



City of Los Banos

At the Crossroads of California

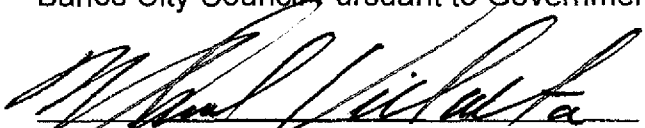
www.losbanos.org

NOTICE AND CALL OF A SPECIAL MEETING OF THE LOS BANOS CITY COUNCIL


CITY HALL COUNCIL CHAMBERS
520 J Street
Los Banos, California

TUESDAY, JULY 14, 2015 – 10:00 AM

Please take notice that Mayor Michael Villalta hereby calls a Special Meeting of the Los Banos City Council Pursuant to Government Code Section 54956.



Michael Villalta, Mayor



Date

CITY COUNCIL SPECIAL MEETING AGENDA

CITY HALL COUNCIL CHAMBERS
520 J Street
Los Banos, California

TUESDAY, JULY 14, 2015 AT 10:00 AM

If you require special assistance to attend or participate in this meeting, please call the City Clerk's Office @ (209) 827-7000 at least 48 hours prior to the meeting.

The City of Los Banos complies with the Americans with Disabilities Act (ADA) of 1990.

Si requiere asistencia especial para atender o participar en esta junta por favor llame a la oficina de la Secretaria de la ciudad al (209) 827-7000 a lo menos de 48 horas previas de la junta.

La Ciudad de Los Banos cumple con la Acta de Americanos con Deshabilidad (ADA) de 1990.

Any writings or documents provided to a majority of the City Council regarding any item on this agenda will be made available for public inspection at the meeting and in the City Clerk's office located at City Hall, 520 J Street, Los Banos, California during normal business hours. In addition, such writings and documents may be posted on the City's website at www.losbanos.org.

Cualquier escritura o los documentos proporcionaron a una mayoría del Ayuntamiento respecto a cualquier artículo en este orden del día será hecho disponible para la inspección pública en la reunión y en la oficina de la Secretaria de la ciudad en City Hall, 520 J Street, Los Banos, California durante horas de oficina normales. Además, tales escrituras y los documentos pueden ser anunciados en el website de la ciudad en www.losbanos.org.

1. CALL TO ORDER.

10:00 AM

2. ROLL CALL: (City Council Members)

Faria ____, Lewis ____, Silveira ____, Stonegrove ____, Villalta ____

3. CONSIDERATION OF APPROVAL OF AGENDA.

4. PUBLIC FORUM. (Members of the public may address the City Council on any item of public interest that is within the jurisdiction of the City Council; includes agenda and non-agenda items. No action will be taken on non-agenda items. Speakers are limited to a five (5) minute presentation. Detailed guidelines are posted on the Council Chamber informational table.)

5. CITY COUNCIL RESOLUTION NO 5678 – APPROVING A TENTATIVE AGREEMENT / MEMORANDUM OF UNDERSTANDING BY AND BETWEEN THE CITY OF LOS BANOS AND THE LOS BANOS FIRE FIGHTERS ASSOCIATION (LBFFA).

Recommendation: Adopt the resolution as submitted.

6. CITY COUNCIL RESOLUTION NO. 5679 – AMENDING DIVISION 4, SALARY SCHEDULE – EMPLOYEE CLASSIFICATIONS RELATING TO CHANGES TO SECTION F – FIRE & BUILDING AND SECTION G – POLICE AS IT PERTAINS TO APPROVED AGREEMENTS WITH THE LOS BANOS FIRE FIGHTERS ASSOCIATION (LBFFA), THE LOS BANOS POLICE OFFICERS ASSOCIATION (LBPOA) AND LOS BANOS POLICE SERGEANTS ASSOCIATIONS (LBPSA).

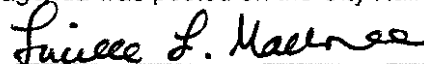
Recommendation: Adopt the resolution as submitted.

7. CITY COUNCIL RESOLUTION NO. 5680 – DESIGNATING EMPLOYEES' CONTRIBUTIONS TOWARD EMPLOYER PENSION COSTS AS AN EMPLOYER PICK-UP PER SECTION 414(H)(2) OF THE INTERNAL REVENUE CODE AS IT PERTAINS TO POLICE AND FIRE CALPERS SAFETY MEMBERS.

Recommendation: Adopt the resolution as submitted.

8. ADJOURNMENT.

I hereby certify under penalty of perjury under the laws of the State of California, that the foregoing agenda was posted on the City Hall bulletin board not less than 24 hours prior to the meeting.


Lucille L. Mallonee, City Clerk

Dated this 9th day of July 2015



City of
Los Banos

At the Crossroads of California

Agenda Staff Report

TO: Mayor & City Council Members

FROM: Lucy Mallonee, MMC *lm*
City Clerk/Human Resources Director

DATE: July 9, 2015

SUBJECT: Approval of a Tentative Agreement (TA)/Memorandum of Understanding (MOU) between the City of Los Banos and the Los Banos Fire Fighters Association (LBFFA)

TYPE OF REPORT: Agenda Item

Recommendation:

Adopt the Resolution approving the TA/MOU between the City of Los Banos and the LBFFA.

Discussion:

The City has bargained in good faith with the LBFFA and reached agreement on a new multi-year MOU through June 30, 2018. The changes to the MOU include:

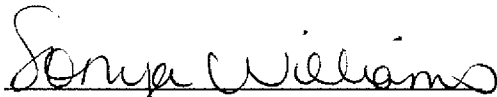
- Salary increase of 4% on July 1, 2015, July 1, 2016 and July 1, 2017.
- Effective July 1, 2015, in addition to the employee's paid member contribution (EPMC) to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @ 55 pension formulas shall have deducted from their compensation one percent (1%) as cost sharing toward pension to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the one percent (1%) cost share in addition to the nine percent (9%) member contribution.


