

MEMORANDUM OF UNDERSTANDING



American Federation of State, County, and Municipal Employees Local 101, District Council 57

December 21, 2025 - December 31, 2028

AFSCME
MEMORANDUM OF UNDERSTANDING
December 21, 2025 – December 31, 2028
TABLE OF CONTENTS

Preamble	3
Article I – Term	3
Article II – Representation	3
Meet & Confer Process	3
Release Time	3
Dues Deduction Process	4
Voluntary Union Dues Deductions	4
Indemnification, Defense and Hold Harmless for Dues Deduction	4
Agreement to Meet and Confer	5
Printing of MOU	5
Article III – Management Rights	5
Article IV – Definitions	5
Salaries, Wages, and Salary and Wages	5
Personnel Rules	5
Article V – Salaries, Wages, & Paid Benefits	5
Holiday Pay	6
Work Furlough	6
Other Pay	6
Certification Pay	6
Weekend and Weeknight Standby Pay	8
Out of Class Pay	8
Special Assignment Pay	9
Bilingual Pay	9
Overtime Pay/Compensatory Time	9
Base Work Schedules	10
Health Benefits	12
Article VI – Educational Incentive Pay Program	12
Educational Incentive Pay Program	12
Tuition Reimbursement	12
Article VII – Types of Leave	13
Sick Leave	13
Vacation Accrual	13
Extended Leave Policy	14
Bereavement Leave	15

Article VIII – Miscellaneous Benefits	15
CalPERS Retirement Contributions	15
Deferred Compensation Plan	16
Life Insurance Program	16
Long Term Disability Program	16
Short Term Disability Program	16
IRS 125 Program	17
Article IX – Miscellaneous Policies and Procedures	17
Hepatitis B Vaccines	17
Uniforms	17
Light Duty Determination	17
Substance Abuse Policy	18
Class "A" License	18
City-Wide Safety Committee	18
Layoff Procedure	18
Work Stoppage, Any Job Action, Slowdown	20
Article X – Grievance Procedure	20
Informal and Formal Grievances	20
Employee Relations Panel	21
General Conditions	22
Article XI – Miscellaneous	22
Article XII – Ratification	23
Signature Page	23
Exhibits	
Exhibit A Salary Schedule December 2025	24
Exhibit B Salary Schedule December 2026	25
Exhibit C Salary Schedule December 2027	26
Exhibit D Educational Incentive Pay Program	27
Exhibit E Drug and Alcohol Testing Program	40

This Memorandum of Understanding (“MOU”) has been executed by representatives of the Morgan Hill City Council (“City”) and representatives of the American Federation of State, County and Municipal Employees Local 101 (“Union”).

ARTICLE I. – TERM

- 1.01 The term of this Agreement shall commence December 21, 2025, and end on December 31, 2028.

ARTICLE II. – REPRESENTATION

- 2.01 Union is a recognized employee organization within the meaning of City’s Employer-Employee Relations Resolution No. 4955.
- 2.02 Union represents all regular full and part-time City employees excluding positions represented by the Police Officers’ Association (“POA”), the Community Service Officers’ Association (“CSOA”), and those identified in the Management/Confidential Resolution.
- 2.03 Regular Part-Time Employees – Regular part-time employees in Union represented classifications who work at least twenty (20) hours per week shall receive insurance, educational incentive, tuition reimbursement, and paid leave benefits provided for in this agreement on a pro-rated basis, according to the number of hours worked per week.
- 2.04 **Meet & Confer Process**
- 2.04.01 Union is the only employee organization which is entitled to meet and confer with City on behalf of represented employees as outlined in Item 2.02 above.
- 2.04.02 No agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto, unless made and executed in writing by all parties hereto, and, if required, approved and implemented by City and Union.
- 2.05 **Release Time**
- 2.05.01 The Union President, Steward, or designee shall be allowed release time with pay on an as-needed basis to participate in meetings related to employee discipline as set forth in Section 11 of the City of Morgan Hill Personnel Rules. This includes meetings with City management which may lead to discipline of an employee, when the employee has requested representation by Union and the employee has a legal right to be represented. No notation is required on the Union President, Steward, or designee’s timecard when using release time for the purposes described in this Section.
- 2.05.02 A total of up to forty (40) hours each fiscal year of release time with pay may be used by the Union President, Steward, or designee for the following purposes when representation is requested by the employee and the employee has a legal right to be represented:
- A. Preparation for pre-disciplinary or disciplinary meetings;
 - B. Processing formal grievances in accordance with the formal grievance procedure set forth in Section X of this MOU;

