

MEMORANDUM OF UNDERSTANDING

TOWN OF HILLSBOROUGH
AND
TEAMSTERS UNION LOCAL NO. 856 I.B.T.
Public Works and Clerical Unit

**Public Works and Clerical Employees Unit
Memorandum of Understanding 2007-2011**

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The Memorandum of Understanding ("MOU") between the Town of Hillsborough ("Town") and Teamsters Union Local No. 856, I.B.T. ("Union") representing the Public Works and Clerical Employees Unit for the period of January 1, 2007 through December 31, 2011 shall read as follows:

I. GENERAL

1. Bargaining Unit

The bargaining unit shall include all allocated positions of:

- Account Clerk I/II/III/IV
- Service Clerk I/II
- Secretary
- Building Inspector I/II
- Lead Worker
- Maintenance Worker I/II
- Maintenance Craftsworker
- Public Works Inspector I/II

2. Management Rights

Except as modified by this MOU, it is understood and agreed that the Town retains all of its rights, power and authority to direct, manage and control the Town to the full extent of the law. The exercise of powers, rights, authority, duties and responsibilities by the Town, the adoption of policies, rules, regulations and practices in furtherance thereof, the use of judgment and practices in furtherance thereof, and the use of judgment and discretion in connection therewith shall be limited only by the specific and express terms of this MOU and then only to the extent such specific and express terms are in conformance with the law.

Any of the rights, powers, authority and functions that the Town possessed prior to the execution of this MOU are retained by the Town except as specifically limited by this MOU.

Nothing in this section shall be construed to excuse the Town from its obligation to meet and confer with the Union regarding any subject or matter not set forth in this section where required to do so by statute.

3. Union Rights

Communications with Employees

The Union shall be provided suitable space on a bulletin board at the work location for posting notices concerning official Union business.

Advance Notice

Except in cases of emergency as provided below in this subsection, the Union, if affected, shall be given reasonable advance written notice of any ordinance, resolution, rule or regulation directly relating to matters within the scope of representation proposed to be adopted by the Town and shall be given the opportunity to meet and confer with the appropriate management representatives prior to adoption.

In cases of emergency when the foregoing procedure is not practical or in the best public interest, the Town may adopt or put into practice immediately such measures as are required. At the earliest practicable date thereafter, the Union shall be provided with the notice described in the preceding paragraph and be given the opportunity to meet and confer with the appropriate management representatives. As used herein, "emergency" shall mean any situation in which proper management of the Town requires immediate action, or in which immediate action is necessary for the preservation of life or property.

List of Unit Employees

The Town shall furnish the Union with the names, initial rate of pay, classifications and dates of hire of employees newly assigned to the unit and employees leaving the unit. The Town shall provide the Union with current rates of pay for all employees in the bargaining unit once per year.

4. Maintenance of Membership

Employees who are members of the Union or become members of the Union during the term of the MOU shall remain members of the Union during the term of the MOU provided, however, employees may withdraw from Union membership in the thirty (30) day period which occurs beginning October 1 of each calendar year by notifying the Town and the Union by registered letter of such intent to withdraw during said thirty day period.

The Town agrees to deduct on a monthly basis the periodic membership dues from the paycheck of each employee who voluntarily executes and delivers to the Town a valid dues check-off authorization form. Voluntary check-off authorization for Union dues which were executed prior to the implementation of this MOU shall remain in full force and effect.

The Town shall not be required to collect any special assessments or similar short-term changes in rate. Initiation fees will not be considered a special assessment.

The Union shall indemnify and hold the Town, its officers and employee harmless from any cost of liability resulting from any and all claims, demands, suits or any other action arising from the operation of this provision or from the use of the moneys remitted to the Union, including the costs of defending against any such actions or claims. The Union agrees to refund to the Town any amounts paid to it in error.

5. Union Representatives

Union representatives may visit work locations where bargaining unit members are performing work provided, however, they shall not interfere with the normal conduct of work or duties of the employees as determined by the City Manager. The Union representative shall first advise the City Manager or his or her designated representative of his or her presence on the premises before contacting any employee covered by this MOU.

Activities such as the soliciting of membership, collection of dues, holding membership meetings, campaigning for office, conducting elections and distributing literature are strictly prohibited during working hours without the prior approval of the City Manager or his or her representative.

Except for the purpose of meeting and conferring for a new MOU, only one on-duty unit member designated as a steward shall be permitted to represent unit members or otherwise engage in activities on behalf of the unit at any time.

In the event the Town believes that the Union representatives are abusing the provisions of this Section, it shall contact the Union in writing to arrange a mutually acceptable time and place to investigate the Town's complaint and to assure full compliance by the Union representative.

6. Personnel Files

An employee, or on presentation of written authorization from the employee an employee's representative, shall have specific access to the employee's personnel file upon request and reasonable convenience of the City Manager's Office. Documentation in the personnel file relating to the investigation of a possible criminal offense, background information on the employee and letters of reference may be specifically excluded from the inspection and review by the employee and/or the employee's representative. Information which would be privileged under State law pursuant to the attorney-client privilege or the work product doctrine may also be excluded. Personnel files may only be reviewed in the presence of a designated employee of the City Manager's Office. The Town will provide employees with copies of their personnel evaluations and warning letters, if any. Upon request, the employee may at his or her expense copy those portions of his or her personnel file not specifically excluded from review by this section.

7. Separability

If any section of the MOU should be found invalid, unlawful or unenforceable by reason of any existing or subsequently enacted legislation or by judicial authority, all other articles and sections of this MOU shall remain in full force and effect for the duration of the MOU. In the event of invalidation of any article or section, the Town and the Union agree to meet within 30 days for the purpose of renegotiating said article or section.

8. Maintenance of Benefits

All rights, privileges and terms and conditions of employment in full force and effect prior to this MOU and not in conflict herewith shall become a part hereby and remain until thereby mutually modified by the parties hereto.

