

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY OF MORENO VALLEY  
AND THE MORENO VALLEY CITY EMPLOYEES ASSOCIATION**

The agreement entered into between the City of Moreno Valley and those employees designated as “Non-Exempt” who are represented by the Moreno Valley City Employees Association (MVCEA) covers provisions related to Fiscal Year 2011-12. The following is a list of provisions agreed to between the parties.

**1. TERM**

The term of this agreement shall be July 1, 2011 through June 30, 2012.

**2. INSURANCE**

Effective January 1, 2012, employees who are hired prior to September 30, 2011, are enrolled in the City’s CalPERS medical insurance program, have family coverage and are covered by this agreement will receive an increase of \$50.00 per month to the City’s flexible benefit contribution for all full time employees.

Employees hired on or after September 30, 2011, will receive Tier III reduced City’s flexible benefit contribution (cafeteria benefit bank), as follows:

- a. Full-time employees: \$787.50/mo. and \$9,450/yr.
- b. Part-time employees: \$318.75/mo. and \$3,825/yr.

**3. RETIREMENT BENEFITS**

The City will correct the City’s Personnel Rules and Regulations reference to IRS Section 414 (h) (2) for pretax payments of employees’ member contribution to CalPERS for new hires after on or after July 1, 2009.

MVCEA unit employees laid off and on a recall list will be reinstated under the same retirement benefits (including cost sharing levels) when recalled as they were under at the time of lay-off.

The City will amend its contract with CalPERS and revise the City’s Personnel Rules and Regulations Sections 14.15, 14.20 and 14.25 to implement a reduction in the retirement benefits (Attachment A), and thereby creating a Tier III. This Tier III includes reduced benefits for employees hired on or after September 30, 2011, as follows:

- a. **Retirement Benefits Formula: 2% @ Age 55 Benefit and Average of 3 Highest Years of Compensation.**
- b. **Retiree Medical: Provide access to the City's group rates, guaranteed coverage. The City will only pay the PERS Retiree Medical Insurance monthly access fee for eligible employees. The City will not pay any monthly contribution for medical insurance premium. The City will pay \$50.00 per month towards the employees' Voluntary Employees' Benefits Association (VEBA) account for retirement health insurance expenses. Employees must serve a minimum of five years of full-time employment with the City, in order to become vested and eligible to use their VEBA account upon retirement.**

**4. ANNUAL LEAVE**

The City will revise the Personnel Rules and Regulations to state that effective September 30, 2011, newly hired full-time employees will have a maximum accrual cap of 800 hours and will accrue annual leave according to the following schedule:

<b>Years of Service:</b>	<b>0-5 Years</b>	<b>6-10 Years</b>	<b>11+ Years</b>
<b>Accrual Rate:</b>	<b>176</b>	<b>216</b>	<b>256</b>

**5. LAYOFF, REDUCTION IN FORCE, RECALL**

The City will revise the Personnel Rules and Regulations Section 3.45, in order to implement seniority as the main basis for the order of layoff and recall, and extension of the recall period from 2 to 3 years effective with the June 30, 2011 layoffs per the attached revised policy statement (Attachment B). Policy change to be effective for layoffs and recalls.

The City will maintain adherence to the elimination of temporary employees and consultants prior to layoff of full-time career employees when possible.

In the event of reduction in force, no new employees will be hired until employees on a recall list or scheduled for a layoff who are available, possessing the required, qualifications and capable and of performing the assignments of the position being filled have been offered the assignment (position).

MVCEA unit employees to be laid off or on a recall list shall be afforded cross-training necessary to allow him/her to fill a vacant position for which they generally meet the minimum qualifications.

**6. HOLIDAY CLOSURE**

City offices will be closed between Christmas and New Years Day. The City will grant 27 hours of Holiday time to full-time MVCEA unit employees for 12/23/11, 12/26/11, and 1/1/12 for those accruing leave, at a rate of 9 hours per day. Employees may apply this Holiday Leave, and/or other leave, to cover their normal workdays during the holiday closing.

