The Union and City, through their designated representative, have attempted in good faith to insure that the policies and practices of the City regarding overtime pay for the members of the Fire Unit are in conformance with the requirements of the Fair Labor Standards Act. Nothing shall prohibit the Union and City from meeting and conferring over provisions of the Fair Labor Standards Act by mutual agreement. In the event it is determined by a court or competent jurisdiction that any policy or practice of the City or authorized by this Memorandum of Understanding is inconsistent with the Fair Labor Standards Act, the designated representatives of the Union and City shall immediately meet and confer and amend such policy or practice to conform with the requirements of the Fair Labor Standards Act.

f. Calculation of Pay While in Fire Academy. While enrolled in the Fire Academy, newly appointed firefighters shall have their pay calculated on a 40-hour work week (this will not include FLSA pay based on a 56-hour work week as an EMSTT, nor will an Unassigned Paramedic add pay be due).
SECTION 12. HOLIDAYS

The City observes the following holidays on the dates indicated:

(1) New Years Day (January 1)
(2) Martin Luther King’s Birthday (Third Monday in January)
(3) Lincoln’s Birthday (Second Monday in February)
(4) Washington’s Birthday (Third Monday in February)
(5) Cesar Chavez Day (March 31)
(6) Memorial Day (Last Monday in May)
(7) Independence Day (July 4)
(8) Labor Day (First Monday in September)
(9) Columbus Day (Second Monday in October)
(10) Veterans’ Day (November 11)
(11) Thanksgiving (Fourth Thursday in November)
(12) The day following Thanksgiving (Fourth Friday in November)
(13) Christmas Day (December 25)
(14) Employee’s Birthday

Effective August 1, 2011, a new salary range for forty (40) hour administrative positions in this unit will be established that will be 5.75% lower than the salary range for fifty-six (56) hour employees as reflected in the City’s Salary Schedule as of March 31, 2011.

Effective August 1, 2011, the differential for Administrative Captain and Other Administrative Positions in section 13.15 and 13.16 will be increased by the 6.34%.

The base salary of Fire Unit employees has been adjusted to compensate the employees for the holidays in lieu of time off regardless of assigned workweek and therefore no employees in this unit shall receive holiday pay.

In addition, a day appointed by the President or Governor as a public holiday shall be observed by the City for the purpose of administering this section. For any such holiday, Fire Unit employees shall receive the equivalent of one (1) additional hour of pay per month in lieu of holiday leave. For any holiday adopted by the City Council on a one-time basis (e.g. a national day of mourning), the payment of one additional hour of pay per month shall be limited to a twelve (12) month period.
SECTION 13. COMPENSATION AND ALLOWANCES OTHER THAN BASE SALARY

13.1. Public Employee Retirement System Benefits for Unit Employees hired on or before June 30, 2011

The City participates in the California Public Employees' Retirement System (PERS) and shall provide the Union's members hired on or before June 30, 2011 with the following retirement benefits in accordance with state law and the agreement between the City and PERS.

a. Employee Retirement Contribution Supplement. The City Employees in this unit shall contribute an amount equal to nine percent (9.0%) of the employee's current base salary and other compensation as qualified by State law toward PERS benefits. Such amounts will be applied to the employee's individual account in accordance with Government Code section 20691.

b. Military Service Credit. The City will make application to PERS to provide for military service pursuant to the provisions of Government Code section 21024 (formerly 20930.3), at the employee's expense, effective upon adoption by the Stockton City Council and PERS Administration Board.

c. Employee Contributions. In accordance with Government Code section 20692 (formerly 20615.5, Employer Paid Member Contributions as Compensation), employees, at the beginning of their last year of employment, will pay their nine percent (9.0%) additional employee contribution over the amount paid in 13.1.a above, up to the 9% employee share, if any, through an automatic payroll deduction. The base salary for those employees will be increased by that same nine percent (9.0%) additional contribution, here, if any, for the last twelve (12) months of employment (IRS Code § 414H(2) will be concurrently implemented with the PERS amendment).