C. Meeting with employees regarding informal grievances and presenting informal grievance issues to City management; and

D. Attending Union sponsored trainings, meetings, conferences, or other functions. The forty (40) hours of release time are cumulative - the Union President, Steward, or designee together are allowed a total of forty (40) hours under this provision. The Union President, Steward, or designee shall note "Release Time" on their timecard when using release time for the purposes described in this Section.

2.05.03 The Union President, Steward, or designee shall be allowed release time with pay on an as-needed basis to participate in City-initiated meetings to discuss issues within the scope of representation. No notation is required on the Union President, Steward, or designee's timecard when using release time for the purpose described in this Section.

2.05.04 The Union President, Steward, or designee shall first obtain permission from his or her supervisor or other appropriate management personnel before using release time, regardless of the purpose for which release time is needed. Permission to use release time may be delayed in circumstances when City work would be seriously compromised by the Union President, Steward, or designee stopping work. However, permission will be granted within a reasonable time frame and will not be unreasonably denied.

2.05.05 Union general membership meetings will continue to be held during lunch or after work.

2.05.06 City shall provide release time for three (3) Union employees selected by Union for attendance at formal meet and confer sessions.

2.06 **Dues Deduction Process**

2.07 **Voluntary Union Dues Deduction**

2.07.01 City shall deduct Union dues from the pay checks of members if Union follows the requirements of this paragraph. Union dues are the dues that Union charges members for membership in the Union, representation in collective bargaining and other employment related matters within the scope of representation and Union political activity.

2.07.02 City shall only deduct Union dues from an employee's paycheck if the Union has submitted a signed authorization card to City clearly stating the employee's desire for City to deduct Union dues. It is understood and agreed by both City and Union that Union accepts responsibility for submitting authorization cards to City and for informing City whenever an employee withdraws his or her authorization. Such deductions shall be made from each authorizing employee's paycheck and remitted to Union each month.

2.08 **Indemnification, Defense and Hold Harmless for Dues Deduction**

2.08.01 Union agrees that City undertakes these deductions as a convenience and courtesy and that City shall incur no liability for providing this courtesy service. Union further agrees to indemnify, defend and hold City harmless against any and all claims, suits, orders, judgments, costs or attorney's fees, including, but not limited to, pre-litigation, administrative staff, retained outside counsel costs and any other matters for which City may seek indemnification for as a result of the action taken or not taken by City for any dues deduction.

2.09 Agreement to Meet and Confer

2.09.01 Should City change the terms and conditions of employment of any job classification(s) represented herein, City will meet and confer with Union no later than thirty (30) days before effective date of such change or changes for the purpose of negotiating appropriate salary adjustment(s) for the so changed classification(s) at a level appropriate to compensate for the increased duties, requirements or safety hazards.

2.10 Printing of MOU

2.10.1 City and Union will split the printing cost of the Agreement equally. Union will choose the printer.

ARTICLE III. – MANAGEMENT RIGHTS

- 3.01 The rights of City, as exercised by the City Council and the City administration include, but are not limited to, 1) the exclusive right to determine the mission of its constituent departments, commissions and boards, 2) set standards of service, 3) determine the procedures and standards of selection for employment, 4) direct its employees, 5) take disciplinary action, 6) relieve its employees from duty because of lack of work or other legitimate reasons, 7) maintain the efficiency of governmental operations, 8) determine the methods, means, and personnel by which government operations are to be conducted, 9) determine the content of job classifications, subject to any requirement to meet and confer or under current state law, 10) require that employees work overtime, and 11) exercise complete control and discretion over its organization and the technology of performing its work, except that any agreement between City and Union evidenced by a MOU pursuant to Government Code 3500 et. seq. shall take precedence over any of the above enumerated employee and management rights and that such MOU will be honored in good faith during the life of this contract, subject to City's rights to determine when an emergency exists and to take all necessary action to carry out its mission in emergencies.
- 3.02 Nothing in this article shall be construed to limit, amend, decrease, revoke, or otherwise modify the rights vested in City by any law regulating, authorizing, or empowering City to act or refrain from acting.

