pay period in October. No one will be required to do this, but may, if desired. Leave balances will be determined as of the end of the pay period immediately preceding the last pay periods in November and May. The dollar value of the hours converted will be determined by the completed years of service shown below payment will be calculated as a percentage of the employee's day-time rate; a separate check may be issued for this amount.

<u>Completed Years of Service</u>	<u>Maximum Hours That May be Converted</u>	<u>Conversion Rate</u>
Less than 2	100	85% of day-time pay rate
2 or more	120	85% of day-time pay rate

Section 7.3 -- Payment for Unused Vacation Leave (Optional). Each full-time employee may convert, for cash, a limited number of hours of vacation leave twice each year; the last pay period in May and the last pay period in October. No one shall be required to do this, but may, if desired. Leave balances will be determined as of the end of the pay period immediately preceding the last pay periods in November and May. The dollar value of the hours converted will be determined by the completed years of service as shown below. Payment will be calculated as a percentage of the employee's day-time rate; a separate check may be issued for this amount.

<u>Completed Years of Service</u>	<u>Maximum Hours That May be Converted</u>	<u>Conversion Rate</u>
Less than 2	60	100% of day-time pay rate
2 or more	100	100% of day-time pay rate

Section 7.4 -- Court Pay. Payment shall be made to any Authority employee who, when in an off-duty status, is required by a subpoena of an officer of the Court, or competent authority, to appear in court and provide testimony in matters on behalf of the Authority or its member agencies that relate to performance of duties as an Authority employee at the prescribed overtime or compensatory time rate for all hours such employee must remain at the Court. Employees who receive Court pay shall retain any witness fees they receive as a result of the subpoena. Court-paid mileage fees may be retained by the individual.

Section 7.5 -- Overtime Work. Overtime work is work performed by an employee at times other than those normally required for the employee's employment, that is, more than 80 hours per pay period. Any other provision of this agreement, notwithstanding any dispute or question of fact as to what time or times are normally required for the employment of any person, shall be decided by the Executive Director, and his decision shall be final.

In case of emergency, or whenever the public interest or necessity requires, any department may require any employee in such department to perform overtime work. No employee shall be required to perform overtime work, except in accordance with approved policies and upon the approval of the Executive Director. Overtime shall not be paid in those cases where an employee is called back from paid leave. In this case, the employee shall be deemed to have returned to regular work status, be paid regular salary, and not be charged for paid leave for those hours actually worked.

Section 7.6 -- Retirement. Authority has a contract with the California Public Employees' Retirement System (CalPERS) for coverage under the basic plan for non-safety employees without modifications. All full-time employees who work more than half time (more than an average of eighty-seven (87) hours per month or more than a total of five hundred twenty-two [522] hours in a six [6] month period) or who have qualified for retirement coverage under CalPERS by virtue of previous employment with Authority or elsewhere, are required to participate in this system. For employees hired prior to October 25, 2011, the Authority shall provide a CalPERS contract of two percent (2%) at fifty-five (55) based on the employee's single highest year.

(a) Effective July 1, 2014, Group A employees (with a hire date prior to October 25, 2011), will contribute one quarter of the employees' contribution CalPERS rate or one and three quarters percent (1.75%) of their salary, including all special pays and on July 1, 2015 will contribute an additional one quarter of the employee's contribution CalPERS rate or one and three quarters percent (1.75%) of their salary, including all special pays for a total of three and one half percent (3 ½ %).

For Group B employees (with a hire date after October 25, 2011), the Authority shall provide a CalPERS contract of two percent (2%) at sixty (60), based on the employees' three (3) highest consecutive years. These employees will also contribute the full seven percent (7%) of their salary, including special pays, toward the employee's contribution.

Section 7.7 -- Severance Pay. Employees shall be entitled to thirty days written notice, payment of accrued sick leave (up to 80 hours), vacation leave, personal leave, compensatory time and holiday accrual time (all accumulated), and payment of one month's pay at the straight day rate in the event that the Authority is dissolved while employee is still employed at the time the decision is made by the Board to dissolve. After the employment of six years an employee shall be entitled to receive an additional one-month's pay at the straight day rate, but only in the event that the Authority is dissolved while employee is still employed at the time the decision is made by the Board to dissolve. In no event shall the amount received by employee exceed the balance of the

contract period. In order to receive the additional month's pay entitlements, the employee must continue at work until the specific date of dissolution or until told by Authority that their services are no longer needed.

