

**MEMORANDUM OF UNDERSTANDING**

**BETWEEN**

**THE CITY OF HAWTHORNE**

**AND THE**

**HAWTHORNE EXECUTIVE GROUP**

**EFFECTIVE**

**JULY 1, 2011 THROUGH JUNE 30, 2012**

## ARTICLE 1 - INTRODUCTION

It is the understanding of the undersigned representatives of the Hawthorne Executive Group and the representatives of the City of Hawthorne that:

This Memorandum of Understanding (MOU) incorporates any previous Memoranda of Understanding governing wages, hours, terms and conditions of employment for the employees described in this bargaining unit. The wages, hours and terms and conditions of employment as contained in this agreement shall be recommended to the Hawthorne City Council and, subject to City Council approval, shall be implemented by the appropriate ordinance, resolution or other official action. Unless otherwise indicated, all provisions of this MOU are to be effective July 1, 2011.

## ARTICLE 2 - RECOGNITION

The City of Hawthorne recognizes the Hawthorne Executive Group as the sole and exclusive bargaining agent for the purposes of establishing salaries, wages, hours, and other conditions of employment for those employees assigned to classifications included in this MOU.

## ARTICLE 3 - NO DISCRIMINATION, NO HARASSMENT

Both parties to this MOU agree not to discriminate against any employee or applicant because of age, sex, race, national origin, religion, color, ancestry, marital status, sexual orientation, physical or mental disability, medical condition, and/or union membership and activity. Additionally, the City expects and requires all employees to treat one another with dignity and respect. Harassment of fellow employees is a violation of law. No employment decision may be made based upon an employee's submission to or rejection of such conduct. Any employee who believes that they are the victim of such harassment, whether sexual, racial, ethnic or religious, is required to immediately report the conduct to the City Manager, or designee. Any employee who engages in such conduct is subject to disciplinary action, including immediate discharge.

## ARTICLE 4 - COMPENSATION

### Section 4.1 Salary Schedules

A. The following salary schedule shall be effective July 1, 2011:

	A	B	C	D	E	F	G	H	I	J
1	5468	5685	5914	6154	6404	6724	6892	7064	7241	7422
3	5564	5785	6019	6265	6517	6843	7014	7189	7369	7553
5	6224	6478	6747	7022	7312	7678	7870	8067	8269	8476
7	6335	6594	6869	7151	7446	7818	8014	8214	8419	8630
9	6558	6826	7102	7395	7700	8085	8287	8494	8706	8924
11	6676	6950	7230	7530	7841	8233	8439	8650	8866	9088
13	7349	7646	7964	8293	8638	9070	9297	9529	9767	10011
15	7481	7788	8110	8447	8796	9236	9467	9704	9947	10196
17	7724	8042	8375	8722	9085	9539	9777	10021	10272	10529
19	7866	8189	8530	8885	9252	9715	9958	10207	10462	10724
21	8038	8374	8720	9081	9462	9935	10184	10439	10700	10968
23	8188	8527	8879	9251	9638	10120	10373	10632	10898	11171
25	8209	8546	8899	9265	9672	10155	10409	10669	10936	11209
27	8360	8706	9064	9436	9852	10345	10604	10870	11142	11421
29	8376	8722	9086	9466	9867	10360	10619	10885	11157	11436
31	8531	8885	9254	9644	10049	10552	10816	11086	11363	11647
33	8547	8905	9280	9666	10074	10578	10842	11113	11391	11676
35	8707	9071	9452	9846	10262	10775	11045	11321	11604	11894
37	8722	9085	9462	9865	10280	10794	11063	11340	11624	11915
39	8885	9252	9638	10048	10471	10995	11270	11552	11841	12137
41	8905	9280	9666	10074	10498	11023	11299	11585	11875	12172
43	9071	9452	9846	10262	10695	11230	11510	11798	12093	12395
45	9085	9462	9865	10280	10711	11247	11528	11816	12111	12414
47	9252	9638	10048	10471	10912	11458	11744	12038	12339	12648
49	9427	9868	10287	10720	11172	11730	12024	12325	12633	12949
51	9602	10054	10479	10920	11384	11953	12252	12558	12872	13194
53	9875	10283	10725	11178	11653	12236	12542	12856	13177	13506
55	10059	10478	10927	11390	11875	12469	12780	13100	13428	13764
57	10409	10847	11359	11787	12289	12904	13226	13557	13896	14243
59	10603	11052	11572	12010	12519	13145	13474	13811	14156	14510
61	11004	11470	11958	12468	13000	13650	13991	14341	14700	15068
63	11198	11673	12170	12690	13233	13895	14242	14598	14963	15337
65	11635	12129	12644	13188	13751	14439	14800	15170	15549	15938
67	11852	12359	12886	13439	14012	14713	15080	15457	15843	16239
69	12302	12828	13375	13948	14549	15277	15659	16051	16452	16863

