



Memorandum of Agreement

City of Palo Alto and
Palo Alto Fire Chiefs' Association

February 27, 2023 – June 30, 2025

MEMORANDUM OF AGREEMENT

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CITY OF PALO ALTO AND PALO ALTO FIRE CHIEFS' ASSOCIATION

PREAMBLE

This Memorandum of Agreement between the City of Palo Alto, hereinafter referred to as the "City", and the Palo Alto Fire Chiefs' Association, hereinafter referred to as the "Association", has been prepared and entered into in accordance with Title I, Division 4, Chapter 10, Sections 3500-3510 of the California Government Code and Chapter 12 of the City of Palo Alto Merit System Rules and Regulations.

ARTICLE I - RECOGNITION

Section 1. The City recognizes the Association as the exclusive representative of an employee group consisting solely of the classifications of Battalion Chief 56-hour workweek, and Battalion Chief 40-hour workweek who are regularly employed by the City.

ARTICLE II - NO DISCRIMINATION

Section 1. The Association and the City hereby agree that there shall be no discrimination because of race, color, age, disability, sex, national origin, sexual orientation, political or religious affiliation or any other basis recognized by federal, state or local law under this Agreement. There shall be no discrimination in employment conditions or treatment of employees on the basis of membership or nonmembership in the Association, or participation in the lawful activities of the Association.

Section 2. The Association and the City hereby agree to protect the rights of all employees to exercise their free choice to join the Association and to abide by the express provisions of applicable State and local laws.

ARTICLE III - PAYROLL DEDUCTIONS

Section 1. The City shall deduct Union membership dues assessments and insurances authorized by the Union. This will be accomplished by payroll deductions from the bi-weekly pay of member employees. The dues deduction must be authorized in writing by the employee on a Union authorization card.

The Union will be the custodian of records for individual employee membership and dues deduction forms. The Union will maintain all authorizations for dues deduction, signed by the individual from whose salary or wages the deduction or reduction is to be made. The City will

direct employee requests to cancel or change deductions to the Association.

The City shall remit the deducted dues to the Association as soon as possible after deduction.

Section 2. Certification of Union Membership. The Union agrees to provide the City an initial certified list of members and statement that the Association has and will maintain written authorizations signed by the individuals from whose wages the Union dues deductions are to be made. From that point forward the Union will update the list whenever there are changes.

Section 3. Indemnification. The Union shall indemnify and hold the City harmless against any liability arising from any claims, demands, or other action relating to this article. The Union shall comply with all statutory and legal requirements with respect to this article.

ARTICLE IV - NO STRIKES

Section 1. The Association, its representatives, or members, shall not engage in or cause, instigate, encourage, sanction, or condone a strike, withholding of services, leave of absence abuse, work stoppage or work slowdown of any kind against the City of Palo Alto or its citizens by employees covered under this Agreement. No employee shall refuse to cross any picket line in the conduct of Fire Department business, nor shall the Association, its representatives or members discriminate in any way toward anyone who refuses to participate in a strike, or any of the job actions cited above.

ARTICLE V - SALARY PROVISIONS

Section 1. Salary Range Adjustments.

- a) The base wage rates of the bargaining unit classifications will be set forth in Appendix A of this MOA.
- b) Market Adjustment: Effective the first full pay period including the adoption of the MOA, the salary ranges of all represented classifications will receive a market adjustment of ten percent (10.0%) and an equity adjustment of one percent (1.0%) for a total of eleven (11%).
- c) General Salary Increase: Effective the first full pay period following July 1, 2023, the salary ranges of all represented classifications will be increased by four percent (4.0%).
- d) Market Adjustment part 2: Effective the first full pay period following January 1, 2024, the salary ranges of all represented classifications will receive a market adjustment of two percent (2.0%).
- e) General Salary Increase: Effective the first full pay period following July 1, 2024, the salary ranges of all represented classifications will be

increased by four percent (4.0%).

- f) Total Compensation and Survey Database: Management and the Union have agreed to a compensation survey database structure. Survey Cities include: Alameda, Berkeley, Fremont, Hayward, Menlo Park Fire District, Milpitas, Mountain View, Redwood City, Pleasanton, San Jose, San Mateo, San Ramon Fire District, Santa Clara, Santa Clara County and South San Francisco. Compensation Criteria includes: top step salary, maximum longevity, maximum education, uniform allowance, EMT differential, Hazmat differential, deferred compensation, employee pick up of employer pension costs (Negative EPMC), and maximum City paid benefits (medical, dental, vision, life insurance, LTD, and EAP). The database is intended to provide one source of information concerning how the compensation paid to employees in bargaining unit job classifications compares to that paid by other employers.

Section 2. EMT Differential. The former EMT differential of 3.0% was rolled into base pay. This one time conversion to base pay, shall constitute the City's incentive payment for EMT skills. This conversion was cost neutral to the City.

