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TOWN OF LOS GATOS

AND

LOS GATOS POLICE OFFICERS' ASSOCIATION



MEMORANDUM OF UNDERSTANDING

October 1, 2014 – September 30, 2016

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TOWN OF LOS GATOS
AND
THE LOS GATOS POLICE OFFICERS ASSOCIATION**

THIS AGREEMENT, SIGNED ON December 18, 2015, IS ENTERED INTO AS OF October 1, 2014, BETWEEN THE TOWN OF LOS GATOS, HEREINAFTER REFERRED TO AS THE "TOWN", AND THE LOS GATOS POLICE OFFICERS ASSOCIATION, HEREINAFTER REFERRED TO AS "POA".

Pursuant to Town Resolution 1974-41 of the Town of Los Gatos and Section 3500 et. seq. of the Government Code, the duly authorized representatives of the Town and POA, having met and conferred in good faith concerning the issues of wages, hours, and terms and conditions of employment, as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

Below are the members of the negotiating teams:

FOR THE TOWN:

Rumi Portillo, Human Resources Director
Captain Michael D'Antonio
Jennifer Callaway, Finance and Budget Manager
Allyson Hauck, Attorney for Town

FOR POA:

Kevin Elliott, Police Sergeant
Joseph Deprima, Police Sergeant
Clinton Tada, Police Sergeant
Gregory Borrromeo, Police Corporal
Robert Valladon, Attorney for POA

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Salary Schedule Exhibit A

Resolution 1991-91 Exhibit B

**Town of Los Gatos and Los Gatos Police Officers Association
Comprehensive Memorandum of Understanding
On Salaries, Fringe Benefits and Working Conditions**

Preamble

The authorized representatives of the Town of Los Gatos, hereinafter referred to as the "Town" and the authorized representatives of the Town of Los Gatos Police Officers Association hereinafter referred to as "Association" do jointly accept and agree to all the terms and conditions of employment set forth in this comprehensive memorandum of understanding pursuant to Town Resolution 1974-41 of the Town of Los Gatos.

This understanding shall apply to represented employees assigned to those classifications listed on Exhibit A when classifications are created which fall under the representation of POA, this understanding shall also apply.

The terms and conditions of employment set forth in this understanding have been discussed in good faith by the authorized representatives of the Town and the authorized representatives of the Police Officers Association. They agree to recommend acceptance by the employees of all terms and conditions set forth herein. Following said acceptance by the Association, authorized representatives of the Town agree to recommend to the Town Council that all terms and conditions set forth herein be approved by resolution. Upon adoption of said resolution, all terms and conditions so incorporated shall become effective without further action by either party.

Term

The term of this Memorandum of Understanding shall be two years, commencing on October 1, 2014, and terminating on -September 30, 2016.

Section 1. Employer-Employee Relations

The Association recognizes the existence of Town Resolution 1974-41, and its successor if any, during the term of this MOU. Recognition of any amendments to this resolution does not imply POA has agreed to the changes.

Section 2. Savings Clause

If any provision or the application of any provision of this agreement as implemented should be rendered or declared invalid by any court action or decree or by reasons of any preemptive legislation, the remaining sections of this agreement shall remain in full force and effect for the duration of this agreement

Section 3. Payroll Deduction

Any employee may sign and deliver to the Town an authorization for payroll deduction of membership dues or service fee. The Town agrees to remit to the Association all monies deducted accompanied by a list of workers for whom such deductions have been made and indicating any changes in personnel from the list previously furnished.

The Association shall certify in writing to the Town any changes in the amount of membership dues or service fee. The Town shall not be obligated to put into effect any new, changed, or discontinued deduction until the pay period commencing thirty (30) days or longer after such submission.

The Association shall indemnify and hold harmless the Town against any and all suits, claims, demands, and liabilities that may arise out of, or by reason of, any action or omission of the Town in complying with this Section.

Section 4. Non-Discrimination

The Town and Association agree that all provisions of this agreement shall be applied equally to all employees covered herein without favor or discrimination because of race, religious creed, color, sex (including pregnancy, childbirth, and related medical conditions), age (over 40), gender, gender identity, gender expression, sexual orientation, national origin, ancestry, political or religious affiliation, Association membership or activity on behalf of the Association, marital status, military or veteran status, or physical disability, mental disability, medical condition, or genetic information. Association and Town support equal employment opportunity in hiring, and will support all State and Federal regulations regarding equal employment opportunity.

4.1 General Provision regarding Americans with Disabilities Act

- A. Because the ADA requires accommodations for individuals protected under the Act, the Association recognizes the Town's obligation to comply with all provisions of the ADA on a case-by-case basis.
- B. The Association recognizes that the Town has the legal obligation to meet with the individual employee to be accommodated before any adjustment is made in working conditions. The Association will be notified of these proposed accommodations.
- C. Any accommodation provided to an individual protected by the ADA shall not establish a past practice.

Section 5. Salary

5.1 Intent

It is the intent of the Town to maintain salaries and benefits at a level that attracts and retains quality employees. The parties agree that surveys of the wages and benefits of police officers performing comparable work for comparable agencies provide information useful in ensuring that the Town continues to meet this goal.

5.2 Effective 2014

Effective the first pay period containing October 1, 2014, Police Officers, Police Corporals, and Police Sergeants will receive a one-time 1.5% off-salary-schedule cash bonus.

