

MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF HAWTHORNE

AND THE

HAWTHORNE EXECUTIVE GROUP

EFFECTIVE

JULY 1, 2016 THROUGH JUNE 30, 2020

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, 2016.

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 Monthly Salary Schedules

A. The following salary schedule shall be effective July 1, 2016-June 30, 2020:

	A	B	C	D	E	F	G	H	I	J
1	5468	5685	5914	6154	6404	6724	6926	7134	7348	7568
3	5564	5785	6019	6265	6517	6843	7048	7259	7477	7701
5	6224	6478	6747	7022	7312	7678	7908	8145	8389	8641
7	6335	6594	6869	7151	7446	7818	8053	8295	8544	8800
9	6558	6826	7102	7395	7700	8085	8328	8578	8835	9100
11	6676	6950	7230	7530	7841	8233	8480	8734	8996	9266
13	7349	7646	7964	8293	8638	9070	9342	9622	9911	10208
15	7481	7788	8110	8447	8796	9236	9513	9798	10092	10395
17	7724	8042	8375	8722	9085	9539	9825	10120	10424	10737
19	7866	8189	8530	8885	9252	9715	10006	10306	10615	10933
21	8038	8374	8720	9081	9462	9935	10233	10540	10856	11182
23	8188	8527	8879	9251	9638	10120	10424	10737	11059	11391
25	8209	8546	8899	9265	9672	10155	10460	10774	11097	11430
27	8360	8706	9064	9436	9852	10345	10655	10975	11304	11643
29	8376	8722	9086	9466	9867	10360	10671	10991	11321	11661
31	8531	8885	9254	9644	10049	10552	10869	11195	11531	11877
33	8547	8905	9280	9666	10074	10578	10895	11222	11559	11906
35	8707	9071	9452	9846	10262	10775	11098	11431	11774	12127
37	8722	9085	9462	9865	10280	10794	11118	11452	11796	12150
39	8885	9252	9638	10048	10471	10995	11325	11665	12015	12375
41	8905	9280	9666	10074	10498	11023	11354	11695	12046	12407
43	9071	9452	9846	10262	10695	11230	11567	11914	12271	12639
45	9085	9462	9865	10280	10711	11247	11584	11932	12290	12659
47	9252	9638	10048	10471	10912	11458	11802	12156	12521	12897
49	9427	9868	10287	10720	11172	11730	12082	12444	12817	13202
51	9602	10054	10479	10920	11384	11953	12312	12681	13061	13453
53	9875	10283	10725	11178	11653	12236	12603	12981	13370	13771
55	10059	10478	10927	11390	11875	12469	12843	13228	13625	14034
57	10409	10847	11359	11787	12289	12904	13291	13690	14101	14524
59	10603	11052	11572	12010	12519	13145	13539	13945	14363	14794
61	11004	11470	11958	12468	13000	13650	14060	14482	14916	15363
63	11198	11673	12170	12690	13233	13895	14312	14741	15183	15638
65	11635	12129	12644	13188	13751	14439	14872	15318	15778	16251
67	11852	12359	12886	13439	14012	14713	15154	15609	16077	16559
69	12302	12828	13375	13948	14549	15277	15735	16207	16693	17194

- 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
Director of Recreation & Community Services	35
Assistant Director of Recreation & Community Services	19
Chief of General Services & Public Works	55
City Engineer	27
Deputy City Attorney	27
Director of Building & Safety	35
Director of Licensing & Code Enforcement	35
Director of Housing	35
Director of Planning & Community Development	35
Director of Finance	35
Economic Development Director	19
Finance Manager	19
Human Resources Manager	19
Director of Human Resources	35
Information Systems Manager	19
Public Risk 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. Step F

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".

C. Additional Steps - G, H, I, J

An employee shall advance from step "F" to step "G" upon satisfactory completion of twelve (12) months of service with the City at step "F." Step "G" shall be 2.5% higher than step "F."

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 2.5% higher than step "G".

An employee shall advance from step "H" to step "I" upon satisfactory completion of twelve (12) months of service with the City at step "H." Step "I" shall be 2.5% higher than step "H."

An employee shall advance from step "I" to step "J" upon satisfactory completion of twelve (12) months of service with the City at step "I." Step "J" shall be 2.5% higher than step "I."

Effective June 30, 2014 an employee may advance to either step G, H, I, or J under the following conditions:

An employee shall advance from step "F" to step "G" upon satisfactory completion of twelve (12) months of service with the City at step "F." Step "G" shall be 3% higher than step "F."

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 3% higher

than step "G".

An employee shall advance from step "H" to step "I" upon satisfactory completion of twelve (12) months of service with the City at step "H." Step "I" shall be 3% higher than step "H."