Section 3. 40-hour Work Week Assignment Differential. Employees assigned to a 40-hour workweek schedule will be paid a differential of five percent (5%) of base salary in-lieu of holiday pay differential which 56-hour shift Battalion Chiefs receive.

Section 4. Out of County Strike Team Pay.

A Battalion Chief sent on out of County strike team duty will receive the following compensation only if the City is reimbursed from the state or federal government for the labor costs incurred by the City.

Compensation to the employee will not exceed the rate for which the City is reimbursed by the State of California or other external entity, excluding reimbursements for other labor costs (e.g. workers compensation, administrative expense, etc.).

A Battalion Chief on their regular duty shift deployed on an out of County strike team will be eligible for compensation at their normal hourly rate (1.0 hourly rate), assuming a regular 56 hour schedule.

A Battalion Chief on non-regular duty shift days deployed on an out of County strike team will be eligible for compensation at a rate of 1.5 of their normal hourly rate.

For 40 hour Battalion Chiefs deployed on an out of County strike team, any out of County strike team compensation will be calculated at a 56 hour Battalion Chief Schedule hourly rate.

Payment for out of county strike team duty will be calculated based on the number of twenty-four hour shifts worked and prorated for any partial shifts.

A Personnel Action Form will be completed in a timely manner to process this payment. The

amount of the payment will be calculated in a manner described above. If the City is not reimbursed, no payment is due to the employee. If the City is reimbursed in part, a prorated payment will be calculated based on the reimbursement rate. As outlined above, compensation to the employee will not exceed the rate for which the City is reimbursed by the State of California or other external entity.

ARTICLE VI – HOLIDAYS

Section 1. Named Holidays.

Holiday pay is compensation for employees who are normally required to work on an approved holiday because they work in positions that require scheduling staff without regard to holidays. The following holidays are recognized as municipal holidays for pay purposes, and regular, employees shall have these days off with pay, except as otherwise provided in these rules:

- | | |
|---------------------------|--|
| January 1 | Veterans’ Day, November 11 |
| Third Monday in January | Thanksgiving Day |
| Third Monday in February | Day after Thanksgiving Day |
| Last Monday in May | December 25 |
| July 4th | Either December 24, or December 31 as provided below |
| First Monday in September | |
| Second Monday in October | |

Section 2. Day of Reflection. In addition to the paid holidays listed above, employees shall be excused with pay for one full work shift as a day of reflection (floating holiday) per calendar year, Employees may use the floating holiday on any day mutually agreed by the employee and their supervisor for a Day of Reflection, including: Juneteenth Freedom Day (June 19) or Cesar Chavez/Dolores Huerta Day (March 31). Day of Reflection not used by the end of the calendar year will be deemed forfeited and have no cash value.

Section 3. 56-Hour Work Week Assignments. One hundred sixty one and one half (161.5) hours are paid annually to an employee at a rate of 6.21 hours each pay period. Shift personnel shall receive pay in lieu of taking paid leave for accrued holidays. Such paid hours will be paid 6.21 hours of in lieu of holiday pay each pay period. Hours are prorated and accrued based on hours actually worked.

Section 4. 40-Hour Work Week Assignments. Employees assigned to a 40-hour workweek schedule will receive paid holidays in accordance with Sections 517 and 518 of the Merit System Rules and Regulations.

ARTICLE VII - VACATION ACCRUAL

Section 1. Vacation will be accrued when an employee is in a pay status and will be credited on a bi-weekly basis. Such accrual balance and credit may not exceed three times the annual rate of

accrual. Accrual rates are by work week assignments as indicated in Section 1 and Section 2 below.

Section 2. 56-Hour Workweek Assignments. Employees assigned to a 56-hour workweek schedule (24- hour shift) will accrue vacation at the following rate for continuous service performed in a pay status.

- a) For employees completing less than four (4) years continuous service, the accrual rate shall be five (5) duty shifts per year.
- b) For employees completing four (4), but less than nine (9) years continuous service, the accrual rate shall be eight (8) duty shifts per year.
- c) For employees completing nine (9), but less than fourteen (14) years continuous service, the accrual rate shall be ten (10) duty shifts per year.
- d) For employees completing fourteen (14), but less than nineteen (19) years continuous service, the accrual rate shall be eleven (11) duty shifts per year.
- e) For employees completing nineteen (19) or more years continuous service, the accrual rate shall be twelve (12) duty shifts per year.

Section 3. 40-Hour Workweek Assignments. Personnel assigned to a 40-hour workweek schedule will accrue vacation at the following rate for continuous service performed in a pay status.

- a) For employees completing less than four (4) years continuous service, the accrual rate shall be eighty (80) hours per year.
- b) For employees completing four (4), but less than nine (9) years continuous service, the accrual rate shall be one-hundred twenty (120) hours per year.
- c) For employees completing nine (9), but less than fourteen (14) years continuous service, the accrual rate shall be one-hundred sixty (160) hours per year.
- d) For employees completing fourteen (14), but less than nineteen (19) years continuous service, the accrual rate shall be one-hundred eighty (180) hours vacation leave per year.
- e) For employees completing nineteen (19) or more years continuous service, the accrual rate shall be two- hundred (200) hours vacation leave per year.