**7. EXEMPTION FROM PERS CONTRACT**

The City will amend its contract with CalPERS to exempt temporary employees in the job classifications of Crossing Guard and Recreation Aide. This will not affect the CalPERS membership of any temporary employee who is in a Crossing Guard or Recreation Aide position and who is already a member of CalPERS prior to the effective date of the contract amendment.

**8. DIRECT DEPOSIT FOR PAYROLL**

Effective July 1, 2011, all new employees will be required to have direct deposit for payroll, or to apply for this service through the City's bank; if they are accepted by the City's bank, they agree to participate. If the employee is denied this service by the City's bank, the direct deposit requirement for payroll will be waived.

**9. OVERTIME COMPENSATION COMP TIME CAP**

The City will revise the Personnel Rules and Regulations Section 6.06 Overtime Compensation B. Non-Exempt and Part-time Employees, to state the following: "Employees in these categories may accrue compensatory time to a maximum cap of 180 hours."

**10. MERIT PAY**

The City and MVCEA agree that merit pay increases will not be provided to employees who are covered by this agreement during the term of this agreement.

Any merit pay increase frozen for employees during the entire period of FY 2008/2009 through FY 2011/12, are not to be retroactively credited, owed or otherwise be held for the future or credit, and are therefore forfeited and terminated. The City may, however, decide to implement merit pay increases for employees when the City can afford to do so, subject to the meet and confer process.

**11. COST OF LIVING ADJUSTMENT**

The City and MVCEA agree that no Cost of Living Adjustment (COLA) pay increases will be provided to employees who are covered by this

agreement during the term of this agreement. A 2% COLA pay increase is being deferred for employees who are covered by this agreement during the term of this agreement.

Any COLA increases deferred for employees during the entire period of FY 2008/2009 through FY 2011/12, are not to be retroactively credited, owed or otherwise be held for the future or credit, and are therefore forfeited and terminated. The City may, however, decide to implement COLA's pay increases for employees when the City can afford to do so, subject to the meet and confer process.

1. **FURLOUGH**

Beginning on July 1, 2011 and ending on June 30, 2012, MVCEA unit employees will continue the 10% (208 hours) work furlough that was in effect during fiscal years 2009/10 and 2010/11.

2. **MATTERS FOR FOLLOW-UP DISCUSSION**

The City and MVCEA agree to meet during Fiscal Year 2011-12 to discuss the following two items: 1) Develop long-term strategies to fairly implement merit pay increases after the City's economic and budget recovery; and 2) Review the rehire procedure and rehire compensation levels.

13. **PARITY**

In the event during the term of this agreement the City grants additional compensation or benefit improvements or reduces the concessions described in this agreement for other non-safety employees of the City, MVCEA unit employees shall receive equal considerations and compensation adjustments.

14. **REOPENER CLAUSE**

The City and MVCEA agree to a reopener clause specific to any changes in law affecting pension reform that would have a net impact on the compensation of MVCEA membership.

15. **PRIOR AGREEMENTS**

The terms, conditions and provisions of prior agreements shall remain in effect unless modified by this agreement. The MVCEA Memorandum of Understanding for Fiscal Year 2010-11 shall remain in force through July 26, 2011.

1. **RATIFICATION AND EXECUTION**

The City and MVCEA acknowledge that this Memorandum of Understanding shall not be in full force and effective until ratified by the bargaining unit and signed by the Mayor and City Manager of the City of Moreno Valley. Subject to the foregoing, this Memorandum of Understanding is hereby executed by the authorized representatives of the City and Association, and entered into this 26th day of July, 2011.

**CITY OF MORENO VALLEY**

**MVCEA**

**Richard Stewart,  
Mayor**

**Tony Macias,  
President**

**Henry Garcia,  
City Manager**

**Joe Lara,  
Vice President**

**Michelle Dawson,  
Assistant City Manager**

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**Sandra Contreras,  
Treasurer**

**Richard Teichert,  
Financial & Administrative  
Service Director**

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**Frank Martinez,  
Director**

**Sonny Morkus  
Human Resources Director**

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**Nick Henderson,  
Director**

**Attachments: A. Personnel Rules and Regulations Sections 14.15, 14.20  
and 14.50 Regarding Retirement Benefits  
B. Personnel Rules and Regulations Section 3.45 Layoff,**

