

MEMORANDUM OF UNDERSTANDING

BETWEEN THE

CITY OF SOUTH GATE

AND THE

SOUTH GATE

POLICE OFFICERS' ASSOCIATION

JULY 1, 2014 – JUNE 30, 2015

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ARTICLE I

GENERAL PROVISIONS

SECTION 1 PREAMBLE

This consolidated Memorandum of Understanding is made and entered into between the South Gate Police officers' Association, hereinafter referred to as "Association", and the management representatives of the City of South Gate, hereinafter referred to as "City", pursuant to California Government Code, Section 3500 et. Seq.

This document is a good faith effort by the Association and City to consolidate decades of individual MOUs and side agreements into this one document. It is possible that provisions of the MOUs and/or side agreements may have been inadvertently omitted in the consolidated MOU. Therefore, each party to this MOU reserves its rights to bring to the other party's attention a provision in a prior and still valid MOU and/or side agreement that is not included in this MOU. In such case the parties agree to convene meetings to address the issue and to engage in good faith attempt to reach agreement as to the validity and/or content of any such omitted evidence of terms and conditions of employment. No representation is made that such agreement(s) shall be arrived at.

Additionally, in preparing this MOU, it is not the intent of the parties to invalidate terms and conditions of employment that are not set forth in this MOU, but which are referenced in a still valid prior MOUs or side agreements or past practice as this term is defined by statutory and case law.

The sections described herein may reference dates in parentheses. Those dates are indicative of the particular MOU or side agreement from which the substance of the section is derived. Said dates are included for reference purpose only.

SECTION 2 RECOGNITION [92-93]

The South Gate Police Officers' Association, hereinafter called the "Association" is the duly recognized employee organization for its members employed by the City of South Gate (hereinafter called the "City") in an employee group defined by Resolution No. 4508 (Employer-Employee Relations Resolution) (8.2.1) of the City Council of South Gate as "All sworn employees in the Police Department except Management and Confidential Employees".

The Association and the City's Representatives have met and conferred in good faith pursuant to California Government Code Section 3500 et. seq. for the employees represented by the Association in the aforementioned employee group and have reached an understanding as to certain recommendations to be made to the City Council of South Gate; as follows.

SECTION 3 TERM [12/14]

This agreement shall be effective from July 1, 2014 through June 30, 2015. The MOU shall become effective only after adoption by the City Council of the City of South Gate following ratification by the members of the Association.

SECTION 4 DUES DEDUCTION [94/97]

The City will continue automatic payroll deduction for the collection of Association dues throughout the term of this agreement.

SECTION 5 MAINTENANCE OF BENEFITS [05/08]

All salaries, benefits and terms and conditions of employment shall remain in full force and effect for the term of this agreement, unless modified herein or by subsequent written agreement of the parties.

SECTION 6 MANAGEMENT RIGHTS

Subject to the provisions of this Agreement, the parties do hereby agree and acknowledge that the City shall retain all its usual rights and responsibilities including, but not limited to, those set forth in Section 5 of the Employer-Employee Relations Resolution (Resolution No. 4508).

SECTION 7 FEDERAL AND STATE LAWS [03/04]

It is understood that this MOU is subject to all present and future applicable federal and state laws and regulations, and the provisions herein shall be effective and implemented only to the extent permitted by such laws and regulations. If any part of this MOU is held to be in conflict with such applicable laws and regulations, or otherwise held to be invalid or unenforceable by any tribunal of competent jurisdiction, such part of provision shall be suspended and the remainder of the agreement shall remain in full force and effect.

SECTION 8 DEFINITIONS

- (a) REGULAR RATE OF PAY. The unadjusted base salary rate as defined in 8(b), below plus all remuneration paid to the employee, as is required by the FLSA. For purposes of paid leave cash-outs, the Regular Rate of Pay shall exclude the ten percent (10%) Longevity Pay increment a Police Officer receives between 25-26 years of service (i.e. 7%) and 27 or more years of service (i.e. 17%).
- (b) UNADJUSTED BASE SALARY RATE. The rate of pay described in salary range 28, salary steps A-E, for the classification of Police Officer and persons in the Police Officer classification represented by the Association. This rate does not include all remuneration paid to an employee, and used in the Fair Labor Standards Act (FLSA).
- (c) POLICE OFFICER. The term Police Officer as used in this MOU shall refer to all positions and assignments covered by this MOU.

