

ARTICLE 1 – TERMS OF AGREEMENT

This Memorandum of Understanding (MOU) shall be binding on the City and the PDEO when approved by the PDEO general membership and the City Council.

Except as otherwise provided herein, this MOU shall be in full force and effect for a term of three years, from July 1, 2023 through June 30, 2026.

Any employment policies, practices and/or benefits that were in effect as of the date of signing of this MOU shall be deemed incorporated into this MOU, unless otherwise stated herein.

The parties agree that the disciplinary and grievance procedures set forth in the City's Personnel Ordinance shall govern during the term of this Memorandum of Understanding.

In the event of a conflict between the MOU and an existing policy and/or practice, this MOU provision shall govern.

The City and the PDEO agree that this MOU contains all of the covenants, stipulations, and agreements of the parties.

The City shall meet and confer in good faith with the PDEO on all matters related to the salaries, benefits and other terms and conditions of employment, in accordance with the Myers-Milias-Brown Act.

ARTICLE 2 – AMENDMENTS AND MODIFICATIONS

2.1 Modification

The City and the PDEO agree, understand and reserve the right, to meet and confer in good faith, at any time, with respect to any subject or matter covered in this MOU in order to amend or make modifications to this MOU. Any changes to this MOU must be approved by the PDEO general membership and City Council.

2.2 Severance Clause

In the event that a court finds any provision(s) of this MOU to be invalid, unenforceable, or contrary to law, such provision shall be severed from this MOU and will not be applicable, performed, or enforced, except to the extent permitted by law. The parties agree that all the other provisions of this MOU shall remain in effect.

The parties further agree to meet and confer in good faith for purposes of negotiating an alternative to any severed provision.

ARTICLE 3 - REPRESENTATION

In accordance with the MMBA and the EERO, the City of Palm Desert recognizes the PDEO as the exclusive representative of all general and non-supervisory employees as listed in Appendix A of this agreement.

The PDEO recognizes the City Manager as the exclusive representative for the City for purposes of entering into this MOU.

ARTICLE 4 - COMPENSATION

4.1 Compensation

The Grade, Step and Wage Rates Schedule for employees covered by this Agreement is set forth in the Allocated Positions and Salary Resolution adopted by the City Council.

Salaries will be increased by the following amounts on the first full pay period following the effective date:

- A. July 1, 2023: The salary schedule will increase by 3.5% and employees not “y-rated” shall receive a 3.5% increase, and employees who are “y-rated,” shall receive a one-time stipend of up to 3.5% of base salary.
- B. July 1, 2024: The salary schedule will increase by 3.25% and employees not “y-rated” shall receive a 3.25% increase, and employees who are “y-rated,” shall receive a one-time stipend of up to 3.25% of base salary.
- C. July 1, 2025: The salary schedule will increase by 3.0% and employees not “y-rated” shall receive a 3.0% increase, and employees who are “y-rated,” shall receive a one-time stipend of up to 3.0% of base salary.

4.2 Night Differential Pay

Employees who are assigned to perform their duties between the hours of 6:00 p.m. and 6:00 a.m. for a special project (and for whom the majority of hours fall after 6:00 p.m.) are eligible for night differential pay at the rate of \$2.50 per hour. This does not apply to employees assigned to standby duty and receiving standby pay.

Night differential pay will be subject to the following regulations:

- Night Differential schedules must be pre-approved by the Department Head;
- Night Differential amount paid will be \$2.50 per hour;
- Employees on “stand-by” and receiving stand-by pay who are called back to work are not eligible for Night Differential, because they have already been compensated through the ‘stand-by’ and ‘call-back’ provisions;
- In order to qualify, the majority (greater than 50%) of the work must be performed between the hours of 6:00 p.m. and 6:00 a.m.