9. Sole and Entire Agreement

The parties acknowledge that during the negotiations which resulted in this MOU each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from this area of meeting and conferring, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this MOU. Except as provided below, for the life of this MOU each party voluntarily and unqualifiedly waives the right to, and each agrees that the other shall not be obligated to, meet and confer with respect to any subject or matter referred to or covered by this MOU.

10. No Discrimination

There shall be no discrimination by either Union or Town on any basis prohibited by State or Federal law or on account of any legitimate Union activity.

11. New Work

The Town agrees to meet and confer if required by State statutory or case law concerning the impact of new equipment or machinery on the bargaining unit.

II. COMPENSATION

12. Salary

Salaries for the unit are displayed in Appendix A. Appendix A will be updated annually and available on the Town's website.

Salary increase for 2007 and 2009

Effective with the first full pay period in January 2007 and January 2009, salaries of unit employees shall be increased at a rate equal to the October Consumer Price Index "All Urban Consumers" for the San Francisco/Oakland/San Jose area (information available from the Bureau of Labor Statistics on December 1). This increase shall not be less than a minimum of three (3) percent or exceed a maximum of five (5) percent.

Salary increase for 2008 and 2010

In December of 2007 and 2009 the Town shall conduct salary surveys for the benchmark positions of:

- Account Clerk II
- Maintenance Worker II
- Secretary and
- Building Inspector II

Agencies used in the survey will be:

Belmont
Burlingame
Foster City
Millbrae
San Bruno
San Carlos
San Mateo

The Town will determine which agency holds the third rank in the survey and the percentage increase required to bring Hillsborough's top step equal to the third ranking. The increase will be no less than a minimum of one (1) percent. The salary numbers surveyed shall reflect the actual or projected salary as of January 1st of the following year. In the event a survey city is operating with an expired collective bargaining agreement, a salary increase equal to the October SF-OAK-SJ CPI-U will be included with the salary figure.

The relationships between classes in a series will be maintained as follows:

Account Clerk Series

- Account Clerk I – Steps A and B shall be 10% and 5% respectively below Step A Account Clerk II
- Account Clerk III – Steps D and E shall be 5% and 10% respectively above Step E Account Clerk II
- Account Clerk IV – Steps D and E shall be 5% and 10% respectively above Step E Account Clerk III

Maintenance Worker Classes:

- Maintenance Worker I – Steps A and B shall be 10% and 5% respectively below Step A Maintenance Worker II
- Maintenance Leadworker – Step E will be 18% above Maintenance Worker II Step E
- Public Works Inspector – Step E will be 18% above Maintenance Worker II Step E
- Maintenance Craftworker – Step E will be 15% above Maintenance Leadworker Step E

Secretary (Clerical) Classes:

- Service Clerk I – Steps A and B shall be 10% and 5% respectively below Step A Service Clerk II
- Service Clerk II – Step E will be 18% below Secretary Step E

Building Inspector Classes:

- Building Inspector I – Steps A and B shall be 10% and 5% respectively below Step A Building Inspector II

Salary increases will become effective with the first full pay periods in 2008 and 2010.

Salary increase 2011

Effective with the first full pay period in 2011, salaries of employees shall be increased by four (4) percent.

New employees will be appointed at Step A. With the approval of the City Manager, Department Heads can recommend that candidates be appointed to a position at any step within the range.

Upon the employee's successful completion of the probationary period, the Department Head shall recommend to the City Manager the advancement of the employee's salary to Step B. Every 12 months thereafter following a performance evaluation, the Department Head shall make a recommendation regarding the employee's advancement to the next step in the salary range.

In recognition of an exemplary performance evaluation, a Department Head can recommend that an employee's salary be adjusted to the next step in the range at any time.

Upon the Department Head's recommendation, employees who have served two years in an entry-level "I" position, and who receive average or above average evaluations shall be reclassified to a journey-level "II" classification.

13. Overtime

Hours worked in addition to an employee's regularly scheduled shift of eight hours or more shall be compensated at an overtime rate of one and one-half hours pay for each hour worked (e.g.: If an employee is normally scheduled to work eight hours in a day, the ninth hour will be paid at the overtime rate; if an employee is scheduled to work nine hours, the tenth hour will be paid at the overtime rate, etc.). The employee can choose to receive overtime as compensation or as compensatory time off (CTO).

All members who work in excess of eighty (80) hours in a two (2) week work period shall also be eligible for overtime for each hour worked in excess of eighty.

The maximum amount of CTO that may be accrued is fifty (50) hours. An employee who has reached the limit shall be paid overtime compensation in cash for any additional overtime worked.

Overtime work which becomes available at the end of an employee's regularly scheduled shift on the identifiable project on which the employee is working shall be offered first to that employee.

14. Call Back Pay

Compensation for a call back shall be earned at a minimum of two (2) hours and shall be compensated either in pay or compensatory time at the rate of one and one-half times the regular hourly rate of pay of the employee. Employees shall be paid for up to sixty (60) minutes travel-time to work (no compensation shall be given for travel time away from work).

In an emergency where property may be damaged or there is a danger to public health or safety, the Town may call any employee to report back to work.

For non-emergency situations, the Town will establish a monthly list on which employees may volunteer to be available for additional work, and the Town shall call employees on that list first. In a non-emergency situation an on-call employee not considered experienced in all departments may skip the normal order of the call back list to get help from an employee who is experienced in that one department the problem is concerning. If more help is needed or an experienced employee could not be reached, employees will be called back to work in accordance with this paragraph. Only employees who are not considered experienced employees will be skipped, but remain in order on the list. Experienced employees will be called back in order as they appear on the call back list. Effort will be made to distribute overtime work to employees on the list on an equal basis. If no one on the list is available the Town may call any other employee.

15. On-Call Shifts

Employees assigned to weekend or holiday on-call shifts shall be compensated for six (6) hours at the overtime rate. On-call shifts require that at minimum an employee report to work to complete a check of the Town's water pressure systems, check Vista Park and other work assigned by the Director. The employee will then be free to leave the Town's worksites and will serve as the primary person to receive return-to-work calls throughout the day. While serving an on-call shift, employees must return to work within sixty (60) minutes of the call-back. Additional call backs will be administered per Section 14.