ARTICLE II

SALARY & ALLOWANCES

SECTION 1 WORK SCHEDULE

The 3/12.5 work schedule shall be re-evaluated on or about July 1 of each year of the agreement. The City agrees to meet and confer with the Association regarding any proposed changes in the work schedule. [94/97; 92/93]

Police Officers assigned to Patrol (except special assignment such as motor officers, crime impact team and canine officers) shall be assigned to a 3/12.5 work schedule that consists of 3 consecutive work days of 12.5 consecutive work hours each (inclusive of paid breaks and meal periods) followed by 4 consecutive days off. Once each 28 days such employees shall work one additional shift of 10 consecutive hours (inclusive of paid breaks and meal periods).

Police Officers assigned as motor officers, crime impact team and canine officers shall be assigned a 4/10 weekly work schedule that consists of 4 consecutive work days of 10 consecutive work hours each (inclusive of paid breaks and meal periods), followed by 3 consecutive days off.

Any and all work schedules are subject to Police Officers working overtime as determined by the City.

SECTION 2 WAGES [12/14]

- A. Effective the first pay period commencing on or after the date the City Council approves this MOU, and in conjunction with the simultaneous implementation of Article III, Section A2 and A3 Employee Contributions and Article III Section A4 Internal Revenue Code 414(h) (2) of this MOU, the City will provide all Police Officers a four and one-half percent (4.5%) wage increase.
- B. Effective at the start of the pay period that begins on or after July 1, 2013, the City will provide all Police Officers a four and one-half percent (4.5%) wage increase.

SECTION 3 LONGEVITY PAY

- A. Police Officers shall receive Longevity Pay in addition to his/her Adjusted Base Salary Rate, per the schedule below:

<u>Continuous Years of City Service</u>		<u>Longevity Pay</u>
<u>Beginning</u>	<u>Through</u>	
6 th year	11 th year	2%
12 th year	24 th year	4%
25 th year	26 th year	7%
27 th year	and thereafter	17%

[Amendment 9/2/09; Side letter 9/25/07]

The Longevity Pay indicated above is the actual percentage a Police Officer will receive, based on his/her years of continuous service. The percentages are not cumulative and shall not be added together.

- B. Once a City of South Gate Police Officer has completed five (5) years of continuous employment with the City, if he/she had prior full-time continuous service as a peace officer with another law enforcement agency, that time shall be counted towards the years of continuous employment required for the Police Officer to receive Longevity Pay from the City.

Example: South Gate Police Officer has 5 years of continuous employment in that capacity with the City and he/she had one (1) year of prior full-time continuous service as a peace officer with another law enforcement agency, his/her continuous years of City service would total to six (6) years and would qualify for the first level of Longevity Pay of 2%.

- C. **COST NEUTRALITY** [Side Letter 9/25/07]

It is agreed by the parties that if the City's CalPERS rate increases beyond the 2007-2008 fiscal year rate, and the increase in rates is reasonably attributable to the implementation of this benefit, or that an evaluation of this benefit results in a cost to the City, then the parties will meet and confer to discuss having the POA cover the additional costs so that this benefit will remain cost neutral to the City. It is the parties' intention that the fiscal responsibility of any increase in cost be borne by the POA during the life of this benefit.

- D. **NO RETROACTIVITY** [Side Letter 9/25/07]

It is agreed by the parties that Longevity Pay will be implemented prospectively as of September 25, 2007. For example, if a member is already into his or her 28th year of service, the benefit will not be

applied retroactively to allow the member to receive this benefit for the previous year.

- E. PERMISSABLE UNDER CALPERS [Side Letter 9/25/07]**
If the ability to provide this benefit ever becomes impermissible by CalPERS, this benefit will be eliminated and the parties shall prospectively return to the *status quo ante*.