ARTICLE IV. – DEFINITIONS

4.01 Salaries, Wages, and Salary and Wages

4.01.01 The terms "Salaries", "Wages" or "Salary and Wages" shall mean the gross monthly base pay prior to any deductions.

4.02 Personnel Rules

4.02.01 The term "Personnel Rules" as used in this Agreement means those regulations titled "City of Morgan Hill Personnel Rules" enacted as Resolution No. 6150 and thereafter and hereafter amended. In the event a conflict in interpretation between these Personnel Rules as included by reference and similar sections as contained in this MOU, the language in the MOU will be used for interpretation.

ARTICLE V. – SALARIES, WAGES & PAID BENEFITS

5.01 The Salaries and Wages paid by the City to employees represented by Union will be in accordance with the job classifications they hold with pay rates to be increased by three percent (3%) effective December 21, 2025 (Exhibit A)

5.02 The Salaries and Wages paid by City to employees represented by Union will be in accordance with the job classifications they hold with pay rates to be increased by two percent (2%) effective the pay period December 20, 2026 (Exhibit B).

5.03 The Salaries and Wages paid by City to employees represented by Union will be in accordance with the job classifications they hold with pay rates to be increased by one percent (1%) effective the pay period December 19, 2027 (Exhibit C).

5.04 **Holiday Pay**

5.04.01 City will observe the following holidays: New Year's Day, Martin Luther King Day, President's Day, Cesar Chavez Day, Memorial Day, Independence Day, Labor Day, Thanksgiving, Day after Thanksgiving, Christmas Eve and Christmas. Employees will receive one (1) day holiday to be used during the furlough period or on the last work day before the furlough. City will maintain minimum staffing levels on these days and the Department Director will determine which day the employee may take off.

A. Each employee will receive two (2) floating holidays each fiscal year to be used during that fiscal year with the approval of the employee's supervisor.

B. Recognized holidays of City will be aligned to coincide with school holidays in the Morgan Hill Unified School District.

C. Any hours worked on a holiday shall be compensated at double time. If a holiday falls on a Friday or a Monday, any hours worked on the weekend (Saturday or Sunday) connected to the holiday will be compensated at the holiday pay rate. This does not apply to employees who are regularly scheduled to work weekends.

D. Holiday standby shall be compensated at the rate of three (3) hours at double time.

E. Those employees working on a 9/80 schedule will be entitled to the number of hours regularly worked as paid time off in observance of the holidays listed. All other employees will receive the additional hours as floating holiday time based on the number of holidays that fall on each specific year.

5.05 **Work Furlough**

5.05.01 City shall annually implement an end of year furlough that includes the time period of December 24th through January 1st of each year. The specific furlough dates and staffing requirements shall be determined by City. Furlough dates shall be provided to Union by November 1st of each year, and staffing requirements shall be finalized and published by December 1st of each year.

5.06 **Other Pay**

5.07 **Certification Pay**

5.07.01 All employees in the Utility classifications that are required to have certificates to perform their jobs, and who in fact possess the appropriate current certificate(s), will be entitled to receive a fixed amount of three percent (3%) of base salary.