Section 7.8 -- Termination Pay. Upon termination, the employee will be paid for accrued vacation leave (not more than the maximum accumulation listed in Section 6.11 for completed service) and holiday compensatory time earned but not taken, if in accordance with the limitations established above. Accrued sick leave is not compensable on termination. Payment for accrued compensatory time is authorized by Section 6.2.

Section 7.9 -- Travel Allowance. Subject to the audit and approval of the Executive Director or his designee, employees of the Authority shall (except where a specific allowance for automobile use is made) be entitled to receive expense reimbursements for furnishing to said Authority their own personal automobiles in the performance of the duties necessarily incident to their respective offices or employment, at the Internal Revenue Service's (IRS) prevailing rate. All mileage expense reimbursement requests under this section must be rendered within thirty (30) days after the last date upon which the use was made, and must indicate the specific purpose for which the automobile was used.

Section 7.10 -- Merit Pay. Each full-time employee shall receive an annual merit payment according to the following schedule.

<u>Anniversary</u>	<u>Amount Payable</u>
10	400
11	450
12	500
13	550
and so on	

Section 7.11 -- Educational Reimbursement. The Authority agrees to an educational (college or university courses) reimbursement of \$3,000 per year for books and tuition, upon successful completion with a grade level of "C" or better and if job related and pre-approved by the Executive Director. Course transcripts and receipts must be provided. Educational reimbursement will be increased to \$3,500 in fiscal year 2014-2015 and \$4,000 in fiscal year 2015-2016. The definition of "job related" shall be determined by the Executive Director, whose decision shall be final.

Section 7.12 -- New Client Award. When a new "Client" or "Member" agency is added to the Authority, a fixed dollar amount equal to 5% of each member's base salary will be awarded on the date the contract for services is signed. On this anniversary date each year thereafter, this fixed dollar amount will be awarded to each member. Only those members who were in this bargaining group as of July 1, 2016 shall be eligible for this award.

Section 7.13 -- Computer Loan Program. The Authority will loan up to \$2,500 interest free for the purpose of purchasing a personal computer for home use. The loan must be paid via payroll deduction and must not exceed 24 months. Upon separation from the Authority, all loan balance will be deducted from the employee's final paycheck.

Section 7.14 -- Deferred Compensation. The Authority will provide up to \$150 matching funds per month toward each employee's deferred compensation contribution.

Section 7.15 – Gift of Accruals. Employees shall be entitled to gift accruals to another employee within the Management Confidential bargaining group for a catastrophic event.

ARTICLE 8 -- FRINGE BENEFITS

Section 8.1 – Insurance Benefits Program. Each full-time employee is eligible to participate in the Authority's selected group insurance benefits program on the following bases:

Section 8.2 - Medical-Dental Plans. Full-time employees and their dependents shall be eligible for coverage in the medical and dental plans under the terms and conditions of the contract executed between the Authority and the insurance providers selected by the Authority.

Section 8.3 - Contribution Amount. Effective July 1, 2009, the Authority shall, under a Cafeteria, Flexible or Optional Benefit Plan, contribute \$1,100 per month toward employees' medical and dental insurance premiums. Effective July 1, 2018, the Authority's contribution toward employees' medical and dental insurance premiums shall increase to \$1,200 per month. This amount includes the Authority's contribution towards health insurance plan premium for each employee, which is the mandatory employer contribution required under California Government Code Section 22892(b) of the Public Employees' Medical and Hospital Care Act (PEMHCA).

Section 8.4 - IRS Section 125 Cafeteria Plan. The Authority shall implement a Section 125 Cafeteria Plan as soon as all the required documents are in place. Under this Plan, the Authority shall continue to contribute the above amount towards employees' and their dependents' medical and dental insurance premiums. Employees shall keep the remaining amount should the Authority's contribution exceed the cost of the medical and dental insurance premiums.

Section 8.5 - Medical Plan Waiver. Should employee voluntarily elect not to participate in the Authority's medical insurance, the employee must provide proof of medical insurance coverage under a spouse's or another medical insurance plan.