Employees responding to a call can request reimbursement for mileage to work at the current federal approved rate and bridge tolls, if applicable.

16. On-Call Vehicle

Effective March 12, 2007, employees who respond to a call will pick up the marked utility truck at the Municipal Services Center.

The Town reserves its right to assign equipment and vehicles.

17. Stand-By Pay

Employees designated by the Director of Public Works to serve in a stand-by status for a twenty-four hour period starting at the completion of their regular work day shall

receive two (2) hours of compensatory time off at a rate equal to the employee's regular hourly rate.

Employees who serve in stand-by status on Saturday or Sunday shall be compensated for three (3) hours at a rate equal to the employee's regular hourly rate.

Employees who serve in stand-by status on Town recognized holidays shall be compensated for four (4) hours at a rate equal to the employee's regular hourly rate.

Employees who agree to serve in a stand-by status must be able to respond to a call-back within one (1) hour. Employees who fail to respond to a notice of call-back will not be eligible for stand-by compensation.

18. Rest Periods

If an employee works more than fourteen (14) hours in a consecutive twenty-four hour period, the employee will be provided with an eight (8) hour unpaid rest period from the time last worked prior to returning to duty.

If an eight hour rest period overlaps with the start time of the employee's regularly scheduled shift, the employee will only be required to work the remainder of the shift after the rest period is completed. The employee will be compensated at the regular rate as if the employee had worked the entire regularly scheduled shift. For example, if an employee's eight hour rest break started at 0330 hours, the employee would report for work at 1130 hours and would work until the end of the regularly scheduled shift at 1700 hours. The employee would be compensated for the entire regular shift of 0730 – 1700 hours as if he or she had worked the entire day. Similarly, if an employee responds to an emergency at 2300 hours and continuously works until 1300 hours, the employee will be released for the eight hour rest at 1300 hours and compensated for the remainder of the regularly scheduled shift. Employees who fail to report to work after the rest period are ineligible for this compensation.

If an employee cannot be assigned to a rest break at fourteen hours due to the nature of the emergency, the employee shall be released to a rest break after working eighteen (18) consecutive hours.

19. Uniforms

The Town will continue to provide special work clothing as needed and to repair and replace such clothing as needed with the approval of the Department Head.

The Town will reimburse Building Inspectors up to \$150 per year to replace clothing that has been damaged on the job. Reimbursement for expenses may be obtained after the damaged clothing is shown to the employee's Supervisor, and the Supervisor approves the replacement of the clothing and the amount to be expended on the replacement.

20. Out-of-Class Pay

Public Works employees assigned the duties of a higher position by the Director shall be eligible for out-of-class pay commencing on a full-day basis immediately on the third day. The assignment must extend a minimum of forty hours for the covering employee to be eligible for out-of-class pay. Assignments shall be based on seniority provided the senior employee's performance is evaluated as average or above average performance.

Out of class pay shall equal 10% of the employee's regular hourly rate, not to exceed the maximum of the higher position's salary range.

21. Incentive pay

Employees who are assigned by the Director to duties where specialized trainings or certifications are mandated to perform the job are eligible to receive premium pay after completing the training/receiving certification as follows:

<i>Assignment</i>	<i>Premium Pay</i>
D2 Water certificate	\$100 per month
D3 Water certificate	\$150 per month
Class B driver's license	\$100 per month
Arborist	\$100 per month

If and when CWEA certificates are mandated by the State for Sewer employees, those employees assigned by the Director to such duties that require certification will be eligible to receive premium pay in the same manner as the D2 and D3 Water certifications.

22. Public Works Inspector Training

Maintenance Worker II's who participate in the Public Works Inspector Training Program and are assigned Public Works Inspection duties by the Director for a minimum period of forty (40) hours shall be eligible for Public Works Inspectors Pay which is an additional 10% of base pay for such assignments.

III. BENEFITS

23. Health Insurance

Active Employees

The Town's maximum contribution towards the employees medical coverage shall be at the three-party basic Blue Shield health plan rate as offered by PERS health in January 2007. The Town's contribution will increase by up to 15% each year. Any premium increase in excess of 15% in any subsequent year shall be the responsibility of the employee, up to a cumulative total amount of \$100 per month.

PERS Contribution

In accordance with Resolution 02-01, the Town's contribution to PERS is set at an amount not less than the amount required under Section 22825 of the Public Employee's Medical and Hospital Care Act. PERS will determine the contribution amount annually.

Retirees

The Town does not provide post-retirement health benefits to employees hired after January 1, 2002.

24. Retiree Medical Savings Accounts

Employees hired after January 1, 2002 are eligible to receive a contribution to a Retiree Medical Savings Account. Effective January 1, 2007, the amount will increase to \$75 per month. Employees must meet vesting requirements as determined by the Town.

25. Post-Retirement Payments

To compensate those retirees and their survivors who were promised health benefits upon retirement and those employees hired prior to January 1, 2002 who bargained in good faith to eliminate the post-retirement health benefit in favor of implementing an improved retirement pension plan (PERS 3% @ 60), the Town shall provide post-retirement payments in lieu of health insurance as set forth below.

The actual amount of the payments will be equal to the retired employee's actual cost for health coverage up to a maximum of the one-party, two-party or three-party Public Employees Retirement System (PERS) basic rate for the Blue Shield HMO health plan.

Employees must be enrolled in a PERS health plan at the time of retirement to be eligible for this benefit. Former employees who enroll in PERS health plans during an open enrollment period after separation from the Town's service are not eligible for this benefit.

Payments will continue until the retiree or survivor is no longer enrolled in the PERS health plan with the following exception: Retirees and survivors who were receiving retirement health benefits prior to January 1, 2002 will be permitted to select a health plan outside of PERS health plans if PERS rules do not permit their continued participation in the health plans.