An employee shall advance from step "I" to step "J" upon satisfactory completion of twelve (12) months of service with the City at step "I." Step "J" shall be 3% 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 Longevity Pay

- A. Commencing on July 1, 2017, Longevity Pay shall be calculated as follows:
1. Employees who have reached five (5) years of service shall receive three percent (3%) above their base pay as reflected in Section 4.1 above.
 2. Employees who have reached ten (10) years of service shall receive four percent (4%) above their base pay as reflected in Section 4.1 above.
 3. Employees who have reached fifteen (15) years of service shall receive five percent (5%) above their base pay as reflected in Section 4.1 above.
- B. The provisions contained in this section for Longevity Pay shall not be cumulative. For example: Total longevity pay after fifteen (15) years of service is 5%, NOT 12%. Longevity Pay shall be in addition to all other compensation and shall be automatic without prior approval by the City Council or City Manager.
- C. The foregoing Longevity Pay rates shall be phased in two (2) years, beginning with the 2017-2018 Contract Year, or July 1, 2017, at the rate of 50% of the foregoing Longevity Pay with the remaining amount (50%) of the applicable Longevity Pay to be provided beginning with the 2018-2019 Contract Year, or July 1, 2018.

Section 4.9 Educational Pay

The City of Hawthorne shall provide educational incentive in accordance with the provisions outlined below, beginning July 1, 2017:

- A. Upon presentation to the Department of the following: National or State-Recognized Licenses and/or accredited Master's Degrees (accreditation shall be by a national or regional accreditation and from a college or university that is recognized by the Secretary of the United States Department of Education), the employee shall be eligible to receive the following percentages of base pay for each educational achievement increment, effective the beginning of the next payroll period:

Master's Degree and/or State License 3.0% of base pay

1. An employee receiving educational incentive pay shall be entitled to no more than 3% for a Master's Degree, regardless of the number of Master's degrees received, and no more than 3% for National or State-Recognized Licenses, regardless of the number of National or State-Recognized Licenses received.
2. National or State-Recognized Licenses or Degrees required by the City as minimum qualifications for the position of the employee are not considered as eligible for qualification to receive the Educational Pay contained herein.

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 \$800.00 per month. In order to receive the \$800.00 per month premium, employees must provide proof of alternate medical coverage to the Human Resources Department.
 2. City shall pay such premiums to enroll and cover Hawthorne Executive Group employees in the following plans of insurance:

Basic Life Insurance (\$50,000) & Accidental Death & Dismemberment (\$50,000) per employee.
 3. Enrollment in Managed Health Network - MHN (required).
 4. Enrollment in a long term disability insurance plan (LTD) (required).
 5. Enrollment in a dental insurance plan (optional).
 6. Enrollment in additional 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.

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, 2016 – December 31, 2016, the following days shall be considered fixed holidays:

Independence Day	Monday, July 4, 2016
Labor Day	Monday, September 5, 2016
Veteran's Day	Friday, November 11, 2016
Thanksgiving Day	Thursday, November 25, 2016
Day after Thanksgiving Day	Friday, November 28, 2014
Christmas Eve	Saturday, December 24, 2016
Christmas Day	Sunday, December 25, 2016

- B. For the period of January 1, 2017 – December 31, 2017, the following days shall be considered fixed holidays:

New Year's Day	Sunday, January 1, 2017
Martin Luther King Day	Monday, January 16, 2017
President's Day	Monday, February 20, 2017
Cesar Chavez Day	Friday March 31, 2017
Memorial Day	Monday, May 29, 2017
Independence Day	Tuesday, July 4, 2017
Labor Day	Monday, September 4, 2017
Veteran's Day	Saturday, November 11, 2017
Thanksgiving Day	Thursday, November 23, 2017
Day after Thanksgiving Day	Friday, November 24, 2017
Christmas Eve	Sunday, December 24, 2017
Christmas Day	Monday, December 25, 2017

C. For the period of January 1, 2018 – December 31, 2018, the following days shall be considered fixed holidays:

New Year's Day	Monday, January 1, 2018
Martin Luther King Day	Monday, January 15, 2018
President's Day	Monday, February 19, 2018
Cesar Chavez Day	Saturday, March 31, 2018
Memorial Day	Monday, May 28, 2018
Independence Day	Wednesday, July 4, 2018
Labor Day	Monday, September 3, 2018
Veteran's Day	Sunday, November 11, 2018
Thanksgiving Day	Thursday, November 22, 2018
Day After Thanksgiving	Friday, November 23, 2018
Christmas Eve	Monday, December 24, 2018
Christmas Day	Tuesday, December 25, 2018

D. For the period of January 1, 2019 – December 31, 2019, the following days shall be considered fixed holidays:

New Year's Day	Tuesday, January 1, 2019
Martin Luther King Day	Monday, January 21, 2019
President's Day	Monday, February 18, 2019
Cesar Chavez Day	Sunday, March 31, 2019
Memorial Day	Monday, May 27, 2019
Independence Day	Thursday, July 4, 2019
Labor Day	Monday, September 2, 2019
Veteran's Day	Monday, November 11, 2019
Thanksgiving Day	Thursday, November 28, 2019
Day After Thanksgiving	Friday, November 29, 2019
Christmas Eve	Tuesday, December 24, 2019
Christmas Day	Wednesday, December 25, 2019

E. For the period of January 1, 2020 – June 30, 2020, , the following days shall be considered fixed holidays:

New Year's Day	Wednesday, January 1, 2020
Martin Luther King Day	Monday, January 20, 2020
President's Day	Monday, February 17, 2020
Cesar Chavez Day	Tuesday, March 31, 2020
Memorial Day	Monday, May 25, 2020

Section 6.2 Floating Holidays.