Section 8.6 - Medical-Dental Insurance Coverage When Employee is on Unpaid Status. The Authority shall pay for thirty (30) days from the date the employee is on leave without pay.

Section 8.7 - Medical-Dental Insurance Coverage. When Employee is on Family Medical Leave (FMLA). When the employee's FMLA leave has been approved by Authority, Authority shall provide up to twelve (12) work weeks of paid coverage for medical and dental insurance in accordance with the FMLA guidelines.

Section 8.8 - Retirees' Medical. The Authority shall continue to contribute the minimum amount for medical insurance premium as required under Section 22892(b) of the PEMHCA for employees who retire from the Authority. In addition, each employee with a minimum of 10 years of service with the Authority who retires from the Authority shall receive \$30 for each year of service with the Authority until they reach age 65 and, effective July 1, 2018, \$40 for each year of service with the Authority until they reach age 65.

Employees who retire before July 1, 2019, and have been employed with the Authority for at least 10 years, shall receive nine hundred and sixty dollars (\$960.00) per month, as long as the

Authority remains in PEMHCA. If the Authority elects to not remain in PEMHCA, employees who retire from the Authority before July 1, 2019, shall receive the retiree medical benefits specified in the preceding paragraph above herein, depending upon their years of service.

The Authority currently contracts with the California Public Employees Retirement System (CalPERS) for employee group insurance health benefits. If the Authority should terminate its contract with CalPERS, all employees hired prior to 1986 who are ineligible to participate in Medicare and retire from a classification covered by this memorandum of understanding, are receiving retirement benefits from CalPERS and have a minimum of twenty (20) years of full-time employment, shall be entitled to enroll in an Authority-selected health benefit plan. The benefits provided in the health plan selected by the Authority shall equal or exceed the benefits the employee would have received had he/she been eligible to participate in Medicare. The Authority agrees to pay the cost of coverage for the plan in which the employee is enrolled. If the employee resides outside the State of California at the time of eligibility, the Authority agrees to pay the employee the cash equivalent of the cost of coverage for the plan in which the employee would have been enrolled had he/she lived in California. This benefit commences upon the employee reaching the age of 65, at which time he/she would have otherwise been eligible to participate in Medicare. The benefit shall cease if and when the employee becomes eligible to participate in Medicare or equivalent Government health benefit program.

Section 8.9 - Life Insurance Plan. All full-time employees shall receive a life insurance policy covering the employee in the amount of \$100,000. Authority shall pay the premium.

Section 8.10 - Vision Plan. Full-time employees and their dependents shall be eligible for coverage in the vision plan under the terms and conditions of the contract executed between Authority and the insuring agency. Authority shall pay one hundred percent of the premium charged.

Section 8.11 - Time of Payments. Authority shall pay its portion of medical, dental, life insurance, and vision plan premiums for a period not to exceed 30 days after the expiration of paid leave entitlements.

ARTICLE 9 -- PROBATIONARY EMPLOYEES, LIMITED RIGHT TO GRIEVE

Section 9.1 -- Rights. A probationary employee may grieve only a disciplinary action administered without just cause. Termination or reduction of a probationary employee for failure to acquire the skills necessary to perform the job shall not be considered a disciplinary action.

ARTICLE 10 -- DEMOTION

Section 10.1 -- Pay. When a promoted employee is subsequently demoted, whether voluntarily or not, from a position in one pay grade to a position in a lower pay grade, the rate of pay after demotion shall be the same as the rate of pay the employee received immediately before promotion, plus any cost-of-living increase awarded all employees during the interim. Should this action require assigning the demoted employee to a pay step higher than the highest step on the appropriate pay scale, the employee shall be Y-rated after assignment.

Section 10.2 -- Seniority. When a probationary promoted employee is subsequently demoted, whether voluntarily or not, from a position in one pay grade to a position in a lower pay grade, the seniority date of the employee after demotion shall be the same as it was before promotion. Demotion of a permanent employee shall require issuance of a new seniority date equal to the date of the demotion.

ARTICLE 11 -- VOLUNTARY TERMINATION OF EMPLOYMENT

Section 11.1 -- Notice. Each employee agrees to provide 15 days minimum written notice of intent to terminate employment. Insufficient notice may be grounds for a finding of "ineligible for rehire", as may be excessive absence during the period of notice.