4.3 Working on Holidays

- A. Non-exempt employees may be paid at the overtime rate when required to work on a scheduled holiday. In order to receive the overtime rate for holiday work the following conditions must be met:
- The employee must work at least forty (40) hours in the same workweek the holiday falls in (holiday hours count towards hours worked when computing the total for the workweek);
 - The employee cannot have been scheduled an alternate day off in the same workweek;
 - If the employee takes sick or vacation time during the same workweek, such time shall not be counted as hours worked for the computation of overtime.
- B. Employees scheduled to work on the July 4 holiday shall be credited with an additional floating holiday (eight hours), which must be used during the same calendar year.

4.4 Stand By and Call Back Pay

When a nonexempt employee is scheduled for uncontrolled standby duty, such employee will be considered to be on-call. “On-call” means and includes that period of time, other than regularly scheduled work time, during which an employee may be called back to provide services that are the responsibility of the department in which the employee is employed.

During this period of “on-call”, the employee is free to engage in the employee’s regular activities so long as the employee is available to respond by phone or email within a reasonable period of time, typically one hour, and is in a condition to work.

Such employee shall be compensated by a payment at the employee’s regular rate of pay in the workweek in which standby duty was incurred in accordance with the following:

- A. Two hours per day, each weekday;
- B. Three hours per day, each Saturday, Sunday or holiday.

“Callback” means and includes those occasions when a nonexempt employee reports to duty during off-duty hours responding to a city request made after the employee has completed the normal shift and left the workstation.

When a nonexempt employee is called back for duty during off hours, such employee shall receive a minimum of two hours for all work performed plus time worked in excess of two hours. Such employee shall be compensated by a payment at the rate of one and one-half times the employee’s regular rate of pay in the workweek that callback duty incurred.

For purposes of callback, time spent by the employee in traveling to and from the employee’s place of residence to the work area shall not be considered hours worked.

4.5 Bilingual Pay

Employees who have the ability to provide bilingual services in Spanish or a City Manager-approved second language may be designated as a bilingual employee required to use their skills as a part of their City employment. This designation must be made by the appropriate department head and approved by the City Manager or designee in writing. Designated employees shall receive a stipend of \$25 per pay period. Eligible employees must successfully complete an initial assessment test to receive such designation. An employee who fails the assessment test may re-take the test every six (6) months. Employees on any form of leave time in excess of (1) month shall be ineligible to receive bilingual pay until the employee returns to duty.

Employees receiving bilingual pay may be used by any department to provide bilingual services.

4.6 Deferred Compensation (457b) Match

The City shall provide a 457b plan intended to assist in planning for retirement. The City agrees to match unit members' contributions up to \$100 per month (NTE \$1,200 per calendar year).

ARTICLE 5 – BENEFITS

The City's Personnel Ordinance shall govern eligibility for benefits. Benefits in place on July 1, 2023 shall continue during the term of this agreement unless the PDEO and City meet and confer, and reach agreement, on proposed changes.

5.1 Employee Flexible Benefits – “Cafeteria Plan”

The City shall provide its employees with health, vision, and dental plan benefits through an IRS Section 125 Flexible Benefits Plan. This plan is referred to as the “Cafeteria Plan” because it offers a “menu” of benefits choices. The plan provides premium coverage for health, dental and vision insurance plans. In addition, the City will provide a flat \$75.00 monthly flex plan credit to the cafeteria plan which can be used toward the purchase of benefits, placed in a Flexible Spending Account or received as taxable cash via payroll. Employees who choose the lowest cost health plan available are eligible for additional flex plan credits, with the amount based on family size as follows:

Single:	\$50 monthly
Two-Party:	\$75 monthly
Family:	\$100 monthly

Those employees who ‘opt out’ of the City provided health plans and provide proof of coverage elsewhere and coverage participants, shall receive a flat monthly stipend as followed:

Single:	\$250 monthly
Employee +1 or more:	\$500 monthly

(a) Health Insurance Benefits

The Flexible Benefits Plan will provide premium coverage (with no employee contribution) for employees and their dependents who choose a plan other than the most expensive plan offered. Employees who choose the most expensive plan will be responsible for paying the difference in premium the 2nd most expensive plan and the selected plan.