d. Effective August 1, 2011, employees hired on or before June 30, 2011 shall pay nine percent (9%) of the employee's current base salary (employee contribution) and other compensation as qualified by state law towards the Public Employees' Retirement System (P.E.R.S.) towards employer's share of cost for P.E.R.S. pension on a post-tax basis in the form of a payroll deduction. The City will seek an IRS private letter ruling to determine whether or not the IRS permits the employee's contribution to the employer's share of pension cost to be treated on a pre-tax basis. If the IRS issues a private letter ruling allowing employee's contribution toward employer pension cost on a pre-tax basis, the City will change the deduction from post-tax to pre-tax as soon as administratively possible after the IRS final determination. Additionally, the City will work with PERS to determine whether or not P.E.R.S will allow a contract amendment per Section 20516 to
allow an employee contribution in the amount of 9% of the employee’s current base salary (employee contribution) and other compensation as qualified by P.E.R.S. towards the employer’s share of cost for P.E.R.S. pension on a pre-tax basis. If P.E.R.S. determines that the maximum contribution through a P.E.R.S Section 20516 amendment is less than the 9% and/or some or all of the contributions sunset at specific time in the future, the parties agree that the City shall deduct the percentage up to 9% not covered by the P.E.R.S amendment process through a payroll reduction.

e. Three Percent At Age 50 Retirement Benefits. As soon as possible following the City and Union’s execution of this Memorandum of Understanding, the City shall make application with PERS to provide Government Code section 21362.2 (3.0% at age 50) benefits, with the benefit to be effective for Union’s members on December 16, 2001, or following the approval and adoption by the Stockton City Council and PERS Board of Administration, if after December 16, 2001.

f. Additional PERS Benefits. The following PERS benefits shall remain in effect during the term of this Memorandum of Understanding: Sick Leave Conversion (Government Code section 20965), Survivor Benefit Level 4 (Government Code section 21574), Post-Retirement Survivor Allowance to Continue After Remarriage (Government Code section 21635), and Continuation of Death Benefits After Remarriage (Government Code section 21551).

The Union shall have such other PERS benefits as set forth in the agreement between the City and PERS as of the date of execution of this Memorandum of Understanding.

13.2. Public Employee Retirement System Benefits for Unit Employees hired on or after July 1, 2011

The City will contract with PERS to provide a new second tier retirement program of 3% at 55 with three-year average salary formula and no other additional PERS enhanced benefits except for those statutorily required for employees hired on or after July 1, 2011 or as soon as administratively possible. Effective July 1, 2011, all employees shall pay 9% of the employees’ current base salary towards the employee’s contribution towards PERS and any other compensation as qualified by state law towards PERS retirement benefits through a payroll deduction.

13.3 Certification Incentive Pay

The City will pay three percent (3.0%) of the top step of rank for sworn Fire Unit employees who attain an Intermediate Certificate.
The City will pay six percent (6.0%) of the top step rank for sworn Fire Unit employees who attain an Advanced Certificate.

13.3. **Educational Incentive Pay**

Employees with degrees/diplomas above and beyond which is required of their positions shall be provided three percent (3%) of the top step of rank. Employees are limited to no more than three percent (3%) regardless of the number of degrees/diplomas that they have above that required of their positions. If an employee promotes to a position that matches his/her diplomas/degrees, the three percent (3%) will no longer be paid. Experience may not substitute for education. Other formal education/training programs may substitute for the actual degree/diploma upon the recommendation of the Fire Chief and the approval of the City’s Director of Human Resources.

13.4. **HAZ/MAT Assignment**

The City shall pay five percent (5.0%) of the top step of rank for sworn Fire Unit employees actively assigned to the HAZ/MAT response team. This section applies to a total certified and assigned complement of twelve (12) employees.