5.07.02 A flat certification pay of \$150 per month will be provided to employees in the following job classifications for the certificates described below:

Utility Worker

- Water Distribution 1-5 (Each Grade Counts as a separate Certificate)
- Collections 1-5 (Each Grade Counts as a separate Certificate)
- Treatment 1-5 (Each Grade Counts as a separate Certificate)
- Backflow

Maintenance Worker

- Backflow
- State Applicators Permit additional category of Right of Way or Aquatics (Each Specialization Counts as a separate certificate)
- Playground Safety Inspection Certificate

Facility Maintenance Specialist

- Certified Pool Operator or Aquatics Facility Operator (Either, will not count as two certifications)
- Playground Safety Inspection Certificate

Assistant/Associate Engineer

- CAL OES Safety Assessment Program

Engineering Technician

- Land Surveyor in Training (LSIT)
- ESRI Certificate
- Certified Public Infrastructure Inspector (CPII)

Development Service Technician

- ICC Permit Technician
- ICC Plans Examiner
- ICC Residential Building Inspector
- ICC Commercial Building Inspector

Building Inspector II

- CASp
- ICC Plans Examiner
- State Fire Marshal Fire Inspector 1
- State Fire Marshal Fire Inspector 2

Code Compliance Officer

- ICC Property Maintenance and Housing Code Inspector
- ICC Residential Building Inspector
- ICC Commercial Building inspector
- PC 832

Plan Check Engineer

- CASp
- ICC Commercial Building inspector
- Certified Building Official Certificate
- NFPA Certified Plans Examiner
- NFPA Certified Fire Alarm Plans Examiner

5.07.03 The City Manager may approve certifications for certificate pay during the duration of this Agreement, provided that the certificate is related to the duties of the classification for which the pay will be given.

5.07.04 Regardless of the number of certifications, the maximum certificate pay is \$450 per month. If the employee is promoted to classifications where a certificate is now required, the employee will no longer receive certificate pay for the required certificate.

5.08 **Weekend and Weeknight Standby Pay**

5.08.01 Weekend Standby (Friday (9/80 day off), Saturday or Sunday) shall be compensated at the rate of four (4) hours at time and one-half (1/2) for each twenty-four (24) hour period covered.

Shift:

Saturday – Starts 24 hours after start of work shift Friday until start of standby shift on Sunday.

Sunday – Starts 48 hours after start of work shift Friday until start of work shift on Monday.

9/80 Friday- Start of work shift Friday through 24 hours from start of work shift Friday.

5.08.02 Weeknight Standby (Monday – Friday) shall be compensated at the rate of one and a half (1.50) hours at time and one-half (1/2) for each weeknight of standby.

Shift:

The weeknight standby period shall begin at the end of the regular work shift and end with the commencement of the regular work shift the following morning or if assigned Friday, 24 hours from the start of the work shift Friday.

Employees assigned standby must be able to report to the Corporation Yard within forty five (45) minutes from the time they are called.

5.09 **Out of Class Pay**

5.09.01 Whenever an employee is temporarily assigned in writing by their supervisor to work in a higher vacant classification to perform all of the duties of the higher classification for a period of more than ten (10) cumulative working days, the employee shall be entitled to out of class pay on the eleventh (11th) day of assignment. Having once satisfied the ten (10) day qualifying requirement, any subsequent such assignment shall be so compensated an additional five percent (5%) beginning with the first day of reassignment. Any out of class assignment must meet CalPERS guidelines in order to be considered pensionable compensation. Out of class assignment are of a limited curation and shall not exceed 960 hours in any fiscal year.

5.09.02 Should the assignment last more than sixty (60) consecutive calendar days, the employee shall be compensated at a step within the normal range which is at least an additional five percent (5%) higher than that received in accordance with 5.10.01.

5.10 **Special Assignment Pay**

5.10.01 Special assignment pay may be granted to employees who have assumed, for at least one work week, significant additional responsibilities outside their current classification. The request for special assignment pay shall describe the assignment, justify why it is to be performed by the designated employee, and give a specific duration for completion of the assignment with a start and end date. Special assignment pay is up to 10% above the employee's normal pay rate. The special assignment and related compensation may be revoked at any time at the discretion of the Department Director, or the City Manager (or designee). Special assignment pay will be requested in advance by the Department Director and authorized by the City Manager or designee, and then processed by the Human Resources Division. Special assignment pay shall be discontinued on the date originally identified for completion of the assignment, unless an extension of specific duration is approved by the City Manager or designee prior to the end of the original assignment end date. Special assignment pay is not be considered pensionable compensation as defined by CalPERS.