SECTION 4 BILINGUAL PAY [05/08; 92/93]

Police Officers who are proficient in sign language, verbally proficient in Spanish, Korean, or any other language designated by the City, shall receive bilingual skill pay of one hundred dollars (\$100) per month in addition to their Unadjusted Base Salary Rate. Proficiency shall be determined by examinations administered by the Personnel Department.

SECTION 5 OTHER PAY

A. P.O.S.T. CERTIFICATE PAY [00/03; Sal. Res. 4.10]:

Police Officers who earn certificates from the Commission on Peace Officers Standards and Training (P.O.S.T.) of the California Department of Justice shall receive POST pay in addition to their Unadjusted Base Salary Rate, commencing with the start of the payroll period such certificate is earned, as follows:

<u>POST Certificate</u>	<u>POST Pay</u>
Intermediate	5%
Advanced	11%

The POST Certificate Pay indicated above is the actual percentage a Police Officer will receive for the highest POST certificate he/she possesses. The percentages are not cumulative and shall not be added together.

B. SPECIAL ASSIGNMENT PAY

Police Officers assigned by the Chief of Police to the Special Assignment indicated below, shall receive Special Assignment Pay of five percent (5%) in addition to their Unadjusted Base Salary Rate as follows:

1. Detective
2. Motorcycle Officer
3. Field Training Officer
4. Traffic Officer

5. Canine Officer
6. Administrative Investigator
7. Crime Impact Team [12-14]

Special Assignments are held pursuant to the Police Department's rules and not separate job classifications in the City's Classified Service. [Sal. Res. 4.9]

C. FLSA/OVERTIME

For the purpose of the overtime provisions under the Fair Labor Standards Act (FLSA), Police Officers are assigned a 7K exemption of one hundred seventy-one (171) hours in a 28-day work period; provided, however, unit employee shall be paid one and one-half times their regular rate of pay for all time spent working outside their regularly scheduled hours.

D. COMPENSATORY TIME OFF

In lieu of receiving overtime pay, employees may designate earned overtime hours as compensatory time off. Compensatory time off shall be accrued at time and one-half (1.5) the number of overtime hours worked. Employees may accrue Compensatory Time to a maximum of five hundred (500) hours. Compensatory time off may be used in accordance with Department regulations and may be converted to cash payment at the discretion of the employee. After receipt of the appropriate completed and signed forms, Finance shall process Compensatory time cash payments during the next scheduled pay period to be included in the Police Officer's regular paycheck. [14-15]

E. OVERTIME COURT DUTY

1. Court On Call

Police Officers assigned to be "On Call" for a court appearance shall be compensated at the rate of 3 hours at time and one-half the employee's Regular Rate of Pay. On call pay is for any subpoena on a daily basis, not a morning/afternoon basis. If two subpoenas are for the same day, the officer may not receive compensation for being "On Call" on one case while appearing on another court case during the same day. [Sal. Res. 6.4; 97-00]

2. Court Appearance

Police Officers shall receive time and one-half (1 ½) the employee's Regular Rate of Pay for appearing in court while off duty, with the minimum of three (3) hours per court appearance.

The 3-hour minimum shall not apply to court appearances immediately following an employee's work shift where the cumulative time between the end of the work shift and the end of the court appearance is less than 3 hours.

F. DETECTIVES ON CALL

Police Officers assigned as Detectives shall receive two (2) hours of pay at time and one half their Regular Rate of Pay for each non-work day that they are assigned by the Police Department to be in an On Call status. [05/08]

G. CALL BACK PAY

Police Officers who are called back to work by the Police Department shall receive a minimum of three (3) hours of pay at time and one-half their Regular Rate Pay. Police Officers shall receive the minimum of 3 hours of Call Back Pay one time in a twenty-four (24) hour period regardless of the number of times he/she is called to return to work. A Police Officer is entitled to Call Back pay after the end of the his assigned work shift (including any overtime he/she may have worked), plus an additional thirty (30) minute grace period after the Officer's shift ended and after the Officer is no longer on the City's premises. Call Back time begins when the Police Officer leaves his/her home to report directly to work, or if not at home, at such time as he/she begins to respond to the Police Department's Call Back notification and ends upon the Police Officer being released from duty. The Police Officer's travel time to return to work shall not exceed thirty (30) minutes. [94-97; Sal. Res.6.5]

SECTION 6 UNIFORM ALLOWANCE

The City shall pay to each Police Officer a uniform allowance in the amount of \$1,000 per fiscal year. Payment shall be made on or about July 1, except for new employees who shall be paid a pro-rated amount of \$83.33 per remaining complete month within 30 days after employment.