ARTICLE VIII - VACATION CASH OUT

Section 1. Limitation on Use. Employees may not use more than three times their annual rate of

accrual in any calendar year period provided, however, that the Chief may grant exceptions to this limitation.

Section 2. Cash out Option.

- a) Once each calendar year, employees are eligible to cash out vacation accrual balances in excess of 80 hours. An employee may cash out a minimum of eight (8) hours to a maximum of 120 hours of accrued vacation provided employee has taken 80 vacation hours in the previous 12 months and has followed the election procedures set forth in this section.
- b) Employee must elect the number of vacation hours they will cash-out during the next calendar year, up to the maximum of 120 hours. For the 2012 calendar vacation year, employees will make their election for vacation hours to cash out no later than November 1, 2012. The election will apply only to vacation hours that are accrued in the next calendar year and that are eligible for cash-out.
- c) The election to cash-out vacation hours in each designated year will be irrevocable. This means that employees who elect to cash-out vacation hours must cash-out the number of accrued hours pre-designates on the election form.
- d) Employees who do not elect a cash-out amount by November of the prior calendar year will be deemed to have waived the right to cash out any leave in the following tax year and will not be eligible to cash-out vacation hours in the next tax year.
- e) Employees who elect cash-out amount may request a cash-out at any time in the designated tax year by submitting a cash-out form to payroll. Payroll will complete the cash-out form upon request, provided the requested cash-out amount has accrued and is consistent with the amount the employee pre-designated. If the full amount of hours designated for cash-out is not available at the time of cash-out, the maximum available will be paid. For employees who have not requested cash-out of the elected amount by November 1 of year, Payroll will automatically cash- out the elected amount in a paycheck issued on or after the payroll date including November 1.

ARTICLE IX - MANAGEMENT ANNUAL LEAVE

Section 1. Forty (40) hour and fifty-six (56) hour workweek employees not eligible for overtime shall be credited at the beginning of each calendar year with eighty (80) hours of annual leave (one hundred and twelve (112) for 56- hour assignments) which may be taken as paid time off, added to vacation accrual (subject to vacation accrual limitations), taken as cash or taken as deferred compensation. Entitlement under this provision will be reduced on a prorated basis for part-time status, or according to the number of months in paid status during

the calendar year.

Unused balances as of the end of the calendar year will be paid in cash, unless a different option as indicated above is elected by the employee.

The Management Annual Leave accrual will be changed to an annual accrual rather than fiscal year. Effective July 1, 2012, employees will be credited with forty (40) hours of management annual leave to be used by December 31, 2012 or automatically will be cashed out.

Effective January 1, 2012, and every January 1 thereafter, employees will be credited with eighty (80) hours of management annual leave (one hundred and twelve (112) for 56- hour assignments) to be used by December 31st or automatically will be cashed out.

ARTICLE X - OTHER PAID LEAVES

Section 1. City Manager Granted Leaves. The City Manager may grant a regular employee under his control a leave of absence with pay for a period not exceeding thirty calendar days for reasons he deems adequate and in the best interest of the City.

Section 2. Council Granted Leave. The City Council may grant a regular employee a leave of absence with pay for a period not to exceed one year for reasons the Council considers adequate and in the best interest of the City.

Section 3. Employee's Time Off to Vote. Time off with pay to vote at any general or direct primary election shall be granted as provided in the State of California Elections Code, and notice that an employee desires such time off shall be given in accordance with the provisions of said Code.

Section 4. Leaves of Absence; Death in Immediate Family. Leave of absence with pay of one shift for 56-hour shift employees with provision for approval of one additional shift for travel outside the area may be granted an employee by the Chief in the event of death in the employee's immediate family, which is defined for purposes of this section as wife, husband, son, son-in-law, daughter, daughter-in-law, father, mother, brother, brother-in-law, sister, sister-in-law, mother-in-law, father-in-law, step-father, step-mother, step- sister, step-brother, grandfather, grandfather-in-law, grandmother, grandmother-in-law, uncle, aunt, niece, nephew, registered domestic partner, or a close relative residing in the household of the employee. Such leave shall be at full pay and shall not be charged against the employee's accrued vacation or sick leave. Requests for leave in excess of two shifts shall be subject to the approval of the City Manager. Employees assigned to a 40-hour work week are eligible for leave of absence granted by the Chief with pay for three days in the event of death in the employee's immediate family which is defined above.

Section 5. Jury Duty; Leave of Absence. Employees required to report for jury duty shall be granted a leave of absence with pay from their assigned duties until released by the court, provided the employee remits to the City all fees received for such duties other than mileage or subsistence allowances within thirty days from the termination of his or her jury service.

Section 6. Subpoenas. Employees required to answer subpoenas as a witness for the City of Palo Alto or for a plaintiff where the City of Palo Alto is a defendant shall not lose pay or benefits for work time lost to answer depositions or to appear in court.

