MEMORANDUM OF UNDERSTANDING

BETWEEN

INTERNATIONAL UNION OF OPERATING ENGINEERS, LOCAL 39

AND

CITY OF LINCOLN

COVERING ALL EMPLOYEES IN THE

PROFESSIONAL AND ADMINISTRATIVE GROUP

April 1, 2026 to March 31, 2027

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PREAMBLE

This Memorandum of Understanding (MOU), hereinafter sometimes referred to as the Agreement, entered into by and between the City of Lincoln, hereinafter sometimes referred to as the City, and the International Union of Operating Engineers, Stationary Local 39, AFL- CIO, hereinafter referred to as the Union, on behalf of the Professional and Administrative Group (bargaining unit), has as its purpose the establishment of an equitable and peaceful procedure for the resolution of differences and the establishment of rates of pay, hours of work and other conditions of employment for employees in the Professional and Administrative Group, as provided in this Agreement.

ARTICLE 1 – RECOGNITION AND COVERAGE

1.1 RECOGNITION

(a) The City recognizes the International Union of Operating Engineers, Stationary Engineers Local 39 (Union), as the exclusive representative to employees in the Professional/Administrative Group (Group) classifications covered by this bargaining unit, pursuant to California Government Code 3500 et. seq. The Group is also the exclusive representative for permissive subjects of bargaining.

Employees within the bargaining unit are comprised of both Exempt and Non-Exempt Employees protected by the Fair Labor Standards Act ("FLSA") and California labor law.

1.2 COVERAGE OF EMPLOYEES

(a) The following classifications are agreed between the parties to be in the bargaining unit:

Account Clerk I/II/Senior
Accountant I/II/Senior
Administrative Analyst I/II/Senior (non-confidential)
Application Integrator I/II/Senior
Assistant/Associate/Senior Civil Engineer
Assistant/Associate/Senior Planner
Building Inspector I/II/III
Code Enforcement Officer I/II
Construction Inspector I/II
Customer Services Supervisor
Engineering Technician I/II/III
GIS Analyst I/II
Information Systems Technician I/II/Senior
Information Technology Supervisor
Librarian I/II
Library Assistant
Library Coordinator

Office Assistant I/II/Senior
Permit Technician I/II/Senior
Plans Examiner I/II
Public Services Supervisor
Purchasing Officer I/II
Recreation Coordinator
Recreation Supervisor
Supervising Building Inspector
Systems Security Analyst I/II/Senior
Utilities Maintenance Supervisor

ARTICLE 2 – UNION RIGHTS

2.1 ACCESS TO EMPLOYEE WORK LOCATIONS

(a) Representatives of the Union shall have the right of reasonable access to bargaining unit members outside of their assigned duties; before and after work hours, at meal and break periods; and all other non-work times with the approval of the City Manager or his designee.

2.2 DISTRIBUTION AND POSTING OF UNION LITERATURE

(a) The Union may use bulletin boards designated for its use in appropriate places. All items to be posted shall be officially authorized by the Union and shall bear the date of posting.

2.3 USE OF CITY FACILITIES

(a) The City Manager or designee, upon request, may permit the Union the use of designated facilities, depending upon availability of space, for meeting purposes. No request for use of City facilities shall be unreasonably denied.

2.4 DISCRIMINATION

(a) The City and the Union agree not to discriminate against any employee for the employees' membership in or activity on behalf of the Union which are authorized and protected by statutory law, Memorandum of Understanding or City code, ordinance or resolution. This includes lawful participation in or refraining from participation in the Union.

ARTICLE 3 – MANAGEMENT RIGHTS

3.1 MANAGEMENT RIGHTS

(a) The City retains all rights, powers, duties, responsibilities and authority of a managerial or administrative character, except as specifically modified by the express provisions of the Memorandum. The exclusive rights of the City shall include, but not be limited to, the right to

determine the organization of City government and the purpose and mission of its constituent agencies; to set standards of service to be offered to the public, and through its management officials to exercise control and discretion over its organization and operations; to establish and effect administrative regulations and employment rules and regulations consistent with law and the specific provisions of this Memorandum; to direct its employees; to take disciplinary action; to relieve and lay off employees from duty because of lack of work or for other legitimate reasons, including but not limited to the economic condition of the City; to determine whether goods or services shall be made, purchased or contracted for; to determine the methods, means and personnel by which the City's services are to be provided, including the right to schedule and assign hours of work and overtime, or reduce same, and to otherwise act in the interest of efficient service to the City. The City agrees to meet and confer upon request of the Union, over the impact to employees of any decision by the City to contract-out significant bargaining unit work to a non-City enterprise or agency. The decision to contract-out such work shall not be subject to meet and confer during the term of this Memorandum.

ARTICLE 4 – SALARY ADMINISTRATION

4.1 COST OF LIVING ADJUSTMENTS

(a) As soon as administratively possible, the base wages for the classifications covered by this MOU shall be increased by three percent (3.0%) effective April 5, 2026.

4.2 MARKET ADJUSTMENTS

(a) The City has conducted a comprehensive classification and compensation study. As a result of this study, various classifications were determined to be assigned a salary that is behind market.

(b) As soon as administratively possible, the base wages of the following classifications will be granted a 2% market base wage increase effective April 5, 2026:

Classification
Account Clerk I/II/Senior
Accountant I/II/Senior
Administrative Analyst I/II
Assistant/Senior Engineer
Assistant/Assoc./Sr. Planner
Building Inspector I/II/III/Supervisor
Code Enforcement Officer I/II
Construction Inspector I/II
Information Systems Tech I/II
Information Technology Sup
Librarian I/II
Permit Tech I/II
Purchasing Officer II
Plans Examiner I/II/Senior
Recreation Supervisor
Senior Office Assistant
Senior Permit Technician
Application Integrator I/II/Senior
Systems Security Analyst I/II/Senior

4.3 SALARY RANGE ADJUSTMENTS

(a) Salary range advancements shall be administered in accordance with the City's Personnel Rules and Regulations.

4.4 PART TIME EMPLOYEES – MERIT SALARY ADJUSTMENTS

(a) Part-time employees will receive salary step increases within their salary range as follows:

(i) ½ time (50%), 1-20 hours worked

(ii) ¾ time (75%), 21-30 hours worked

(iii) Full time, 31-39 hours worked

(b) One-half (½) time employees shall be eligible for a step increase one (1) year from date of appointment into the class.

(c) Three-quarter (¾) time employees shall be eligible for a step increase nine (9) months from date of appointment into the class.

(d) Full-time employees shall be eligible for a step increase six (6) months from date of appointment into the class.

(e) All other existing provisions of City personnel rules applicable to salary step increases shall continue to apply to part-time employees.

4.5 DEFERRED COMPENSATION

(a) Effective on the first full pay period following April 1, 2024, the City will contribute up to $100 per month in matching funds for employees covered by this agreement who participate in a City-sponsored deferred compensation program. Less than full-time employees will receive a proportionate benefit.

4.6 BILINGUAL PAY

(a) The City shall pay $75.00 per month over the employee's basic rate for bilingual aptitude. Certification of Competency shall be required as established by the City. The City shall determine the appropriate number of employees eligible to receive this compensation.

4.7 UNIFORMS

(a) The appropriate Department Head or Designee shall determine those individuals who are required to wear a City of Lincoln uniform; foul weather gear and/or footwear.

(b) The City shall provide work uniforms and the laundering thereof for all employees who are required by the City to wear a uniform. Employees in those classifications will be required to wear the uniforms at all times while on duty.

(c) Employees in classifications regularly required to work outside in inclement weather shall be provided the appropriate inclement weather gear at City expense.

(d) Those employees required to wear protective footwear shall have an annual boot allowance not to exceed $350.00. Department Head or Designee shall determine the need for replacement.

(e) The monetary value of this required clothing (excluding items that are solely for personal health and safety such as protective vests, and safety shoes) for classic employees is defined as special compensation by CCR 571, and be reported as special compensation as earned for classic employees. The annual monetary value of the rental and maintenance of uniforms for classic employees shall be determined on an annual basis through the City's procurement process.

4.8 LONGEVITY PAY

When an employee has completed fifteen (15) years of service with the City, he/she will receive a longevity differential of 3% of their base rate of pay.