The City will not require receipts for uniform purchases. It is however the sole responsibility of the employee to maintain and wear the proper uniform at all times. [00/03; 94/97; 82/84]

SECTION 7 SALARY STEP INCREASE

If an employee does not receive written notice from the Chief of Police or designee that his/her salary step increase will be withheld prior to the employee's anniversary date, the salary step increase will automatically be made effective at the start of the pay period commencing after said anniversary date. [12-14]

ARTICLE III FRINGE BENEFITS

SECTION 1 MEDICAL, DENTAL AND VISION INSURANCE

A. MEDICAL INSURANCE [04/05]

The City will pay the insurance premium for the CalPERS medical insurance plan and level of coverage (Employee only, Employee +1 or Employee +2 or more) the employee selects, not to exceed the CalPERS Kaiser-Southern California premium for the same level of coverage (Employee only, Employee + 1, Employee +2 or more). If an employee selects a CalPERS medical insurance plan and level of coverage that has a higher premium than the Kaiser-Southern California level of coverage, he/she shall pay the difference in premium. If the employee selects a CalPERS medical insurance plan and level of coverage that has a lower premium than the Kaiser-Southern California level of coverage, the employee shall not receive the difference in premium from the City. The medical insurance carriers, plan benefits, premiums, eligibility and other terms and conditions are determined by Cal PERS.

B. DENTAL INSURANCE [05/08]

Effective the first of the month following the date the City Council approves this MOU, the City will pay 100% of the cost of Delta Dental PPO insurance plan premium for Police Officers and their eligible dependents as determined by Delta Dental. [14-15]

C. MEDICAL AND DENTAL INSURANCE OPT OUT

Police Officers who waive coverage from the CalPERS medical insurance plans, shall receive \$360.60 per month to be paid to the employee's deferred compensation plan administered by the City. To be eligible to receive the above dollar amount, the employee must provide proof, as determined by the Personnel Officer, that he/she is currently enrolled in another comparable medical insurance plan and he/she shall remain enrolled in a comparable medical insurance plan in the future. If the employee's non-City medical insurance coverage is discontinued, the employee shall immediately provide written documentation to the City's Personnel Officer. A Police Officer whose outside insurance is terminated may be eligible to enroll in CALPERS subject to then-existing rules. [92/93;90/92].

The City will provide an employee who elects to waive his/her City dental insurance \$17.95 per month as a contribution to the employee's deferred compensation plan. [92-93]

D. VISION PLAN [14-15]

Effective on the first of the month as feasibly possible following the date the City Council approves this MOU, the City will pay 100% of the vision care premium for VSP Choice Plan B Copay:\$10/10 for the Police Officers and their eligible dependents.

SECTION 2 LIFE INSURANCE [97/00; 86/87]

The City shall provide \$5,000 of Term Life Insurance and \$100,000 Accidental Death and Dismemberment Insurance for all employees represented by the Association. Coverage reduces after age 65 for active employees.

SECTION 3 RETIREMENT

- A.** Effective the first full pay period commencing on or after the date this MOU is approved by City Council, all employees, except those who are "New Members" within the meaning of the California Public Employees' Pension Reform Act of 2013, will contribute the amount indicated below as the Employee Contribution to CalPERS as follows:

	<u>Amount of Contribution By</u>		
	<u>Employee</u>	<u>City</u>	<u>Total</u>
Date of Hire	9.0%	0	9.0%
After 6 months of City employment	4.5%	4.5%	9.0%

- B.** Effective the first full pay period commencing on or after July 1, 2013, employees will contribute 9% Employee Contribution to CalPERS.
- C.** For all employees, except this who are "New Members" within the meaning of the California Public Employees' Pension Reform Act of 2013, the City shall provide in its contract with CalPERS the following:
1. 3% at 50 Retirement Formula
 2. Highest Single Year
 3. The City shall report to CalPERS as compensation earnable the percent of the Employee Contribution contributed by the City pursuant to California Government Code 20636.c.4.