B. The City Manager may, upon the approval of the Mayor and City Council, during the term of this agreement, increase the salaries of those positions deemed to be negatively impacted due to compression and/or by internal or external comparisons. The City Manager shall meet and discuss any such increases with representatives of the Hawthorne Executive Group prior to their effective dates.

## Section 4.2 Classifications

Salary ranges are assigned as follows:

<i>Classification</i>	<i>Salary Range</i>
Administrative Services Director	51
Assistant City Attorney	35
Assistant Director of Finance	19
Assistant Director of Recreation & Community Services	19
Cable Television Administrator	19
Chief of General Services & Public Works	55
Chief of Police Services	63
Deputy City Attorney	27
Director of Building & Safety	35
Director of Licensing & Code Enforcement	35
Director of Housing	35
Director of Job Training & Development	69
Director of Planning & Community Development	35
Economic Development Director	19
Finance Manager	19
Human Resources Manager	19
Information Systems Manager	19

## Section 4.3 Initial Salary

The initial compensation to be paid any employee covered under this MOU shall be step letter "A", except that the City Manager may recruit and appoint personnel at a higher step than step letter "A".

## Section 4.4 Advance in Salary (Step Advancement)

### A. Base Salary Steps - A thru E

Advancement through the base salary steps shall occur after an employee has been receiving compensation at a particular step for twelve (12) months. Each employee shall automatically move to the next higher step after completing twelve months unless action is taken by the City Council or the City Manager to disapprove the increase, or unless the employee's performance is substandard. For example, all employees in step letter "A" advance to step letter "B" only after receiving compensation at step letter "A"

for twelve (12) months.

B. Steps F & G

Effective June 30, 2010 an employee may advance to either step F or G under the following conditions:

An employee shall advance from step "E" to step "F" upon satisfactory completion of twelve (12) months of service with the City at step "E". Step "F" shall be 5% higher than step "E".

An employee shall advance to step "G" upon satisfactory completion of twelve (12) months of service with the City at step "F". Step "G" shall be 25% higher than step "F".

C. Additional Steps (H, I, J)

Effective June 30, 2010 an employee may advance to either step H, I, or J under the following conditions:

An employee shall advance from step "G" to step "H" upon satisfactory completion of twelve (12) months of service with the City at step "G". Step "H" shall be 25% higher than step "G".

An employee shall advance to step "I" upon satisfactory completion of twelve (12) months of service with the City at step "H". Step "I" shall be 25% higher than step "H".

An employee shall advance to step "J" upon satisfactory completion of twelve (12) months of service with the City at step "I". Step "J" shall be 25% higher than step "I".

Section 4.5 Definition of "Work Week" and "Hourly Rate"

- A. All employees covered under this MOU shall have a regularly scheduled recurring work week of forty (40) hours, unless the City Council shall determine otherwise, by motion, resolution, or ordinance.
- B. The hourly pay for all employees covered under this MOU, shall be calculated by use of the following formula:

$$\text{Hourly rate of pay} = \frac{\text{Annual Salary}}{2080 \text{ Hours}}$$

Section 4.6 Date of Employment

All employees covered under this MOU shall be paid bi-weekly.

All step advancements, promotions, changes of classification and longevity allowances that result in an alteration of pay shall be effective as follows:

- A. If the effective date occurs during the first five days of a pay period, the increase shall be effective for the entire pay period.

- B. If the effective date occurs during the second seven days (days 6 through 12) of a pay period, the increase shall be effective for one week of the pay period.
- C. If the effective date occurs during the last two days (days 13 and 14) of a pay period, the increase shall be effective with the following pay period.