Eligible dependents for Health Care Coverage are defined by CalPERS and include spouse, domestic partner, and children (including foster, step and economically dependent) up to age 26.

(b) Dental Benefits

The City shall provide its employees and eligible dependents with Dental Benefits. Eligible dependents for Dental coverage are spouse, domestic partner and children (including foster, step and economically dependent) up to age 26.

The basic Dental benefit shall provide a maximum dollar limit of \$2,000 per year along with additional orthodontia and implant coverage (\$1,000 lifetime benefit at a 50% co-pay).

(c) Vision Benefits

The City shall provide its employees and eligible dependents with Vision benefits. The plan will provide basic exams and single vision lenses annually. It will also provide frames, up to \$180.00, every 24 months. The benefit will include an option for contact lenses. Eligible dependents for Vision coverage are spouse, domestic partner and children (including foster, step and economically dependent) up to age 26.

5.2 Retiree Health Stipend Program

The City offers a Retiree Health Stipend Program to assist long-term employees, hired on or before December 31, 2014, in offsetting the cost of health insurance in retirement. The program's provisions are dependent on hire date and are set forth in a Resolution adopted by City Council and included here as Appendix B.

a. Funding for the Retiree Health Stipend Program

The City maintains an independent trust fund for the purpose of providing retiree health stipend payments. An actuarial report is used to determine the funded status of the plan, which is reported in accordance with Governmental Accounting Standards Board (GASB) Statement 45. Future contributions to the fund will be subject to actuarial reporting and Council approval during the yearly budget process.

5.3 Retiree Health Savings Plan (RHSP) and 401a Plan for Post-Retirement Health Benefits

Employees hired on or after January 1, 2015 are automatically enrolled in the City's Retiree Health Savings Plan and subject to a mandatory contribution of 1% of base salary. The City will contribute a matching 1% of base salary to the plan. City

contributions are subject to a five-year vesting schedule. The plan is subject to IRS regulations and contributions are non-elective. Employees may direct the investments of their individual accounts. The intended purpose of the plan is to provide employees with a tax advantaged savings vehicle for post-retirement health benefit premiums.

Employees hired after January 1, 2015 are also eligible to participate in a 401A plan for tax deferred savings. Employees may contribute up to 10% of salary and the City will make a matching contribution of up to 2% of salary. This plan is subject to IRS regulations. Elections must be made within thirty (30) days of hire and are non-revocable.

5.4 Short Term Disability Insurance

The City agrees to offer a voluntary program of Short Term Disability Insurance which interested employees may purchase through payroll deduction. This plan is not intended to take the place of accrued sick leave. It is provided as a “safety net” for those employees who choose to purchase it.

5.5 California Public Employees Retirement System (CalPERS) Contract

Employees hired BEFORE September 1, 2011:

Regular employees hired prior to September 1, 2011 will be enrolled in CalPERS under the retirement formula of 2.7% at age 55.

Employees shall pay 8% of salary, employee portion, to CalPERS.

Along with the 2.7% @ 55 formula the following benefits are included in the CalPERS contract for employees hired prior to September 1, 2011:

- a. Post-Retirement Survivor Allowance (PRSA) 50%. Upon the death of a retiree, the PRSA, 50% of the unmodified allowance, will continue to an eligible survivor. – Section 21624/21626
- b. Increased Level of 1959 Survivor Benefits (level 2) (Benefit payable to eligible survivors if the member's death occurs during employment.) – Section 21572
- c. Credit of Unused Sick Leave. Any unused sick leave days will be converted to service credit at the rate of 0.004 years of service for each day of sick leave, provided there is less than 120 days between the member's separation date and retirement date. – Section 20965