- Effective July 1, 2016, in addition to the EPMC to CalPERS for pension, each employee defined as a “classic” member of CalPERS enrolled in 3% @ 50 or 3% @ 55 pension formulas shall have deducted from their compensation an additional one percent (1%), (for a total cost share of two percent (2%) as cost sharing toward pension to pay for a portion of the City’s required contribution to CalPERS. Each employee will pay the two percent (2%) cost share in addition to the nine percent (9%) member contribution.
- Effective July 1, 2017, in addition to the EPMC to CalPERS for pension, each employee defined as a “classic” member of CalPERS enrolled in 3% @ 50 or 3% @ 55 pension formulas shall have deducted from their compensation an additional one percent (1%), (for a total cost share of three percent (3%) as cost sharing toward pension to pay for a portion of the City’s required contribution to CalPERS. Each employee will pay the three percent (3%) cost share in addition to the nine percent (9%) member contribution.
- Effective July 1, 2015 each LBFFA employee will be granted thirty-two (32) hours of Education Leave to be used to attend non-mandatory training, with the approval of the Fire Chief.

Fiscal Impact:

Staff will continue to further analyze the fiscal impact and prepare a budget adjustment at a later date because labor negotiations with other bargaining units are ongoing.

Reviewed by:


Sonya Williams, Finance Director


for Steve Carrigan, City Manager

Attachments:

Resolution

RESOLUTION NO. ____

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LOS BANOS APPROVING A
TENTATIVE AGREEMENT / MEMORANDUM OF
UNDERSTANDING BY AND BETWEEN THE CITY
OF LOS BANOS AND THE LOS BANOS FIRE
FIGHTERS ASSOCIATION**

WHEREAS, the City Council of the City of Los Banos has received a request to approve a Tentative Agreement / Memorandum of Understanding by and between the City of Los Banos and the Los Banos Fire Fighters Association (LBFFA); and

WHEREAS, the Memorandum of Understanding will be in effect from July 1, 2015 to June 30, 2018.

NOW, THEREFORE, BE IT RESOLVED that the Memorandum of Understanding by and between the City of Los Banos and the LBFFA is hereby approved as submitted as "Exhibit A" respectively.

The foregoing Resolution was introduced at a special meeting of the City Council of the City of Los Banos held on the ____ day of July 2015, by Council Member ____ who moved its adoption, which motion was duly seconded by Council Member ____ and the Resolution adopted by the following vote:

AYES: Council Members
NOES:
ABSENT:

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS FIRE FIGHTERS' ASSOCIATION
2015-2018**

The following document contains the Tentative Agreement between the City of Los Banos (hereinafter called "City") and the Los Banos Fire Fighters' Association (hereinafter called "Association") (hereinafter collectively called "the parties") on wages, hours and terms and conditions of employment. The salaries, hours, fringe benefits and working conditions set forth have been mutually agreed upon by the designated bargaining representatives of the City and the Association, and will apply to all employees covered by the Memorandum of Understanding (MOU) between the City and the Association.


Upon ratification and adoption, this Agreement will amend the MOU between the parties dated July 1, 2014 – June 30, 2015.


The amended MOU shall supersede all other Memoranda of Understanding and agreements between the parties. Language in the MOU between the parties not amended by this Tentative Agreement will remain unchanged. The parties agree that any and all Tentative Agreements are hereby incorporated. Any outstanding proposals not agreed to are hereby withdrawn by the parties.

This Tentative Agreement is subject to ratification by Association membership and approval by the City Council of the City of Los Banos.

FOR THE CITY

FOR THE ASSOCIATION





Date: 7/1/2015

Date: 7/7/2015

Approved:

Ratified:



Date: _____

Date: 7/7/2015

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS FIRE FIGHTERS' ASSOCIATION
2015-2018**

TERM: Three years (July 1, 2015 – June 30, 2018).

EQUITY ADJUSTMENTS:

Effective July 1, 2015, salary schedules shall be increased by four percent (4%).

Effective July 1, 2016, salary schedules shall be increased by four percent (4%).

Effective July 1, 2017, salary schedules shall be increased by four percent (4%).

PENSION COST SHARING:

Year 1: Effective the first pay period following Council approval of a successor MOU, in addition to the employee's member contribution to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @55 pension formulas shall have deducted from their compensation one percent (1%) as cost sharing toward pension in accordance with Section 20516(f) of the California Government Code, to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the one percent (1%) cost share in addition to the nine percent (9%) member contribution.

Year 2: Effective July 1, 2016, in addition to the employee's member contribution to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @55 pension formulas shall have deducted from their compensation an additional one percent (1%), (for a total cost share of two percent (2%)) as cost sharing toward pension in accordance with Section 20516(f) of the California Government Code, to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the two percent (2%) cost share in addition to the nine percent (9%) member contribution.

Year 3: Effective July 1, 2017, in addition to the employee's member contribution to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @55 pension formulas shall have deducted from their compensation an additional one percent (1%), (for a total cost share of three percent (3%)) as cost sharing toward pension in accordance with Section 20516(f) of the California Government Code, to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the three percent (3%) cost share in addition to the nine percent (9%) member contribution.

The parties mutually recognize and acknowledge that the cost-sharing provisions provided herein satisfy the terms set forth in Government Code 20516.5.

The City makes no representation as to the tax consequences of cost sharing contributions. The above described cost-sharing contributions shall be made in accordance with IRS requirements.

If, at any time, the parties no longer have agreement that employees will cost share three percent (3%) to the employer's contribution to pension as described above, employee's base salary will be reduced by an equal percentage.

ACA REOPENER:

Effective July 1, 2017, subject to the City's request, the City and Association shall reopen the issue of payment of Affordable Care Act Excise Tax ("Cadillac Tax"), the Affordable Care Act, and/or its impacts.