ARTICLE 5 – HOURS OF WORK

5.1 GENERAL HOURS OF WORK

(a) The City Manager, upon consultation with affected department heads, shall be responsible for assigning or modifying the work schedules. Unless otherwise prescribed in writing by the City Manager or designee, the work day, work shift, work week, and work schedule for each position shall be as follows:

(i) Workday for full-time positions shall be eight (8) hours except as otherwise approved by the City.

(ii) Workweek for full-time positions shall be forty (40) hours except as otherwise approved by the City.

(iii) Work schedule for each position shall be as established by the department head, which may change such schedules from time to time based on the needs of departmental operations and approval of the City Manager. A department head, with forty-eight (48) hours prior notice, may require an employee to work an unscheduled day/shift and receive an otherwise scheduled work day/shift off in which case the day/shift worked shall not be considered compensable at the overtime rate of pay. Work schedules shall not be changed simply to avoid the payment of overtime.

(iv) Flexible schedules may be approved by the City Manager upon recommendation and justification of the department head.

(v) Employees designated regular, part-time employees shall work a number of hours less than forty (40) hours per work week and shall be eligible for prorated benefits as defined within this MOU. Regular, part-time employees, who successfully complete the designated probationary period, shall acquire necessary rights of due process.

5.2 FURLOUGH PROGRAM

The City agrees to meet and confer over the re-instatement of the furlough program as a precursor to the City implementing layoffs.

5.3 REST PERIODS

Employees shall be entitled to two breaks of fifteen minutes each during the work day. The breaks should be, as closely as possible, mid-morning and mid-afternoon. Rest periods (breaks) are not intended for use in conjunction with the meal period or to be added to the beginning or ending of a workday, unless otherwise approved by the supervisor.

5.4 MEAL PERIODS

(a) Employees who work an (8) hour work day or more may be allowed an unpaid meal period of not less than 30 minutes nor more than 60 minutes which shall be scheduled by the City as near as possible to the middle of the work shift. Meal periods may be briefly interrupted or completely cancelled if there is an emergency or other operating need. When an employee's meal period is interrupted, the employee's meal period will be proportionately extended. When an employee's meal period is cancelled, the meal period shall be added to the employee's normal work day and the employee shall be paid overtime for the cancelled meal period pursuant to the overtime provisions contained in this memorandum of understanding.

(b) It shall be the responsibility of each employee to be at the work site and prepared to begin work at the conclusion of the meal period.

(c) Meal periods shall not be added to the beginning or ending of the normal workday, but shall be near the middle of the normal workday. Travel to and from a meal location is considered part of the designated, non-compensated meal period.

ARTICLE 6 – OVERTIME

6.1 OVERTIME POLICY

(a) It is the policy that overtime work be discouraged; that each department head arrange the work of his or her department so that full-time employees shall normally work not more than eight (8) hours per work day or more than five (5) consecutive work days consisting of forty (40) hours without at least one (1) day off, or more than eighty (80) hours in any pay period, and that overtime work be held to a minimum consistent with the efficient performance of necessary functions.

(b) All work authorized as overtime shall be calculated at the overtime rate that is one and one-half (1½) times the regular hourly rate of pay. Holidays, sick leave, compensatory time off, vacation leave and floating holidays are considered time worked for the purposes of computing overtime.

6.2 AUTHORIZATION OF OVERTIME WORK

Overtime work shall be performed only upon express authorization of the department head or designee.

6.3 REPORTING OVERTIME

Total hours of recorded authorized overtime for each pay period for each employee shall be reported on an attendance report and shall be signed by each department head or designee. The total hours of prior accumulated compensatory time taken off during each pay period shall be likewise reported.

6.4 FRINGE BENEFITS NOT AFFECTED BY OVERTIME

Overtime work shall not be a basis for increasing vacation or sick leave benefits, nor shall it be a basis of advancing completion of required periods for probation or salary step advancement.

6.5 COMPENSATION FOR OVERTIME

(a) Compensation for overtime and holidays shall either be paid at the rate of time and one-half or accrued as Compensatory Time Off (CTO), as determined by the department head subject to the rule as stated herein.

(b) The employee shall be given the option of paid overtime or CTO. The preference shall be honored unless there is a stated budget or operational need to deny the preference.

(c) Employees may, upon the prior request of the employee and prior authorization of the department head, accumulate CTO in lieu of overtime pay. In no event shall an employee be allowed to accumulate in excess of one hundred (100) hours of CTO.

(d) In the event an employee has accumulated one hundred (100) hours CTO, payment of overtime in cash shall be automatically made in the payroll cycle in which the overtime was earned. Employees shall have the option to cash out their accrued CTO during any payroll cycle provided the employee submits a written request to do so at least seven (7) days prior to payroll being completed. Any unused and accrued CTO will also be paid out prior to an employee being promoted to a higher position.

(e) The balance of any accumulated Compensatory Time shall be paid upon termination of employment or under such other circumstances as authorized by the City Manager.

(f) Twelfth Hour Compensation

Supervisors who are eligible for overtime (FLSA nonexempt), and are required to supervise employees for a period that is greater than twelve (12) consecutive hours, shall be compensated at a rate of two (2) times their regular hourly rate of pay beginning with the twelfth (12th) consecutive hour. Nonexempt supervisors who are not supervising staff meeting this criterion will be paid the normal overtime rate of one and one half (1.5) times their regular hourly rate of pay when working more than twelve (12) consecutive hours.

6.6 CALL BACK TIME

Call Back time shall be that time an employee is called back to the work site by the department head or designee before or after a normal work day, or when an employee is required to work on a normal day off by the department head in the event of an emergency; or when an employee is required to work on any holiday recognized by the City without advance notice. The time actually worked or a minimum of two (2) hours at one and one-half (1½) times shall be accrued as Compensatory Time or taken as pay, subject to the same rules for overtime compensation provided above.

6.7 SHIFT CHANGE NOTICES

An employee's shift shall not be changed solely to avoid overtime. Normally, an employee shall be given at least forty-eight (48) hours' notice of a shift change. In the absence of such notice, the employee shall receive a five percent (5%) differential over base salary for each day in which the notice was not given. This section shall not apply for shift changes that are the result of medical accommodation.

6.8 STANDBY DUTY

(a) The department head or designee may place an employee on Standby Duty outside of their normal assigned shift as necessary. Standby Duty requires an employee so assigned:

(i) To be ready, willing and able to respond immediately to calls from the City and to be called into work (employees who have taken sick leave due to their own medical condition, during their normal shift and directly preceding the standby shift, are ineligible to be placed on standby duty);

(ii) To be reachable by telephone and mobile phone including call, text and email;

(iii) To remain within a reasonable distance of the work location; and

(iv) To refrain from activities which might impair their ability to perform any assigned duties.

(b) Employees assigned to standby duty outside of their normal assigned shift shall receive compensation of $2.75 per hour of standby duty. Those employees assigned to standby duty on approved holidays shall receive compensation of $3.75 per hour of standby duty. Employees will be compensated for the actual number of hours that the employee serves in a standby capacity. Employees shall not be compensated for standby duty during their normal assigned shift including unpaid lunches and paid breaks.

(c) Employees assigned to Standby Duty and who are called in to work shall be compensated at the overtime rate pursuant to paragraph 6.6 of this Article. The time actually worked or a minimum of one (1) hour at one and one-half (1½) times shall be accrued as Compensatory Time or taken as pay, subject to the same rules for overtime compensation for employees assigned to Standby Duty and who are required to respond to City business remotely.

ARTICLE 7 – LEAVES

7.1 VACATION

(a) Employees within the Professional and Administrative Group shall be entitled to vacation leave as follows:

(i) Employees shall be entitled to take vacation after the completion of six (6) months of service. Article 7.1 subsection (a)(i) shall be held in abeyance during a City-imposed closure.

(ii) No employee shall accrue more than two hundred and forty (240) hours of vacation. If an employee accrues vacation time in excess of two hundred and forty (240) hours, he/she shall have their accrual frozen until he/she falls below two hundred and forty (240) hours. An employee shall be paid for any vacation accrual in excess of the cap in the event the City has denied the use of vacation twice in the preceding 6 months. Proof of vacation denial is required.

(iii) Each department head shall arrange the schedule for vacations for employees with the department.