#### Section 4.7 Promotions

Whenever an employee is promoted to a higher classification outlined in this agreement, that employee shall receive the rate of compensation of the first step of the base pay range for the new classification or the lowest step of the base pay range that provides an increase of 4-1/2 percent of the employee's base pay, prior to promotion.

#### Section 4.8 Transferred Employees

The term "transferred employee(s)" as used herein shall refer to those employees who transferred to the City of Hawthorne from the City of Inglewood in February 2000. Transferred employees shall be considered non safety regular full-time employees as that term is used in this MOU, provided that wherever the benefits provided for herein require specific years of service with the City as a precondition to eligibility, the service of a transferred employee shall be determined by adding his/her years of service in Inglewood at the time of transfer to their years of service in Hawthorne in a same or similar position.

### ARTICLE 5 - INSURANCE BENEFITS

#### Section 5.1 Employee Insurance

The City shall continue to make the following insurance plans available to all regular full time employees.

- A. Each regular full time employee covered by this MOU shall be entitled to enroll in the insurance plans as follows:
  - 1. Enrollment in a medical insurance plan (required). The City shall pay an amount equal to employee only coverage for the plan in which the employee is enrolled. Employees enrolled in either an "Employee & 1 Dependent" or "Employee & 2+ Dependents" medical plan will be responsible for paying the remainder of the premium amount after the "Employee Only" portion has been subtracted. Employees who elect not to enroll in a medical plan through the City will be eligible to receive an "in lieu of" amount of \$400.00 per month. In order to receive the \$400.00 per month premium, employees must provide proof of alternate medical coverage to the Human Resources Division.
  - 2. Enrollment in Managed Health Network - MHN (required).
  - 3. Enrollment in a long term disability insurance plan (LTD) (required).
  - 4. Enrollment in a dental insurance plan (optional).

5. Enrollment in a life insurance plan (optional).

B. The City shall continue to make available a Flexible Spending Account Plan pursuant to the provisions of Sections 125 and 129 of the Internal Revenue Code which allows employees to allocate a designated portion of their salaries to a Flexible Spending Account used to pay (1) health and dental insurance premiums, (2) medical expenses not paid by a health insurance carrier and/or (3) child care expenses. Any amounts so allocated but not expended for those purposes shall be forfeited by the employee. Participation in this benefit is voluntary.

C. The City agrees to pay the following premiums on behalf of the Chief of Police Services as follows:

1. Dental Insurance - Regardless of the plan chosen, the City shall pay all premium amounts as they from time to time exist, which are in excess of the following amounts which are to be paid by the individual employee:

Employee Only:	\$0.00/ per pay period
Employee + One Dependent:	\$6.77/ per pay period
Employee + Two Dependents:	\$12.12/ per pay period

2. Managed Health Network- the City shall make the outpatient element of the Managed Health Network (MHN) available to the Chief of Police Services and qualified dependents at City cost.
3. Optical Insurance - the City shall provide the Chief of Police Services with an optical plan provided by Vision Service Plan (VSP) for the Chief of Police Services and eligible dependents at a cost not to exceed \$16.00 per month.
4. Long Term Disability (LTD)- the City shall provide the Chief of Police Services with a long term disability plan, at a cost to the Chief of Police Services that will not to exceed \$32.00 per month.
5. Basic Life Insurance- the City shall provide the Chief of Police Services with a basic term life and accidental death & dismemberment insurance policy of \$50,000 each, at a cost to the Chief of Police Services that will not exceed \$18.00 per month.

## Section 5.2 Retiree Medical Insurance

- A. Those regular full-time employees who have retired from a classification covered by this MOU and who are receiving retirement benefits from CalPERS, shall be entitled to maintain enrollment in the City's health plan, as per the established guidelines and rules of CalPERS.

This benefit shall begin upon the employee's retirement from the City of Hawthorne and continue until the employee becomes ineligible for coverage under the City's CalPERS Health Benefits Plan.

For each such employee, the City shall pay an amount equal to employee only coverage for the plan in which the employee is enrolled, less any administrative fees required by the plan. If the employee is not enrolled in a health plan at the time of retirement, he/she shall not be eligible for this benefit.