ARTICLE XI - OTHER LEAVE PROVISIONS

Section 1. Disability. Leaves of absence without pay may be granted in cases of disability not covered by sick leave. Pregnancy will be considered as any other disability. Leaves of absence for disability are subject to physician's verification including diagnosis and medical work restriction.

Section 2. Other Unpaid Leaves. Leaves of absence without pay may be granted in cases of personal emergency or when such absences would not be contrary to the best interest of the City. Non-disability prenatal and/or postpartum leave is available under this provision, but such leave shall not begin more than six months prenatal nor extend more than six months postpartum.

Section 3. Accrued Vacation Credits. During unpaid leaves of absence for disability or other reasons, the employee may elect to use accrued vacation credits. Requests for leaves without pay shall not be unreasonably denied. In order to avoid misunderstandings, all leaves without pay must be in writing to be effective.

Section 4. Approval of Department Head. Leave of absence without pay for one week or less may be granted by the department head, depending on the merit of the individual case.

Section 5. Approval by City Manager. Leave of absence without pay in excess of one week's duration may be granted by the City Manager on the merit of the case, but such leave shall not exceed twelve months' duration.

Section 6. Absence Without Leave. Unauthorized leave of absence shall be considered to be without pay, and reductions in the employee's pay shall be made accordingly. Unauthorized leave of absence may result in termination of employment.

Section 7. Leave of Absence; Death Outside the Immediate Family. Leave without pay may be granted a regular employee by his/her department head in the event of death to family members other than one of the immediate family, such leave to be granted in accordance with Section 2 and Section 4.

Section 8. Military Leave of Absence. State law shall govern the granting of military leaves of absence and the rights of employees returning from such absence.

ARTICLE XII - VOLUNTARY CATASTROPHIC LEAVE PROGRAM

Section 1. The City of Palo Alto has established a Firefighter Voluntary Leave Program to provide FCA employees the opportunity to donate their accrued vacation time to assist fellow members of FCA either due to: (a) an employee's own verifiable non-industrial catastrophic illness

or injury (as defined herein) or (b) in order to care for a member of the employee's immediate family (spouse, child, parent or registered domestic partner suffering from a verifiable catastrophic illness or injury) and have exhausted or will presently exhaust all of their paid leave.

Section 2. In order to be eligible to receive donated leave, an employee must have a catastrophic illness or injury or an employee's immediate family member must have a catastrophic illness or injury that requires the employee to provide full-time care for this family member. Care will be taken to emphasize the voluntary nature of the plan and to insure confidentiality of employee participants and medical conditions (where applicable).

Section 3. A Firefighter Voluntary Leave Sharing Program has been established to accept donations of vacation in accordance with the Program's guidelines. All donations shall be:

- a) Voluntary
- b) Irrevocable
- c) Confidential, unless disclosure is required by law
- d) In whole hour increments of at least four (4) hours, with the hours donated being converted to donee hours based on the donee's salary rate (so that there will be no cost to the City due to salary differential).
- e) The employee shall be required to exhaust all other types of leave to request donated leave
- f) It is understood that employees seeking or receiving leave under this program will apply for long-term disability benefits for which they may be eligible
- g) Where any of the period during which an employee receives donated leave is designated as family leave under the California Family Rights Act (CFRA/Family Medical Leave Act (FMLA)), the employee will be eligible for continuation of medical and other available benefits during that the family leave period (for up to 12 weeks), in accordance with the requirements of those laws. If the employee receiving donated leave is not eligible for CFRA/FMLA benefit continuation, or after the employee has exhausted the available CFRA/FMLA leave period, the employee will need to pay the premiums for continued medical and other available benefits if the employee chooses to continue such coverage through the City
- h) If the donation request is based on the need for an employee to care for an immediate family member, as defined above, the family member must require full-time care by the employee. Certification of this requirement by a health care professional is required
- i) The maximum donated time a donee may receive is 12 months (if available).
- j) Applications to donate leave or receive leave under this Program are made to the Human Resources Department
- k) The tax treatment of donation or receipt of vacation under this section is governed by the IRS and not the City.

Section 4. FCA members interested in donating leave or in applying to receive donated leave shall complete forms provided by the Human Resources Department. If an applicant for leave is found to meet the criteria set forth herein, Human Resources will determine the availability of and (as applicable) allocation of donated paid leave. Payroll will be notified in writing of the number of

hours to be deducted from each donating employee's vacation balance and transferred to the donee employee(s).

Section 5. The City reserves the right to modify or terminate this program at any time.

Section 6. Catastrophic Illness or Injury (also referred to as "medical emergency" in Revenue Ruling 90-29 and Sections 801(c) and 812 of the Merit Rules and Regulations): A non-occupational medical condition of an employee that will require the prolonged absence of the employee from duty and which will result in a substantial loss of income to the employee because the employee will have exhausted all paid leave available apart from the Voluntary Employee Leave sharing Program. Non-disability postpartum leave as referenced in Merit Rule 801(b) shall not be considered a catastrophic illness or injury under this Policy.