(iv) In case of termination or discharge, all employees shall be entitled to pay for all accrued but unused vacation.

(v) Vacation leave shall be granted in increments of no less than fifteen-minute (15) increments within any workday.

(vi) Employees shall continue to be paid during the period of their vacation at the same rate of compensation in effect at the commencement of the vacation period.

(b) Employees shall accrue vacation leave in accordance with years of service as follows:

Years of Service	8-Hour Days Per Year
0 – 3 years	11 (0.04230 per hour)
3 years +1 day – 5 years	14 (0.05384 per hour)
5 years +1 day – 8 years	16 (0.06153 per hour)
8 years +1 day – 11 years	17 (0.06538 per hour)
11 years +1 day – 13 years	18 (0.06923 per hour)
13 years +1 day – 15 years	19 (0.07307 per hour)
15 years +1 day – 17 years+6 months	20 (0.07692 per hour)
Over 17 years + 6months	26 (0.10000 per hour)

Employees who work less than full-time, but more than nine-hundred (900) hours per year shall be credited vacation on a prorated basis. The nine hundred-hour minimum need only be reached once during continuous employment (exclusive of any seasonal, temporary or

contracted work performed for the City). The maximum accumulation of vacation time for an employee working less than full-time shall be ninety-six (96) hours.

For full-time employees, vacation accruals shall be prorated for any pay period in which unpaid leave of any duration is taken. Proration shall be calculated based on the employee's total straight-time hours paid during that pay period.

Notwithstanding the foregoing, for employees receiving SDI or PFL benefits, vacation accrual proration shall be applied in proportion to the employee's elected supplementation percentage. Employees who elect one hundred percent (100%) supplementation shall receive full vacation accrual without proration. Employees who elect less than one hundred percent (100%) supplementation shall have their vacation accrual prorated in accordance with their supplementation percentage.

The following is an example of proration based on reduced supplementation:

Supplementation and Leave Accrual

Supplementation	Leave Accrual
100% supplementation	100% leave accrual
90% supplementation	90% leave accrual
75% supplementation	75% leave accrual
50% supplementation	50% leave accrual

Employees will be required to exhaust all vacation leave balances prior to taking any non-pay time off, unless an exception is granted by the City Manager.

(c) Employees with a minimum of 80 hours of accrued vacation time may submit a request for pay out of vacation time of up to 40 hours once per calendar year as follows:

(i) The requesting employee must have already taken at least a combined total of forty (40) hours of vacation leave in the said calendar year.

(ii) A Request for Cash out of Accumulated Vacation Leave Form must be completed, approved by their Department Head and submitted to the Human Resources Department.

(iii) An authorized representative of the Human Resources Department, will determine the eligibility of an employee to receive a vacation buy-back.

(iv) The City Manager will approve or deny the request.

7.2 SICK LEAVE

(a) Employees of the City shall be entitled to sick leave with pay as set forth in this Article.

(b) Each employee shall be entitled to one (1) eight (8) hour day sick leave with full pay for each month of full-time employment commencing on the first day of the month following the month the employee commenced full-time employment.

(c) Sick leave shall be credited to the employee's account upon completion of each month worked.

(d) For full-time employees, sick leave accruals shall be prorated for any pay period in which unpaid leave of any duration is taken. Proration shall be calculated based on the employee's total straight-time hours paid during that pay period.

(e) Notwithstanding the foregoing, for employees receiving SDI or PFL benefits, sick leave accrual proration shall be applied in proportion to the employee's elected supplementation percentage. Employees who elect one hundred percent (100%) supplementation shall receive full sick leave accrual without proration. Employees who elect less than one hundred percent (100%) supplementation shall have their sick leave accrual prorated in accordance with their supplementation percentage.

The following is an example of proration based on reduced supplementation:

Supplementation and Leave Accrual

Supplementation	Leave Accrual
100% supplementation	100% leave accrual
90% supplementation	90% leave accrual
75% supplementation	75% leave accrual
50% supplementation	50% leave accrual

(f) A maximum of one thousand, four hundred, forty (1440) hours of sick leave may be accumulated by City employees.

(g) Regular part-time employees working in excess of nine hundred (900) hours per year shall be credited with sick leave on a pro rata, basis. The nine hundred- (900) minimum need only be reached once during continuous employment. The maximum accumulation of sick leave will be twenty-four (24) days.

(h) Sick leave may be applied to:

(i) An absence necessitated by the employee's incapacitation from the performance of regular duties due to personal illness, injury or pregnancy.

(ii) Medical, optical or dental office appointments.

(iii) Absence due to the illness of a family member. Family Member for the purpose of this article is defined as any person related by blood or marriage and includes domestic partners that have been certified with the Secretary of State's office in accordance with AB 26 (Chapter 588, Statutes of 1999).

(iv) Effective July 1, 2019, employees with twelve (12) or more years of continuous service and who have accumulated in excess of 500 hours of sick leave shall be allowed to cash out no more than 50 hours per fiscal year, contingent on available funds at the discretion of the City Manager.

(i) Employees in good standing whose employment with the City is otherwise terminated shall be paid for unused sick leave in accordance with the following:

(i) Employees with five (5) or less years of continuous service shall receive no payment.

(ii) Employees with five (5) years of continuous service up to and including twelve (12) years of service shall receive twenty-five percent (25%) of said leave.

(iii) Employees in excess of twelve (12) years of service will be paid one hundred percent (100%) of said leave.

(iv) Payment for unused sick leave shall be at the salary rate then in effect for the concerned employee.

7.3 BEREAVEMENT LEAVE

(a) A department head or designee shall authorize bereavement leave with pay for a regular, full-time City employee due to the death of a family member or death of any person residing in the immediate household of the employee at the time of death. Family member for the purpose of this article is defined as any person related by blood or marriage and includes domestic partners that have been certified with the Secretary of State's Office in accordance with AB 26 (Chapter 588, Statutes of 1999). Such bereavement leave shall be authorized for up to three (3) eight-hour (8-hour) days (24 hours) per occurrence. The employee shall give notice to his/her immediate supervisor as soon as possible and shall, if requested by the employee's supervisor, provide substantiation to support the request. An employee may request two (2) additional days leave for bereavement which shall be deducted from accrued leave per the City's Family Medical Leave Policy.

(b) If the death of a person as enumerated above required the employee to travel over four hundred (400) miles, one-way, from his/her home, upon request, additional time off with pay shall be granted for two (2) additional days. Should additional leave be necessary, the department head or designee may authorize the use of sick leave, CTO, vacation or authorized leave without pay.

(c) Part-time employees will be eligible for bereavement leave on a pro rata basis, based on hours worked.

7.4 JURY LEAVE

(a) When an employee is summoned to jury duty he/she shall immediately inform his/her supervisor and, if required to serve, may be absent from duty with full pay while actively rendering such service. Any jury fees received by an employee shall be remitted to the City, exclusive of any meal and/or travel reimbursements rendered by the courts.

(b) Employees who serve on jury duty for one or more days shall provide to his/her immediate supervisor a court-supplied notice of attendance referencing all days of attendance.

7.5 HOLIDAYS

(a) The following days shall be paid holidays for employees in the unit:

1. New Year's Day
2. Martin Luther King Jr. Day
3. President's Day
4. Memorial Day
5. Independence Day
6. Labor Day
7. Veteran's Day
8. Thanksgiving Day
9. The Friday immediately following Thanksgiving Day
10. Christmas Day
11. Sixteen hours (16) of floating holiday per calendar year

(b) If a holiday falls on Saturday, then the previous Friday is to be taken. If a holiday falls on Sunday, then the following Monday is to be taken.

(c) Any employee who might be required to work on any of the above holidays shall be compensated at overtime rates in accordance with Overtime Sections in this Agreement. If a holiday falls on an employee's regular day off, he/she shall be entitled to equivalent time off at a later date.

(d) If an employee is unable to schedule and take off the floating holidays within the calendar year, he/she shall be paid eight (8) hours compensation per floating holiday in November of that year. In each year during the month of October, Payroll will send a notice to any employee with floating holiday hour balances seeking confirmation of either usage or payout. It shall be the employee's responsibility to timely respond. Failure to do so will result in an automatic payout of the accrued time during the month of November that year.