- B. A retiree may, at the retiree's own and sole expense, enroll his/her spouse and/or qualified dependents in any of the medical plans provided under CalPERS.

## ARTICLE 6 - BENEFITS RELATED TO TIME

### Section 6.1 Fixed Holidays

All regular full-time employees shall be entitled to nine (9) hours of paid leave for those holidays that are observed Monday through Thursday and eight (8) hours for holidays that are observed on Fridays.

- A. For the period of July 1, 2011 through December 31, 2011 the following days shall be considered fixed holidays:

Independence Day	Monday, July 4, 2011
Labor Day	Monday, September 5, 2011
Veteran's Day	Friday, November 11, 2011
Thanksgiving Day	Thursday, November 24, 2011
Day after Thanksgiving Day	Friday, November 25, 2011
Christmas Eve	Saturday, December 24, 2011*
Christmas Day	Sunday, December 25, 2011**

- B. For the period of January 1, 2012 through June 30, 2012, the following days shall be considered fixed holidays:

New Year's Day	Sunday, January 1, 2012***
Martin Luther King's Birthday	Monday, January 16, 2012
Memorial Day	Monday, May 28, 2012

\*Christmas Eve will be observed on Friday, December 23, 2011.

\*\*Christmas Day will be observed on Monday, December 26, 2011.

\*\*\*New Year's Day will be observed on Monday, January 2, 2012

### Section 6.2 Floating Holidays.

All regular full time employees shall be entitled to thirty two (32) hours of personal holidays per year.

All full time employees covered under this MOU who are hired prior to September 1 in a given year, shall be entitled to thirty two (32) hours of floating holiday time during said year. Any employee hired on or after September 1, but prior to December 1, shall be entitled to sixteen (16) personal holiday hours during said year.



Floating holiday hours shall be taken as time off with pay, however, a minimum of sixteen (16) hours must be taken in the calendar year in which earned. Sixteen hours of floating holiday time may be carried over into the next calendar year.

These floating holiday hours shall be taken at a time mutually convenient to the employee's department.

All regular full-time employees covered under this MOU who have completed twenty-eight (28) years of continuous service with the City shall cease to be entitled to floating holiday leave.

### Section 6.3 Administrative Leave

In recognition of the absence of overtime compensation, all regular full time employees covered under this MOU, shall be entitled to administrative leave time as follows:

- A. All regular full time employees shall be entitled to eighty (80) hours of administrative leave per calendar year. Effective September 1, 2011, administrative leave time shall accrue at the rate of 3.08 hours per bi weekly pay period and shall accrue on an unlimited basis.
- B. Administrative leave shall not be convertible to cash or deferred compensation. Any accumulated administrative leave shall be forfeited at the time of separation of employment with the City.
- C. Administrative leave time may be taken at any time for any reason, subject to prior approval, which shall not be unreasonably withheld.

### Section 6.4 Vacation Leave

All regular full-time employees covered under this agreement shall be entitled to vacation leave with pay as follows:

- A. All regular full time employees shall be accrue vacation leave at the rate of 3.08 hours per pay period through the first five years of employment.
- B. At the completion of five (5) years of full time service, regular full time employees shall accrue vacation leave at the rate of 4.62 hours per pay period.
- C. At the completion of eleven (11) years, regular full time employees shall accrue vacation leave at the rate of 6.15 hours per pay period.
- D. All regular full time employees covered under this MOU who have completed twenty-eight (28) years of continuous service with the City shall accrue vacation leave at .69 hours per pay period.
- E. Employees are entitled to carry over forty (40) hours of their vacation time into the year following the year in which it is earned.
- F. Employees covered under this MOU shall arrange their schedule of vacations with their department head

or City Manager.

- G. Should discharge or termination take place, employees are entitled to be paid for all accrued unused vacation.

## Section 6.5 Sick Leave

### A. Sick Leave Accrual

All regular full time employees shall accrue sick leave at the rate of 3.69 hours for each bi-weekly pay period in which the employee actually worked, or was on paid leave for a minimum of forty (40) hours, except for as follows:

1. All regular full time employees covered under this MOU who have completed twenty-eight (28) years of continuous service with the City shall cease to accrue sick leave.