All regular full time employees shall be entitled to thirty two (32) hours of personal holidays per year. Upon the commencement of a calendar year in which a holiday falls on an otherwise scheduled closed Friday, the employee shall be entitled to an additional 8 hours of floating holiday time for each day.

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-six (26) years of accumulated 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 July 1, 2016, 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 5.7 hours per pay period.
- C. At the completion of ten (10) years of full time service, regular full time employees shall

accrue vacation leave at the rate of 6.7 hours per pay period.

- D. At the completion fifteen (15) years of service, regular full-time employees shall accrue vacation leave at the rate of 7.7 hours per pay period.
- E. All regular full time employees covered under this MOU who have completed twenty-six (26) years of accumulated service with the City shall accrue vacation leave at 1.24 hours per pay period.
- F. Employees are entitled to carry over forty (40) hours of their vacation time into the year following the year in which it is earned.
- G. Employees covered under this MOU shall arrange their schedule of vacations with their department head or City Manager.
- H. 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-six (26) years of accumulated 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-six (26) years of accumulated service with the City shall receive retention pay in an amount equal to 15% of base pay.

ARTICLE 8 – ACTING PAY

Employees who temporarily fill a vacancy or absence of a Department Head or City Manager shall receive “acting pay” equal to an additional five percent (5%) of the employee serving in the vacancy’s base pay, beginning with the first day of the vacancy or absence and with approval of the City Manager. Acting pay shall be provided for no more than three (3) months in any fiscal year (July 1- June 30th). A vacancy includes retirement, resignation or termination of a budgeted and filled position. An absence includes unavailability due to illness, vacation or other approved leave.

ARTICLE 9 - BEREAVEMENT LEAVE

In the event of death of a member of the immediate family, defined as spouse, child, step-child, mother, mother-in-law, stepmother, father, father-in-law, stepfather, grandparent, sister, brother, or registered domestic partner with the State of California. A regular 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 10 - SPECIAL PAY PROVISIONS

Section 10.1 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 10.2 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.

Section 10.3 Merit Raises

In addition to base pay, a merit raise of four (4) percent may be granted by the City Manager, subject to veto by the City Council, to any employee who has rendered exceptional work performance to the City.

ARTICLE 11 - DEFERRED COMPENSATION

The City will contribute \$250/month to each Executive Group employee towards their 457(b) Deferred Compensation Plan. In addition, the City will match Hawthorne Executive Group employee contributions to the City' 457 Deferred Compensation Plan up to \$50/month.

ARTICLE 12 - CalPERS

Section 12.1 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 12.2 Retirement Formulas.

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

1. Classic Members
 - A. One year highest compensation (Section 20024.2).

- B. Military service credited as public service (Section 20930.3).
- C. 1959 Survivors Benefit (Section 21382.4).
- D. Post retirement survivor allowance to continue after remarriage (Section 21266).
- E. Pre-retirement death benefit (Section 21365.6).
- F. 3%@60 retirement formula (Section 21354).

Section 12.3 Optional CalPERS Contract Amendment

1. New Members

- A. Retirement benefit based on average of three (3) highest years of compensation with the City.
- B. Employees hired on or after January 1, 2013 concede to 2%@62 retirement formula.
- C. Employer Paid Member Contribution (EPMC) will be paid by employee.
- D. The term "New Member" shall have the same meaning as that term is defined by and in the Public Employees' Pension Reform Act of 2012.

ARTICLE 13 - 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 14 - 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 15 - 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 16 - OTHER TERMS

Section 16.1 Should the City Council declare a state of emergency due to a natural disaster during the contract period of July 1, 2016 – June 30, 2020 the HEG retains the right to meet and confer over the impact of wages for its membership.

Section 16.2 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 16.3 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, 2016.

Section 16.4 Terms, working conditions, and all other language within the HEG MOU will continue at expiration of the contract until a new MOU is ratified.

ARTICLE 17- TERM OF THE AGREEMENT

This MOU shall be in full force and effect from July 1, 2014 up to and including June 30, 2016. 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

Representing:
THE CITY OF HAWTHORNE

Melissa Crosthwaite
HEG Board President



Arnold Shadbeh
City Manager