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS FIRE FIGHTERS' ASSOCIATION
2015-2018**

EDUCATION LEAVE:

Effective July 1, 2015, the City will grant each employee in the bargaining unit thirty-two (32) hours of Education Leave to be used to attend non-mandatory training in the Incident Qualification and Certification System (IQCS), training to qualify for future promotion, or other voluntary job-related training that is not required by the Department. Training must be approved in advance by the Fire Chief.

The City shall not be responsible for payment of training fees or travel costs related to such non-mandatory training. However, employees may be eligible for tuition reimbursement in accordance with City policy.

Such leave shall not have a cash value and shall not be converted to pay in lieu of paid time off, either during employment or upon separation.

Each fiscal year, the City shall replenish used Education Leave up to thirty-two (32) hours. An employee's Education Leave bank shall not exceed thirty-two (32) hours.

Education leave may be used during an employee's regular work shift. Education leave used shall be paid at the employee's straight time rate, and shall not count as hours worked for the purpose of calculating overtime eligibility.

Employees shall be required to submit documentation to substantiate course attendance.

MOU CLEAN UP:

To be proposed as needed.

JOB DESCRIPTIONS:

The parties have met and conferred, and agree over the City's proposed job description updates for Firefighter, Fire Engineer and Fire Captain, with the following change to the Fire Captain job description:

Experience and Training

Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way to obtain the required knowledge and abilities would be:

Experience:

Five (5) years' experience in public fire suppression as a career firefighter, with two (2) years' experience as a career firefighter/engineer.

Training:

Equivalent to the completion of the twelfth grade supplemented by college course work in fire science.

UNIFORM LANGUAGE:

SECTION XI - Miscellaneous

A. **Uniform and Clothing Replacement**

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS FIRE FIGHTERS' ASSOCIATION
2015-2018**

The City will continue to provide required uniforms and equipment in accordance with provisions outlined in the City of Los Banos Personnel Benefits section of the City of Los Banos Policy Manual. The City will report uniform expenses to CalPERS in accordance with applicable regulations. Additionally, the City of Los Banos will ~~accept responsibility for payment of uniform cleaning in accordance~~ provide accommodations and cleaning supplies at the stations to launder uniforms, with the following guidelines:

1. Fire Department employees who are working a fifty-six (56) hour workweek will be issued a minimum of seven (7) work uniforms ~~each calendar month~~.

On an as needed basis as determined by the Fire Chief, the City will provide up to five Fire Department t-shirts, and one Fire Department collared sweatshirt. The City will provide uniform belts, name tags, and uniform/EMS jackets.

2. Fire Department employees who are working a forty (40) hour workweek will be issued a minimum of eleven (11) work uniforms ~~each calendar month~~.

On an as needed basis as determined by the Fire Chief, the City will provide up to five Fire Department t-shirts, and one Fire Department collared sweatshirt. The City will provide uniform belts, name tags, and uniform/EMS jackets.

3. The City will report to California Public Employees' Retirement System (CalPERS), the average annual cost of uniforms and launder supplies in accordance with CalPERS requirements.

Safety Shoes: On an as needed basis as determined by the Fire Chief, the City will provide one (1) pair of safety boots or shoes every other year.

NEPOTISM POLICY:

The parties have met and conferred, and agree to the City's proposed Personnel Rule Division 26: Nepotism and Fraternization Policy. Such policy will not be adopted before the Fire department's adoption of the Department Nepotism Policy, which shall take precedent over the City policy where the policies contradict.



City of
Los Banos
At the Crossroads of California

Agenda Staff Report

TO: Mayor & City Council Members

FROM: Lucy Mallonee, MMC *LM*
City Clerk/Human Resources Director

DATE: July 9, 2015

SUBJECT: Update to Salary Schedule

TYPE OF REPORT: Agenda Item

Recommendation:

Attached please find a resolution for your review and consideration of approval that would amend Division 4, Salary Schedule-Employee Classifications to reflect changes associated with the approval of the Los Banos Fire Fighters Association (LBFFA) Tentative Agreement (TA)/Memorandum of Understanding (MOU) and the one percent (1%) of cost sharing to CalPERS pension by the Public Safety Members (Police and Fire).

Discussion:

With approval of the TA/MOU with the LBFFA effective July 1, 2015, the City's Salary Schedule needs to be amended to reflect the approved four percent (4%) salary increase for the Fire Fighters, Fire Engineers, Fire Captains.

Also, in order to maintain the salary spread for the Police Chief and the Police Commanders in light of their recent adjustment in relation to the Police Sergeants equity adjustment, the salary range for Police Chief would need to be adjusted by an additional three percent (3%).

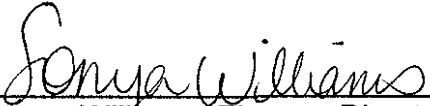
With the earlier approval of designating employees' contributions toward employer pension costs as an employer pick-up of the agreed upon one percent (1%) cost share over the next three (3) years with the LBFFA, Los Banos Police Officers Association (LBPOA), the Los Banos Police Sergeants Association (LBPSA) and in accordance with

Government Code Section 20516 that allows the City to also apply the same to unrepresented employees, the City will need to make salary adjustments to the Police Chief and Assistant Fire Chief's salary by one (1%) over the next three years accordingly on July 1, 2015, July 1, 2016 and July 1, 2017 to compensation the one percent (1%) pension cost share.

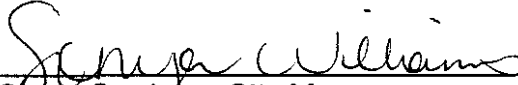
Fiscal Impact:

Staff will continue to further analyze the fiscal impact and prepare a budget adjustment if necessary at a later date.