Section 11.2 -- Return of Property. Return of all serviceable Authority property and payment for missing or unserviceable items is required before preparation of the final paycheck.

ARTICLE 12 -- COMPENSATION

All compensation shall be as indicated below:

- 2% increase July 1, 2016
- 2% increase July 1, 2017
- 2% increase July 1, 2018

APPENDIX A**OPERATIONS MANAGER**

	FY 16-17		FY 17-18		FY 18-19	
	Monthly	Hourly	Monthly	Hourly	Monthly	Hourly
Step A	\$9,613.79	\$55.4652	\$9,806.06	\$56.5745	\$10,002.18	\$57.7060
Step B	\$10,094.47	\$58.2385	\$10,296.36	\$59.4032	\$10,502.29	\$60.5913
Step C	\$10,599.19	\$61.1503	\$10,811.17	\$62.3733	\$11,027.39	\$63.6208
Step D	\$11,129.15	\$64.2079	\$11,351.73	\$65.4920	\$11,578.77	\$66.8019
Step E	\$11,685.61	\$67.4183	\$11,919.32	\$68.7666	\$12,157.71	\$70.1420

ADMINISTRATION MANAGER

	FY 16-17		FY 17-18		FY 18-19	
	Monthly	Hourly	Monthly	Hourly	Monthly	Hourly
Step A	\$8,652.42	\$49.9187	\$8,825.46	\$50.9171	\$9,001.97	\$51.9355
Step B	\$9,085.04	\$52.4147	\$9,266.74	\$53.4630	\$9,452.07	\$54.5322
Step C	\$9,539.28	\$55.0354	\$9,730.07	\$56.1361	\$9,924.67	\$57.2588
Step D	\$10,016.25	\$57.7872	\$10,216.57	\$58.9429	\$10,420.90	\$60.1218
Step E	\$10,517.06	\$60.6765	\$10,727.40	\$61.8900	\$10,941.95	\$63.1278

EXECUTIVE SECRETARY

	FY 16-17		FY 17-18		FY 18-19	
	Monthly	Hourly	Monthly	Hourly	Hourly	Monthly
Step A	\$6,521.78	\$37.6264	\$6,652.21	\$38.3789	\$6,785.26	\$39.1465
Step B	\$6,977.86	\$40.2577	\$7,117.42	\$41.0628	\$7,259.77	\$41.8841
Step C	\$7,433.92	\$42.8888	\$7,582.60	\$43.7466	\$7,734.25	\$44.6216
Step D	\$7,890.01	\$45.5201	\$8,047.81	\$46.4305	\$8,208.76	\$47.3592
Step E	\$8,346.07	\$48.1513	\$8,512.99	\$49.1143	\$8,683.25	\$50.0966

ACCOUNTING AND FINANCE MANAGER

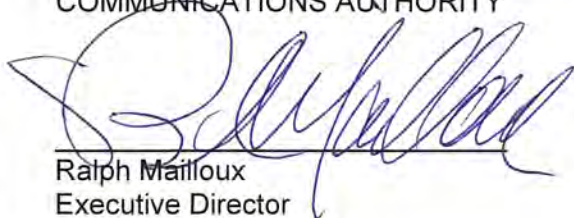
	FY 16-17		FY 17-18		FY 18-19	
	Monthly	Hourly	Monthly	Hourly	Hourly	Monthly
Step A	\$9,428.76	\$54.3977	\$9,617.33	\$55.4857	\$9,809.68	\$56.5954
Step B	\$9,877.04	\$56.9840	\$10,074.58	\$58.1237	\$10,276.07	\$59.2862
Step C	\$10,351.18	\$59.7195	\$10,558.21	\$60.9139	\$10,769.37	\$62.1322
Step D	\$10,846.27	\$62.5758	\$11,063.20	\$63.8274	\$11,284.46	\$65.1039
Step E	\$11,369.67	\$65.5955	\$11,597.07	\$66.9074	\$11,829.01	\$68.2456

APPENDIX S

SIGNATURE PAGE

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed on the date shown beneath each signature.