ARTICLE XIII - ADDITIONAL COMPENSATION FOR BC CLASSIFICATIONS

POTENTIAL BATTALION CHIEF EXTRA SHIFT COVERAGE

Battalion Chiefs who back fill for an operations shift (or shifts) for a 56-hour work week Battalion Chief will be provided additional compensation for the extra shift coverage, provided that the extra shift requires working hours beyond regularly scheduled hours.

Extra Shift Coverage Eligibility

- Extra shift coverage pay applies to the level of Battalion Chief only and is not intended as compensation for Battalion Chiefs to backfill a lower classification.
- A minimum of eight (8) continuous hours of the extra shift coverage must be worked to be eligible for compensation. After the minimum of eight (8) continuous hours is met, the Battalion Chief will be paid for the entire shift worked.

Extra Shift Coverage Pay Rate

- Compensation for the extra shift coverage by a 56-hour or 40-hour Battalion Chief will be paid at one and one-half times (1.5x) the 56-hour straight-time rate of the Battalion Chief performing the back fill.

First Rights of Refusal

- Battalion Chiefs shall be provided first rights of refusal for the extra shift coverage. If no Battalion Chiefs are available to back fill the extra coverage shift, the shift will be assigned to fire personnel at a lower classification in accordance with the standard protocols of the department.

Extra Shift Coverage Pay Not PERSable

- All pay under this extra shift coverage provision will be reported to CALPERS by the City of Palo Alto in a manner that excludes such pay from PERSable income. As such, the extra shift coverage pay is not subject to CALPERS contributions by the employer or employee and is not included as a factor in the employee's final compensation for pension purposes.

Fire Chief Discretion

- In accordance with management rights provisions, the Fire Chief maintains discretion to approve, modify or disapprove extra shift coverage assignments.

FLSA Exempt Status

- Nothing in the extra shift coverage provision is intended to impact the FLSA-exempt status of Battalion Chiefs. Battalion Chiefs remain FLSA-exempt and are therefore not eligible for overtime pay or compensatory time.

ARTICLE XIV - EXCESS BENEFIT REIMBURSEMENT

Section 1. The benefit provided by this Article is designed to meet the requirements of Section 125 of the Internal Revenue Code. Every calendar year, each employee will be provided with \$2,500 that they can designate among the following options:

- a) **Medical Flexible Spending Account (Medical FSA).** Provides reimbursement for excess medical/dental/vision, or expenses that are incurred by employees and their dependents which are not covered or reimbursed by any other source, including existing City-sponsored plans. This includes prescribed medications and co-payments as specified in applicable federal law.

- b) **Dependent Care Flexible Spending Account (Dependent Care FSA).** Provides reimbursement for qualified dependent care expenses under the City's Dependent Care Assistance Program (DCAP), subject to the limits specified in applicable federal law.
 - 1) Dependent care expenses not reimbursed under this section may be eligible for reimbursement under the City Voluntary Dependent Care FSA program. However, the maximum amount reimbursed under the Voluntary Dependent Care FSA program will be reduced by any amount reimbursed under the Excess Benefit Plan.

- c) **Professional Development**
Employees may use these funds for professional development purposes on a taxable basis to the extent such expenses (e.g., job-related training and education, seminars, training manuals, etc.) are not paid or reimbursed under any other plan of the City.

- d) **Deferred Compensation.** Provides a one-time contribution to the employee's City-sponsored I.R.C. § 457 Deferred Compensation plan with either ICMA-RE or Mass Mutual, subject to the contribution limitations of applicable law.

Amounts designated by employees to either the Medical FSA, Dependent Care FSA, or Professional Development options are done so on a "use –it-or-lose-it" basis. This means that any amounts designated and not used by the end of the calendar year (or end of the

extended grace period for the medical FSA) will be forfeited by the employee and returned to the plan.

Specified amounts under this benefit will be applied on a pro-rata basis for employees who are part-time or who are in FCA pay status for less than the full fiscal year. Such benefits will be pro-rated in the first year of employment (based on hire date) but will not be pro-rated upon separation of employment.

ARTICLE XV - PHYSICAL EXAMS

Physical fitness medical examinations for all represented employees will be provided in accordance with the Fire Department Physical Fitness Program General Order.

ARTICLE XVI - BENEFIT PROGRAMS

Section 1. Health Plan - ACTIVE EMPLOYEES: During the term of this contract, the maximum City contribution towards medical premiums for eligible full time employees per employee category shall be up to a maximum of the following for any plan:

<i>Medical Category</i>	<i>Premium</i>	<i>PEMHCA Contribution*</i>	<i>Total Maximum City Contribution (inclusive of PEMHCA contribution) effective January 1, 2023</i>
Employee Only		\$151.00	\$871
Employee plus one		\$151.00	\$1,742
Employee Family		\$151.00	\$2,260

The City’s total maximum contribution towards medical premiums for eligible part time employees shall be prorated based on the number of hours per week the part-time employee is assigned to work.