13.5. **Paramedic Certification**

The City shall pay Fire Unit employees who are assigned to Paramedic duties and possess a valid Paramedic certificate as follows:

- **Paramedic Firefighter/EMST**
  - Step I: Six percent (6.0%) above top step of current applicable rank.
  - Step III: Eight and one-half percent (8.5%) above top step of current applicable rank.
  - Step V: Eleven percent (11.00%) above top step of current applicable rank.
- **Paramedic Engineer**
  - Six percent (6.0%) above Engineer top step.
- **Paramedic Fire Captain**
  - Six percent (6.0%) above Fire Captain top step.

**Unassigned Paramedic Pay.** Effective August 1, 2011, Unassigned Paramedic pay shall be eliminated; however, only those employees as of July 31, 2011 receiving unassigned paramedic, shall continue to receive their five percent (5%) unassigned paramedic pay. The City agrees to compensate all San Joaquin County-licensed and accredited Stockton Fire Department paramedics who are not assigned to a paramedic position on an ambulance or engine company five percent (5%) unassigned paramedic pay.
13.6. **Deferred Compensation**

The City will contribute an amount equal to one percent (1%) of the employee's current base salary into a City deferred compensation account in the employee's name. Said amount shall be in addition to any voluntary contribution made or to be made by the employee.

13.7. **Uniform Allowance**

Employees in this unit shall receive a uniform allowance in the amount of one-thousand-two-hundred ($1,200.00) six hundred dollars ($600.00). One-half (1/2) of the annual value of uniform allowance shall be paid to eligible employees during the months of April and October.

13.8. **Contagious Disease**

The City shall make available, at no cost to the employee, screenings for all strains of hepatitis, hepatitis B vaccinations, and shall monitor employees' exposure to tuberculosis.

13.9. **Special Assignment Pay**

The City Manager may approve additional compensation in an amount up to, but not to exceed, ninety percent (90%) of the Fire Chief's salary for the duration of a special assignment when an employee is assigned in writing by the Fire Chief, with the approval of the City Manager, to perform additional duties and responsibilities.

13.10. **Acting Pay**

An employee who is assigned in writing to work in a higher paid classification and who performs a majority of the duties of that higher position shall receive the rate of pay in a step of the higher classification which would have been received if the employee had been promoted into that classification.

13.11. **Call-Back Pay**

An employee called back to work to assist with a multiple alarm fire or other emergency situation after he/she has worked a scheduled shift and has departed from the work site shall earn four (4) hours of call-back at the regular hourly rate of pay or time and one-half (1-1/2) of his/her regular rate of pay for time worked, whichever is greater.

The above provision shall not apply to employees called back due to an operator error that does not result in the employee being assigned for the day or an employee's participation in official meetings called by authorized personnel of the
MEMORANDUM OF UNDERSTANDING (FIRE UNIT)

Stockton Fire Department. In such instances, the employee will be compensated on an hourly basis, which shall include the employee's travel time.

13.12. Tiller Pay

Effective August 1, 2011, Tiller pay shall be eliminated; however, only those employees assigned and currently receiving Tiller Pay as of July 31, 2011 shall continue to receive their current five percent (5%) Tiller Pay. Employees qualified as Tiller Operators and assigned to perform that duty shall receive an additional five percent (5%) of current base pay while performing that duty. No more than twelve (12) employees will be paid Tiller Pay at any given time. Nine (9) employees shall be paid on shifts, and up to three (3) employees shall be paid as alternates. The total of twelve (12) employees includes employees on light or modified duty.

13.13. Deputy Fire Marshal Series

Employees assigned as Deputy Fire Marshals shall be paid as follows:

Deputy Fire Marshal I: Two and one-half percent (2.50%) above Firefighter top step
Deputy Fire Marshal II: Five percent (5.0%) above Firefighter top step
Deputy Fire Marshal III: Seven and one-half percent (7.50%) above Firefighter top step
Deputy Fire Marshal IV: Ten percent (10.00%) above Firefighter top step
Fire Captain (FM III): Ten percent (10.00%) above Fire Captain top step

13.14. Fire/Engineer Operator

Employees assigned as Fire/Engineer Operators shall be paid five percent (5%) above the Engineer top step.