5.11 **Bilingual Pay**

5.11.01 Union employees identified by a Department Director to use Spanish or American Sign Language in their work and who are certified by the process described below shall receive the following compensation:

- A. Employees hired prior to June 30, 2013 shall receive five percent (5%) of base salary. On July 1, 2013, that amount will be calculated and converted to a fixed amount, or one hundred and fifty dollars (\$150.00) per month, whichever is greater.
- B. Should there be subsequent adjustments to base salaries, the amount determined on July 1, 2013 shall remain the fixed amount in perpetuity.
- C. Employees hired on or after July 1, 2013 shall receive a monthly stipend of one hundred and fifty dollars (\$150.00).
- D. The Certification process shall be completed by a provider contracted by Human Resources or a three (3) person panel (established by Human Resources) to determine conversational competence. Employees shall be subject to recertification every two (2) years unless waived by City.
- E. An eligible employee may request to be tested for bilingual certification at any time and the test shall occur within a reasonable amount of time.

5.12 **Overtime/Compensatory Time**

5.12.01 Overtime/Compensatory time is defined as one-and-a-half (1.5) times an employee's total hourly salary. Overtime/Comp time is paid for any amount of time exceeding fifteen (15) minutes more than the employee's normal work shift, provided the employee is working an eight (8) hour or more work shift or any work time in excess of the forty (40) hour work week unless additional hours are worked as a result of a shift change. Full-Time employees who work fifteen (15) minutes or more of overtime will receive a minimum of half (1/2) hour of overtime pay. Overtime/Compensatory time for a regular part-time employee who works over his/her normal work schedule will accrue compensatory time at the employee's normal rate of hourly salary for hours under forty (40) per week, and one-and-a-half (1.5) times for hours over forty (40) per week. All such time must be approved in advance with the employee's supervisor or Department Director. Overtime is paid on completed fifteen (15) minute increments above the half (1/2) hour minimum. Time spent on paid sick leave,

disability leave, vacation leave, military leave, compensatory time off, or other authorized paid leave shall be deemed time worked for the purposes of this Article.

5.12.02 Employees called back to work outside their regular work shift shall be compensated for a minimum of two (2) hours at time and one half (1/2) of their regular pay rate. For purposes of this provision, the job shall commence once an employee arrives on-site and shall be considered completed when either management or police dispatch is notified. City reserves the right to assign additional work within the two (2) hour period and subsequent call outs within the original two (2) hour call out do not receive an additional two (2) hour call out minimum. Consecutive work time which is past a two (2) hour call out shall be at time and one half (1/2) pay. Additional call-outs during the course of the day (once a two (2) hour call out is completed), and outside of a completed two (2) hour call out period, shall re-start the two (2) hour call out time.

5.12.03 Union personnel will have the option of receiving either paid overtime or compensatory time off. In the event that overtime pay is not available or authorized, the employee can either choose compensatory time off or decline working overtime. The compensatory time accrual limit shall be one hundred sixty (160) hours maximum.

5.12.04 During emergency situations (EOC activation) such as floods, earthquakes, severe storms, etc., City reserves the right to require that all overtime be compensated in pay, not compensatory time.

5.12.05 Employees working more than twelve (12) hours in a day shall receive double time for hours worked beginning with the thirteenth (13th) hour of work.

5.12.06 Employees who are contacted and consulted by telephone about a work-related problem outside their regular work shift, and who provide advice or direction, shall be compensated at an overtime rate for the actual time spent on the telephone, rounded up to the nearest thirty (30) minutes. The time will be recorded on timesheets as overtime.

5.13 **Base Work Schedules**

5.13.01 The work day, for pay purposes, shall be a twenty four (24) hour period commencing with the beginning of the employee's regularly scheduled shift.

5.13.02 The normal work schedule shall be forty (40) hours consisting of five (5) consecutive days of eight (8) hours each, exclusive of a lunch period, Monday through Friday or any schedule identified in Administrative Policy VI-001 Section 4.