Employees terminated as the result of disciplinary action or forced to resign as a result of a criminal conviction or plea of no contest are not eligible for the post-retirement payments.

Retirees are responsible for keeping the Town notified of their current address. If payments are discontinued because no forwarding address is available, the Town will not be liable to provide retroactive payments. The Town will resume payments upon notification of an updated address if the former employee is otherwise qualified to receive the payments.

26. Disability Income Protection

The Town will provide Long Term Disability (LTD) Insurance which will provide 66 2/3% of salary to a maximum of \$6,000 monthly and which will begin sixty calendar days after the first day of disability. The Town shall pay the entire premium for LTD.

27. Dental and Orthodontia Plan

Employees shall be included in the Town's self-funded dental and orthodontia plans. The benefit maximum is \$1,550 per person per year in 2007. The maximum benefit will increase by \$50 per person per year in January of subsequent years until a maximum of \$1,750 is reached in the final year of the contract. Plan year is from January 1 – December 31.

28. Vision Plan

Employees shall be included in the Town's self-funded vision plan. The maximum benefits shall be \$325 per person per year. Plan year is from January 1 – December 31.

29. Life Insurance

The Town shall provide a group life insurance policy in the amount of \$100,000 of coverage to each probationary and regular employee during the term of this MOU.

30. Retirement

Employees will pay the Employee's Contribution (8% of salary) to PERS.

Final retirement compensation for purposes of calculating retirement benefits shall be based upon the "single highest year" method under PERS.

Employees shall be able to have their salary deferred pursuant to the provisions of §414 (h)(2) of the Internal Revenue Code.

31. Military Leave

Military Leave shall be granted in accordance with the provisions of State and Federal law. All employees entitled to military leave shall give the City Manager an opportunity within the limits of military regulations to determine when such leave shall be taken.

32. Leave of Absence Without Pay

The City Manager may, at his or her discretion, grant a regular or probationary employee Leave of Absence without pay or seniority for a period not to exceed six months for medical reasons, and three months for other types of leaves. No such leave shall be granted except upon written request of the employee setting forth the reason for the request, and the approval will be in writing.

Upon expiration of an approved leave or within a reasonable period of time after notice to return to duty, the employee shall be reinstated in the position held at the time leave was granted.

Failure on the part of an employee on leave to report promptly at its expiration or within a reasonable time after receiving notice to return to duty shall be cause for discharge. The depositing in the United States mail of a first-class letter postage paid and addressed to the employee's last known place of address shall be reasonable notice.

33. Jury Duty

Employees who are called or required to serve as trial jurors shall be entitled to be absent from their duties with the Town during the period of such service or while necessarily being present in court as a result of such call. Employees shall be paid their full salary for such duty.

34. Sick Leave

Sick leave with pay shall be granted to all probationary and regular employees who are assigned to allocated positions. Sick leave shall not be considered as a right which an employee may use at his or her discretion, but shall be allowed only in case of necessity and actual sickness or disability.

In order to receive compensation while absent on sick leave, the employee shall notify the on-duty supervisor prior to or within four hours after the time set for beginning his or her daily duties, or as may be specified by the Department Head.

When absence is for more than one workday, the employee may be required to file a physician's certificate or a personal affidavit with the City Manager's Office, excusing the employee from work.

Sick leave shall be earned by full-time employees at the rate of 4.62 hours per bi-weekly pay period. This accrual shall be prorated for part-time personnel in allocated positions. There is no maximum accrual limit for sick leave.

Sick leave will not be accrued while an employee is on non-industrial disability or unpaid leave.

No person shall be entitled to sick leave with pay while absent from duty on account of any of the following causes:

- Sickness or disability sustained while on leave of absence, other than his or her regular vacation or holiday
- Disability received as a result of engaging in a gainful occupation outside Town employ

Not more than 104 hours of sick leave each calendar year may be taken in case an employee's presence is required elsewhere because of sickness or disability of members of his or her immediate family. The immediate family shall consist of the spouse, children, parents, siblings, domestic partner or other individuals whose relationship to the employee is that of a dependent or near dependent. In each such

case the City Manager shall grant such sick leave only when, in his or her opinion, the relationship of the sick or disabled person to the employee warrants such use of sick leave.

Employees who have exhausted said 104 hours of family sick leave may be permitted to use remaining sick days with the approval of the Director, provided they have used their balance of Compensatory Time Off first.

Unused Sick Leave Upon Retirement

Any full-time employee of the Town with ten years of continuous service at the time of retirement shall be paid in cash for accumulated sick leave, up to the equivalent of one month's pay upon separation from service with the Town of Hillsborough.

Retirement, for the purpose of this rule, shall be construed to mean the termination of employment in order to accept service or disability retirement under PERS.

All remaining sick leave shall be converted to service credit under PERS.

Employees terminated as the result of disciplinary action or forced to resign as a result of a criminal conviction or plea of no contest are not eligible for this benefit.

35. Death or Critical Illness Leave

With the consent of the Department Head, a regular employee may be allowed to be absent from the duties of his or her position and to receive full compensation during such absence for a period not to exceed three (3) consecutive scheduled shifts in the case of death or of critical illness where death appears imminent of the employee's spouse, children, parents, siblings, in-laws, grandparents domestic partner or other individuals whose relationship to the employee is that of a dependent or near dependent. Where such a death or critical illness has occurred, the employee shall furnish satisfactory evidence of such death or critical illness to his or her Department Head.

36. Industrial Disability Leave

Any regular employee of the Town who has suffered any disability arising out of or in the course of employment as defined by the Workers' Compensation laws of the State of California may be entitled to disability leave while disabled without loss of compensation for the period of such disability to a maximum of ninety (90) days. Such disability with pay may be extended at the discretion the City Manager not to exceed one year.

The Town may call for medical examinations as frequently as would be reasonably necessary given the nature and extent of the injury and the degree of change of condition within a given period of time, but shall not schedule examinations so frequently as to constitute harassment of the employee.

The Town may terminate industrial disability leave if a disability retirement is initiated.