D. For all employees who are “New Members” within the meaning of the California Public Employees’ Pension Reform Act of 2013, the City shall provide the following:

1. 2.7% @ 57 Retirement formula (G.C. Section 7522.25)
2. Final Compensation based on the average compensation earnable for the highest consecutive 36-months period. (G.C. Section 7522.32(a))
3. New Members shall pay 50% of the applicable normal cost as member contributions to CalPERS. (G.C. Section 7522.30)

E. PRE-TAX BASIS

The City shall adopt a resolution pursuant to Internal Revenue Code 414(H) (2) such that, to the extent permitted by law, the retirement contributions herein shall be on a pre-tax basis.

F. RETIREE MEDICAL INSURANCE

For employees who retire from the City through CalPERS after twenty (20) years or more years as a South Gate Police Officer, and who remain so retired under CalPERS, the City shall contribute toward the retirees’ CalPERS medical insurance coverage as follows: [90-92; Sal. Res. 8.1]

Retirees Prior to July 1, 2005 [Side Letter 9/25/07]

The City will reimburse Police Officers, who retired from the City prior to July 1, 2005, for the actual dollar amount CalPERS deducts from the retirees’ monthly retirement checks for the CalPERS medical insurance coverage he/she selects to which the retiree was entitled to receive prior to the implementation of the Side Letter Agreement dated September 25, 2007.

Retirees on or after July 1, 2005 Side Letter 10/1/07

Effective January 1, 2006, the City will reimburse retirees, who retire from the City on or after July 1, 2005, for the actual dollar amount CalPERS deducts from the retiree’s monthly retirement checks for the CalPERS medical insurance coverage he/she selects up to the CalPERS Kaiser-Southern California 2-Party medical insurance premium amount. Commencing January 1, 2007 and each January 1 thereafter, the City shall increase its monthly contribution to those that retired on or after July 1, 2005 by the actual increase to the CalPERS Kaiser-Southern California 2-Party medical insurance rate, not to exceed five percent (5%) per calendar year.

Retirees who were first hired by the City on and after the date the City Council approves this MOU [12/14].

Effective for employees first hired by the City on and after the date the City Council approves this MOU, the City will reimburse such employee upon retirement for the actual dollar amount for the CalPERS medical insurance coverage he/she selects, not to exceed the amount of the CalPERS Kaiser-Southern California 2-Party medical insurance monthly premium rate in effect on the date of his/her retirement. The City shall not increase this monthly fixed dollar contribution beyond this amount.

G. DEFERRED COMPENSATION 457 PLAN [14-15]

Effective July 1, 2014, eligible Police Officers participating in one of the City's deferred compensation 457 plans shall receive a matching dollar for dollar contribution up to \$1,200 in a fiscal year.

SECTION 4 SECTION 125 PROGRAM [90/91]

The City will establish an Internal Revenue Code Section 125 program for employees. The City will pay the fee to administer the Section 125 program up to \$6 per month per employee. The Section 125 Program shall consist wholly of money employees elect to contribute pursuant to Internal Revenue Service regulations.

SECTION 5 PHYSICAL FITNESS MEMBERSHIP [84-86]

The City will provide each Police Officer a membership at the South Gate Sports Center in the South Gate Park as follows:

1. If the Police Officer resides in the South Gate City limits, they will receive a Family membership at no cost.
2. If the Police Officer resides outside the South Gate City limits, they will receive a membership for him/herself at no cost.