Reviewed by:



Sonya Williams, Finance Director

for 

for Steve Carrigan, City Manager

Attachments:

Resolution

RESOLUTION NO. __

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LOS BANOS AMENDING DIVISION 4,
SALARY SCHEDULE – EMPLOYEE
CLASSIFICATIONS RELATING TO CHANGES TO
SECTION F – FIRE & BUILDING AND G – POLICE**

WHEREAS, the City Council of the City of Los Banos has received a request that the Division 4, Salary Schedule of the City Policy Manual be amended to reflect changes associated with the approval of the Los Banos Fire Fighters Association (LBFFA) Tentative Agreement (TA)/Memorandum of Understanding (MOU) and the one percent (1%) of cost sharing to CalPERS pension by the Public Safety Members (Police and Fire) as follows, effective July 1, 2015:

1. Four percent (4%) salary increase for the Fire Fighters; and
2. Four percent (4%) salary increase for the Fire Engineers; and
3. Four percent (4%) salary increase for the Fire Captains; and
4. One percent (1%) salary increase for the Assistant Fire Chief to compensate for the one percent (1%) pension cost share; and
5. One percent (1%) salary increase for the Police Chief to compensate for the one percent (1%) pension cost share and adjusting the salary range by three (3%) to maintain the salary spread with the Police Commanders.

WHEREAS, said request has been reviewed and approved by the City Council of the City of Los Banos at their regular meeting of July __, 2015.

NOW, THEREFORE, BE IT RESOLVED that Division 4, Salary Schedule of the City Policy Manual is hereby amended to reflect the changes as listed above and is hereby approved as submitted as "Exhibit A" respectively.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Los Banos held on the ____ day of July 2015, by Council Member _____ who moved its adoption, which motion was duly seconded by Council Member _____ and the Resolution adopted by the following vote:

AYES: Council Members
NOES:
ABSENT:

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk

**DIVISION 4
SALARY SCHEDULE**

(Approved July _____, 2015 / Effective July 1, 2015)

SEC. 4003 REGULAR (FULL TIME) EMPLOYEE CLASSIFICATIONS

SECTION F - FIRE & BUILDING

TOTAL POSITIONS AUTHORIZED (18)

<u>EMPLOYEE CLASSIFICATION</u>	<u>AUTHORIZED</u>	<u>RANGE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
Asst Fire Chief	(1)	*	7,113	7,469	7,842	8,234	8,646	8,862
			<u>7,184</u>	<u>7,543</u>	<u>7,921</u>	<u>8,317</u>	<u>8,732</u>	<u>8,951</u>
Fire Captain	(3)	*	4,692	4,927	5,173	5,432	5,703	5,846
			<u>4,880</u>	<u>5,124</u>	<u>5,380</u>	<u>5,649</u>	<u>5,931</u>	<u>6,080</u>
Fire Engineer	(6)	*	4,470	4,604	4,742	4,884	5,034	5,157
			<u>4,649</u>	<u>4,788</u>	<u>4,932</u>	<u>5,079</u>	<u>5,232</u>	<u>5,363</u>
Fire Fighter	(5)	*	3,676	3,860	4,054	4,256	4,469	4,584
			<u>3,823</u>	<u>4,014</u>	<u>4,216</u>	<u>4,426</u>	<u>4,648</u>	<u>4,764</u>

SECTION G - POLICE

TOTAL POSITIONS AUTHORIZED (63)

<u>EMPLOYEE CLASSIFICATION</u>	<u>AUTHORIZED</u>	<u>RANGE</u>	<u>STEP 1</u>	<u>STEP 2</u>	<u>STEP 3</u>	<u>STEP 4</u>	<u>STEP 5</u>	<u>STEP 6</u>
Police Chief	(1)	9,804-12,560	*	*	*	*	*	*
		<u>10,098-12,937</u>						



City of
Los Banos
At the Crossroads of California

Agenda Staff Report

TO: Mayor & City Council Members

FROM: Lucy Mallonee, MMC *LM*
City Clerk/Human Resources Director

DATE: July 9, 2015

SUBJECT: Designate Employees' Contributions Toward Employer Pension costs as an Employer Pick-Up per Section 414(h)(2) of the Internal Revenue Code

TYPE OF REPORT: Agenda Item

Recommendation:

Attached please find a resolution for your review and consideration of approval that would designate employees' contributions toward employer pension costs as an employer "pick-up" per Section 414(h)(2) of the Internal Revenue Code.

Discussion:

This action allows the employee pick-up of the employer contribution to be pre-taxed. This would not impact the City financially.

Recent labor negotiations have resulted in agreements with the City's bargaining units to share the costs of the City's California Public Employees' Retirement System (CalPERS) *employer* contributions, it is the City's position that they are not subject to income tax withholding.

The City's regular status employees are enrolled in a 401(a) qualified pension plan through CalPERS. The pension plan is funded by a combination of employer contributions and employee contributions. In the past, employer contributions were fully funded by the City, and employee contributions were paid by the employee, or shared between the City and respective bargaining groups. This recently changed when the City's bargaining units agreed to share the cost of the CalPERS employer contribution, as described in the recently approved agreement with the Los Banos Police Sergeants Association (LBPSA), Los Banos Police Officers Association (LBPOA) and the Los Banos Fire Fighters Association.

In accordance with Section 3401(a)(12)(A) of the Internal Revenue Code (IRC), employer contributions paid by the City on behalf of employees to a 401(a) qualified pension plan are exempt from income taxes. However, the City has been advised that there is currently no statutory, administrative, or judicial guidance regarding the tax implications of a cost sharing arrangement wherein employees pay a portion of the employer contribution. Set forth below are the best practices to help ensure that the EPEC is not subject to income tax withholding.

The EPEC may be withheld from employee's paychecks on a pre-tax basis (exempt from federal and state income taxes) because such contributions are likely treated as employer contributions in accordance with Section 20516(f) of the Public Employees Retirement Law (PERL). Such employer contributions are excluded from tax withholding, per Section 3401(a)(12)(A) of the IRC.