### B. Sick Leave Usage

1. Employees may not take paid sick leave before the completion of thirty days of employment from date of hire.
2. An employee eligible for paid sick leave shall be granted such leave for the following reasons:
  - a. Illness or injury that has resulted in the employee's inability to perform normal duties. An employee who is unable to report to work due to illness or injury, shall notify the appropriate party, as soon as reasonably possible, of that fact and give that party a telephone number and/or address at which the employee can be reached. In addition, an employee shall notify the appropriate party of their status at least every other scheduled shift.
  - b. Health and dental appointments during scheduled working hours.
  - c. Disability caused by pregnancy or childbirth.
  - d. Employees may use accrued sick leave for reasons other than personal illness or injury. Such use of sick leave shall be limited to 48 hours.
3. The use of sick leave under this agreement requires the prior approval of the department head or City Manager.
4. Additional paid leave may be granted, under special circumstances, when the employee's presence is necessary during convalescence of a spouse or dependent. Such leave must be approved by the City Manager.

### C. Provisions and Payment of Sick Leave are as follows:

1. All regular full time employees may cash out up to 120 hours of sick leave annually. The compensation received for sick leave shall be equal to the employee's current hourly rate of pay. The form of such compensation shall be at the employee's discretion, either in cash and/or as a contribution to his/her deferred compensation account.
2. The annual cash out of sick leave shall occur on the first payroll date in December.
3. Voluntary Quit - Personal Leave Payment  
  
Any employee who voluntarily resigns from the City after having completed seven (7) years of such service, shall receive fifty (50) percent of the value of said employee's accumulated sick leave.
4. Retirement  
  
Upon actual retirement from the City, those employees covered under this Agreement shall receive 100% payoff of unused sick leave.

#### Section 6.6 Paid Injury On Duty Leave

Any regular full time miscellaneous employee covered under this agreement who is involved in an industrial accident resulting in absenteeism, shall receive full pay for the first seven (7) days without loss of accumulated sick leave.

#### ARTICLE 7 - RETENTION PAY

A regular full time employee represented by the HEG who has completed twenty-eight (28) years of continuous service with the City shall receive retention pay in an amount equal to 15% of base pay.

#### ARTICLE 8 - BEREAVEMENT LEAVE

In the event of death of a member of the immediate family, defined as spouse, child, mother, father, sister, or brother, a full time employee may be absent for the purpose of arranging for and attending the funeral for three (3) consecutive working days without loss of pay, and not charged to sick leave. If the circumstances require the employee to travel in excess of 500 miles, one way, to arrange for and attend said funeral, two (2) additional days without loss of pay or charged to sick leave, shall be granted.

#### ARTICLE 9 - SPECIAL PAY PROVISIONS

##### Section 9.1 Educational Reimbursement

It shall be the policy of the City to encourage all employees to improve their skills, ability and knowledge through enrollment in courses in outside educational institutions. Accordingly, all employees covered under this MOU shall be eligible for 100% reimbursement of the cost of tuition, fees and books incurred in outside vocational or academic courses of instruction, subject to the following conditions:

- A. The reimbursement request shall be submitted and approved by the City Manager prior to enrollment.
- B. A minimum semester/quarter grade of:
  - 1. "C" on an A,B,C,D, & F scale, or
  - 2. 70% on a 100% scale; or
  - 3. 2.0 on a 4.0 scale; or
  - 4. Pass on a pass/fail scale; or
  - 5. Equivalent to one of the above.
- C. Receipts for reimbursable items must be submitted.
- D. This program is designed to reimburse employees for school expenses which are not funded or partially funded from other external sources, including but not limited to G.I. educational benefits. Thus, the City shall not reimburse expenses which, in its sole judgment, are adequately provided for through other benefits available to the employee.

#### **Section 9.2 Auto Allowance**

With prior approval of the City Council or the City Manager, an employee may receive that amount of reimbursement per mile for the use of the employee's private automobile for City business in an amount determined by the IRS reimbursement rate then in effect.

#### **ARTICLE 10 - DEFERRED COMPENSATION**

The City will continue to offer a deferred compensation plan to employees covered under this agreement.