Employees who work less than full-time hours (exclusive of any seasonal, temporary or contracted work performed for the City) shall be eligible for holiday pay on a prorated basis. Such prorating shall be based upon part-time hours worked.

(e) Employees who are required by the City to work on December 24 shall receive four (4) hours of Holiday Credit Leave.

(f) Holiday Credit Leave may be used within twelve (12) months of the date earned, subject to supervisory approval.

(g) Holiday Credit Leave shall have no cash value, shall not be eligible for payout under any circumstances, and shall be forfeited if not used within twelve (12) months of the date earned or upon separation from City employment.

(h) Employees who are not required to work on December 24 shall not be eligible for Holiday Credit Leave under this section.

7.6 MILITARY LEAVE

(a) Military leave shall be granted in accordance with the provisions of state law (Military and Veterans Code). All employees entitled to military leave shall give their department head and the City Manager a notice and opportunity, within the limits of military requirements, to determine when such leave shall be taken. If available, a copy of military orders received shall be delivered to the City prior to the taking of such leave. If not available, then upon return from military duty a copy of military release shall be given to the City.

(b) The City agrees to amend its contract within the Public Employees Retirement System (PERS) Board to allow for a military retirement-credit for current employees. It is understood that there is no added cost to the City, and that the employee shall make all monetary contributions to PERS necessary to take advantage of the program. Should there arise a cost to the City as a result of this clause, then the clause is deemed null and void.

7.7 LEAVES OF ABSENCE AND OTHER UNPAID LEAVES

(a) Regular employees may submit a request for a leave of absence in writing, setting forth the reason(s), circumstances and length of the requested leave. A leave of absence without pay will not be granted to employees with less than one year of City service, unless approved by the City Manager

(b) Department heads may grant a regular employee a leave of absence without pay for a period not to exceed one (1) calendar week. Such leaves shall be reported in writing to the City Manager.

(c) Leaves of absence for a period not to exceed three (3) consecutive months may be granted to regular employees upon recommendation of the department head and approval of the City Manager. Following the initial three (3) month period, the unpaid leave of absence may be extended for a maximum of an additional six (6) consecutive months if recommended by the department head with approval by the City Manager. However, no such leave shall be granted except upon written request of the employee, setting forth the reason(s), circumstances and length of the requested leave.

(d) Upon expiration of an authorized leave of absence, the employee may be reinstated in the position held at the time leave was granted, provided, however, no other activity has occurred causing the position to no longer be available (e.g. layoff, closure or the elimination of services). Failure on the part of the employee on authorized leave of absence to report for work promptly

at the expiration of leave shall be deemed abandonment of his/her employment and a waiver of any appeal rights within this MOU.

(e) Employees who are absent without pay shall receive a proration of special pays and City-provided benefits based upon the number of unpaid hours recorded during the leave as follows:

i. The annual performance evaluation and merit consideration date shall be recalculated based on the employee's current evaluation date, advanced by any unpaid hours recorded. The new date shall be the calendar day following the completion of the equivalent of one year of paid City service.

ii. Days absent without pay during the probationary period shall extend the probationary period to result in a probationary period of active working duty for the time specified.

iii. Vacation and sick leave accruals, holidays, special pays (e.g. longevity pay, bilingual pay, certification pay, etc.) and other related benefits will be prorated based on the number of unpaid hours recorded. Proration for employees receiving SDI or PFL benefits, shall be applied in proportion to the employee's elected supplementation percentage. Employees who elect one hundred percent (100%) supplementation shall receive special pays and leave accruals without proration. Employees who elect less than one hundred percent (100%) supplementation shall have their special pays and accruals prorated in accordance with their supplementation percentage.

(f) In accordance with California Code of Regulations Section 599.504, the following will apply to employees on a leave without pay for a full month or longer:

i. Employees on a leave without pay for a full month or longer (excluding employees protected by the Family Medical Leave Act or California Family Rights Act) may elect to either cancel their health benefits coverage or continue their health coverage by paying the full monthly premium directly to the health plan. The employee will not receive any employer contribution.

(g) In accordance with California Code of Regulations Section 599.504, the following will apply to employees on a leave without pay for any period of time:

i. In any monthly pay period during which an employee receives insufficient compensation, after all other mandatory deductions, to permit deduction of his or her full monthly health benefit premium contribution, the employee may elect to either cancel their health benefits coverage or continue their health coverage by paying their full monthly premium directly to the health plan no later than the last day of the month following the month in which the last payroll deduction was taken.

(h) To receive holiday pay for designated holidays, all employees should be at work or have an approved leave the day before and the day after a holiday. An employee on leave without pay status the business day prior to or the business day after the observance of a City-paid holiday shall not be eligible to receive pay for the holiday.

7.8 ADMINISTRATIVE LEAVE (EXEMPT EMPLOYEES ONLY)

(a) All FLSA exempt employees shall receive Administrative Leave in lieu of overtime compensation.

(b) Such leave shall be given under the following terms and conditions:

(i) Eight (8) days of leave shall be credited to the employees account on January 1 of each calendar year;

(ii) Leave must be taken in the calendar year in which it is credited and cannot be carried over into the next calendar year;

(iii) Administrative Leave shall not be subject to cash out.

(iv) Employees participating in the Administrative Leave program are ineligible for overtime compensation. The taking of leave is subject to approval of the City Manager or designee.

(v) Leave will be granted only when such absence will not result in additional salary costs to the City or disruption of City services.

(vi) Employees entering an exempt status after the beginning of a calendar year shall have their Administrative Leave prorated.

7.9 SICK LEAVE BANKING

(a) The City's policy with regard to Sick Leave Banking is defined in Administrative Policy 74, "Attendance Policy".

7.10 VOTING TIME OFF

(a) In accordance with the California Elections code, Sections 14000 and 14401, if a registered voter who is a City employee does not have sufficient time outside regular working hours within which to vote at general direct primary or presidential primary elections, the employee may take off such working time as will, when added to his/her voting time outside his/her work hours, enable the employee to vote. The scheduling of the time referenced above shall be subject to approval of the department head or designee, and shall normally be at the beginning or end of the work shift. A maximum of two (2) hours may be taken with pay, when the employee provides proper and timely notice in accordance with California elections code section 14000 et seq.

7.11 USE OF ACCRUED LEAVE TOWARDS RETIREMENT

(a) Use of vacation, administrative leave, compensatory time off, or floating holiday(s) may be used to extend an employee's retirement date beyond the employee's last day worked. Sick leave may not be used to extend an employee's retirement date. Accrued sick leave may be used, however, in computing the employee's CalPERS retirement benefit.

ARTICLE 8 – INSURANCE

8.1 HEALTH CARE

(a) Effective April 1, 2015, the City agrees to pay the following monthly contributions for active health care coverage (employee is responsible for remaining balance):

(i) Employee only: An amount equal to 80% of the Kaiser Sacramento Region premium rate for employee only.

(ii) Employee plus one: An amount equal to 80% of the Kaiser Sacramento Region premium rate for employee plus one.

(iii) Employee plus 2: An amount equal to 80% of the Kaiser Sacramento Region premium rate for employee plus two or more (family).

(b) The percentages indicated above (80/20 split) shall apply to each respective premium year and each respective premium year rate.

(i) Employees who select a health plan with higher monthly premiums than the maximum monthly premium paid by the City (item (a) and (b) above) shall pay the difference through payroll deduction taken out equally from two pay checks a month (taken from 24 paychecks each year). Should employees select a health plan with lower monthly premiums than the maximum premium contribution paid by the City, the City's contribution shall be limited to the cost of the monthly premium.

(ii) Regular part-time employees (exclusive of seasonal, temporary or contract workers) who work less than full-time hours shall have the benefit of prorated medical, dental and vision benefits. The proration shall be based on the number of hours worked. Regular part-time employees (exclusive of seasonal, temporary or contract workers), hired prior to July 1, 2012, shall continue to receive medical, dental, and vision benefits as currently provided.

(iii) For full-time employees, the City will pay the full cost of dental insurance premiums for employees and eligible dependents.

(iv) For full-time employees, the City will pay the full cost of vision insurance premiums for the employee only. Vision coverage for dependents is the responsibility of the employee. Dental and vision insurance shall be determined by plan documents.