However, that there is a possibility that the IRS could take a contrary position and determine that the EPEC is an employee contribution rather than an employer contribution because it is deducted from the employee's paycheck. While this is not the City's expectation, it was recommended that the City take the precautionary step to adopt the attached resolution designating the EPEC as an employer "pick-up" per Section 414(h)(2) of the IRC. This section of the IRC provides for an exemption to the mandatory taxation of employee contributions in such cases where the contributions, although designated as employee contributions, are paid by the City to a 401(a) qualified pension plan, and employees do not have a right to receive such contributions directly. Thus, whether the contributions are ultimately considered as employee contributions or employer contributions by the IRS, they shall not be subject to income tax withholding.

Fiscal Impact:

None

Reviewed by:


Sonya Williams, Finance Director

for 
Steve Carrigan, City Manager

Attachments:

LBPOA Agreement
LBPSA Agreement
LBFFA Agreement
Resolution

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS POLICE OFFICERS' ASSOCIATION
2015-2018**

The following document contains the Tentative Agreement between the City of Los Banos (hereinafter called "City") and the Los Banos Police Officers' Association (hereinafter called "LBPOA" or "Association") (hereinafter collectively called "the parties") on wages, hours and terms and conditions of employment. The salaries, hours, fringe benefits and working conditions set forth have been mutually agreed upon by the designated bargaining representatives of the City and the Association, and will apply to all employees covered by the Memorandum of Understanding (MOU) between the City and the Association.

Upon ratification and adoption, this Agreement will amend the MOU between the parties dated July 1, 2014 – June 30, 2015.

The amended MOU shall supersede all other Memoranda of Understanding and agreements between the parties. Language in the MOU between the parties not amended by this Tentative Agreement will remain unchanged. The parties agree that any and all Tentative Agreements are hereby incorporated. Any outstanding proposals not agreed to are hereby withdrawn by the parties.

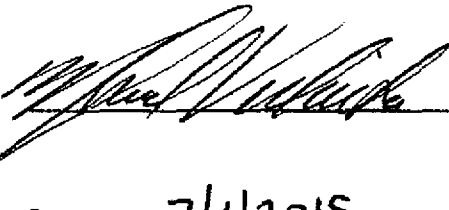
This Tentative Agreement is subject to ratification by Association membership and approval by the City Council of the City of Los Banos.

FOR THE CITY



Date: 6/26/15

Approved:



Date: 7/1/2015

FOR THE ASSOCIATION



Date: 6/26/15

Ratified:



Date: 6/26/15

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS POLICE OFFICERS' ASSOCIATION
2015-2018**

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This Tentative Agreement is subject to ratification by Association membership and approval by the City Council of the City of Los Banos.


FOR THE CITY

Date: _____

Approved: _____

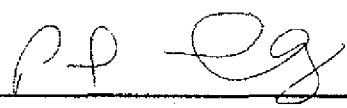
Date: _____

FOR THE ASSOCIATION

_____ 

Date: 6/26/15

Ratified: _____

_____ 

Date: 6/26/15

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS POLICE OFFICERS' ASSOCIATION
2015-2018**

TERM: Three years (date of agreement or July 1, 2015 (whichever is later) – June 30, 2018).

SALARIES:

Effective the first full pay period following Council adoption of the agreement, or the first full pay period following July 1, 2015 (whichever is later), salary schedules shall be increased by five percent (5%). (NO RETROACTIVITY)

Effective July 1, 2016, salary schedules shall be increased by five percent (5%).

Effective July 1, 2017, salary schedules shall be increased by five percent (5%).

COST SHARING

Year 1: Effective the first pay period following Council approval of a successor MOU, in addition to the employee's member contribution to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @55 pension formulas shall have deducted from their compensation one percent (1%) as cost sharing toward pension in accordance with Section 20516(f) of the California Government Code, to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the one percent (1%) cost share in addition to the nine percent (9%) member contribution.

Year 2: Effective July 1, 2016, in addition to the employee's member contribution to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @55 pension formulas shall have deducted from their compensation an additional one percent (1%), (for a total cost share of two percent (2%)) as cost sharing toward pension in accordance with Section 20516(f) of the California Government Code, to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the two percent (2%) cost share in addition to the nine percent (9%) member contribution.

Year 3: Effective July 1, 2017, in addition to the employee's member contribution to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @55 pension formulas shall have deducted from their compensation an additional one percent (1%), (for a total cost share of three percent (3%)) as cost sharing toward pension in accordance with Section 20516(f) of the California Government Code, to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the three percent (3%) cost share in addition to the nine percent (9%) member contribution.

The parties mutually recognize and acknowledge that the cost-sharing provisions provided herein satisfy the terms set forth in Government Code 20516.5.

The City makes no representation as to the tax consequences of cost sharing contributions. The above described cost-sharing contributions shall be made in accordance with IRS requirements.

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS POLICE OFFICERS' ASSOCIATION
2015-2018**

If, at any time, the parties no longer have agreement that employees will cost share three percent (3%) to the employer's contribution to pension as described above, employee's base salary will be reduced by an equal percentage.

ACA REOPENER:

Effective July 1, 2017, subject to the City's request, the City and Association shall reopen the issue of payment of Affordable Care Act Excise Tax ("Cadillac Tax"), the Affordable Care Act, and/ or its impacts.

INVESTIGATORS SPECIAL PAY:

Revise Section IX -- Pay Rates and Practices, Section (B)(4) Re: Investigators: Special Pay as follows:

Investigators assignments will be made by administrative directive. Compensation will be:

Step 1 -- 5% above regular salary

Step 2 -- 7.5% above regular salary. An Officer with two (2) years of investigations experience with City of Los Banos will be placed at Step 2.