- d. Industrial Disability Retirement. A miscellaneous member may qualify for an Industrial Disability Retirement (IDR) if they are unable to perform the duties of their job because of a job-related injury or illness. – Section 21151
- e. Improved Non-Industrial Disability Allowance. If a member retires on a non-industrial disability, the allowance would be equal to 30% of final compensation for five (5) years of service credit and 1% for each additional year of service credit to a maximum of 50% of final compensation. – Section 21427
- f. One-year Final Compensation (Final compensation calculated using the last (or highest) twelve (12) consecutive monthly pay rates.) – Section 20042
- g. COLA 2% - Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis of 2% maximum. However, the adjustment may not be greater than the change in the Consumer Price Index. – Section 21329
- h. Retired Death Benefit \$500 – Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate. – Section 21620

Employees hired between September 1, 2011 and December 31, 2012 and Classic Members:

Regular, full-time employees hired between September 1, 2011 and December 31, 2012 and regular part-time employees who worked more than 1,000 hours, as well as Classic Members as referenced below, will be enrolled in CalPERS under the retirement formula of 2% at age 55.

Employees in this tier pay 7% of salary to CalPERS.

Along with the 2% @ 55 formula, the following benefits are included in the CalPERS contract for these employees:

- a. Post-Retirement Survivor Allowance (PRSA) 50%. Upon the death of a retiree, the PRSA, 50% of the unmodified allowance, will continue to an eligible survivor. – Section 21624/21626
- b. Increased Level of 1959 Survivor Benefits (level 2) (Benefit payable to eligible survivors if the member's death occurs during employment.) – Section 21572

- c. Credit of Unused Sick Leave. Any unused sick leave days will be converted to service credit at the rate of 0.004 years of service for each day of sick leave provided there is less than 120 days between the member's separation date and retirement date. – Section 20965
- d. Industrial Disability Retirement. A miscellaneous member may qualify for an Industrial Disability Retirement (IDR) if they are unable to perform the duties of their job because of a job-related injury or illness. – Section 21151
- e. Improved Non-Industrial Disability Allowance. If a member retires on a non-industrial disability, the allowance would be equal to 30% of final compensation for five (5) years of service credit and 1% for each additional year of service credit to a maximum of 50% of final compensation. – Section 21427
- f. COLA 2% - Beginning the second calendar year after the year of retirement, retirement and survivor allowances will be annually adjusted on a compound basis of 2% maximum. However, the adjustment may not be greater than the change in the Consumer Price Index. – Section 21329
- g. Retired Death Benefit \$500 – Upon the death of a retiree, a one-time lump sum payment of \$500 will be made to the retiree's designated survivor(s), or to the retiree's estate. – Section 21620

Employees hired AFTER January 1, 2013:

Employees hired on or after January 1, 2013, are subject to the Public Employees Pension Reform Act (PEPRA) and receive benefits as classic or new members based on the terms of PEPRA as defined by CalPERS. .

Those designated as "New" members (no prior CalPERS service or greater than a six-month break in service) are enrolled in the retirement formula 2% @ 62 and subject to the terms outlined in PEPRA.

Members defined by CalPERS as "Classic" (those with qualifying CalPERS service within the prior six months) are enrolled in the retirement formula 2% @ 55 as noted above.

5.6 Sick Leave Accrual and Maximums

All employees hired on or after July 1, 2017, shall be subject to a maximum sick leave accrual of 500 hours. Such employees who reach the maximum shall cease to accrue sick leave until such time as their balance falls below 500 hours, at which time they will begin accruing at the normal accrual rate until they reach the maximum.

Employees hired on or BEFORE June 30, 2017:

Beginning July 1, 2023, employees hired on or before June 30, 2017, shall be subject to a maximum sick leave accrual of 500 hours with the following provisions:

- a. Employees having more than 500 hours will cease to accrue sick leave until such time as their balance falls below 500 hours, at which time they will accrue the regular accrual rate per pay period until they reach the maximum.
- b. Hours in excess of 500 will not be forfeited. They will remain in the employee's account and may be used for paid sick leave or converted to pension service credit at retirement (subject to the rules of both programs.)
- c. Only forty hours per calendar year in excess of 500 will be eligible for "cash-out" on or after July 1, 2023, as agreed upon by both parties. The balance up to 500 hours may be cashed out according the schedule contained in Palm Desert Municipal Code (PDMC) Section 2.52.710.