5.13.03 Should the normal work schedule need to be modified in terms of days or shift hours by the Department Director to facilitate the needs of City, such modification in normal work schedules will be discussed with Union representatives as to methods for changing or rotating assignments fifteen (15) days prior to any change, except in cases of emergencies.

A. The affected employee should be notified at least ten (10) full working days prior to any change. Such modification cannot exceed a forty (40) hour work week unless additional hours are worked as a result of a shift change or in cases of emergencies.

B. Recreation employees may choose to request schedule changes as needed rather than work overtime.

5.13.03 For the purposes of calculating overtime, compensatory time and defining payroll periods, the aforementioned schedules will apply.

5.13.04 Reporting for Duty

- A. Employees who are unable to report for work at the beginning of their established shift shall notify their immediate supervisor at least thirty (30) minutes prior to the commencement of that shift. Employees shall follow departmental procedures for providing notice of their absence.
- B. Failure to report to work for three (3) consecutive days (or shifts if applicable for which the employee is scheduled to work) without giving proper notice to City will be considered a voluntary resignation of employment even if a coworker or supervisor covers the shift or otherwise arranges for coverage of the shift. Such employee shall, however, be reinstated provided the employee satisfactorily shows that his/her failure to report was the result of reasonable extenuating circumstances beyond the employee's control.

5.13.05 Except in the case of emergencies, employees shall receive a lunch break after four (4) hours of overtime worked.

5.13.06 Any employee working eight (8) or more hours at the overtime rate during the sixteen (16) hour period immediately preceding the beginning of his/her regular work shift shall be entitled to a rest period of eight (8) consecutive hours on the completion of such overtime work with the following provisions:

- A. No employee shall be required to work in excess of sixteen (16) hours without rest unless an emergency is investigated and continued work is deemed necessary to prevent extreme property damage or to preserve human life.
- B. If the eight (8) hour rest period overlaps his/her regular work shift in whole or in part, he/she will be paid at the straight-time rate for the time that falls within his/her regular work shift.
- C. If the eight (8) hour rest period overlaps a portion of the first half of his/her work shift, the employee may be excused from work until the beginning of the second half of said shift. If the eight (8) hour rest period overlaps a portion of the second half of his/her work shift, he/she may be excused from work until the following work shift. He/she will be paid, however, for that portion of the rest period that overlaps his/her normal working shift. He/she will not be paid for the time between expiration of the rest period and his/her reporting for work.
- D. Hours worked prior to an eight (8) hour rest period shall not be included in determining another rest period.
- E. If the employee is called back to work during his/her eight (8) hour rest period, a new rest period will commence at the conclusion of such work.

5.14 Health Benefits

5.14.01 The City will contribute to the City's medical and dental health plans as follows:

- A. For employees with family coverage, up to \$2,947.97/month in 2026, and up to 6% matching the Kaiser medical premium increase in 2027 and 2028.
- B. For employees with employee plus one coverage, up to \$2,249.59/month in 2026, up to 6% matching the Kaiser medical premium increase in 2027 and 2028.
- C. For employees with employee only coverage, up to \$1,124.80/month in 2026, up to 6% matching the Kaiser medical premium increase in 2027 and 2028.
- D. Employees enrolling in City health but not using the maximum amount available from the City for their premium category (ee only, ee+1, ee+family) shall not be entitled to the surplus. Employees enrolling in plans whose cost exceeds the maximum amount available from the City for their premium category shall have the difference deducted on a pre-tax basis from their paycheck.
- E. Employees who waive medical coverage and annually provide proof of alternative medical coverage shall be entitled to a taxable cash in lieu payment of five hundred seventy dollars (\$570.00) per month. Employees who waive dental coverage and annually provide proof of alternative dental coverage shall be entitled to a taxable cash in lieu payment of forty dollars (\$40.00) per month.
- F. In the event that health premiums increase six percent (6%) or more both the City and the Union agree to reopen the contract for the limited purpose of discussing changes to the City contribution rate.