37. Family Medical Leave

The Town will grant Family Medical Leave in accordance with the requirements of applicable State and Federal laws in effect at the time the leave is granted. No greater or lesser leave benefits will be granted than those set forth in such State or Federal laws. In certain situations, the Federal law requires that provisions of State law apply. Employees will be eligible for the most liberal benefits available under either law.

Family Medical Leave is unpaid. In a case where an employee is taking leave for his or her own health condition or to take care of a spouse, child or parent who has a serious health condition, the employee may elect, or the Town may require the employee, to substitute any of the employee's vacation, holiday, CTO or sick leave for an unpaid period of leave.

In a case where an employee is taking leave for birth or placement of a child, the employee may elect, or the Town may require the employee, to substitute any of the employee's vacation leave for an unpaid period of leave.

38. Vacation

The purpose of vacation leave is to enable each eligible employee annually to return to his or her work refreshed. All regular and probationary employees shall be entitled to vacation leave with pay.

The progressive vacation accrual schedule is as follows:

Years of Service Completed	Bi-Weekly Accrual Rate	Hours per Year
Less than 4	3.08	80
4-9	4.62	120
10	4.92	128
11	5.23	136
12	5.54	144
13	5.85	152
14 and over	6.15	160

This schedule shall be prorated for part-time employees in allocated positions.

If the requirements of the service are such that an employee is not allowed to take part or all of his or her accrued vacation in a particular calendar year, such vacation either shall be taken during the following calendar year or paid for at the discretion of the employee.

Vacation may be taken in increments as determined by the employee provided that before using accrued vacation time of three (3) days or less, employees shall use any CTO or accrued floating holidays, employees will give 48 hours notice of intent to take

vacation to their Department Head and the Department Head approves the scheduling of the vacation.

The maximum accumulation of vacation leave may not exceed two times the employee's annual earned vacation. Except in cases of on-the-job injury, once the maximum vacation accumulation is reached vacation leave will cease to accrue.

In the event one or more municipal holidays fall within a vacation leave, such holidays shall not be charged as vacation leave.

Employees who terminate employment shall be paid in a lump sum for all accrued vacation leave earned prior to the effective date of termination.

39. Vacation Buy-Back

A vacation buy-back benefit permits the employee, at his or her option, to convert a minimum of twenty (20) hours and a maximum of forty (40) hours of vacation leave to cash. The employee must have a minimum balance of 120 hours to be eligible for this benefit. This option may be taken only once during each fiscal year, in January.

40. Holidays

A holiday equals eight (8) hours leave. Thus employees shall receive a total of 104 hours of leave for thirteen eight-hour holidays.

If a holiday falls on an employee's scheduled day off, the employee will have the option of receiving eight hours compensatory time off or eight hours of compensation paid at the regular hourly rate.

The recognized holidays to be observed by the Town for unit employees are as follows:

Date	Holiday
January First	New Year's Day
Third Monday in January	Martin Luther King's birthday
Third Monday in February	Presidents' Day
Last Monday in May	Memorial Day
July Fourth	Independence Day
First Monday in September	Labor Day
November Eleventh	Veteran's Day
Fourth Thursday in November	Thanksgiving Holiday
Friday after Thanksgiving	Friday after Thanksgiving
December Twenty-fourth	Christmas Eve
December Twenty-fifth	Christmas Day

Additionally, employees will accrue sixteen hours of floating holiday leave on January 1st of each year. If a new employee's hire date is prior to June 30, that employee will receive sixteen hours of floating holiday. If a new employee's hire date is July 1 or later, that employee will receive eight hours of floating holiday for that calendar year. Thereafter, accrual shall be consistent with continuing employees.

Every day appointed by the President of the United States or the Governor of this State for a public fast, Thanksgiving or holiday and every day pronounced as a National Day of Mourning is a holiday when also approved by the City Council.

Regular and probationary employees shall not be required to be on duty on holidays unless the employee's services are required in the interests of the public health, safety or general welfare.

When a holiday falls on a Sunday, the following Monday shall be observed. When a holiday falls on a Saturday, the preceding Friday shall be observed.

Floating holiday hours may be taken in any increment with the advance approval of the Department Head.

If an employee is requested to work on a holiday, he or she shall be compensated at the overtime rate, in addition to receiving holiday compensation.

41. Tuition Reimbursement

College Reimbursement

Subject to budget constraints, the Town will reimburse an employee's tuition dependent on the following conditions:

1. Employees should attain approval for reimbursement from their Department Head prior to the beginning of the semester.
2. Tuition reimbursement will be based on local community college or California State University fee structures and limited to \$1,500 per employee per calendar year. The City Manager may approve additional reimbursement for expenses when an employee participates in an accelerated college degree program.
3. Employees must attain a grade of C or better in order to be eligible for reimbursement as follows:

Grade	% of Reimbursement
A	100%
B	80%
C	50%

4. Reimbursement will be approved after the employee submits proof of payment and receives his or her grade.

Building Inspector Licenses and Certifications

The Town will reimburse Building Inspectors up to \$300 per year for their costs to take examinations for professional licenses or certifications. To be eligible for reimbursement the Building Inspector must obtain the Department Head's approval prior to taking the examination and must receive a passing score or rating.

IV. EMPLOYMENT

42. Notification of Examination Results and Review of Papers

All openings for full-time or part-time allocated positions in this unit shall be posted on the Department bulletin board.

Each employee-candidate in an examination shall be given written notice of the results thereof and if successful, the employee-candidate's final earned score and rank of the employment list.

Any employee-candidate shall have the right to inspect his or her own examination paper according to the rules of the City Manager's Office. Any error in computation, if called to the attention of the Town within one week after the date of distribution of notices, shall be corrected. Such corrections shall not, however, invalidate appointments previously made.

43. Probation

All unit employees shall serve a probationary period of 12 months.

Upon successful completion of the probationary period, an employee shall attain a regular employment status.