MOU CLEAN UP:

To be proposed as needed.

JOB DESCRIPTIONS:

The parties will meet and confer, and finalize, the City's proposed job description update by August 31, 2015.

NEPOTISM:

The parties will meet and confer, and, finalize, the City's proposed Personnel Rule Division 26: Nepotism and Fraternalization Policy by August 31, 2015.

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS POLICE SERGEANTS' ASSOCIATION
2015-2018**

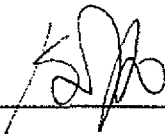
The following document contains the Tentative Agreement between the City of Los Banos (hereinafter called "City") and the Los Banos Police Sergeants' Association (hereinafter called "LBPSA" or "Association") (hereinafter collectively called "the parties") on wages, hours and terms and conditions of employment. The salaries, hours, fringe benefits and working conditions set forth have been mutually agreed upon by the designated bargaining representatives of the City and the Association, and will apply to all employees covered by the Memorandum of Understanding (MOU) between the City and the Association.

Upon ratification and adoption, this Agreement will amend the MOU between the parties dated July 1, 2014 – June 30, 2015.

The amended MOU shall supersede all other Memoranda of Understanding and agreements between the parties. Language in the MOU between the parties not amended by this Tentative Agreement will remain unchanged. The parties agree that any and all Tentative Agreements are hereby incorporated. Any outstanding proposals not agreed to are hereby withdrawn by the parties.

This Tentative Agreement is subject to ratification by Association membership and approval by the City Council of the City of Los Banos.

FOR THE CITY



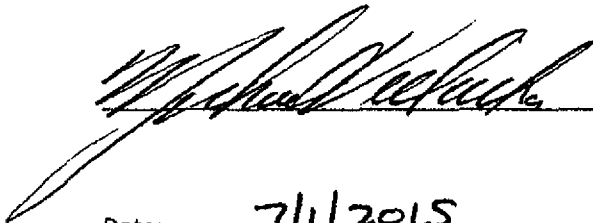
Date: 6-24-15

FOR THE ASSOCIATION



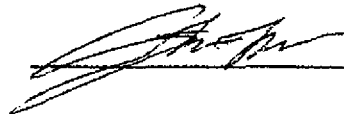
Date: 6-24-15

Approved:



Date: 7/1/2015

Ratified:



Date: 6-24-15

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS POLICE SERGEANTS' ASSOCIATION
2015-2018**

TERM: Three years (date of agreement or July 1, 2015 (whichever is later) – June 30, 2018.

SALARIES:

Effective the first full pay period following Council adoption of the agreement, or the first full pay period following July 1, 2015 (whichever is later), salary schedules shall be increased by five percent (5%). *(NO RETROACTIVITY)*

Effective the first full pay period following July 1, 2016, salary schedules shall be increased by five percent (5%).

Effective the first full pay period following July 1, 2017, salary schedules shall be increased by five percent (5%).

COST SHARING

Year 1: Effective the first pay period following Council approval of a successor MOU, in addition to the employee's member contribution to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @55 pension formulas shall have deducted from their compensation one percent (1%) as cost sharing toward pension in accordance with Section 20516(f) of the California Government Code, to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the one percent (1%) cost share in addition to the nine percent (9%) member contribution.

Year 2: Effective the first pay period of July 2016, in addition to the employee's member contribution to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @55 pension formulas shall have deducted from their compensation an additional one percent (1%), (for a total cost share of two percent (2%)) as cost sharing toward pension in accordance with Section 20516(f) of the California Government Code, to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the two percent (2%) cost share in addition to the nine percent (9%) member contribution.

Year 3: Effective the first pay period of July 2017, in addition to the employee's member contribution to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @55 pension formulas shall have deducted from their compensation an additional one percent (1%), (for a total cost share of three percent (3%)) as cost sharing toward pension in accordance with Section 20516(f) of the California Government Code, to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the three percent (3%) cost share in addition to the nine percent (9%) member contribution.

The parties mutually recognize and acknowledge that the cost-sharing provisions provided herein satisfy the terms set forth in Government Code 20516.5.

The City makes no representation as to the tax consequences of cost sharing contributions. The above described cost-sharing contributions shall be made in accordance with IRS requirements.

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS POLICE SERGEANTS' ASSOCIATION
2015-2018**

If, at any time, the parties no longer have agreement that employees will cost share three percent (3%) to the employer's contribution to pension as described above, employee's base salary will be reduced by an equal percentage.

ACA REOPENER:

Effective July 1, 2017, subject to the City's request, the City and Association shall reopen the issue of payment of Affordable Care Act Excise Tax ("Cadillac Tax"), the Affordable Care Act, and/ or its impacts.

CONVERT HOLIDAY TIME OFF TO HOLIDAY IN LIEU PAY

Effective January 1, 2016, holiday time off will be replaced with holiday in lieu pay. In lieu of receiving time off for holidays, employees will be paid one hundred (100) hours per year, to be paid in a lump sum the first pay period in November. Payments will be handled in accordance with CalPERS regulations. Holiday pay will be paid by separate check.

INVESTIGATORS SPECIAL PAY:

Revise Section IX – Pay Rates and Practices, Section (B)(3) Re: Investigators: Special Pay as follows:

The purpose of this special pay is to provide appropriate compensation for the unique and demanding work schedule required of Police Investigators. Effective July 1, 2005 Sergeants who serve in the job assignment of Investigator will be compensated, by administrative directive, as follows:

Step 1 – 5% above regular salary

Step 2 – 7.5% above regular salary. A Sergeant with two (2) years investigations experience will be placed at Step 2.

MOU CLEAN UP:

To be proposed as needed.

JOB DESCRIPTIONS:

The parties have met and conferred, and, agree over the City's proposed job description update.

NEPOTISM:

The parties have met and conferred, and, agree over the City's proposed Personnel Rule Division 26: Nepotism and Fraternalization Policy.