On behalf of the SOUTH BAY
REGIONAL PUBLIC
COMMUNICATIONS AUTHORITY



Ralph Mailloux
Executive Director

On behalf of MANAGEMENT and
CONFIDENTIAL EMPLOYEES



Shannon Kauffman
Operations Manager
Negotiator

DATE: 10/18/16



Mark Danaj
Chairman
Executive Committee

DATE: 10-18-16

DATE: 10-18-16



John Krok
Administration Manager
Negotiator

DATE: 10-18-16

**SIDE LETTER AGREEMENT AMENDING
THE JULY 1, 2016 TO JUNE 30, 2019
MEMORANDUM OF UNDERSTANDING BETWEEN
MANAGEMENT AND CONFIDENTIAL EMPLOYEES
AND THE SOUTH BAY REGIONAL PUBLIC COMMUNICATIONS AUTHORITY
(AUTHORITY)**

Management and Confidential Employees and the South Bay Regional Public Communications Authority (Authority), having previously negotiated and executed a Memorandum of Understanding for the period July 1, 2016 to June 30, 2019 ("MOU"), do hereby agree and adopt this side letter agreement ("Side Letter Agreement") amending the MOU related to MOU ARTICLE 8 – FRINGE BENEFITS and in the following specific particularities only.

MOU ARTICLE 8 - FRINGE BENEFITS

Amendment of Article 8 of the MOU shall be amended and restated as follows:

Section 8.8 – Retirees' Medical. The Authority shall continue to contribute the minimum amount for medical insurance premiums as required under Section 22892(b) of the PEMHCA for employees who retire from the Authority. In addition, each employee with a minimum of 10 years of service with the Authority who retires from the Authority shall receive the following additional amounts, from date of retirement until age 65:

- (a) \$30 for each year of service with the Authority; or,
- (b) Effective July 1, 2018, \$40 for each year of service with the Authority; or,
- (c) Employees who retire before July 1, 2019, shall receive nine hundred and sixty dollars (\$960.00) per month, as long as the Authority remains in PEMHCA. If the Authority elects not to remain in PEMHCA, employees who retire from the Authority before July 1, 2019, shall receive the retiree medical benefits specified in the preceding paragraph above herein (paragraph (b)), depending on their years of service.

These additional amounts shall be used for employee-only medical premiums, and any excess amount will not be provided to the employee.

The Authority currently contracts with the California Public Employees' Retirement System (CalPERS) for employee group insurance health benefits. Should the Authority terminate its contract with CalPERS, all employees hired prior to 1986 who are ineligible to participate in Medicare, and retire from a classification covered by this Memorandum of Understanding, are receiving retirement benefits from CalPERS, and have a minimum of twenty (20) years of full-time employment, shall be entitled to enroll in an Authority-selected health benefit plan. The benefits provided in the health plan selected by the Authority shall equal or exceed the benefits the employee would have received had he/she been eligible to participate in Medicare. The Authority agrees to pay the cost of coverage for the plan in which the employee is enrolled. If the employee resides outside the State of California at the time of eligibility, the Authority agrees to pay the employee the cash equivalent of the cost of coverage for the plan in which the employee would have been enrolled had he/she lived in California. This benefit commences

upon the employee reaching the age of sixty-five (65), at which time he/she would have otherwise been eligible to participate in Medicare. The benefit shall cease if and when the employee becomes eligible to participate in Medicare or equivalent Government health benefit program.

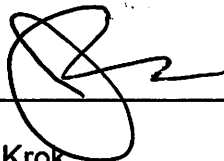
This **Side Letter Agreement** contains the entire agreement between the parties related to the amendment and restatement of MOU ARTICLE 8. The terms of this **Side Letter Agreement** have been reached by the parties after negotiations and fulfillment of all legally required meet and confer obligations. Except as specifically provided herein, no other term or condition of the **MOU** is modified or amended by this **Side Letter Agreement**.

MANAGEMENT AND CONFIDENTIAL
EMPLOYEES

By: 

Shannon Kauffman

Date: 3.12.19

By: 

John Krok

Date: 3.12.19

SOUTH BAY REGIONAL PUBLIC
COMMUNICATIONS AUTHORITY

By: _____

Erick Lee

Date: _____