13.15. Administrative Captain

Employees assigned as Administrative Captains shall be paid at a rate that is ten percent (10.00%) above the amount (inclusive of the FLSA adjustment) paid to Captains assigned to fire suppression duties.

13.16. Other Administrative Positions

a. Fire Unit employees assigned as an Administrative Firefighter shall be paid at the rate of five percent (5.0%) of top step of rank of Firefighter (inclusive of FLSA), with pay increases of two and one-half percent (2.50%) per annum to a maximum of ten percent (10.00%), as best fitted to the Stockton Salary Schedule-Matrix.
b. Fire Unit employees assigned as an Administrative Firefighter/Engineer shall be paid at the rate of five percent (5.0%) of top step of rank of Firefighter/Engineer (inclusive of FLSA), with pay increases of two and one-half percent (2.50%) per annum to a maximum of ten percent (10.00%), as best fitted to the Stockton Salary Schedule Matrix.

13.17. Longevity Pay

a. Effective August 1, 2011 August 1, 2011, Longevity Pay shall be eliminated. However, the City shall grandfather only those employees who were employed on a permanent basis with the City on or before June 30, 2011 as follows: Effective August 1, 2011 each tier of the grandfathered Longevity pay reflects a reduction by two and a half percent (21/2%) of the previous Longevity tiers. For example employees who had attained 22 years of continuous service and prior to August 1, 2011 were receiving 11.25% step increase shall effective August 1, 2011 receive the new grandfathered tier two rate of 8.75%. Employees who had attained 15 years of continuous service prior to August 1, 2011 previously receiving an additional 5% shall effective August 1, 2011 receive the new grandfathered tier one rate of 2.5%; while grandfathered employees can move to the next tier upon eligibility until July 1, 2012, effective July 2, 2012 grandfathered employees shall remain frozen at the tier they are in as of July 2, 2012. Grandfathered Longevity Tier One: For those employees hired on or before June 30, 2011 who by July 1, 2012 have attained fifteen (15) years of continuous employment with the City shall receive an additional two and a half percent (2.5%) of top step pay.

b. Grandfathered Longevity Tier Two: For those employees hired on or before June 30, 2011 who by July 1, 2012 have attained twenty-two (22) years of continuous employment with the City shall receive an 8.75% increase to the salary step of Firefighter, Firefighter/Engineer, and Fire Captain. as best fitted to the Stockton Salary Schedule Matrix. Eligibility for Longevity Incentive Pay shall be established effective the first pay period following the twenty-second (22nd) anniversary of the employee’s date of hire.  

c. Eligibility shall be established effective the first pay period following the fifteenth (15th) anniversary of the employee’s date of hire.

d. The City shall increase the salary step of Fire Unit employees who attain twenty-two (22) years of continuous employment to eleven and one-quarter percent (11.25%). The fifteen (15) year, five percent (5%) longevity add pay for employees identified in Section 13.17(a) will stop upon implementation of the eleven and one-quarter (11.25%) base salary step increase. The
increase shall be effective the pay period immediately following the 22nd anniversary date.

13.48. Severance Pay-Deferral

Employees eligible for sick leave payoff at retirement may request not to receive the payoff until the first pay period of the calendar year following the date of retirement. For example, an employee who retires on June 15, 2006, would not receive the sick leave payoff until the first pay period after January 1, 2007.
SECTION 14. INSURANCE PLANS

14.1. Health Insurance And Related Benefits

a. Choice of Health Plans. Employees in this bargaining unit shall have a choice of enrolling themselves and their eligible dependents in any of the City sponsored medical, dental and vision plans. Each plan shall offer an Employee only, Employee plus One and Employee plus two or more dependents coverage. The City shall offer two or more medical plans to regular employees.

b. Eligibility. Employees shall become eligible for Medical insurance on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City. Employees shall become eligible for Dental insurance on the first day of the month subsequent to completion of sixty (60) days continuous service with the City.

c. City Contribution Towards the Cost of Insurance Programs. Effective September 1, 2011:

(1) The City shall contribute up to $481.00 per month toward the cost of the monthly premium for employee-only medical/dental/vision plan coverage.