(v) Employees who work less than full-time hours (exclusive of any seasonal, temporary or contracted work performed for the City) hired after July 1, 2012, shall be eligible for dental and vision care on a prorated basis. Such prorating shall be based upon part-time hours worked. Regular part-time employees (exclusive of seasonal, temporary or contract workers), hired prior to July 1, 2012, shall continue to receive dental and vision benefits as currently provided.

(vi) Any employee waiving medical insurance coverage from the City of Lincoln shall receive a 66 ⅔% cash back monthly benefit payment of the Kaiser, Sacramento Region, employee

only premium rate. This cash back (in lieu of medical) benefit due to qualified employees shall be paid in a bi-weekly sum which will not be PERSable. An employee waiving the employee healthcare coverage must show evidence of insurance coverage.

8.2 LIFE INSURANCE

(a) The City agrees to pay 100% of the premium rate for $50,000 term life insurance policy that includes a double indemnity clause for employees covered by this Agreement.

8.3 RETIREE HEALTH BENEFIT

(a) The City of Lincoln shall ensure the current health care benefit of one hundred percent (100%) cost of benefit for employees (and family members where applicable) hired prior to January 1, 1998, and who retire from the City of Lincoln, be maintained. Employees hired after January 1, 1998, and who retire from the City of Lincoln, shall vest in the life time retiree medical health benefits as provided in Government Code Section 22893.

ARTICLE 9 – RETIREMENT

9.1 RETIREMENT

(a) The City currently provides three retirement formulas based on an employee's hire date and previous CalPERS service time.

(i) Tier 1 has a formula of 2.7% at 55 with the employee paying the entire employee portion of the retirement contribution currently at 8%. This only pertains to employees who were working for the City of Lincoln prior to 2011.

(ii) Tier 2 has a formula of 2% at 60 with the employee paying the entire employee portion of the retirement contribution currently at 7%. This only pertains to employees who work for the City of Lincoln from 2011 through 2012 or are considered a classic CalPERS member (left a CalPERS service agency within 6 months of working for the City of Lincoln).

(iii) PEPRA has a formula of 2% at 62 with the employee paying the entire employee portion of the retirement contribution currently at 6.25%. This only pertains to employees who work for the City of Lincoln since 2013 and are not considered a classic CalPERS member.

(b) As soon as administratively possible with PERS, employees within the Professional/Administrative bargaining unit shall begin paying an additional three percent (3%) of the EMPLOYER'S contribution towards PERS in addition to what is noted in subsection (a) above. This payment shall be done on a pretax basis, in accordance with IRS Code 414 (h) (2).

ARTICLE 10 – GRIEVANCE PROCEDURE

10.1 PURPOSE

(a) The purpose of this grievance procedure is to:

(i) Resolve grievances informally at the lowest possible level;

(ii) Provide an orderly procedure for reviewing and resolving grievances promptly.

10.2 GRIEVANCE PROCEDURE

(a) The City and the Union agree to utilize the following grievance procedure:

(i) This grievance procedure shall be used to process and resolve grievances arising under this Collective Bargaining Agreement.

(ii) Grievance time limits specified in each step of the grievance procedures shall be strictly observed and may only be extended by mutual agreement of the parties in writing. Failure of a grievant (or his/her authorized representative) to observe a grievance time limit shall terminate the grievance. Failure of a party to whom the grievance is submitted to observe the grievance time limits shall give the grievant (or his/her authorized representative) the right to move the grievance to the next appropriate level in the grievance process.

(iii) No matter shall be considered as a grievance under this Collective Bargaining Agreement unless it is presented in writing within thirty (30) calendar days after occurrence of the events on which the grievance is based.

(iv) The grievant shall have the right to appear in person on his/her behalf, with his/her authorized representative. However, only Local 39 has access to this grievance procedure as an organization; and the Union Representative or designee shall have the authority to settle grievances for the Union or employees at any step in the grievance procedure.

(b) Definition of Grievance

(i) A grievance is a dispute between the City and the Union involving the interpretation, application, or enforcement of the express terms of this Collective Bargaining Agreement.

(ii) As used in this section, the term "supervisor" means the individual who assigns and directs the work of an employee.

(iii) As used in this section, the term "party" means an employee, the Union, the City or their respective authorized representative(s).

(iv) The employee retains all rights conferred by Government Code Sections 3500 et seq., Government Code Sections 3250-3262 or regulations of the City unless waived by such employee.

(c) Preliminary Informal Procedure

(i) All persons having a grievance shall make every effort to resolve such grievance by first discussing the matter with his/her immediate supervisor prior to submission of a formal grievance. If no resolution is reached with the supervisor, the employee shall request an informal meeting with the Department Head or designee prior to utilizing the formal grievance process.

(d) Formal Grievance Procedure

(i) Step One – If after discussions with the immediate supervisor, the employee does not feel the grievance has been properly addressed, the grievance shall be reduced to writing. The grievance statement shall include the following information:

(1) A statement of the grievance clearly indicating the question raised by the grievance and the article(s) and section(s) of this Collective Bargaining Agreement.

(2) The remedy or correction requested by the aggrieved party.

The Department Head or his/her designee shall respond to the grievance in writing within ten (10) working days of receipt of the grievance.

(3) The grievance response shall include the following:

a. A complete statement of the City's position and the facts upon which the statement is based.

b. The remedy or correction which has been offered by the City, if any.

(ii) Step Two – If a mutual satisfactory solution has not been reached at the first step, the grievant has ten (10) working days to submit the grievance to the City Manager. The Union representative and the City Manager will meet in an effort to settle the matter. The City Manager's answer to the grievance shall be communicated to the grievant within (10) working days after said meeting is held.

(iii) Step Three – An appeal may be referred to mediation if the grievant is not satisfied with the dispositions of the City Manager's review step of the grievance procedure. If both parties agree in writing, the mediation process may be waived. The grievant must notify the City in writing within ten (10) working days of the notice of the City Manager's decision of grievant's request to refer the matter to mediation. The City shall respond to the grievant within ten (10) working days and proceed to schedule a mediation hearing with the California State Mediation and Conciliation Service.

Mediation conference(s) shall take place at a mutually convenient time and location, and shall not be open to parties other than those who are direct parties to the grievance.

Proceedings before the mediator shall be confidential, informal in nature and shall not be admissible in any subsequent hearing (arbitration or otherwise). No transcript or record of the mediation conference shall be made. In the event a resolution is reached, the parties may stipulate the unresolved issues in writing and submit them for arbitration.

(iv) Step Four – Within ten (10) working days of the conclusion of the mediation process, or if the mediation process is not utilized, then within ten (10) days of receipt of the City Manager's decision pursuant to step two of the grievance process, the Union may request arbitration.

(1) An arbitrator may be selected by mutual agreement between the City and the Union.

(2) Should the representatives fail to mutually agree on an arbitrator they shall make a joint request to the State Mediation and Conciliation Service for a list of five (5) qualified arbitrators. The parties shall each strike two (2) names from the list and the remaining person shall be accepted as the arbitrator. The first party to strike will be determined by the flip of a coin.

(3) The selected arbitrator shall conduct the hearing and report findings, conclusion and recommendations to the City Manager. It is understood that the arbitrator shall only interpret this Collective Bargaining Agreement and will in no instance add to, delete from or amend any part thereof.

(4) The parties to the grievance shall share equally in the cost of the arbitration, including but not limited to the arbitrator, witnesses and recordings.

ARTICLE 11 – DISCIPLINARY REVIEW PROCEDURE

11.1 NOTICE OF PROPOSED DISCIPLINE

(a) The Department Head or his/her designee shall, prior to taking disciplinary action to demote (except for demotion in lieu of layoff), discharge or suspend without pay for one (1) day or more a regular employee, provide the employee with a written notice of proposed disciplinary action which shall contain the charges and the specific factual basis for the charges and the nature of the proposed disciplinary action. Said notice shall inform the employee of his/her right to respond to the charges.

11.2 RESPONSE TO NOTICE OF PROPOSED DISCIPLINE

(a) The employee shall have the right to respond to the charges set forth in the Notice of Proposed Discipline, orally or in writing, within five (5) working days of receipt to said notice. Any written response shall be delivered to the Department Head or Department Head's designee within the time allowed. If the employee desires to respond orally, the employee shall make an appointment with the Department Head or Department Head's designee for a response

meeting within the time allowed. The employee may bring a representative of his/her choice to a response meeting.