*Any increases to the PEMHCA minimum during the term of this contract will result in a corresponding decrease to the amount of the additional City contribution, so that the total maximum City contribution never exceeds the Total Maximum City Contribution described above.

If the State of California or federal government requires the City to participate and contribute toward coverage under any medical plan outside of PEMHCA including but not limited to the Affordable Care Act, the City’s total liability for enrolled employees and retirees and their eligible family members shall not exceed what the City would have paid toward PEMHCA coverage in the absence of such state or federal plan. The parties will meet and confer over the impact of such change on matters within the scope of representation before implementing any change.

- a. Active employee domestic partners whose domestic partnership is registered with the State of California may add their domestic partner as a dependent to their elected health plan coverage if the domestic partner is registered with the Secretary of State. Active employee domestic partners whose domestic partnership is not registered with the State but who meet the requirements of the City of Palo Alto Declaration of Domestic Partnership, and are registered with the Human Resources Department, will be eligible for reimbursement of the actual monthly premium cost of an individual health plan, not to exceed 90% of the average monthly premium cost of individual coverage under the PEMHCA health plans in 2016. Effective with the first pay period including January 1, 2017, a stipend of two hundred eighty four (\$284) per month toward the cost of an individual health plan will be provided. Evidence of premium payment will be required with request for reimbursement.

Flexible Compensaiton: Effective the first pay period following Council adoption of the MOU, in lieu of additional increases to the City's medical premiums, hourly wages for all bargaining unit classifications will be increased by \$100 per month (\$1,200 per year). Employees can utilize this cash payment for any purpose, including to cover health insurance premiums or contribute to flexible spending accounts/457 deferred compensation plans. Effective the first full pay period of January 2024, hourly wages for all bargaining unit classifications will be increased by an additional \$100 per month.

Section 2. Dual Coverage. When a City employee is married to another City employee each shall be covered only once (as an individual or as a spouse of the other City employee, but not both) and dependent children, if any, shall be covered only by one spouse.

Section 3 Dental Benefits

- a. Level of Benefits. The City will maintain the present level of benefits on the City-sponsored dental program. Maximum benefits per calendar year shall be \$2,000.
- b. Premiums. The City shall pay all premium payments or equivalent self-insured program charges on behalf of employees and dependents who are eligible and enrolled for coverage under the existing dental plan. Dependents will include domestic partners, as defined under Article XVII Section 3.
- c. Orthodontia Benefit Maximum. The City will provide a 50% of reasonable charges, \$2,000 lifetime maximum orthodontic benefit for representation unit employees and their dependents.

Section 4. Vision Care.

The City offers vision care coverage for employees and dependents. Coverage is equivalent to \$20 Deductible Plan A under the Vision Service Plan, with monthly premiums paid by the employer. Dependents include domestic partners, as defined under Article XVII Section 1.

Section 5. Employee Assistance Plan. The Employee Assistance Plan (EAP) provides employees with confidential personal counseling, work and family related issues, eldercare,

substance abuse, etc. In addition, EAP programs provide a valuable tool for supervisors to refer troubled employees to professional outside help. This service staffed by experienced clinicians is available to employees and their dependents by calling a toll-free phone line 24 hours a day, seven days a week. Guidance is also available online.

Section 6. Alternative Medical Benefit Program.

If a regular employee and/or the employee's dependent(s) are eligible for and elect to receive medical insurance through any other non-City of Palo Alto employer sponsored or association-sponsored group medical plan, the employee may choose to waive his/her right to the City of Palo Alto's medical plan insurance and receive cash payments in the amount of two hundred eighty-four dollars (\$284) for each month City coverage is waived.

ARTICLE XVII – RETIREMENT MEDICAL PLAN

Section 1. Retiree medical coverage for Unit employees hired before January 1, 2004:

Monthly City-paid premium contributions for a retiree-selected PEMHCA optional plan will be made in accordance with the Public Employees' Medical and Hospital Care Act Resolution for employees that retire on or before December 31, 2006. Effective January 1, 2007 for an employee retiring on or after that date the City will pay up to the monthly medical premium for the 2nd most expensive plan offered to FCA employees among the existing array of plans. However, the City contribution for an employee hired before January 1, 2004 who retires on or after December 1, 2011 shall be the same contribution amount it makes for active City employees.

Effective upon ratification and adoption of this Agreement, the City shall provide active unit employees who were hired before January 1, 2004 with a one-time opportunity to opt-in to retiree health benefits provided under California Government Code section 22893. Eligible employees who wish to exercise this option shall inform the Human Resources Department of their election in writing no later than 90 days following the ratification and adoption of this Agreement.