5.7 Vacation Leave Accrual and Maximums

All employees hired on or after July 1, 2017, shall be subject to the following vacation accrual schedule:

- All employees - two-weeks + 1 day per year of service, up to a maximum of 10 additional days per year (total of 20 days per year);
- Group B (mid-management) – additional one week for up to a maximum of 25 days per year;
- Group A (management) – additional two weeks for up to a maximum of 30 days per year.
- Group X – per contract.

All employees hired on or after July 1, 2017 shall be subject to a maximum accrual balance equal to two times their annual accrual rate. At no time may their balance exceed that amount. If the maximum is reached the employee will cease to accrue vacation leave until such time as their balance drops below the maximum (this can occur at any time during the year.)

6. Holidays

For the duration of the MOU, Christmas Eve and New Years Eve are declared full-day holidays in accordance with PDMC 2.52.700. City Hall will be closed on these days, and full-time employees shall be credited with eight (8) hours of holiday pay for each day. For employees on the alternative work week, and if scheduled to work nine (9) hours, the employee can either use one hour of vacation, floating holiday, or comp time OR work an additional hour during the week of the holiday, with approval from his/her supervisor.

Additionally, during the duration of the MOU, employees shall receive an additional floating holiday (8 hours) for a total of two floating holidays (16 hours) per calendar year.

Attachment A – Represented Positions

Accountant
Accounting Technician I/II
Administrative Assistant I/II
Assistant Planner I/II
Associate Planner I/II
Business Enterprise Systems Administrator
Building Inspector I/II
Buyer
Chief Inspector
Code Compliance Officer I/II
Communications Analyst I/II
Deputy Clerk I/II
Executive Assistant (non-confidential)
Facilities Specialist
Housing Program Technician
Land Development Technician
Landscape Inspector
Street Maintenance Worker I/II
Street Maintenance Worker/Equipment Operator III
Management Analyst I/II
Marketing Specialist
Office Assistant I/II
Permit Technician I/II
Project Manager
Project Technician
Public Works Inspector I/II
Receptionist
Records Coordinator
Senior Administrative Assistant
Senior Building Inspector
Senior Deputy Clerk
Senior Facilities Specialist
Senior GIS Administrator
Senior Information Systems Administrator
Senior Street Maintenance Worker
Senior Network Engineer
Social Services Coordinator
Special Events Coordinator
Traffic Signal Specialist
Traffic Signal Technician I/II

City of Palm Desert and PDEO MOU
July 1, 2023 – June 30, 2026

PDEO Board**City**

6/22/2023

Date

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Cora Gaugush

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Cora Gaugush
PDEO Board Member

6/22/2023

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Jose Rojas

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PDEO Board Member

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Kevin Swartz

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John Urkov

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PDEO Board Member

6/22/2023

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Alex Vasquez

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Alex Vasquez
PDEO Board Member

6/22/2023

Date

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Martin Alvarez

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Martin Alvarez
Director of Public Works

6/26/2023

Date

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Veronica Chavez

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Veronica Chavez
Director of Finance

6/26/2023

Date

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Amy Lawrence

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Amy Lawrence
Deputy Director Economic Development

6/26/2023

Date

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Amber Molina

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Amber C. Molina
Human Resources Analyst

6/27/2023

Date

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Melanie Ramirez

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Melanie Ramirez
Senior Management Analyst

6/27/2023

Date

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Andrea Staehle

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Andrea Staehle
Human Resources Manager

ATTEST:

6/27/2023

Date

DocuSigned by:

Anthony J. Mejia

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Anthony J. Mejia, MMC
City Clerk
City of Palm Desert