(b) A letter of reprimand shall not be appealable to the City Manager, except the employee may have an administrative review of the reprimand by submitting a request in writing within five (5) working days to the human resources department. The Human Resources Director or designee will schedule a private meeting within five (5) working days of receipt of the written request to hear the employee's response. A final written decision will be rendered by the Director or designee within five (5) working days of the meeting. This section shall not be subject to the grievance procedure.

11.3 DISCIPLINARY ACTION

(a) After the employee's response is received or, if no response is received, after the five (5) working day period expires, the Department Head or Department Head's designee shall determine whether to proceed with the proposed disciplinary action and notify the employee in writing.

11.4 NOTICE OF DISCIPLINARY ACTION

(a) If the City Manager or designee decides to proceed with the disciplinary action, a Notice of Disciplinary Action shall be sent to the employee by mail. Said notice shall contain the charges, the factual basis for the charges, the disciplinary action which shall not be earlier than five (5) working days after the notice of proposed disciplinary action is sent to the employee. This notice shall inform the employee of the right to appeal the action.

11.5 APPEAL

(a) In cases of discharge, demotion (except for demotion in lieu of layoff]) and suspension without pay for five (5) days or more, the employee may appeal the disciplinary action by filing a Notice of Appeal containing a detailed statement of the grounds for appeal with the City Manager or designee within five (5) working days of receipt of Notice of Disciplinary Action. In cases of suspension without pay for one (1) day or more but less than five (5) days, the employee may file a formal grievance with the City Manager within five (5) days of receipt of Notice of Disciplinary action.

(b) By mutual agreement between the appointing authority or designee and the employee, an employee suspended from duty of five (5) days or less without pay may forfeit accumulated holiday, compensatory time off, and/or vacation accruals equal to the number of hours of suspension in lieu of such suspension. This provision shall not be subject to the grievance process. Even though the employee is no longer taking the suspended time off and giving their accrued leave in lieu of suspension, this section shall not in any way change the City's recording of the suspension.

11.6 ARBITRATION HEARING PROCESS

(a) If after consideration of the employee's appeal of and response to the disciplinary action, the City Manager or designee affirms the penalty imposed. The employee may appeal the decision of the City Manager to an arbitrator pursuant to this section. The appeal of the City Manager's decision must be made within five (5) working days of the issuance of the City Manager's decision to the employee. The date of issuance shall be calculated from the date of the postmark and the City Manager's decision to be sent to the employee at his/her home address. Within ten (10) working days of the City Manager's decision, the parties must select an arbitrator. If the parties cannot mutually agree upon an arbitrator, the arbitrator shall be selected from a list provided by the California State Mediation and Conciliation Service (CSMS). The CSMS list shall contain five (5) names of labor relations neutrals, and the parties shall alternately strike names from the list. The first strike shall be determined by lot. The last name remaining on the list shall be the arbitrator.

(b) The parties to this Agreement shall share equally the cost of the arbitration.

(c) The arbitrator will operate under the rules of proceeding of the American Arbitration Association unless such rules are in conflict with this Memorandum of Understanding.

(d) The arbitrator shall have no authority to add to, delete, modify, change, reconstruct or ignore this Memorandum of Understanding, City Policies, Rules and Regulations. Moreover, the arbitrator shall not have the authority to waive any time limits under this procedure; only the parties may do so by mutual Agreement in writing. The decision of the arbitrator shall be final, binding and conclusive on all parties.

(e) The appeal hearing before the arbitrator shall be conducted as a full evidentiary hearing with the right to represent witnesses in evidence, cross-examine opposing witnesses, representation by counsel and findings to support the decision. Said hearings shall be conducted in closed session. The City shall not be held to the evidentiary standard applied in criminal matters of proof beyond a reasonable doubt.

11.7 SUSPENSION PENDING ACTION

(a) The City Manager shall have the power to suspend the employee, with or without pay, during the period between the date the notice of proposed disciplinary action is sent and the date the disciplinary action becomes effective. The employee shall be reimbursed for any loss of pay or benefits incurred during this period and seniority shall not be negatively affected, should the disciplinary action be overturned or modified accordingly.

11.8 PROBATIONARY EMPLOYEES

(a) A new employee shall serve a 12-month probationary period during which he/she may be terminated from employment with the City without cause. Employees shall not be entitled to notice or hearing in the event they are terminated.

(b) An employee who has previously completed a requisite probationary period in his/her prior position and who is rejected during a subsequent probationary period for a promotional

appointment shall be reinstated to the former position from which the employee was appointed. If the employee was terminated for cause from employment during the promotional probationary period, the employee shall not be entitled to such reinstatement rights.

11.9 LIMITATION ON APPLICATION

(a) This section shall not apply to suspensions without pay of less than five (5) days, demotions in lieu of layoff, or any disciplinary actions not previously listed above. Employees shall be entitled to grieve disciplinary actions not covered by this section through the grievance procedure set forth in Article VIII of the Memorandum only; provided, however, that in the case of suspension of one (1) day or more but less than five (5) days, the City shall comply with this Article.

11.10PERSONNEL FILE ACCESS

(a) The employee shall have access to his/her personnel file with adequate notice to the Human Resources Department. An employee may request a copy of any item within his/her personnel file that was signed by the employee. The copies are to be made by the human resources staff and not by the requesting employee. In addition, employees have the right to attach a written response to any document in their personnel file.

(b) Parties to this Agreement recognize the confidential nature of the employees' personnel file(s). The City agrees to limit access to an employee's personnel file to regular employees who, by their position have a legitimate reason to review said files.

(c) An employee may petition to have a written reprimand removed from his/her personnel file after two years, and may petition to have a suspension of less than five days removed after five (5) years. The City shall only consider removing the written reprimand and/or the suspension of less than five (5) days if the disciplinary action had been noted in the employee's performance evaluation. Also, the City shall consider the removal of these disciplinary actions only if no subsequent disciplinary action has been taken against the employee since the date of the original action. However, removal of a disciplinary action from an employee's personnel file shall not bar the City from citing such action as evidence in any future disciplinary actions against the employee.

ARTICLE 12 – CLASSIFICATION

12.1 CLASSIFICATION

(a) New positions may be authorized by the City Council and added to the City's classification plan. However, no new position may be filled without the authorization of the City Manager, who in so doing, shall determine that sufficient funds are available by way of financial review prior to any recruitment commencing. When a new position is created, the department head must obtain the City Manager's approval to fill the position. The City Manager or designee shall then notify the department head as to the approval and method of filling said position.

(b) Except as provided by these rules, or otherwise, no person shall be appointed or employed to fill any new permanent part-time positions or regular full-time positions until the Classification Plan has been amended by the City Council.

(c) Prior to submission to the City Council, the Union shall be provided a copy of the proposed classification and be given the opportunity to meet and confer regarding any impact on current employees covered under this Agreement.

12.2 RECLASSIFICATION

(a) Positions whose duties and responsibilities have changed so as to depart significantly from an assigned class description or positions which have been structurally affected by organizational changes may be authorized by the City Manager for reclassification study. Such requests for study may be initiated by the City Manager whether generated by him/herself or through the direction from City Council. Upon approval of a reclassification study, the person studying the position shall in the course of such study consult with the affected employee, the employee's supervisor and department head, and gather any other information pertinent to issues related to the study. Upon the completion of the study, a report of the analysis and findings shall be submitted and recommendations made to the City Manager who shall consult with the appropriate department head and determine the disposition of the study. Recommendations on such study results may be submitted to the Personnel Committee for approval of reclassification and any related compensation issues.

Should such reclassification study involve the creation of a new classification, the study results may be approved or rejected by the Personnel Committee and the Council.

(b) Prior to submission to the City Council, the Union shall be provided a copy of the proposed reclassification and be given the opportunity to meet and confer regarding any impact on current employees covered under this Agreement.

(c) Upon reclassification of a position to a class which has a higher salary range then the previous class, the City Manager shall determine whether the incumbent meets the requirements of the new class. If the incumbent does not meet requirements of the new class, the City Manager shall determine the method and means of filling the position.

(d) Reclassification shall not be used for the purpose of prejudicial promotions or disciplinary demotions.