Anyone serving in a probationary period may be rejected at any time without cause and without notice. Rejection during a probationary period will not be subject to the grievance procedure. If serving an initial probation with the Town, rejection during a probationary period will result in termination.

If an employee is rejected during probation as a result of a promotion, they will have bumping rights to their former classification where they attained regular status.

44. Attendance

Employees shall be in attendance at their work in accordance with the rules regarding hours of work, holidays and leaves. Failure on the part of an employee, absent without authorized leave, to return to duty within 24 hours after receiving notice to return shall be cause for immediate discharge and such employee automatically waives all rights under the personnel ordinance and these rules. The depositing in the United States mail of a first-class letter postage paid, addressed to the employee's last known place of address, shall be reasonable notice.

45. Hours of Work

Employees shall be scheduled to work for 80 hours over each bi-weekly pay period and be compensated at the regular rate of pay for the same. Subject to the needs of Town, employees may be assigned to one of the following working shifts:

- 8 hours per day, 5 days per week
- 9 hours per day for 8 shifts, and one 8 hour shift
- 9 hours per day for 8 shifts, and 4 hours per day for 2 shifts
- 10 hours per day, 4 days per week

Variations of schedules will be permitted by agreement between the Department Head and employees.

46. Discipline

The Town may discharge, suspend, demote, reduce salary or otherwise discipline any employee for cause including, but not limited to:

- Dishonesty
- Insubordination
- Use, possession or being under the influence of alcohol or drugs
- Incompetence
- Willful negligence
- Inability to meet minimum licensing or bonding requirements of the employee's regularly assigned position
- Fighting
- Discourteous treatment of coworkers or residents
- Unexcused absenteeism
- Tardiness when reporting to work or returning from breaks
- Misuse of Town property
- Failure to perform work as required or
- Failure to comply with or violation of the Town's reasonable rules regarding safety conduct and operations

Any regular employee who has been subject to such discipline shall be notified of the reasons for such action in writing with a copy of such letter furnished to the Union. A letter sent by first-class mail to the employee's last known address shall be considered adequate notice.

A progressive discipline process shall be followed, except when the safety and well-being of the employee, co-workers, members of the public or public property is endangered.

Pre-Disciplinary Hearings

No regular employee shall be demoted, suspended or discharged for a disciplinary purpose except in accordance with the provisions of this section; provided, however, that this section shall not apply to suspensions of less than 40 hours.

Whenever the Town proposes to demote, suspend or discharge a regular employee in a case in which this section is applicable, the Town shall provide the employee with written notice of the proposed action. The notice shall state the proposed disciplinary action and the reasons for it. The notice shall also include a copy of the charges and materials upon which the proposed action is based.

The employee shall have the right to present an oral or written response to the proposed action. Thereafter the Town shall determine, based upon such response and the materials upon which the proposed action was based, whether to impose the action initially proposed, a lesser action or to take no action. The Town shall promptly notify the employee in writing of such decision.

47. Grievance Procedure

A grievance is a claim by the Town, Union, an employee or group of employees concerning the interpretation, application or alleged violation of this MOU or Department policies, excluding letters of reprimand. Probationary employees may not grieve any disciplinary matters up to and including termination.

Step 1 – Department Review

An employee who has a grievance concerning a disciplinary matter shall first discuss the grievance on an informal basis with his or her Supervisor or the Department Head. Every effort will be made by the parties to resolve the grievance at this level and may include a conference among the Union, Supervisor or other administrative staff.

Step 2 – City Manager Review

If the grievance is not resolved informally, a written grievance must be filed with the City Manager or his or her designee within 15 business days from the date of the action or occurrence giving rise to the grievance, or within 15 business days of the time the grievant knew of or could have reasonably discovered such action or occurrence. The written grievance shall:

- Fully describe the grievance and how the grievant was adversely affected
- Set forth the section(s) of the Memorandum alleged violated
- Indicate the date(s) of the incident grieved
- Specify the remedy or solution to the grievance sought

The City Manager or his or her designee will review the written grievance, take steps necessary to resolve the grievance and respond in writing to the grievant within 15 business days of receiving the grievance.

Optional Step 3 – Binding Arbitration

If a grievance is not resolved at Step 2, the grievant may complete a request to participate in binding arbitration. A copy of the alternative dispute resolution agreement is attached to this MOU as "Appendix B".

General Grievance Provision

All proceedings shall be confidential and once instituted shall not be made public without the agreement of all parties.

While the grievance procedure is being pursued, the Town's resolution of the existing problem shall be followed until a final decision on the matter is reached.

48. Letters of Reprimand

A written reprimand may be removed from an employee's personnel file 24 months after it is placed there, provided that the employee does not receive a written reprimand for a similar incident or offense during that 24 month period. If the employee receives a written reprimand for a similar incident or offense within the 24 month period, the initial written reprimand shall remain in the employee's file for the duration of time the succeeding reprimand stays in the file.

49. No-Strike Clause

Both parties of this memorandum recognize the obligation of the Union and of the employees to refrain from engaging in any strike or slowdown of work. In fulfillment of that obligation, the parties recognize that there will be no strike, sympathy strike, slowdown, sick-ins, curtailment of work or interference with the Town's operations on the part of either the Union or employees during the term of this Memorandum or anytime this Memorandum is continued by the express mutual consent of the parties. It is recognized that violation of this clause will result in discipline up to and including terminations.

50. Safety

Observance of Safety Rules and Regulations

Both the Town and the Union shall expend a reasonable effort to ensure that work is performed with a maximum degree of safety, consistent with the requirement to conduct efficient operations.

Each employee covered by this MOU agrees to comply with all safety rules and regulations in effect and any subsequent rules and regulations that may be adopted. Employees further agree they will report all accidents and safety hazards to the appropriate management official immediately. Any employee having knowledge of or who is a witness to an accident shall give full and truthful testimony as to same.

Safety Program

The Town has established a Safety and Risk Management Committee. The Department shall have up to three (3) employee representatives on the Committee.