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS FIRE FIGHTERS' ASSOCIATION
2015-2018**

The following document contains the Tentative Agreement between the City of Los Banos (hereinafter called "City") and the Los Banos Fire Fighters' Association (hereinafter called "Association") (hereinafter collectively called "the parties") on wages, hours and terms and conditions of employment. The salaries, hours, fringe benefits and working conditions set forth have been mutually agreed upon by the designated bargaining representatives of the City and the Association, and will apply to all employees covered by the Memorandum of Understanding (MOU) between the City and the Association.

Upon ratification and adoption, this Agreement will amend the MOU between the parties dated July 1, 2014 – June 30, 2015.

The amended MOU shall supersede all other Memoranda of Understanding and agreements between the parties. Language in the MOU between the parties not amended by this Tentative Agreement will remain unchanged. The parties agree that any and all Tentative Agreements are hereby incorporated. Any outstanding proposals not agreed to are hereby withdrawn by the parties.

This Tentative Agreement is subject to ratification by Association membership and approval by the City Council of the City of Los Banos.

FOR THE CITY

FOR THE ASSOCIATION

Greg Malone

[Signature]

Date: 7/1/2015

Date: 7/7/2015

Approved:

Ratified:

[Signature]

Date: _____

Date: 7/7/2015

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS FIRE FIGHTERS' ASSOCIATION
2015-2018**

TERM: Three years (July 1, 2015 – June 30, 2018).

EQUITY ADJUSTMENTS:

Effective July 1, 2015, salary schedules shall be increased by four percent (4%).

Effective July 1, 2016, salary schedules shall be increased by four percent (4%).

Effective July 1, 2017, salary schedules shall be increased by four percent (4%).

PENSION COST SHARING:

Year 1: Effective the first pay period following Council approval of a successor MOU, in addition to the employee's member contribution to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @55 pension formulas shall have deducted from their compensation one percent (1%) as cost sharing toward pension in accordance with Section 20516(f) of the California Government Code, to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the one percent (1%) cost share in addition to the nine percent (9%) member contribution.

Year 2: Effective July 1, 2016, in addition to the employee's member contribution to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @55 pension formulas shall have deducted from their compensation an additional one percent (1%), (for a total cost share of two percent (2%)) as cost sharing toward pension in accordance with Section 20516(f) of the California Government Code, to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the two percent (2%) cost share in addition to the nine percent (9%) member contribution.

Year 3: Effective July 1, 2017, in addition to the employee's member contribution to CalPERS for pension, each employee defined as a "classic" member of CalPERS enrolled in 3% @ 50 or 3% @55 pension formulas shall have deducted from their compensation an additional one percent (1%), (for a total cost share of three percent (3%)) as cost sharing toward pension in accordance with Section 20516(f) of the California Government Code, to pay for a portion of the City's required contribution to CalPERS. Each employee will pay the three percent (3%) cost share in addition to the nine percent (9%) member contribution.

The parties mutually recognize and acknowledge that the cost-sharing provisions provided herein satisfy the terms set forth in Government Code 20516.5.

The City makes no representation as to the tax consequences of cost sharing contributions. The above described cost-sharing contributions shall be made in accordance with IRS requirements.

If, at any time, the parties no longer have agreement that employees will cost share three percent (3%) to the employer's contribution to pension as described above, employee's base salary will be reduced by an equal percentage.

ACA REOPENER:

Effective July 1, 2017, subject to the City's request, the City and Association shall reopen the issue of payment of Affordable Care Act Excise Tax ("Cadillac Tax"), the Affordable Care Act, and/or its impacts.

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS FIRE FIGHTERS' ASSOCIATION
2015-2018**

EDUCATION LEAVE:

Effective July 1, 2015, the City will grant each employee in the bargaining unit thirty-two (32) hours of Education Leave to be used to attend non-mandatory training in the Incident Qualification and Certification System (IQCS), training to qualify for future promotion, or other voluntary job-related training that is not required by the Department. Training must be approved in advance by the Fire Chief.

The City shall not be responsible for payment of training fees or travel costs related to such non-mandatory training. However, employees may be eligible for tuition reimbursement in accordance with City policy.

Such leave shall not have a cash value and shall not be converted to pay in lieu of paid time off, either during employment or upon separation.

Each fiscal year, the City shall replenish used Education Leave up to thirty-two (32) hours. An employee's Education Leave bank shall not exceed thirty-two (32) hours.

Education leave may be used during an employee's regular work shift. Education leave used shall be paid at the employee's straight time rate, and shall not count as hours worked for the purpose of calculating overtime eligibility.

Employees shall be required to submit documentation to substantiate course attendance.

MOU CLEAN UP:

To be proposed as needed.

JOB DESCRIPTIONS:

The parties have met and conferred, and agree over the City's proposed job description updates for Firefighter, Fire Engineer and Fire Captain, with the following change to the Fire Captain job description:

Experience and Training

Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way to obtain the required knowledge and abilities would be:

Experience:

Five (5) years' experience in public fire suppression as a career firefighter, with two (2) years' experience as a career firefighter/engineer.

Training:

Equivalent to the completion of the twelfth grade supplemented by college course work in fire science.

UNIFORM LANGUAGE:

SECTION XI - Miscellaneous

A. **Uniform and Clothing Replacement**

**TENTATIVE AGREEMENT BETWEEN
CITY OF LOS BANOS
AND LOS BANOS FIRE FIGHTERS' ASSOCIATION
2015-2018**

The City will continue to provide required uniforms and equipment in accordance with provisions outlined in the City of Los Banos Personnel Benefits section of the City of Los Banos Policy Manual. The City will report uniform expenses to CalPERS in accordance with applicable regulations. Additionally, the City of Los Banos will ~~accept responsibility for payment of uniform cleaning in accordance~~ provide accommodations and cleaning supplies at the stations to launder uniforms, with the following guidelines:

1. Fire Department employees who are working a fifty-six (56) hour workweek will be issued a minimum of seven (7) work uniforms ~~each calendar month~~.