#### **ARTICLE 11 - CalPERS**

##### **Section 11.1 CalPERS Pick-Up.**

Effective September 1, 2011 the City shall pay to CalPERS an amount equal to 8% of the normal contribution as EPMC and reporting the same percent (value) of compensation earnable as additional compensation. Pursuant to the provisions under 414(h)(2) of the Internal Revenue Code the 8% contribution will be paid on a pre-tax basis.

##### **Section 11.2 Retirement Formulas**

For its "miscellaneous" employees, the City shall continue to provide the 3%@60 retirement formula.

For its "safety" employees, the City shall continue to provide the 3%@50 retirement formula.

#### **ARTICLE 12 - CONTINUATION OF BENEFITS**

Benefits not necessarily specifically enumerated herein which have previously been provided by the City shall continue unless amended or deleted herein. This provision includes but is not limited to: Bereavement Leave, Bilingual Pay, Sick Leave, Holidays, Group Insurance, Educational Reimbursement, Training and Professional

Development, Longevity Pay, Retirement System, and Auto provided allowance.

#### ARTICLE 13 - MEDICAL EXAMINATIONS

The City Manager shall establish procedures by which the City shall provide all full time employees covered under this MOU a complete medical examination once during each calendar year.

#### ARTICLE 14 - SEVERABILITY

Should any provision of this MOU be found to be inoperative, void, or invalid by a court of competent jurisdiction, all other provisions of this MOU shall remain in full force and effect for the duration of the agreement.

#### ARTICLE 15 - OTHER TERMS

Section 15.1 The parties agree that HEG bargaining unit employees will be furloughed without pay on 11 eight hour days, roughly once every four weeks, all Fridays, during the 2011 - 2012 fiscal year. The total number of furlough hours shall be 88.

Section 15.2 The parties agree to the creation of a joint labor management committee of two members each to meet and confer during the 2011-2012 fiscal year on the adoption of a second tier retirement formula for subsequent hires, with the goal to have the second tier in effect by July 1, 2012.

Section 15.3 The City agrees that during the term of this agreement there will be no workforce reductions, eliminations, or consolidations directly against any member and/or classification within the Hawthorne Executive Group.

Section 15.4 Upon notification of retirement to the City Manager, the employee will have the option, in lieu of an immediate lump sum cash out of accrued leave, to remain on payroll for a period not to exceed three (3) months. During this period the employee will continue to be paid utilizing time from their current leave balances.

While on payroll for a period not to exceed three (3) months, the employee will cease to accrue any additional leave time.

During the period that the employee remains on payroll prior to their retirement, the employee will be available to respond to any inquiries or provide any information as requested by the City Manager.

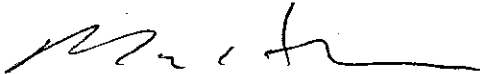
Except as provided herein, it is understood by the parties that they have met and conferred to agreement on all items within the scope of representation for the period to and including June 30, 2012.

## ARTICLE 16- TERM OF THE AGREEMENT

This MOU shall be in full force and effect from July 1, 2011 up to and including June 30, 2012. The parties reserve the right, upon mutual agreement, to meet and confer, in good faith, with respect to any subject or matters within the scope of representation, during the term of this Memorandum. The parties jointly agree to recommend the provisions of this MOU to the City Council for its adoption, and, if adopted, to abide by its provisions for the term hereof.

Representing:

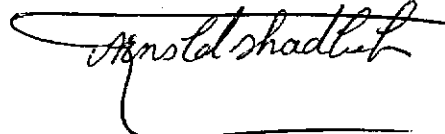
THE HAWTHORNE EXECUTIVE GROUP



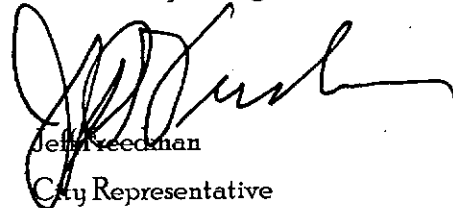
Mark Hardison  
HEG Board Member

Representing:

THE CITY OF HAWTHORNE



Arnold Shadbeh  
Interim City Manager



Jeff Freedman  
City Representative