(2) The City shall contribute up to $875.00 per month toward the cost of the monthly premium for employee plus one dependent medical/dental/vision plan coverage.

(3) The City shall contribute up to $1165.00 per month toward the cost of the monthly premium for employee plus two or more dependents medical/dental/vision plan coverage.

These contributions are based on full-time employment; regular part-time employees shall receive a prorated contribution based on their percentage of full-time employment. Insurance plan premiums that exceed the City's monthly contribution shall be paid by the employee through payroll deductions. The City shall maintain its IRS 125 Plan to allow for employee contributions for medical/vision/dental to be pre-tax premium conversion.

d. Plan Rules. Employees may insure themselves and their eligible dependents under the medical/vision and dental plans provided by the City, in accordance with the rules and regulations applicable to the selected Plan. Benefits in the Plan shall be in accordance with the Plan document.

e. Parties agree to plan design changes to the City's Modified Plan for employees, effective September 1, 2011.
MEMORANDUM OF UNDERSTANDING (FIRE UNIT)

a. Commencing with the execution of this Memorandum of Understanding, the City will provide for hospitalization, medical, dental/orthodontic, vision, and prescription benefits. The City will contribute all premiums necessary for these benefits for the term of this Memorandum of Understanding. The medical plan is the City's modified employee medical plan which is summarized on Appendix "B," attached hereto.

b. Employees shall become eligible for hospitalization and medical care benefits on the first day of the month subsequent to completion of thirty (30) days of continuous service with the City.

c. Employees shall become eligible for dental care benefits on the first day of the month subsequent to completion of sixty (60) days of continuous service with the City.

Effective December 16, 2003, Fire Unit employees' dental care benefits coverage shall be amended to provide one hundred percent (100%) diagnostic and preventative care coverage.

d. The orthodontic benefit coverage is Two Thousand Dollars ($2,000) lifetime maximum.

e. Fire Unit employees may schedule a physical examination annually. Consistent with City policies applicable to other bargaining units, the cost of the physical examination, not to exceed One Hundred Fifty Dollars ($150) and to the extent not covered by the City's medical plan, will be paid by the City on a reimbursement basis, except as provided in "f" below.

f. Effective July 1, 2006, the City-paid physical reimbursement benefit of One Hundred Fifty Dollars ($150), as referenced in Section 14.1(e), shall apply in its entirety toward the cost of the employee annual physical examination administered by the Wellness Fitness Physician in connection with the joint management labor mandatory Wellness Fitness Program as set forth in Appendix E. If the Wellness Fitness Program is terminated, the reimbursement benefit shall be paid as set forth in Section 14.1(e) above.

14.2 Retirement Medical Allowance

The City shall pay a premium for the purpose of providing hospital, medical, and prescription benefits for each City employee who has retired. Such coverage shall include one (1) dependent and the following provisions shall apply:

a. Normal Service Retirement. Eligibility for the allowance provided by this section is limited to employees who have retired subsequent to October 1, 1980, or were hired on or before June 30, 2011, and who have retired at age fifty (50) or later. Such allowance shall terminate at age sixty five (65).
b. **Disability Retirement.** Eligibility for the allowance provided by this section is limited to employees who have retired subsequent to October 1, 1980, or were hired on or before June 30, 2011, and such allowance shall be limited to a maximum of fifteen (15) years or the attainment of age sixty-five (65), whichever occurs first.

c. **Prescription Coverage.** Prescription coverage will be provided for retirees and one (1) dependent for those hired on or before June 30, 2011.

d. **Medical Plan.** The medical plan for employees retiring on or after February 1, 1993, or were hired on or before June 30, 2011, shall be the City's modified employee medical plan which include medical design changes to the City's Modified Plan effective September 1, 2011.