5.3 Effective 2015

Effective the first pay period containing October 1, 2015, Police Officers and Police Corporals will receive a 2% increase to base salary, and Police Sergeants will receive a one-time 2% off-salary-schedule cash bonus.

5.4 Sergeant Salary Range

Effective upon adoption of this MOU, the Sergeant rank will become a 4-step range, and the current Step 5 will be eliminated. Any new Sergeant appointed after the adoption of this MOU will be appointed to the 4-step range. Acting Sergeant pay will be paid at the top of the new range.

Section 6. PERS Benefits

6.1 Town Contribution

Effective December 13, 1998, the Town ceased its participation in the Public Employee Retirement System "Employer Paid Member Contributions" (EPMC) provision. Concurrently, the Town began paying in salary to the employees covered by this memorandum of understanding the equivalent dollar amount of the former EPMC (9% of salary). These employees were then responsible for making their own member contributions. The POA acknowledged that implementation of this change had a cost impact to the Town which was equivalent to approximately 1.6% of total compensation.

Substantially concurrent with the adoption of the 1998-2000 memorandum of understanding, the Town Council adopted a Resolution materially the same as that recommended by the Public Employee Retirement System to implement the provisions of 414 (h) (2) of the Internal Revenue Code (IRC). The POA accepted the terms of this Resolution and acknowledged that the Resolution will apply to all current and future members of the POA during the term of this agreement.

6.2 PERS 3% at 50 Retirement Option Classic Members

Effective June 24, 2001, the Town amended its contract with the California Public Employees' Retirement System to include the 3% at 50 option for members of the bargaining unit. This retirement formula is applicable to employees hired prior to January 1, 2013 or "classic" employees (as defined in the California Public Employees' Pension Reform Act or 2013 (PEPRA) and CalPERS guidance) hired on or after January 1, 2013 with reciprocity in the PERS retirement system.

The Town's contract with CalPERS for the 3% at 50 option also includes the following optional benefits:

- Single Highest Year
- 1959 Survivor Benefit Level 4
- Conversion of Unused Sick Leave to Service Credit

6.3 PERS 2.7% at 57 Retirement Option for New Member Employees Hired on or After January 1, 2013

For employees hired on or after January 1, 2013, who meet the definition of new member under Gov't Code 7522.04(f), the Town will provide the 2.7% at 57 retirement benefit.

For employees hired on or after January 1, 2013 will use the 36-month final average compensation (Gov't Code 20037).

New members hired on or after January 1, 2013 shall pay an amount that is equal to one half (1/2) the normal cost of his/her CalPERS pension as determined annually by CalPERS, or the current contribution rate of similarly situated employees, whichever is greater (Gov't Code 7522.30(c)).

Employees eligible for this retirement formulae retain the option of conversion of unused sick leave to service credit.

Section 7. Education Incentive Pay

7.1 POST Certificate

Qualified employees shall receive one of the following payment amounts in accordance with Exhibit A:

- A. Employees in their represented classifications who have been awarded an Intermediate POST Certificate: An additional 5 % of base salary.
- B. Employees in their represented classifications who have been awarded an Advanced POST Certificate: An additional 7.5% of base salary.

7.2 Four-Year Degree Incentive Pay

Additional 2.5% of base salary shall be paid for any member who possesses a four year degree.

7.3 Grandfather Clause

7.3.1

For employees hired prior to January 1, 2008, who qualify to participate in the Town's Education Incentive program prior to July 1, 2008; served a minimum of fifteen years with the Town of Los Gatos; and possess an Associates of Arts Degree or meet the minimum requirements to obtain an Associates of Arts Degree in a related field, shall be eligible for an additional 2.5% increase in base salary effective the first full pay period following their fifteenth anniversary date from his/her hire date (members with a four year degree are not eligible for this benefit).

7.3.2

For employees who are in the process of being hired prior to January 1, 2008; who qualify to participate in the Town's Education Incentive program within six months of hire; served a minimum of fifteen years with the Town of Los Gatos; and possess an Associates of Arts Degree or meet the minimum requirements to obtain an Associates of Arts Degree in a related field, shall be eligible for an additional 2.5% increase in base salary effective the first full pay period following their fifteenth anniversary date from his/her hire date (members with a four-year degree are not eligible for this benefit).

7.3.3

Eliminate Retention Incentive pay for ten and fifteen years for members hired after January 1, 2008.

Section 8. Special Pays

Officers are limited to one special assignment pay or canine pay. Officers who qualify for bilingual pay may receive bilingual pay in addition to a special assignment pay or canine.

8.1 Assignment Pay

Town shall provide a 5% pay incentive to Association represented personnel assigned to Motorcycle Duty, School Resource Officer, and Detectives. Assignment for special pay purposes shall be done using Town Personnel Action Forms.

Should the Town implement a Lieutenant rank, any specialty pays for Detective and Administrative positions will be eliminated for the ranks of Corporal and Sergeant.

Officers removed from specialty positions on a temporary basis for departmental purposes and through no fault or request of their own shall continue to receive specialty pay for a maximum of 30 calendar days.

8.2 Bilingual Pay

The Town will pay an additional 2.5% above base pay for bilingual ability. Bilingual pay will be for Spanish and English only. The Town will determine the qualifying criteria including the test and the application to the specific job assignment.

8.3 Canine Pay

Officers assigned to the canine unit are required to care for, train, groom, feed, and bathe their assigned dog. The parties agree that two hours per week is a reasonable amount of time to care for the canine. The Town compensates Canine officers a total of five (5) hours per week for additional time spent caring for the canine. Two (2) hours of this additional time is outside of the regular shift. The remaining three (3) hours is provided as release time.