5.14.02 City agrees to provide, at City's expense, up to 100 percent (100%) of the premium cost per employee for the Employee Assistance Program, as presently constituted.

5.14.03 All members shall have the option of continuing their current medical insurance at the employee's own cost after retirement. This option can continue as long as there is no lapse in coverage and so long as the employee pays the monthly premium to the California Public Employees Retirement System (CalPERS) or to the Finance Department as per their billing requirements.

5.14.04 The CalPERS Medical insurance program shall remain in effect for the term of this agreement or unless the parties agree to terminate the agreement with CalPERS.

ARTICLE VI. – EDUCATIONAL INCENTIVE PROGRAM**6.01 Educational Incentive Pay Program (for employees hired before July 1, 2008)**

6.01.01 See Exhibit C

6.02 Tuition Reimbursement

6.02.01 City shall provide a tuition reimbursement program of up to fifteen hundred dollars (\$1,500.00) per fiscal year for the cost of books and tuition for classes beneficial to the employee's career development. Mandatory fees required to attend classes and parking fees also may be reimbursed through tuition reimbursement. All classes must be approved in advance by the Department Director. Reimbursement will take place upon a successful completion or passing of the course.

ARTICLE VII. - TYPES OF LEAVE

7.01 Sick Leave

7.01.01 Sick Leave credit shall be accumulated on the basis of eight (8) hours per month. The employee's accumulated sick leave is unlimited.

7.01.02 City will pay twenty-five percent (25%) of unused sick leave at the end of each calendar year. This payment will be based on semi-annual calculations, that will be processed with the first payroll in December. Employees who have a balance of at least one hundred sixty (160) hours of sick leave may choose to receive twenty-five percent (25%) or fifty percent (50%) of the unused sick leave earned that year. The balance of sick leave will be added to the employee's accumulated sick leave.

A. The twenty-five percent (25%) payout will not be calculated or paid to any employee absent from work on a work related injury which is being covered by worker's compensation.

7.01.03 Upon retirement, one hundred percent (100%) of the employees' unused sick leave balance will be credited to the employees' retirement eligibility. This amount would then be converted into time in service and added to the employee's retirement eligibility. (Reference - City contract with CalPERS, Section 20862.8)

7.01.04 Union employees shall be allowed to utilize two (2) Personal Leave Days totaling sixteen (16) hours per fiscal year chargeable to sick leave. Use of sixteen (16) hours of personal time during the calendar year will not impact the sick leave cash out in Section 7.01.02 for that calendar year, however it will affect the accumulated sick leave balance, one hundred sixty (160) hours, used to determine whether the employee qualified for the cash out of the unused sick leave earned that year.

7.01.05 Employees may use up to twenty-four (24) hours of compensatory time when ill or to attend a medical/dental appointment. All other time missed in a fiscal year due to illness or medical/dental appointments requires the use of sick leave. If the employee does not have sick leave and is not on an approved extended leave, the employee may choose to use vacation or compensation leave or may take that time off without pay. Vacation or compensatory time will not substitute for sick leave when the employee has available sick leave, with the exception of twenty four (24) hours of compensatory time per fiscal year as noted above. Per Section 7.01.04, employees may use sixteen (16) hours of personal time, which is charged to sick leave, for unforeseen appointments and unexpected absences.

7.02 Vacation Accrual

7.02.01 Vacation Accrual shall be as follows:

A. Eighty (80) hours per year from the date of hire through the second (2nd) year of employment.

B. Eighty eight (88) hours vacation during the third (3rd) year of employment.

C. One hundred and four (104) hours vacation during the fourth (4th) year of employment.

D. One hundred and twelve (112) hours vacation during the fifth (5th) year of employment.

- E. One hundred and twenty (120) hours vacation during the sixth (6th) year of employment.
- F. One hundred and twenty-eight (128) hours vacation during the seventh (7th) year of employment.
- G. One hundred and thirty-six (136) hours vacation during the eighth (8th) year of employment.
- H. One hundred and forty-four (144) hours vacation during the ninth (9th) year of employment.
- I. One hundred and fifty-two (152) hours vacation during the tenth (10th) year of employment.
- J. One hundred and sixty (160) hours vacation after the tenth (10th) year of service.