51. Layoff

Whenever, in the judgment of the Town, it becomes necessary to abolish positions, the Town may abolish any position included in the bargaining unit and the employee holding such position may be laid off subject to any bumping rights he or she may have. The Town may lay off employees due to lack of work or funds.

In a reduction in force, employees with the least length of service in the classification shall be laid off first provided that, in the determination of the City Manager, the skill and qualifications of the remaining employees are equal to that of the laid off employee. Employees to be laid off from a classification shall have a right to bump employees in a lower classification in accordance with seniority with the Town provided that, in the determination of the City Manager, they possess superior skill and qualifications.

Employees affected by a layoff shall retain employment rights in a position previously held in a lower classification and shall revert back to said position with full seniority rights and be integrated with the seniority ranking of employees in the lower classification.

52. Reinstatement

A regular employee who has resigned in good standing may be reinstated to a vacant position of the same classification as the previous position within a period of two (2) years from the effective date of resignation. Reinstatement will be made at the salary step determined by the City Manager. A reinstated employee will not be entitled to prior service credit in calculating Town benefits.

V. TERM

This MOU shall be in full force and effect until midnight, December 31, 2011.

The Union shall submit its written initial proposal for a new MOU to the Town by September 1, 2011. The Town shall make a written counterproposal within 30 days of receipt of the Union's initial proposal.

Town of Hillsborough

Anthony Constantouros, City Manager

Dated

Teamsters Local 856, IBT

Joseph Lanthier, Secretary/Treasurer

Thomas Barry

Romulo Flamenco

Humberto Valle

Dated

Appendix A – Salary Schedules

		A	B	C	D	E
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CLERICAL/PUBLIC WORKS UNIT - (January 8, 2007)

Account Clerk I	Bi-weekly	1,731	1,818	1,909	2,004	2,104
	Monthly	3,751	3,939	4,136	4,342	4,559
	Annually	45,006	47,268	49,634	52,104	54,704
Account Clerk II	Bi-weekly	1,909	2,004	2,104	2,209	2,319
	Monthly	4,136	4,342	4,559	4,786	5,025
	Annually	49,634	52,104	54,704	57,434	60,294
Account Clerk III	Bi-weekly	2,104	2,209	2,319	2,435	2,551
	Monthly	4,559	4,786	5,025	5,276	5,527
	Annually	54,704	57,434	60,294	63,310	66,326
Account Clerk IV	Bi-weekly	2,319	2,435	2,551	2,679	2,806
	Monthly	5,025	5,276	5,527	5,805	6,080
	Annually	60,294	63,310	66,326	69,654	72,956
Building Inspector I	Bi-weekly	2,360	2,472	2,596	2,726	2,862
	Monthly	5,113	5,356	5,625	5,906	6,201
	Annually	61,360	64,272	67,496	70,876	74,412
Building Inspector II	Bi-weekly	2,596	2,726	2,862	3,005	3,155
	Monthly	5,625	5,906	6,201	6,511	6,836
	Annually	67,496	70,876	74,412	78,130	82,030
Senior Building Inspector /Plan Checker	Bi-weekly	2,928	3,074	3,228	3,389	3,558
	Monthly	6,344	6,660	6,994	7,343	7,709
	Annually	76,128	79,924	83,928	88,114	92,508
Secretary	Bi-weekly	2,031	2,133	2,240	2,352	2,470
	Monthly	4,401	4,622	4,853	5,096	5,352
	Annually	52,806	55,458	58,240	61,152	64,220
Service Clerk II	Bi-weekly	1,722	1,808	1,898	1,993	2,093
	Monthly	3,731	3,917	4,112	4,318	4,535
	Annually	44,772	47,008	49,348	51,818	54,418
Service Clerk I	Bi-weekly	1,565	1,640	1,722	1,808	1,898
	Monthly	3,391	3,553	3,731	3,917	4,112
	Annually	40,690	42,640	44,772	47,008	49,348
Maintenance Worker I	Bi-weekly	1,691	1,771	1,860	1,953	2,051
	Monthly	3,664	3,837	4,030	4,232	4,444
	Annually	43,966	46,046	48,360	50,778	53,326
Maintenance Worker II	Bi-weekly	1,860	1,953	2,051	2,154	2,262
	Monthly	4,030	4,232	4,444	4,667	4,901
	Annually	48,360	50,778	53,326	56,004	58,812
Lead	Bi-weekly	2,203	2,313	2,429	2,550	2,678

Maintenance Worker III	Monthly	4,773	5,012	5,263	5,525	5,802
	Annually	57,278	60,138	63,154	66,300	69,628
Water Quality Technician	Bi-weekly	2,203	2,313	2,429	2,550	2,678
	Monthly	4,773	5,012	5,263	5,525	5,802
	Annually	57,278	60,138	63,154	66,300	69,628
Public Works Inspector I	Bi-weekly	2,203	2,313	2,429	2,550	2,678
	Monthly	4,773	5,012	5,263	5,525	5,802
	Annually	57,278	60,138	63,154	66,300	69,628
Public Works Inspector II	Bi-weekly	2,446	2,568	2,696	2,831	2,973
	Monthly	5,300	5,564	5,841	6,134	6,440
	Annually	63,596	66,768	70,096	73,606	77,298
Maintenance Craftworker	Bi-weekly	2,531	2,658	2,791	2,931	3,078
	Monthly	5,484	5,759	6,047	6,351	6,669
	Annually	65,806	69,108	72,566	76,206	80,028

Appendix B

Town of Hillsborough Arbitration Agreement

1. Both the Town of Hillsborough (Town) and the undersigned

_____(Employee)

acknowledge and agree that in the event employment disputes arise between them, both parties will be bound by this Town of Hillsborough Arbitration Agreement (Agreement) which provides for final and binding arbitration for disputes relating to the Employee's employment with the Town or the termination of employment, including any claims for alleged sexual harassment or other unlawful harassment as defined in the Town's policies. Both the Town and the undersigned Employee hereby expressly waive any right that either party has or may have to a jury trial or any dispute arising out of or in any way related to the employee's employment with the Town.