Call-back as defined in the MOU shall not apply for the purposes of caring for the dog. Compensation provided during the additional paid time and release time is mutually acknowledged to compensate for additional time required to care for, train, groom, feed, and bathe the assigned canine.

8.3.1 Canine Pay Premium

Compensation for the 2 hours outside of the regular shift is paid as a 5% premium on all hours worked.

8.3.2 Canine Release Time

Canine Officers on a 4-10 schedule shall be released in a paid capacity for 0.75 hours prior to the "normal" conclusion of each regularly scheduled shift (4 shifts per week equaling 3 hours per week) for the normal care of the canine, including but not limited to training, grooming, feeding, bathing, and routine veterinarian care.

Canine Officers on a 12-hour schedule shall be released in a paid capacity for 1.0 hours prior to the "normal" conclusion of each regularly scheduled shift (3 shifts per week equaling 3 hours per week) for the normal care of the canine, including but not limited to training, grooming, feeding, bathing, and routine veterinarian care.

In the event that a Canine Officer is not released in sufficient time prior to the conclusion of his or her shift, the officer will be paid for additional time after the end of shift to compensate them for 0.75 or 1.0 hours of Canine care time as appropriate. The Town recognizes that this may result in overtime.

8.3.3 Commute Time with Canine

Commute time with the canine shall not be considered working time. If there is an event requiring emergency veterinarian care, travel to the veterinarian will be compensable work time.

Section 9. Field Training Officers

In addition to the above special pays, officers assigned by the Chief of Police as Field Training Officers shall also receive the 5% incentive whenever providing training to a Department member for which a training observation report is required or when completing special assignments directly related to the Field Training Officer Program with prior approval of the Chief of Police. Attendance at FTO meetings, training provided at briefings, or other training provided in conjunction with the Department's annual Advanced Officer Training or other on-going general training to Department members does not qualify for the 5% incentive.

Section 10. Acting Supervisor Pay

Acting supervisors shall be compensated at Step "4" of the Sergeant's rate of pay. Town shall periodically review the actual time use of acting supervisor designations in order to determine the necessity of additional permanent supervisory personnel.

Section 11. Reimbursement of Expenses

The Town shall pay claims for reimbursement within 30 days following the complete and accurate submission of claims as approved by the Finance Director.

Section 12. Tuition Reimbursement

Town will reimburse 100% of the cost of books, university/school fees (except parking) and tuition. Tuition and school fees shall be reimbursed up to the full-time rates of San Jose State University at applicable Undergraduate or Graduate rates per school term. The maximum reimbursement per employee per fiscal year is equivalent to two (2) semesters. The reimbursement shall be only for courses that are directly related to the employee's position as determined by the Town Manager, including general education courses that are generally related to attainment of a job-related degree or certification. General education courses not generally related to the employee's position will not be eligible for reimbursement. Reimbursement shall be taxed pursuant to the State and Federal Regulations.

Application for Tuition Reimbursement shall be made to the Town before the course begins. Prior to reimbursement of costs, all course work must be completed with a passing grade of "C" or equivalent when numerical score or pass/fail is given. Individuals requesting reimbursement must currently be employed by the Town to be eligible for reimbursement.

Any employee who terminates employment with the Town within one year from the completion of a class or classes, for which tuition reimbursement was paid, shall refund all tuition paid under this provision, unless required to attend by the appointing authority.

Section 13. Health and Welfare Benefits and Rate of Town Contribution

Employees may participate in either the Insurance Program or the Cash Allocation Program. Employees shall select either the Insurance Program or the Cash Allocation Program annually during the Town's open enrollment period or at any other time permitted by the PEMHCA, such as a qualifying even (e.g. birth of a child, marriage, spouse losing medical insurance, etc.).

13.1 Insurance Programs

- A. Dental: The Town shall contribute up to the Delta Dental Premier premium for each employee at the employee's level of participation (i.e., Employee Only, Employee Plus One, or Employee Plus Two or More.)
- B. Medical: The Town will provide a choice of coverage under the Public Employees' Retirement System Health Benefits Medical Program.

The Town will provide payment of medical insurance premiums equal to The full cost of Kaiser North Employee Only and for dependents, Town will pay 90% of the difference between Kaiser Employee Only and Kaiser level of participation (Employee Plus One or Employee Family, depending on family status). If the employee chooses medical coverage under a program more expensive than Kaiser North, the difference will be paid by the employee through payroll deduction.

- C. Vision: The Town shall pay for employee-only coverage under the Town's Vision Service Plan (VSP). Employees may enroll eligible dependents at their own cost.

13.2 Cash Allocation Program

Employees participating in the Cash Allocation Program must either purchase coverage under the Public Employees' Retirement System Health Benefits Medical Program or must show proof of other medical coverage.

- For employees hired before January 1, 2006, the Town contribution to the Cash Allocation program will be equal to Nine Hundred and Twenty-two Dollars (\$922) per month.
- For employees hired after January 1, 2006, the Town contribution to the Cash Allocation program will be Four Hundred Dollars (\$400) per month.

Benefits which can be purchased by the cash allocation plan include medical insurance and dental insurance. These benefits are available on a pre-tax basis.

Employees may also choose to receive part or all of their cash allocation plan in cash. Any amount received in cash is taxable. Employees choosing to receive taxable cash will have the option of receiving it in two equal amounts in December and June, or the first two paychecks of each month (24 times a year).