Section 2. 20-Year Vesting for Retiree Medical Coverage for Unit Employees Hired On Or After January 1, 2004:

The retiree health benefit provided in California Government Code section 22893 shall apply to all employees hired on or after January 1, 2004. Under this law, an employee is eligible to receive Fifty (50) percent of benefit after ten (10) years; each additional service credit year after Ten (10) years will increase employer credit by Five (5%) percent until Twenty (20) years is reached at which time employee is eligible for One Hundred (100%) percent of annuitant-only coverage and Ninety (90%) percent of the additional premium for dependents.

ARTICLE XIII – BASIC LIFE INSURANCE

The City shall provide a basic life and AD & D insurance plan in an amount equal to the employee's annual base compensation (rounded to the next highest \$1,000).

ARTICLE XIX– SUPPLEMENTAL LIFE INSURANCE

An employee may, at his/her cost, purchase additional life insurance and additional AD&D coverage. The total amount of life insurance available to the employee is \$325,000 and the total amount of AD&D coverage available is \$325,000.

ARTICLE XX– LONG TERM DISABILITY INSURANCE

In lieu of providing long-term disability insurance program to eligible employees, the City shall add \$40.00 per month to the base salary of eligible employees. This \$40.00 per month shall not be calculated into the labor market salary comparison.

ARTICLE XXI - EFFECTIVE DATE OF BENEFIT COVERAGE FOR NEW EMPLOYEES

For newly-hired regular employees coverage begins on the first day of the month following date of hire for the health plan, dental plan, vision care plan, life insurance and long term disability plans if these benefits are elected.

ARTICLE XXII-WORKERS' COMPENSATION

Persons on disability will be required to appear or otherwise report at regular two-week intervals to the Fire Chief or designate to discuss his/her status and ability to return to full or restricted work status. This section is not meant to unreasonably restrict employee's activities so long as such activities are cleared by the treating physician, treating program or alternative treatment program is maintained and employee is available for full or restricted duty as soon as medical clearance can be received.

ARTICLE XXIII- RETIREMENT PENSION PLANS

Section 1. Safety PERS Retirement Formula.

- a. Safety Pension Group A: 3%@50 Safety Retirement: The City will continue the present benefits under the Public Employees' Retirement System (PERS) "3 percent at 50 (3%@50)" formula for employees hired before the effective date of the "3 percent at Section 2. 55" (3%@55) formula for new hires as described herein. The final year compensation for employees hired under the 3% at 50 formula will continue to be "Single highest year" or the highest average annual compensation earnable by the member during one (1) year of employment immediately preceding retirement or the one-year period otherwise designated by the member (Government Code section 20042).

- b. Safety Pension Group B: 3%@55 Safety Retirement: Effective December 7, 2012, the City amended its contract with CalPERS to provide employees hired on or after that date who are not “new members” of CalPERS, as defined in the Public Employees’ Pension Reform Act (after referred to as “classic” CalPERS members) with the CalPERS retirement formula three percent of final salary at age 55 (“3%@55”), with the final salary determination for such employees of “3 highest consecutive years” based on the highest average annual compensation earnable by the member during three (3) consecutive years of employment immediately preceding retirement or the three-year period otherwise designated by the member (Government Code section 20037).
- c. Safety Pension Group C: 2.7% at Age 57 Safety Retirement: Employees hired on or after January 1, 2013 meeting the definition of “new member” under the Public Employees’ Pension Reform Act (Gov’t. Code s. 7522 et seq.) shall be subject to all of the provisions of that law, including but not limited to the two point seven percent at age 57 (2.7%@57) retirement formula with a three year final compensation period.
- d. Safety PERS Member Contribution.
 - 1. Employees in all classifications in Pension Groups A and B described above shall pay a total of 9% towards the PERS member contributions by payroll deduction.
 - 2. Employees in all represented classes in Pension Group C described above shall pay the employee contribution required by the Public Employees’ Pension Reform Act, currently calculated at fifty percent (50%) of the normal cost.
 - 3. When employees pay their PERS Member Contribution pursuant to section 2a and 2b above, the City will provide for member contributions to be made as allowed under provisions of IRS Code Section 414(h)(2).
- e. Additional Employee PERS contributions:

In addition to the PERS member contribution as required under section 2d 1, 2 and 3 above, all employees in pension groups a, b and c shall contribute the additional following contributions:

 - 1. All employees regardless of pension formula in this unit shall, in addition to the Member Contribution required, shall pay an additional 3% towards the Employer share of Pension regardless of pension formula through a CalPERS 20516 contract amendment.
 - 2. Effective the first full pay period following July 1, 2020, all employees regardless of pension formula in this unit shall, in addition to the Member Contribution required, pay an additional 1% towards the Employer share of Pension for a total of 4%.

Section 2. Status Determination. An employee’s membership in and designation as Safety for CalPERS pension plan purposes shall be determined based on applicable California law.

Section 3. Employer Contributions to 457 Plan

Effective the first full pay period following July 1, 2020, the City will contribute the equivalent of 1% of the employee’s pensionable salary into the 457 plan.