12.3 TEMPORARY WORK IN A HIGHER CLASSIFICATION

(a) Temporary assignments to higher classifications shall be permitted only in those classifications where in the judgment of the Department Head or designee, and it is found to be necessary to maintain proper and efficient departmental operations. An employee specifically assigned in writing to perform the duties of a higher classification for greater than three (3) consecutive working days, shall be compensated for the duration of the out-of-classification assignment by five percent (5%) above their current base pay or the salary provided for in Step 1 of the higher classification, whichever is greater, but not to exceed Step 7 of the higher classification. After

three (3) consecutive days, compensation for out of classification will be retroactively applied to the first day of the qualifying out-of-classification event. The temporary assignment will be defined by the Department Head with a specific start date and an end date, if the end date is known, or as soon as the end date is known.

(b) The City recognizes that temporary work in a higher classification shall not be used as a device for circumventing promotional opportunities.

(c) Temporary training assignments to higher classifications shall be permitted only in those classifications where in the judgment of the Department Head or designee, it is found to be necessary to maintain proper and efficient departmental operations. An employee specifically assigned in writing to perform the duties of a higher classification, shall be compensated for the hours trained for the duration of the out-of-classification training assignment by five percent (5%) above the employee's current base pay or the salary provided for in Step 1 of the higher classification, whichever is greater, but not to exceed Step 7 of the higher classification. The temporary training assignment will be defined by the Department Head with a specific start date and end date, if the end date is known, or as soon as it is known.

(d) Out-of-class training assignments in excess of three (3) months must be reviewed by the City Human Resources Manager or designee. The City Manager must give approval for the out-of-class assignment to continue.

ARTICLE 13 – TRANSFER AND PROMOTION

13.1 FILLING OF VACANT POSITIONS

(a) All recruitments to fill vacant positions shall be posted on the City's website for the period of time that applications are being accepted and a Citywide email notification of the posting shall be sent. Interested current, regular employees who apply and meet the minimum qualifications will be invited to the examination process. If they pass the examination, the employee will be interviewed for the position. If all qualifications are met, the City shall endeavor to fill vacant positions from in-house.

13.2 WORKSITE AND SHIFT TRANSFER

(a) The City reserves the right to transfer employees in accordance with the needs of the City.

(b) No bargaining unit employee shall be transferred as a punitive measure.

(c) No bargaining unit employee shall be permanently transferred between worksites without ten (10) days prior written notice.

(d) No bargaining unit employee shall be temporarily transferred without notice at least one day prior to said transfer, except in case of emergency.

(e) Temporary worksite transfers shall be for a period not to exceed thirty (30) working days.

13.3 VOLUNTARY POSITION TRANSFER

(a) Voluntary position transfer for this section shall mean a change of employment from one position to another in the same classification with similar duties in the same or different department.

(b) When the City decides to fill a vacancy and posts the vacancy in accordance with paragraph 13.1(a) of this section, employees in good standing, holding permanent full-time status in their classification, may request in writing to be reassigned should a position or shift assignment become vacant in their classification. Permanent status for purposes of this section shall mean an individual who has successfully passed the probationary period in the classification. Good standing for purposes of this section shall mean no formal disciplinary infractions in the preceding 12 months.

(c) The employee requesting the reassignment, or in the case of multiple requests for the same position, the employee with the greatest amount of continuous work location seniority in the class shall be selected over other employees. A vacancy shall be deemed to exist when a position is unoccupied as a result of retirement, transfer, termination, reassignment or new funding.

(d) The City agrees that it is desirable to offer transfer opportunities to qualified applicants from within the bargaining unit.

13.4 PROMOTION

(a) Employees in the bargaining unit shall be considered for job vacancies within the bargaining unit which can be considered a promotion, providing they are certified on the Employment Eligibility List for the vacancy.

(b) The City shall first consider all qualified City employee applicants for job vacancies and promotions within the City.

(c) Qualified City employee applicant shall mean a City employee who, at the time of application, meets the minimum qualifications for the vacant position or promotion, has performed their current duties in a satisfactory manner, is on the current Employment Eligibility List for the vacancy and has made proper application pursuant to the posted job vacancy notice.

(d) If after considering all qualified city employee applicants for a job vacancy or promotion, the City determines that consideration should be given to outside applicants (non-city applicants), the City shall provide timely, written notice to each non-selected applicant, and proceed accordingly.

(e) In no event shall any regular employee be subject to the loss of employment from the City for not successfully completing a promotional probationary period.

ARTICLE 14 – SAFETY AND TRAINING

14.1 SAFE CONDITIONS, EQUIPMENT AND DUTIES

(a) The City and its employees agree to maintain a safe and healthful place of work and to maintain safety as well as sanitary conditions in accordance with all applicable state laws. Unsafe working conditions or hazardous jobs which jeopardize the health and safety of the employees shall be directed to the attention of the City. The City shall investigate the complaint and make any and all corrective measures as deemed necessary by the City. The employees and the Union shall cooperate fully in carrying out safe practices and in using safety devices provided by the City.

(b) The City shall provide all needed and/or necessary safety equipment for the employee(s) to perform the normal tasks of their respective classification(s). These devices and equipment shall be customary safety appliances to safeguard the employees against danger to health life and limb. The City will make available to the employees updated training programs on safety matters and issues as it deems necessary. Such training will be provided as the City deems necessary and will include, but shall not be limited to, training on first aid, cardiopulmonary resuscitation (CPR), toxics and corrective procedures in dealing with toxics.

(c) Employees agree that the duties and tasks performed by them shall be performed in a safe and healthful manner.

14.2 TRAINING

(a) Employees interested in professional training shall submit written requests through their immediate supervisor. Such requests shall be reviewed by the supervisor with recommendations to the department head. Funding for the training shall be subject to available funds within the department budget, or if necessary and possible, through approved budget adjustments.

(b) The City shall pay to reimburse employees for all approved special training, licenses, and certificates, including renewals, so long as the employee successfully completes all phases of the training, license, and certification including passing required examinations.

(c) Training and testing should be scheduled during the employee's normal work day, whenever possible.

(d) When required and approved training and testing cannot be scheduled during the employee's normal work day/hours, the employee's time shall be compensated accordingly.

(e) The City will provide necessary equipment and/or tools necessary for training and/or testing, providing the training is required and approved by the supervisor.

14.3 TUITION REIMBURSEMENT

(a) The City agrees to reimburse employees for the cost of tuition, books, and fees, excluding parking, up to a maximum of $750.00 per semester or per quarter not to exceed $1,500.00 per calendar year.

(b) Pre-approval of tuition reimbursement must be obtained from the employee's supervisor and department head prior to starting the class. Tuition reimbursement is considered to be exhausted in the calendar year in which it is paid to the employee.

The educational pays will no longer be paid to employees as of the date of this MOU.

Example:

Prior to the new salary schedule being implemented:

A bargaining unit employee is currently at Step F and receives three educational pays at 5% each ($39.08/hr base pay, plus $6.16/hr. for three education pays).

After new salary schedule is implemented:

The same individual is now at Step D with a new base pay of $45.24/hr. The change does not lower the individual's salary; the individual has the same rate of pay.

ARTICLE 15 – REDUCTION IN FORCE

15.1 DISCIPLINARY REVIEW PROCEDURE

(a) An employee wishing to leave the classified service in good standing shall file a written resignation with the department head at least two (2) weeks before leaving the service, stating the effective date and reasons for leaving. The resignation shall be forwarded to the City Manager with a statement by the department head as to the resigning employee's service performance and other pertinent information concerning the cause for resignation. Failure of the employee to give the required notice shall be entered on the service record of the employee and may be cause for denial of future employment with the City. The resignation of an employee who fails to give notice shall be reported immediately by the department head to the City Manager.

(b) When a Friday is observed as a designated holiday for applicable employees, the resigning employee shall be paid for such Friday, provided the employee works at least one (1) day following the holiday prior to service separation.

15.2 LAYOFF

(a) Non-Discrimination in Work Force Reduction

(i) Layoffs and demotions which result from a reduction in force shall be made without regard to an employee's race, color, creed, national origin, religion, sex, age, or physical handicap.