Employees choosing to use cash allocation plan funds for medical insurance must pay all medical premiums from the allocation prior to receiving a cash allocation.

13.3 Supplemental Health and Welfare Benefits

- A. **Life:** Coverage of \$50,000 plus \$50,000 accidental death: Town to pay for premium. Additional life insurance may be purchased by the employee equal to once or twice the employee's base salary, not to exceed \$200,000.
- B. **Disability:** Short Term Disability Policy effective 8th calendar day; coverage of 60% of weekly earnings up to maximum of \$1,300/week for 13 weeks. Long Term Disability benefits begin on the 91st day of disability; coverage of 60% of monthly earnings up to a maximum of \$6,000/month.

The POA agrees to eliminate the Short Term Disability Policy and modify the Long Term Disability Policy to begin on the 31st day of disability at such time as there is concurrence from the other Town employee organizations.

- C. **Employee Assistance Program:** Premiums shall be paid by the Town.
- D. **Unemployment Insurance:** Premiums shall be paid by the Town to provide State coverage.

Section 14. Retiree Medical Premiums

Resolution 1991-91, established a program for the Town to contribute toward retiree medical premiums under the CalPERS PEMHCA Program. A copy of Resolution 1991-91 is attached as Exhibit B. The Town will pay the full cost of Kaiser North Employee Only. For dependents, Town will pay the ninety percent (90%) of the difference between Kaiser Employee Only and Kaiser level of participation (Employee Plus One or Employee Family and Kaiser level of participation (Employee Plus One or Employee Family, depending on family status). For Medicare Employees, the Town will align retiree contributions to the CalPERS Medicare-Supplemented rates for Kaiser North.

Section 15. Uniforms

The Town will provide a full set of uniforms and equipment (per Department Uniform Policy) to each new employee. The Town will replace authorized uniform items damaged in the performance of duty as approved by the Chief of Police.

Effective January 1, 2007, the Town will pay bargaining unit employees a uniform allowance of Fifty Dollars (\$50) per month (paid the first two pay periods of each month) for the repair, maintenance, and replacement of uniforms.

Section 16. Mileage Reimbursement

Employees using personal vehicles on official Town business shall be reimbursed at the mileage rate established by the I.R.S. Private vehicles used for Town business shall comply with the California Vehicle Code.

Mileage reimbursement requests must be submitted within 30 days of the date accrued.

Section 17. Payroll Periods

The Town and Association agree to the continuation of a biweekly payroll period. The following conditions are in effect:

- A. Employee pay shall not be withheld more than seven (7) calendar days from the end of the payroll period, however, a maximum of two days overtime may appear on the next payroll period if it is worked following the submittal of time sheets, or during a pay period with a Town holiday which requires early submittal of time sheets and early distribution (before Friday) of pay checks. This may also occur at the end of the fiscal or calendar year.

B. The Town shall provide an optional electronic check deposit system for use by employees.

Section 18. Paychecks

Payroll deductions and accruals shall appear on all paychecks.

Section 19. Deferred Compensation

The Town shall continue to offer a program of deferred compensation to its members in the represented classifications. The Town makes no representation on the merit of the plan nor any of the investment products or instruments which may be offered by the plan. The responsibility for evaluating the options within the plan is the responsibility of the individual participant. The Town shall not be obligated to offer more than one Deferred Compensation carrier.

Section 20. Overtime

Overtime is time worked beyond any scheduled work shift.

All overtime worked shall be compensated at time and one-half. The employee may choose whether overtime worked shall be paid in cash or accumulated as Compensatory Time Off (CTO), subject to a maximum accumulated CTO of one hundred and forty (140) hours.

Employees may cash out up to forty (40) hours of CTO per year at their regular hourly rate. Cash out will be based on accruals as of November 30 and will be paid during the month of December.

Annual review of the impact of those changes will occur to determine if there is any adverse impact on scheduling.

For private duty contracts, officers may only receive pay.

Overtime is to be approved by a supervisor as soon as practical. Overtime payroll sheets are the responsibility of the employee to have approved and forwarded to the division commander by the appropriate payroll deadline.

Section 21. Duty Extension

Compensation is made for actual time worked and shall be computed in minimum quarter-hour blocks.

Personnel whose work hours would normally terminate within one hour or less from the time of the scheduled court, meeting, or training commencement will be compensated from the termination of their normal work hour through the termination of the scheduled event.

Duty extension is paid at time and one half.

Section 22. Call Back

Requests that personnel return to duty, attend mandatory meetings, court appearances and training classes are call backs and compensated at a 3 hour minimum or actual time, whichever is greater. Mandatory meetings where a minimum of two weeks' notice has been given are not a call back and will be compensated at a one (1) hour minimum or actual time worked whichever is greater.

Call backs for officers assigned to Watch I (midnight shift) who have worked the night before shall receive a minimum of 4 hours.

Personnel are considered on duty for the duration of a call back.

Court appearances-hearings-depositions: Required off duty attendance at judicial or administrative hearings is compensated at a 3-hour minimum (4 hours for midnight if shift worked the night before appearance), or actual time, whichever is greater. Should there be more than one appearance, including separate court locations, within the 3 or 4 hour time period, only one minimum will be granted.

Call back is paid at time and one half.