SECTION 6 EDUCATION REIMBURSEMENT

The City will provided up to a total of \$100,000 for all employees' education reimbursements per fiscal year. Police Officers, who meet the terms and conditions of the Education Reimbursement Program including, but not limited to passing their original probationary period, will be reimbursed as follows:

1. Up to the maximum reimbursement of the two thousand five hundred dollars (\$2,500) per fiscal year for coursework satisfactorily completed at accredited California Public colleges and universities. Police Officers who voluntarily terminate service with the City within 2 years of completion of a course must re-pay the City for the unearned portion of the benefit he/she received on a pro-rata basis (i.e. 1/24th for each month short of two years).
2. Up to three thousand dollars (\$3,000) per fiscal year for coursework at accredited private colleges and universities. Police Officers who voluntarily terminate service with the City within 2 years of completion of a course must re-pay the City for the unearned portion of the benefit he/she received on a pro-rata basis (i.e. 1/24th for each month short of two years).

SECTION 7 RIDE SHARE PROGRAM

Effective the first full calendar month that commences after this MOU is approved by the City Council, Police Officers shall cease to be eligible to participate in, and receive any benefits under, the City's Ride Share Program. Any Ride Share leave hours that Police Officers accrued and have not used prior to the cessation of this program must be used by the respective Police Officer as set forth under the City's Ride Share Program terms and conditions.

ARTICLE IV LEAVE POLICIES

SECTION 1 HOLIDAY LEAVE

A. HOLIDAYS [94/97]

A City designated holiday consists of ten (10) hours. The City will grant one hundred twenty hours (120) of Holiday Leave per year. The following twelve (12) holidays recognized by the Parties are:

New Year's Day	January 1 st
Martin Luther King's Birthday	Third Monday of January
President's Day	Third Monday of February
Cesar Chavez Day	Last Monday in March
Memorial Day	Last Monday of May
Independence Day	July 4 th
Labor Day	First Monday of September
Thanksgiving Day	Fourth Thursday of November
Christmas Day	December 25th
Holiday Break	Three work days between Christmas and New Year's

The City will review the holidays above in April of each fiscal year and determine the date each holiday will be observed for the coming year.

Employees who are scheduled to work on holidays shall take the holiday off at another date to be scheduled by the department as work schedules permit.

City Holiday Leave may not be carried over from one fiscal year to a succeeding fiscal year. An employee shall not receive compensation for holidays that occur after his/her separation from the City employment.

B. HOLIDAY LEAVE CASH OUT [03/04]

Effective in the last pay period of each calendar year, employees shall be eligible to be paid in cash for up to fifty (50) hours at the employee's Regular Rate of Pay for all accrued unused holiday leave remaining in the employee's account as of that date per Article I, Section 8(a). [Side letter 9/25/07]

Notwithstanding the above, effective July 19, 2009 and during the term of this MOU, employees shall not be eligible to convert their unused Holiday Leave to cash payment [City letter 7/21/09]

SECTION 2 VACATION LEAVE

A. VACATION LEAVE ACCRUAL [97/00; 84/86]

Employees shall accrue vacation leave each bi-weekly pay period. Vacation leave accrual shall be pro-rated for a partial pay period of City employment.

<u>Beginning</u>	<u>Through</u>	<u>Hours Earned Annually</u>
Date of Hire	4 th year	88
5 th	9 th year	120
10 th	14 th year	160
15 th	19 th year	180
20 th	26 th year	200
27 th and thereafter		0

The City will count prior full-time law enforcement service as a Police Officer with another agency towards vacation leave accrual once the employee has been employed by the City for five (5) years. [05/08]

B. VACATION LEAVE CASH OUT

Effective on the date the City Council approves this July 1, 2014 to June 30, 2015 MOU, Police Officers may request to cash out accrued, unused vacation leave at the employee's Regular Rate of Pay, not to exceed 80 hours in any fiscal year. After receipt of the appropriate completed and signed forms, Finance shall process vacation leave cash out payments during the next scheduled pay period to be included in the Police Officer's regular paycheck. [14-15]

C. VACATION LEAVE ACCRUAL LIMIT[05/08]

A Police Officer's unused vacation leave shall not exceed a maximum of four hundred (400) hours at any time.

If Police Officer's accrued unused vacation leave reaches the maximum of four hundred (400) hours, he/she shall cease to accrue vacation leave until such time as the Police Officer's accrued unused vacation leave is reduced below four hundred (400) hours.