2. The purpose of this Agreement is to encourage the speedy, cost-effective resolution of any disputes between the Town and its employees concerning any of the terms, conditions or benefits of employment and disputes arising from termination of the employment relationship, including any claims arising under the California Fair Employment and Housing Act, the Americans with Disabilities Act, the Age Discrimination in Employment Act, the Family Medical Leave Act or the California Family Rights Act, but excluding any claims arising under the Civil Rights Act of 1964 unless parties voluntarily agree at the time of the dispute to submit such claim to arbitration. Both the Employee and the Town shall be required to submit any such dispute(s) to binding arbitration in accordance with the JAMS/Endispute or American Arbitration Association rules and procedures for employment disputes. Arbitration shall be the exclusive remedy for any disputes arising out of or related to the Employee/Employer relationship.
3. Nothing in this Agreement restricts the Employee from exercising statutory rights to seek assistance through the Department of Fair Employment and Housing; however, if a right-to-sue notice is issued, binding arbitration shall be the exclusive remedy.
4. Nothing in this Agreement shall prevent the parties from agreeing voluntarily to submit the dispute to mediation. If the dispute is not resolved through mediation, it shall be submitted to binding arbitration.
5. A request for arbitration must be submitted within the same limitations period that would be applicable in court. If either party does not submit and serve a written request for arbitration within the applicable statute of limitations, the party agrees that the party will have waived any right to raise a claim in any forum regarding the dispute.

6. In the event that a dispute arises, both the Town and the Employee shall have the right to conduct normal civil discovery including the taking of depositions, prior to the arbitration hearing. The parties shall select the Arbitrator by mutual agreement. The Arbitrator shall have the exclusive authority to resolve any issues relating to the arbitrability of the dispute or the validity or interpretation of this Agreement. Judgment on the award rendered by the Arbitrator may be entered in any court having jurisdiction.
7. The undersigned agree this if such an arbitration is held, each party shall pay its own attorney fees; however the Employer shall pay the Arbitrator's fee.
8. The Arbitrator shall be empowered to award either party any remedy at law or in equity that the prevailing party would otherwise have been entitled to had the matter been litigated in court, including but not limited to, general, special, punitive damages and injunctive relief; provided, however, that the authority to award any remedy is subject to whatever limitations, if any, exist in the applicable law on such remedies. The Arbitrator shall issue a decision or award in writing, stating the essential findings of fact and conclusions of law. The Arbitrator shall have no jurisdiction to issue any award contrary to or inconsistent with the law, including the statute at issue.
9. Following the evidentiary portion of an arbitration hearing, either party shall have the right to prepare and file with the Arbitrator a post-hearing brief not to exceed twenty-five (25) pages in length. Any such brief shall be served on the Arbitrator and the other party within thirty (30) days of the close of the evidentiary portion of the hearing, unless the parties agree to some other time period. The Arbitrator shall have the authority to grant an extension or to increase the page limitation set forth above upon the request of any party for good cause shown.
10. Should any part of this Agreement be declared by a court of competent jurisdiction to be invalid, unlawful or otherwise unenforceable, the remaining part shall not be affected thereby and the parties shall arbitrate their dispute without reference to or reliance upon the invalid, unlawful or unenforceable part of the Agreement.
11. This Agreement is the full and complete Agreement of the parties relating to resolution of disputes about conditions of employment and/or termination of employment. This Agreement may not be modified except by the parties in writing.

Date: _____

Date: _____

Employee Signature

City Manager, Town of Hillsborough

Town of Hillsborough

And

Teamsters Local 856 Public Works / Clerical Unit

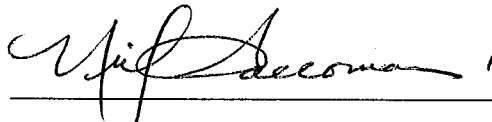
SIDE LETTER: Permit Technician position

The Town of Hillsborough and Teamsters Local 856 Public Works / Clerical Unit agree:

The Permit Technician position, created in July 2007, is considered an allocated position in the Memorandum of Understanding (MOU). For the purposes of determining salary increases during the current MOU, the parties agree that:

- In January, 2008, Step E of the Permit Technician position will be increased by 1% to correspond with the increase given to the Secretary position.
- In January 2009, the Permit Technician position shall be increased at a rate equal to the October Consumer Price Index "All Urban Consumers" for the San Francisco/Oakland/San Jose area (information available from the Bureau of Labor Statistics on December 1). This increase shall not be less than a minimum of three (3) percent or exceed a maximum of five (5) percent, consistent with the other positions in the Unit.
- In December of 2009, the Permit Technician I position will be included in the positions to be surveyed, following the same survey protocol listed in the MOU.
- Effective with the first full pay period in 2011, the Permit Technician salary shall be increased by four (4) percent, consistent with the other positions in the Unit.

Further, the parties agree that the Permit Technician position will be incorporated into the language of the next Memorandum of Understanding.

 1-8-08

Neil Saccoman
Teamsters Local 856



Kristin Armbruster
Human Resource Specialist

Town of Hillsborough

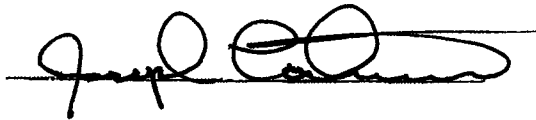
And

Teamsters Local 856
Public Works / Clerical Unit

SIDE LETTER: Out of Class Pay clarification

The Town of Hillsborough and Teamsters Local 856 Public Works / Clerical Unit agree:

In regards to Out of Class Pay: the parties agree that the intent during negotiations for this contract was to reduce the waiting time for an employee to receive Out of Class Pay from five (5) days to two (2) days, and to add that the supervisor must be gone for a minimum of forty (40) hours in order for the employee to receive out of class pay. This agreement will be effected immediately.



Joseph Lanthier, Secretary-Treasurer
Teamsters Local 856



Kristin Armbruster
Human Resource Specialist