Section 23. Vacation Schedule

The following vacation schedule shall apply to all employees:

Months of Employment	Accrual Days Per Year	Accrual Hours Per Pay Period
0 to 36	10	3.08
37 to 60	15	4.62
61 to 120	20	6.46
121 to 180	23	7.08
181 months	25	7.70

Maximum accrual of vacation hours shall be 344 hours.

All represented employees will be eligible to cash-out up to 40 hours of vacation two times per year, based upon accruals as of May 30 and November 30. Cash out will be paid during the months of June and December each year.

Section 24. Vacation and Overtime Cash-out

Employees who terminate from Town service shall have all accrued vacation and overtime cashed-out. Employees who terminate (retire, or resign) from Town service will have all accrued vacation and overtime cashed out effective the last full work-day with the Town. This will terminate their status as an employee of the Town.

Section 25. Holidays and Holiday Pay

The following holidays will be observed by non-uniform personnel:

- January 1.
- the third Monday in January.
- the third Monday in February.
- the last Monday in May.
- July 4.
- the first Monday in September.
- Thanksgiving Day.
- the Friday following Thanksgiving Day.
- December 25.
- Four hours on December 24 and December 31
- Every day declared a Holiday by the Mayor as a result of a national holiday declared by the President or State Governor.

Holidays which fall on Saturday shall be observed on the Friday prior and holidays which fall on Sunday shall be observed on the following Monday.

Uniform personnel assigned to shift work (Patrol and Traffic) shall receive compensation in-lieu of holiday time off equal to eighty (80) hours of base pay annually. Employees shall have the option of taking Holiday leave off equal to eighty hours (80) or receive in-lieu compensation. If the employee selects to receive in-lieu compensation, forty (40) hours of holiday pay will be received in the last payroll of November and the second forty (40) hours will be received in the last payroll of May, and will be included on the regular check. In-lieu holiday pay shall cease whenever an employee is reassigned to other than shift work. The employee shall observe holidays as described above.

In the event that an additional holiday is observed by the Town during the term of this agreement, the in-lieu compensation shall be increased by the additional hours holiday time made available to non-uniform personnel.

Section 26. Personal Leave

Employees shall have the option of either taking personal leave off equal to twenty-four (24) hours of base pay annually, or receiving in-lieu compensation equal to same if the personal leave is not used by the end of November. Employees may use personal leave hours during the month of December; however, employees desiring to receive compensation for those hours shall do so in conjunction with the annual cash out in November.

Section 27. Sick Leave

Accumulation rate shall be 8 hours per month (3.70 hours per pay period) with a maximum accrual of 1180 hours. The Town may require association represented employees to provide a doctor statement of proof of illness for any use of sick leave beyond one working day.

Section 28. Sick Leave Cash-Out Program

28.1 Annual Sick Leave Cash-Out

Employees may cash-out up to 40 hours of their accumulated sick leave at 50% of current salary two times per year, based on accruals as of May 30 and November 30. Cash-outs will be paid during the months of June and December each year.

All represented employees will be eligible to cash-out up to 40 hours of sick leave at 50% of salary two times per year, based upon accruals as of May 30 and November 30. Cash out will be paid during the months of July and December.

28.2 Sick Leave Cash-Out Upon Termination

Employees who terminate employment with the Town for any reason other than retirement or disciplinary termination, may cash-out their accumulated sick leave as follows:

Months of Employment	
1-59 months	25%
60-119 months	37.5%
120 months or more	50%

In order to be eligible for the sick leave cash-out program, an employee must have a sick leave accrual balance of at least 200 hours at the time of termination.

28.3 Unused Sick Leave Upon Retirement

Upon retirement, eligible employees may choose from the following options:

1. Eligible employees may convert unused sick time to service credit in accordance with provisions established by CalPERS.

2. Sick Leave Conversion for Retirements After January 1, 2009

All employees who retire with a sick leave accrual balance of at least 200 hours may elect to be paid in cash in accordance with the same provisions as Section 28.2 Unused Sick Leave Upon Termination.

3. Sick Leave Conversion for Retirements Prior to January 1, 2009

All employees who retire with a sick leave accrual balance of at least 200 hours may convert 100% of this accumulated sick leave to a dollar equivalent at their hourly rate of pay at the time of retirement. This amount shall be held in an account. The employee's portion of the medical insurance premium payment will be withheld from their monthly retirement payment by PERS.

The Town agrees to pay the retiree quarterly in advance on the first pay period of January, April, July, and October of each year after retirement. The first payment will be pro-rated to the nearest quarter.

Retiree's (including dependents of the retiree) portion of medical payments will be paid from this account by the Town until all monies are depleted from the account.

This account will not accrue interest and will not be paid in cash to the retiree or any beneficiaries. The retirees shall be responsible for 100% of their share of future medical insurance premiums once the account is exhausted.

Section 29. Military Leave

Military leave and benefits shall be granted in accordance with State and Federal Law, including the continuation of employee salary and benefits if applicable.

Generally, employees with more than one year service will receive up to thirty (30) calendar days of paid military leave annually while engaged in military duty ordered for purposes of active military training.

Section 30. Bereavement/Compassion Leave

Up to 40 hours available per occurrence – use limited to spouse, parent, grandparent, child, or sibling by blood or marriage. It is recognized that bereavement/compassion leave is separate from employee's accumulated sick leave, vacation or CTO.

Section 31. Leave Without Pay

Leave without pay shall be subject to approval of the Chief of Police and the Town Manager.

An employee who is on leave without pay shall not earn any employment benefits (including, but not limited to, such benefits as vacation leave, medical benefits, sick leave, retirement, credit for time employed or seniority entitlement of any kind) for the duration of such leave.