Eligibility:

1. Employees must be enrolled in an eligible City sponsored 457 plan
2. Employees who reach the maximum as defined by the IRS will not receive additional contributions
3. Employee must be making PERS contributions

ARTICLE XXIV - MISCELLANEOUS EMPLOYMENT-RELATED EXPENSES

Section 1. Station House Fund. The Station House Fund per year per shift employee shall be \$100.00.

Section 2. Non-Food House Items. The City agrees to furnish and maintain each fire station with the following non-food house fund items: TV purchase and repair. Kitchen cooking utensils, small kitchen appliances and other specific items to be determined by mutual agreement of the parties will be purchased from the Station House Fund.

Section 3. Per Diem Travel Expenses For City Business. Unless other mutually agreeable arrangements are made, representation unit employees who are required to travel away from the City on City business will receive travel expenses, according to City policies which are currently in effect.

Section 4. Parking. Employees in represented classes assigned to Civic Center or adjacent work locations shall be entitled to free parking in the Civic Center Garage, or a commute incentive which will be subject to meet and confer. Employees hired after July 1, 1994 may initially receive a parking permit for another downtown lot subject to availability of space at the Civic Center garage. Light duty employees assigned to the Civic Center will receive Civic Center parking temporary permits for the duration of the light duty assignment.

Section 5. Uniform. The value of the purchase, rental and/or maintenance of the required uniforms shall be reported as special compensation to the extent legally permissible, pursuant to Title 2 CCR, Section 571(a)(5) as Uniform Allowance. Based upon existing uniform standards and the City’s cost experience, the value of this benefit shall be reported as \$15.31 per pay period. The City will supply complete uniforms as described in Fire Department Policy 1031.

ARTICLE XXV – WORK ASSIGNMENTS

Section 1. Selection of and assignment to Training Battalion Chief (40-hour workweek) shall be based upon seniority, except where operational needs are determined by the Fire Chief or

designee, the Fire Chief or designee reserves the right to assign personnel based on Fire Department needs. For purposes of this article, seniority shall be calculated from date of entry into the Battalion Chief classification.

Section 2. Working out of Classification. Where employees, on a temporary basis, are assigned to perform all significant duties of a higher classification, for a period of one week or more, the Fire Chief may authorize payment within the range of the higher classification for the specified time frame. Working above classification will not exceed six months, unless renewed at the discretion of the Fire Chief. Working above classification pay is not to exceed 10% more than the employee's current salary and shall be documented on a Personnel Action Form, with a description of the additional duties in the higher classification to be performed and an end date. Employees assigned to work out of classification will receive out of class pay beginning the first day of the assignment.

ARTICLE XXVI - FULL UNDERSTANDING

Section 1. The Memorandum of Agreement contains the full and entire understanding of the parties regarding the matters set forth herein.

Section 2. Severability. If any of the provision herein contained be rendered or declared invalid by reason of any State or Federal legislation, or by ruling of any court of competent jurisdiction, such invalidation of such part or portion of this Memorandum of Agreement shall not invalidate the remaining portions hereof, and they shall remain in full force and effect, insofar as such remaining portions are severable.

Section 3. It is the intent of the parties that ordinances, resolutions, rules and regulations enacted pursuant to this Memorandum of Agreement be administered and observed in good faith.

Section 4. Nothing in this Memorandum of Agreement shall preclude the parties from mutually agreeing to meet and confer on any subject with the scope of representation during the term of this agreement.

Section 5. Merit System Rules and Regulations During the term of this Memorandum of Agreement, Management may propose certain changes in the City Merit System Rules and Regulations. With regard to such changes which pertain to the representation unit, the parties agree to review, and upon request, meet and confer regarding the changes.

ARTICLE XXVII - DURATION

This Memorandum of Agreement shall become effective upon signing by the parties hereto, except that those provisions herein that have specific effective dates shall take effect on those dates regardless of signing date, once this Memorandum of Agreement is signed by the parties hereto. This Memorandum of Agreement shall expire June 30, 2025.

ARTICLE XXVIII- 48/96 WORK SCHEDULE

The regular schedule for 56 hour personnel will be under a “48/96” model. With the adoption of this “48/96” schedule the parties agreed to revise Fire department policy 205.6 typical workday and 1009.8.1 reporting for Duty-Holidays.

EXECUTED:

**FOR:
FIRE CHIEFS ASSOCIATION**

DocuSigned by:
Ryan Stoddard
02FC2E17A4494B8...
Ryan Stoddard, Battalion Chief and President

**FOR:
CITY OF PALO ALTO**

DocuSigned by:
Ed Shikada
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Ed Shikada, City Manager

DocuSigned by:
Sandra Blanch
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Sandra Blanch, Human Resources Director

DocuSigned by:
Tori Anthony
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Tori Anthony, Manager Employee
and Labor Relations

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Geoffrey Blackshire, Deputy Chief

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Jennifer Fine
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Molly Stump, City Attorney