15.3 LAYOFF PLAN

(a) The City Manager, in consultation with the City Council, shall determine the area(s) and position(s) in which layoffs may occur, including the identification of the department, division, work unit, class, and specific position. When a list of the affected areas and/or positions has been prepared, a copy shall be submitted to all affected and recognized employee organizations, and these regulations shall prevail as to the method and manner for implementing such layoffs. Layoffs of employees shall be on a city-wide, classification basis.

(b) Employees holding temporary, seasonal, part-time, probationary, or provisional appointments shall be laid off first. Employees serving in a regular part- time position shall be laid off second. Employees in classified service who have completed probation (i.e. regular classified employees) shall be laid off last.

(c) Should it become necessary to layoff regular classified employees, the person(s) laid off shall be those with the least service credit within an identified position in the affected department. If two (2) or more employees in this circumstance possess essentially the same amount of service credit, the City Manager shall determine which person shall be laid off on the basis of efficiency and effectiveness.

15.4 LAYOFF NOTIFICATION

(a) The City Manager shall give notice personally or in writing to the last known address to each employee affected by a layoff at least fifteen (15) working days prior to the effective date of such action. The notice shall include:

(i) The reason(s) for layoff;

(ii) Classes or positions to which the employees may transfer or demote within the department, if any;

(iii) Effective date of the action;

(iv) Rules regarding waiver of reinstatement and voluntary withdrawal from the reinstatement list; and

(v) Appeal right of the employee, excluding layoff resulting from abolition of the position.

15.5 REDUCTION IN FORCE

(a) Except in those instances where senior employees are not qualified to perform the remaining work duties seniority shall determine the order of layoff, which shall be in inverse order of seniority within each work classification, provided that any employee who is to be laid off and has previously served in a lower classification covered by this Agreement, may exercise

seniority rights to such a lower classification. Final determination of qualifications to perform remaining work duties shall be made by the City Manager, after discussion with the Union, and shall be a determining factor in allowing the displacement of a junior employee; however, where all factors considered are equal between employees, retention shall be on the basis of seniority.

(b) In those instances where an affected employee has not previously served in a lower classification and has more years of service to the City than those less senior employees in the lower classification, shall be placed in the said lower classification displacing the least senior employee in the lower classification. The displacing employee shall be subject to a six-month probationary period with a three and five-month reportable probationary evaluation.

15.6 LAYOFF OF BUMPED EMPLOYEE

(a) The employee laid off as a result of a displaced employee's reversion to a lower classification shall receive written notice of layoff not less than ten (10) working days prior to the effective date of the layoff.

(b) The names of regular full-time classified employees who have been laid off due to reduction in force shall be placed on an appropriate reinstatement list according to the date of separation on the following basis; last employee laid off is the first employee on the list with other employees eligible in sequential order thereafter. Such list shall be used by the appointing authority when a vacancy for that class is to be filled before certification of any other employment list.

15.7 REINSTATEMENT LISTS

(a) The eligibility of individuals on Reinstatement Lists shall extend for a period of one (1) year from the date of layoff. Individuals not responding to written notification of an opening within ten (10) working days shall have their names removed from the Reinstatement Lists.

15.8 NOTICE OF RECALL FROM LAYOFF

(a) Notice shall be given by Return Receipt Requested Mail and shall specify the date for reporting to work, which shall be not more than twenty-one (21) working days from the date the notice is received. Notice shall be deemed to have been received when sent to the last known address on file with the City, and attempted delivery or actual delivery is certified by the Postal Service. Upon receiving notice, the person on layoff shall have five (5) working days to accept or decline the recall opportunity.

(b) An employee who fails to respond to writing within five (5) working days, refuses recall, or fails to report on the prescribed date within the twenty-one (21) working days maximum, thereby waives all further right to recall and reinstatement as an employee. When recall is declined, the City will proceed to the next person on the reinstatement list and follow the same notice and response procedure. This process will continue through the list until recall needs are met or until the list is exhausted. Reinstated persons shall receive the following upon return to service:

(i) Retention of regular full-time service length accrued as of date of layoff.

(ii) The salary for the classification in effect as of the date of return, at the same step level as the date of layoff, not to exceed the top step.

(iii) The accrual rate of vacation and sick leave in effect for the employee's service length and class at the time of rehire. The insurance contributions shall be at the level of a new employee. All other benefits and programs shall be consistent with those provided to new hires.

15.9 RESIGNATION IN LIEU OF RECALL

(a) An employee who elects to resign in lieu of layoff or while laid off shall forfeit all rights to reinstatement, and shall be entitled only to those rights under normal separation of service.

ARTICLE 16 – MISCELLANEOUS

16.1 DUES DEDUCTION

(a) General

(i) The City shall start or stop deductions for dues or benefit premiums, or both, following receipt of notice from the Union that authorization has been provided to the Union by an employee in the Unit. Should there be a dispute regarding the deduction of dues, the Union shall provide the City with a copy of the authorization(s) signed by the employee.

(ii) The Union, in consideration for and as a condition of the City withholding and transmitting payroll and benefit deductions authorized by this Section and in compliance with SB 866 shall hold harmless the City of Lincoln, it's officers, and employees from any liability that may result from making, canceling or changing requested deductions.

(b) Exceptions to Dues Deduction Authorization Card

(i) The member's earnings must be sufficient after other legal and required deductions are made to cover the amount of the dues deduction authorized. When a member is in a non-pay status for an entire pay period, no dues deduction shall be made from future earnings to cover that pay period, nor may the member be required to deposit, nor may the member deposit with the City of Lincoln, the amount which would have been deducted if the member had been in a pay status during that period. In the case of a member who is in a non-pay status during only a part of the pay period and whose salary is insufficient to cover other legal and required deductions, no dues deduction or deposit shall be made.

(c) Dues Deduction Check

(i) Dues deductions will be transmitted at least monthly.

(ii) The City agrees to provide the Union with an electronic file that shows the total amount authorized for deduction from each member's check.

16.2 FULL UNDERSTANDING, MODIFICATION, WAIVER

(a) The parties jointly represented to the City Council that this Memorandum of Understanding sets forth the full and entire understanding of the parties regarding the matters set forth herein.

(b) Except as specifically otherwise provided herein, it is agreed and understood that each party hereto voluntarily and unqualifiedly waives its rights and agrees that the other shall not be required to meet and confer with respect to any subject or matter covered herein, nor as to wages or fringe benefits during the period of the term of this Memorandum. The foregoing shall not preclude the parties hereto from meeting and conferring at any time during the term of this Agreement with respect to any subject matter within the scope of the meeting and conferring for a proposed Memorandum of Understanding between the parties.

16.3 SEPARABILITY OF PROVISIONS

(a) Should any provision of the Memorandum of Understanding be declared illegal by final judgment of a court of competent jurisdiction, such invalidations of such provisions shall not invalidate the remaining portions thereof; and such remaining portions shall remain in full force and effect for the duration of the Memorandum of Understanding.

16.4 NO STRIKE CLAUSE

(a) During the term of this Agreement, neither the Union nor its agents, for any reason, will authorize, institute, and condone or engage in a work closedown, work stoppage, strike or any other interference with the work and statutory functions of obligations of the City.

16.5 NO LOCKOUT

(a) No lock out of employees shall be instituted by the City during the term of this Agreement.

(b) All articles and section within the Memorandum of Understanding, April 1, 2015 thru March 31, 2018, not otherwise discussed and/or modified in the current negotiation process shall roll over into this new memorandum of Understanding.

ARTICLE 17 – AGREEMENT

This Agreement shall be in force from April 1, 2026 through March 31, 2027.

This memorandum of understanding is hereby executed this _____ day of _____, 2026, by the Employer-Employee Representatives whose signatures appear below on behalf of their respective organizations.

FOR THE CITY:

Richard Pearl
Mayor
City of Lincoln

Whitney Eklund
Mayor Pro Tem
City of Lincoln

Sean Scully
City Manager
City of Lincoln

Veronica Rodriguez
Human Resources Director

Douglas White
City Attorney
(As to Form Only)

FOR THE UNION:

Tim Eggen
Business Manager-IUOE Trustee
IUOE, Local 39

Jeff Gladieux
President
IUOE, Local 39

Brandy Johnson
~~Director of Public Employees~~
IUOE, Local 39

Macy Sherman
~~Business Representative~~
IUOE, Local 39

Dan Friese
Team Member

Jason Duckworth
Team Member