Vacation or sick leave or time worked shall not be used intermittently during an extended leave to interrupt a determination that an employee is on leave without pay.

The Town may, at its discretion, approve leave beyond the specific amount provided above.

Section 32. Accrual of Benefits

Benefits shall not accrue to employees on unauthorized leave, suspension without pay, or leave without pay.

Section 33. Worker's Compensation

Employees shall be provided benefits in compliance with State law.

Section 34. Jury Duty

Employee salary and benefits shall be continued during jury duty; employee turns over to the Town any compensation from the courts or other source of jury duty on regular work days.

Section 35. Outside Employment

Outside employment shall be subject to approval of the Chief of Police and the Town Manager, subject to the following limitations: no security work within Town limits; no use of Los Gatos uniform, badge, ID, or Los Gatos issued items; vacation or CTO to be used for court appearances resulting from private employment. Approval must be obtained prior to engaging in the outside employment and shall be renewed prior to July 1 of each year.

Section 36. Residency Requirement

There is no residency requirement for represented employees.

Section 37. Layoff Policy

Association recognizes the right of the Town to determine the resources to be made available to the police department. Although a reduction in force (layoff) is not anticipated, it is recognized that it is the sole right of the Town to determine when such reductions in force are necessary.

Reductions in force shall be by classification with the determination of affected employees by the Town based on seniority counted as total time employed by the Town. Affected employees shall be provided a minimum thirty (30) calendar days' notice of layoff.

Employees in the classification of Police Sergeant and designated for layoff shall have the right to return to positions previously held with the Town and represented by the Association.

Section 38. Vehicles

Town shall advise POA no later than sixty days prior to Town development of vehicle specifications for patrol vehicles. POA shall submit recommended specifications for vehicle purchase no later than thirty (30) days after receiving the notice from the Town.

Section 39. Promotions

The Town and Association agree that it is in the best interest of both the Town and its employees to foster promotion of incumbent employees.

The Town and Association recognize the Town's sole right to determine the examination process for the selection of Town employees. Qualified employees who are invited to participate in the examination process shall be allowed up to two (2) hours of time-off from regularly scheduled work in order to participate in the examination process if the examination process is scheduled during the employee's normal work period.

To the best of its ability, the Town shall maintain a current promotional list for the position of Police Sergeant.

Section 40. Probationary Period

The Town and the Association agree that all original appointments to the rank of Police Officer will include a probationary period of 18 months from date of hire to allow the department to fully evaluate the officer following the academy and FTO training.

Individuals hired as a lateral transfer must have a valid P.O.S.T. Basic Certificate at the time of hire and will be subject to a 12 month probationary period.

Any individual on an 18-month probationary period will be eligible to receive a step increase after 12 months.

All promotional appointments to the position of Sergeant shall be subject to satisfactory completion by the employee of a 12-month probationary period.

The Chief of Police may extend the probationary period of an employee for a period not to exceed an additional six (6) months.

Section 41. Performance Evaluations

Performance evaluations shall take place at least every three (3) months for all probationary employees and shall take place at least annually thereafter on the anniversary of an employee's employment with the Town. Employees eligible for step increases shall receive their performance evaluation no later than fifteen (15) days prior to their employment anniversary date.

All performance evaluations shall be discussed with the employee prior to the evaluation being completed. Employees may sign their individual performance evaluations as evidence of discussion having taken place; employee signature does not necessarily imply agreement with the evaluation. If an employee chooses not to sign an evaluation, the supervisor will note that the employee has read the evaluation and chooses not to sign. An employee may attach separate written comments to his/her evaluation.

Section 42. Reinstatement

Subject to the approval of the Town Manager, a permanent employee who has resigned from employment with the Town may be reinstated within two (2) years of his/her resignation to his/her former position, if vacant. Upon reinstatement, the employee shall be considered as though he/she had received an original appointment, unless other conditions are made a part of the reinstatement by the Town Manager.

Section 43. Re-Employment

The names of employees affected by layoff shall be placed on appropriate re-employment lists in the order of total continuous cumulative time served in paid status. Such names shall remain thereon for a period of eighteen (18) months unless such persons are sooner re-employed. When a re-employment list is to be used to fill vacancies, the Personnel Officer shall certify from the top of such list the number of names equal to the number of vacancies to be filled, and the appointing power shall appoint such persons to fill the vacancies.

Section 44. Grievance Procedures

Grievances shall be defined as alleged violations of this agreement or disputes regarding interpretations, application, or enforcement of this agreement to Town ordinances, resolutions, and written policies related to personnel policies and working conditions. Grievances shall not include disagreements, disputes, or activities regarding or pertaining to examinations for employment or promotion, disciplinary action, performance evaluations, and probationary terminations.

No act or activity which may be grievable may be considered for resolution unless a grievance is filed in accordance with the procedure contained herein within sixty (60) calendar days of the date the grievable activity occurred or the date the employee could reasonably have known such activity occurred. The provision for the sixty (60) days "statute of limitations" shall not apply to probationary employees.

The parties agree that all grievances will be processed in accordance with the following procedure:

Any employee who has a grievance shall first try to get it settled through discussion with his/her immediate supervisor without undue delay. Every effort shall be made to find an acceptable solution at the lowest possible level of supervision. If after such discussion the employee does not believe the grievance has been satisfactorily resolved, he/she may file a formal appeal in writing to the command officer responsible for supervision of the employee's immediate supervisor within ten (10) calendar days after receiving the informal decision of his/her immediate supervisor. The command officer shall respond within ten (10) calendar days of the filing of the appeal.