On an as needed basis as determined by the Fire Chief, the City will provide up to five Fire Department t-shirts, and one Fire Department collared sweatshirt. The City will provide uniform belts, name tags, and uniform/EMS jackets.

2. Fire Department employees who are working a forty (40) hour workweek will be issued a minimum of eleven (11) work uniforms ~~each calendar month~~.

On an as needed basis as determined by the Fire Chief, the City will provide up to five Fire Department t-shirts, and one Fire Department collared sweatshirt. The City will provide uniform belts, name tags, and uniform/EMS jackets.

3. The City will report to California Public Employees' Retirement System (CalPERS), the average annual cost of uniforms and launder supplies in accordance with CalPERS requirements.

Safety Shoes: On an as needed basis as determined by the Fire Chief, the City will provide one (1) pair of safety boots or shoes every other year.

NEPOTISM POLICY:

The parties have met and conferred, and agree to the City's proposed Personnel Rule Division 26: Nepotism and Fraternization Policy. Such policy will not be adopted before the Fire department's adoption of the Department Nepotism Policy, which shall take precedent over the City policy where the policies contradict.

RESOLUTION NO. ___

**A RESOLUTION OF THE CITY COUNCIL OF THE
CITY OF LOS BANOS DESIGNATING
EMPLOYEES' CONTRIBUTIONS TOWARD
EMPLOYER PENSION COSTS AS AN
EMPLOYER PICK-UP PER SECTION 414(h)(2)
OF THE INTERNAL REVENUE CODE**

WHEREAS, the City Council of the City of Los Banos has authority to implement Government Code Section 20516(f), which authorizes, under certain specified conditions, the City and its employees to share the costs of the employer contribution towards retirement benefits under the CalPERS retirement benefit plan ("CalPERS"); and

WHEREAS, pursuant to section 20516(f), certain City employees will contribute an agreed percentage of their base salary ("Contributions") towards the City's cost of the CalPERS retirement benefits provided for such employees; and

WHEREAS, SECTION 20516(f) authorizes the City to implement cost-sharing arrangements without amending its existing pension contract with CalPERS; and

WHEREAS, pursuant to the terms of the CalPERS plan, the Contributions shall continue to be designated as employer contributions; and

WHEREAS, SECTION 3401(A)(12)(a) of the Internal Revenue Code ("Code") excludes employer contributions from an employee's wages until such time as such contributions distributed to the employee; and

WHEREAS, as a result of the preceding, the Contributions will be taken on a pre-tax basis since the Contributions are considered by the CalPERS Plan to be employer contributions; and

WHEREAS, if the Internal Revenue Service (IRS) takes a contrary position, concluding that the Contributions should be characterized as employee contributions rather than employer contributions, the City wishes to ensure that the Contributions are not treated as currently taxable to the employee; and

WHEREAS, notwithstanding its position that the Contributions are deemed to be employer contributions by the CalPERS Plan and, therefore, excludable from an employee's income until distributed, the City wishes to implement the provisions of Section 414(h)(2) of the Code; and

WHEREAS, pursuant to Section 414(h)(2), employee contributions to a public employer pension plan may be picked up on a pre-tax basis by the public employer and excluded from an employee's gross income if the employer specifies that the

contributions, although designated as employee contributions to the plan, are being paid by the employer in lieu of contributions by the employee, and the employee cannot choose to receive the amounts directly instead of having them paid by the employer; and

WHEREAS, the City has determined that, even though the implementation of the provisions of Section 414(h)(2) is not required by law, the tax benefits Section 414(h)(2) in reducing taxable employee gross income should be provided to its employees who are members of CalPERS; and

WHEREAS, Internal Revenue Service Revenue Ruling 2006-43 requires that the City take contemporaneous action evidencing an intent to establish a proper pick-up under Section 414(h)(2).

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY COUNCIL OF THE CITY OF LOS BANOS DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Certain employees (Employees) of the City are contributing a percentage of the PERSable compensation as specified in the attached Memorandum of Understandings for the LBFFA, LBPSA and LBPOA, or any successor thereto. These contributions are allocated toward the City's cost for retirement benefits provided to said employees under the CalPERS Plan.

SECTION 2. Unrepresented employees shall make an irrevocable and binding election not receive said Contributions in cash in lieu thereof and to have the City pick-up and contribute such Contributions to the CalPERS Plan towards the City's cost of the CalPERS retirement benefits provided for such Employees, and employees covered by a collective bargained agreement shall be required to contribute such Contributions as specified therein. "Contributions" shall mean those contributions to the Public Employees' Retirement System which are deducted from the salary of employees and are credited to the employer account pursuant to California Government Code Section 20516(f).

SECTION 3. That the City will implement the provisions of Code Section 414(h)(2) with respect to the Contributions.

SECTION 4. The Contributions, which may be designated as employee contributions by the Internal Revenue Service, will be picked up on a pre-tax basis by the City in lieu of employee contributions so that such Contributions are treated as employer contributions.

SECTION 5. An Employee may not elect to receive Contributions directly instead of having them paid by the City to the CalPERS Plan.

SECTION 6. Amounts picked up by the City shall be paid from the same sources of funds as used in paying salary.

SECTION 7. The effective date of the pick-up by the City shall be July 1, 2015.

The foregoing Resolution was introduced at a special meeting of the City Council of the City of Los Banos held on the 14th day of July 2015, by Council Member _____ who moved its adoption, which motion was duly seconded by Council Member _____ and the Resolution adopted by the following vote:

AYES: Council Members
NOES:
ABSENT:

APPROVED:

Michael Villalta, Mayor

ATTEST:

Lucille L. Mallonee, City Clerk