Employees retiring on or after January 1, 1996, and hired on or before June 30, 2011, who are eligible for retirement medical allowance, may continue to be covered by the City's medical plan, when they reach age sixty-five (65), as supplemental coverage to Medicare or any other medical plan available to the retired employee. Said coverage shall extend to a retiree's spouse.

14.3. **Medicare Supplemental Coverage Requirements only for Employees hired on or before June 30, 2011**

Upon reaching age sixty-five (65), retired employees are required by the City to apply for Medicare Part A and Part B coverage and to accept Medicare coverage if eligible. Those who must pay a premium to Medicare in order to obtain Part A coverage will be reimbursed by the City for their Medicare Part A premium. The City’s medical coverage shall continue on a coordinated basis with the City as a secondary payer after Medicare pays as the primary provider. There may be occasions when paying the premium cost for Medicare Part A may not be in the City’s best interest or the retiree may not be eligible. If such circumstances exist, the City’s supplemental medical plan would then be the primary coverage plan. The City reserves the right to terminate reimbursement payments for Part A Medicare coverage, in which event the retiree will receive the City's modified medical plan which includes medical plan design changes effective September 1, 2011 as the primary health coverage, with the premiums for such coverage to be paid by the City. The coverage provided pursuant to this section shall apply to the retiree and his/her spouse.

14.4. **No Retirement Medical Allowance Requirements**

The City does not provide any retiree medical program, allowance, or City contribution for employees hired on or after July 1, 2011. As soon as administratively possible the parties agree to establish an HRA for employees to use for current and future medical expenses and that the City will contribute an
amount equal to one percent (1%) of the employee's current base salary that was
previously contributed towards deferred compensation and now shall be directed
into an HRA. The City will hold the 1% contribution effective July 1, 2011 in the
payroll fund and will confer those contributions to the HRA accounts when
established.

14.5. Long Term Disability Insurance

The City rolled its contribution of long term disability (LTD) insurance into base pay
and no longer provides a LTD program. Employees can purchase LTD insurance
through the Union.

The City will add Twelve Dollars ($12) per month to the base salary of each job
classification covered by the Memorandum of Understanding, as best fitted to the
Salary-Matrix.

Effective July 1, 2003, the City will add an additional four dollars ($4.00) for a total
of sixteen dollars ($16.00) per month to the base salary of each job classification
covered by the Memorandum of Understanding, as best fitted to the Salary-Matrix.

Effective January 1, 2007, the City added an additional one dollar ($1.00), the
amount equivalent to the increase in the premium, for a total of seventeen dollars
($17.00) per month, to the base salary of each job classification covered by the
Memorandum of Understanding, as best fitted to the Salary-Matrix.

During the life of this Memorandum of Understanding, the City will continue to
annually review any increase in the premium for the Union Preferred Plan for the
preceding year and shall increase the amount to be added to the base salary of each
classification by an amount equivalent to the increase in the premium.
However, in no event shall the total amount to be added to the base salary of each
job classification exceed Seventeen Dollars ($17) per month per classification
during the life of the Memorandum of Understanding. The City's performance in
accordance with this provision shall fully satisfy and discharge the City's obligation
to provide the Union's members with a Long Term Disability program, and the Union
accepts, without reservation, responsibility for purchasing a Long Term Disability
plan for its members or otherwise investing as it deems appropriate the increased
salary payments made pursuant to this section.

14.6. Term-Life Insurance

Employees are covered by the City's Term Life Insurance, with a benefit equal to
one and one-half (1-1/2) times base annual salary.