If the employee does not believe the grievance has been satisfactorily resolved by the command officer, the employee may then file a formal appeal in writing to the Chief of Police within ten (10) calendar days after receiving the informal decision of the command officer. The Chief of Police shall render his written decision within ten (10) calendar days after receiving the appeal.

If after receipt of the written decision of the Chief of Police, the employee is still dissatisfied, he/she may appeal the decision of the Chief to the Town Manager. Such appeal shall be made by filing a written appeal to the Town Manager within five (5) days after the receipt of the written decision of the Chief. The Town shall render a written decision within twenty (20) working days after the appeal is made.

If after receipt of the written decision of the Town Manager the employee is still dissatisfied, he/she may appeal the decision of the Town Manager to the Personnel Board. Such appeal shall be made by filing a written appeal to the Chair of the Personnel Board within five (5) days after receipt of the written decision of the Town Manager.

The Personnel Board shall establish a hearing date within 30 days of receipt of the written appeal. The Personnel Board shall conduct a closed hearing giving opportunity for presentation by the employee or his/her representative and the Town Manager. The Personnel Board shall render a written decision within 30 days after the appeal is made. If after receipt of the written decision of the Personnel Board, the employee is still dissatisfied, he/she may appeal the decision of the Personnel Board to the Town Council. Such appeal shall be made by filing a written appeal with the Mayor. The Mayor shall schedule a closed hearing with the Town Council within 30 days after receipt of the appeal. At this hearing, the employee and the Town Manager may make presentations. The Town Council decision shall be final. The Town Council shall render a decision within 30 days after the hearing. An open hearing may be conducted by the Personnel Board or Town Council with mutual consent of the Town and person(s) filing the grievance.

The time limitations for filing and responding to grievances may be waived or extended by mutual agreement of the parties. If either party to the grievance so requests, an informal hearing shall be conducted at the Chief of Police or Town Manager appeal levels. Employees may be represented by counsel or other person at any stage in the grievance process.

Section 45. Attendance

Employees shall be in attendance at their work in accordance with the rules regarding hours of work, holidays and leave.

An employee whose absence is not authorized will not receive pay or benefits for the absent period and shall be subject to discipline. Failure on the part of an employee absent without leave to return to duty shall be grounds for discharge. It shall be the responsibility of an employee absent without leave to notify the department head of the reason the employee is absent and of the employee's availability for duty.

Section 46. Completeness of MOU

The Town and the Association acknowledge and agree to abide by the provisions of the Meyers-Milias-Brown Act.

Section 47. Association Notification or Communications

The Town and the department will make every reasonable effort to keep the Association President informed on issues related to the working conditions of the Association members.

Section 48. Catastrophic Time Bank

If an employee is catastrophically ill or injured, or if the spouse or child of such employee becomes catastrophically ill or injured, the employee may request of the Town Manager that a catastrophic time bank be established. This request should be in writing. The catastrophic time bank will enable other employees to donate accrued CTO, holiday credits, vacation credits, or sick leave accruals to the requesting employee in accordance with departmental policies.

Specific procedures for the administration of the catastrophic time bank will be developed by the department.

Section 49. Reopener

If, for any reason, the Chief of Police decides it is in the best interest of the Department to discontinue the 4-10 Plan within the term of this agreement, the Town of Los Gatos agrees to reopen negotiations within 30 days on all provisions of the MOU.

Section 50. Me Too Clause

The Town shall not enter into an agreement with another bargaining unit, local union or management unit so that unit, local or bargaining unit can receive any compensation related to any salary or total compensation increase obtained by the POA.

Town of Los Gatos / POA Salary Schedule
 MOU October 1, 2014 - September 30, 2016

EXHIBIT A SALARY SCHEDULE

		Current	Oct 1, 2014	Oct 1, 2015
			1.5% Cash	2% COLA
Police Officer	Step 1	\$42.54	\$1,327	\$43.39
	Step 2	\$44.67	\$1,394	\$45.56
	Step 3	\$46.90	\$1,463	\$47.84
	Step 4	\$49.25	\$1,537	\$50.24
	Step 5	\$51.71	\$1,613	\$52.74
			1.5% Cash	2% COLA
Police Corporal	Step 1	\$44.65	\$1,393	\$45.54
	Step 2	\$46.89	\$1,463	\$47.83
	Step 3	\$49.23	\$1,536	\$50.21
	Step 4	\$51.69	\$1,613	\$52.72
	Step 5	\$54.28	\$1,694	\$55.37
			1.5% Cash	2% Cash
Police Sergeant	Step 1	\$54.65	\$1,705	\$2,273.44
	Step 2	\$57.38	\$1,790	\$2,387.01
	Step 3	\$60.25	\$1,880	\$2,506.40
	Step 4	\$63.27	\$1,974	\$2,632.03
	(Prior Sgts Only)	Step 5	\$66.43	\$2,073

EXHIBIT B

RESOLUTION 1991-91

RESOLUTION ELECTING TO BE SUBJECT TO PUBLIC EMPLOYEES' MEDICAL AND HOSPITAL CARE ACT FIXING THE EMPLOYER'S CONTRIBUTION FOR NON PUBLIC EMPLOYEES RETIREMENT SYSTEMS EMPLOYEES AND THE EMPLOYER'S CONTRIBUTION FOR ANNUITANTS AT DIFFERENT AMOUNTS