SECTION 3 SICK LEAVE

A. SICK LEAVE ACCRUAL [03/04]

Employees shall accrue six (6) hours of sick leave per bi-weekly pay period (total one hundred fifty-six (156) hours per year). Sick leave accrual shall be pro-rated for a partial pay period of City employment.

B. SICK LEAVE ACCRUAL LIMIT [03/04]

There shall be no limit on the number of unused sick leave hours a Police Officer may accrue at any time.

C. SICK LEAVE CONVERSION [05/08]

The City shall permit Police Officers who are 47 years of age or older and have 20 or more years with the City to convert accrued unused sick leave prior to retirement for the purpose of maximizing the employee's "Catch Up" contributions to Deferred Compensation, as permitted by applicable provisions of the Internal Revenue Code.

The Conversion of accrued unused sick hereunder shall be at the employee's Regular Rate of Pay per Article I, Section 8(a). [Side Letter 9/25/07]

D. SICK LEAVE CASH OUT UPON SEPARATION [05/08]

Police Officers hired prior to July 1, 1993 shall be permitted to cash out an unlimited number of accrued unused sick leave hours.

Police Officers hired on or after July 1, 1993 shall be permitted to cash out a lifetime maximum of eight hundred (800) accrued unused sick leave hours. Cash out of accrued unused sick hours shall be at the employee's Regular Rate of Pay, per Article I, Section 8(a). [Side Letter 9/25/07]

Payment to Police Officers for accrued unused sick leave shall according to the following:

1. 15 - 19 years of City employment
50% of eligible accrued unused sick leave.
2. 20 years or more of City employment
100% of eligible accrued unused sick leave.

A Police Officer who separates from the City and who is eligible to be paid for accrued unused sick leave may elect, at the Police Officer's option, to defer such payment as follows:

1. At date of separation: receive payment for 25% of the sum to which the employee is entitled.
2. 1 year after date of separation: receive payment for another 25% of the sum to which the employee is entitled.
3. 2 years after date of separation: receive payment for 25% of the sum to which the employee is entitled.
4. 3 years after date of separation: receive payment for 25% of the sum to which the employee is entitled.

In reference to Option #2, in the event of a hardship or death of the ex-employee, the remaining balance of the payoff shall be paid in full upon request with proper justification. (The application of this plan is subject to Federal and State restrictions.)

Note: Payment of accrued unused sick leave shall be as set forth in Article I, Section 8(a). [Side Letter 9/25/77].

SECTION 4 PHYSICAL FITNESS [87/89; 84/86]

Police Officers who pass the Police Department's Physical Fitness test" in any one of the following areas: (1) cycling, (2) three mile walk, or (3) and one and one-half mile run, shall receive special compensation of \$600 each April and October, commencing retroactive to October 2012.

The Police Department conducts fitness testing two (2) times a year, usually in April and October. Scores are based upon the police officers' gender, age and physical fitness test performance. Police Officers who successfully complete their assigned segment of the "Baker to Vegas Run" are deemed to have passed the test in lieu of taking the fitness test in April of that particular year. Those Police Officers are still required to participate and achieve a qualifying score to receive vacation leave in October.

A score of "good" or better shall be deemed a passing score to entitle the recipient to receive the \$600 payments described herein. Employee participation in this Physical Fitness Program is voluntary.

**Memorandum of Understanding between the City of South Gate and the
South Gate Police Officers' Association**

~ Signature page ~

The City and the Association acknowledge that this Agreement is entered into the 25th day of November 2014, and is subject to it being executed by authorized representatives.

CITY OF SOUTH GATE:

By: Henry C. Gonzalez
Henry C. Gonzalez, Mayor

Date: 11-26-14

SOUTH GATE

POLICE OFFICERS' ASSOCIATION:

By: [Signature]
Its Duly Authorized Representative

Date: 11.26.2014

By: [Signature]
Its Duly Authorized Representative

Date: 11.26.2014

ATTEST:

[Signature]
Carmen Avalos, City Clerk

(SEAL)

APPROVED AS TO FORM:

[Signature]
Raul F. Salinas, City Attorney