WHEREAS, Government Code Section 22850 extends the benefits of the Public Employees' Medical and Hospital Care Act to employees of contracting agencies on proper application by an agency; and

WHEREAS, Government Code Section 22754 (g) defines any Special District as a contracting agency; and

WHEREAS, Government Code Section 22857 provides that a contracting agency may fix the amount of the employer's contribution for employees and the employer's contribution for retired employees and survivors at different amounts provided that the monthly contribution for retired employees and survivors shall be annually increased by an amount not less than 5 percent of the monthly contribution for employees, until such time as the amounts are equal; and

WHEREAS, a Special District is hereby defined as a non-profit, self governed public agency within the State of California, and comprised solely of public employees performing a governmental rather than proprietary function; and

WHEREAS, the Town of Los Gatos Retirement Plan, hereinafter referred to as Special District is an entity meeting the above definition; and

WHEREAS, The Special District desires to obtain for its active and retired employees and survivors the benefit of the Act and to accept the liabilities and obligations of an employer under the Act and Regulations.

NOW, THEREFORE, BE IT RESOLVED, that the Special District elect, and it does hereby elect, to be subject to the provisions of the Act; and

BE IT FURTHER RESOLVED, that the employer's contribution for each employee shall be the amount necessary to pay the full cost of his enrollment, including the enrollment of his family members in a health benefits plan up to a maximum of the Kaiser North premium (1, 2 and 3 party) rates; and

BE IT FURTHER RESOLVED, that the employer's contribution for each retired employee or survivor shall be the amount necessary to pay the cost of his enrollment, including the enrollment of his family members, in a health benefits plan up to a maximum of \$1.00 per month; and

BE IT FURTHER RESOLVED, that the employer's contribution for each retired employee or survivor shall be increased annually by 5% percent of the monthly contribution for employees, until such time as the contributions are equal; and that the contributions for active and retired employees and survivors shall be in addition to those amounts contributed by the Special District for administrative fees and to the Contingency Reserve Fund; and

BE IT FURTHER RESOLVED, that the executive body appoint and direct, and does hereby appoint and direct, the Town Manager to file with the Board of Administration of the Public Employees' Retirement System a verified copy of this Resolution, and to perform on behalf of said Special District all functions required of it under the Act and Regulations of the Board of Administration; and

BE IT FURTHER RESOLVED, that the officer appointed pursuant to section (e) will advise the Board of Administration of the Public Employees' Retirement System if the district ceases to be a public agency as defined in section (4) above; and

BE IT FURTHER RESOLVED, that coverage under the Act be effective on August 1, 1991.

PASSED AND ADOPTED at a regular meeting of the Town Council of the Town of Los Gatos, California, held on the 6th day of May, 1991 by the following vote.

COUNCIL MEMBERS:

AYES: Brent N. Ventura, Eric D. Carlson, Joanne Benjamin,
Randy Attaway, and Steven Blanton

NAYS: None

ABSENT: None

ABSTAIN: None

SIGNED: /S/ Brent N. Ventura

**MAYOR OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA**

ATTEST:

/s/ Marian V. Cosgrove

**CLERK OF THE TOWN OF LOS GATOS
LOS GATOS, CALIFORNIA**

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TOWN OF LOS GATOS
AND
THE LOS GATOS POLICE OFFICERS ASSOCIATION**

THIS AGREEMENT, SIGNED ON December 18, 2015, IS ENTERED INTO AS OF October 1, 2014, BETWEEN THE TOWN OF LOS GATOS, HEREINAFTER REFERRED TO AS THE "TOWN", AND THE LOS GATOS POLICE OFFICERS ASSOCIATION, HEREINAFTER REFERRED TO AS "POA".

Pursuant to Town Resolution 1974-41 of the Town of Los Gatos and Section 3500 et. seq. of the Government Code, the duly authorized representatives of the Town and POA, having met and conferred in good faith concerning the issues of wages, hours, and terms and conditions of employment, as herein set forth, declare their agreement to the provisions of this Memorandum of Understanding.

FOR THE TOWN:



Laurel Prevetti, Town Manager



Rumi Portillo, Human Resources Director



Captain Michael D'Antonio



Jennifer Callaway, Assistant Town Manager



Robert Schultz, Town Attorney

FOR POA:



Kevin Elliott, Police Sergeant



Gregory Borromeo, Police Sergeant

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE TOWN OF LOS GATOS
AND
THE LOS GATOS POLICE OFFICERS ASSOCIATION**

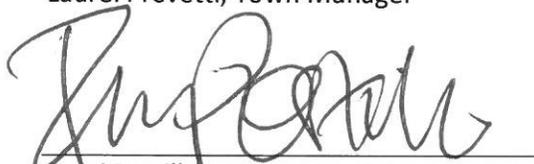
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FOR THE TOWN:



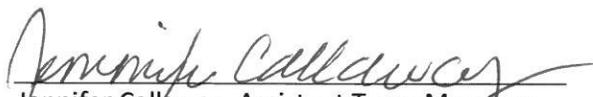
Laurel Prevetti, Town Manager



Rumi Portillo, Human Resources Director



Captain Michael D'Antonio



Jennifer Callaway, Assistant Town Manager



Robert Schultz, Town Attorney

FOR POA:



Kevin Elliott, Police Sergeant



Gregory Borromeo, Police Sergeant