7.02.02 Maximum accumulation of vacation shall be no more than (2) years annual accrual effective June 30, 2025. This vacation accumulation maximum shall be enforceable on those dates each year. Employees may exceed the maximum prior to those dates. Any employee who has more than two (2) years annual accrual on the books within the pay period that includes July 1 shall not accrue additional vacation until vacation usage drops below the allowable accrual.

7.02.03 City guarantees during the term of the MOU, that no employee will lose vacation accrued if the employee follows departmental guidelines for requesting time off.

7.02.04 Employees who have vacation or compensatory time off at least equal to two (2) weeks shall have the option, twice per fiscal year, of receiving pay in lieu of time off for a total of eighty (80) hours of the accrued time per fiscal year. Employees may elect this option by December 15th of each year for the cash-out of the following calendar year. The cash out election is irrevocable. City will follow IRS regulations regarding cash-out of leave and communicate the procedures for cashing-out to Association. The City will research if cash out can be placed directly into deferred compensation 457 plan.

7.03 **Extended Leave Policy**

7.03.01 In the event an employee is absent from work for illness or injury, unless notified otherwise, prior to the end of the affected pay period, the time off will be coded and deducted from (1) accumulated sick leave, (2) accumulated comp time, and (3) accumulated vacation time, in that order. If a determination is subsequently made by City that the injury was job related, all sick leave, comp time and vacation time used to cover the leave will be credited back to the employee in an amount up to the worker's compensation determination. The amount of compensation from City may need to be offset by payments received from worker's compensation. At no time shall the employee receive compensation and worker's compensation payment in excess of their normal pay. Employees with insufficient time off credited to them will be coded on payroll as absent without pay. Extended leave is defined as two (2) weeks or more of consecutive time off due to illness or injury.

7.04 Bereavement Leave

- 7.04.01 Union members shall, per occurrence, be granted Bereavement Leave when a death occurs in the employee's or the employee's spouse's immediate family. For the purpose of this section, "immediate family" is defined as father, mother, brother, sister, spouse, natural or legally adopted child, step-child, in-laws, grandparents, and grandchildren. Employees are granted up to five (5) days of bereavement leave. Up to three (3) days of Bereavement Leave shall be paid when the death and service are within the State of California and the other two (2) days would need to be supplemented with other leave time. Up to five (5) days are paid when the death or service is outside the State. City paid bereavement Leave usage shall not be charged against the employee's Sick Leave or Vacation Time. Employees may also use up to two (2) additional days of Sick Leave to supplement their allotted Bereavement Leave if other circumstances require absence during that time.
- 7.04.02 Requests for additional Bereavement Leave beyond the allotted five (5) days shall be subject to the approval of the employee's supervisor and deducted from the employee's accumulated Comp Time, Personal Leave, or Vacation Time. Special circumstances beyond this definition may be considered on a case-by-case basis and must be approved by the City Manager.
- 7.04.03 This leave will not affect the twenty-five percent (25%) or fifty percent (50%) cash out of sick leave for the same calendar year.

ARTICLE VIII. – MISCELLANEOUS BENEFITS**8.01 CalPERS Retirement Contributions**

- 8.01.01 For employees hired on or before January 1, 2013, and "Classic Employees" as defined in Government Code section 7522.02(c) of the California Public Employees' Pension Reform Act of 2012 ("PEPRA") hired on or after January 1, 2013, City agrees to continue its CalPERS miscellaneous contract with for all applicable retirement benefits in effect on July 1, 2007 which will provide the single highest year and the 2.5% @ 55 basic retirement formula.
- 8.01.02 For employees that are considered "New Members" as defined in Government Code section 7522.04(f) of PEPRA hired on or after January 1, 2013, the PERS miscellaneous contract will provide for the three (3) highest years compensation average and the 2.0% @ 62 retirement formula.
- 8.01.03 Beginning with CalPERS rates effective July 1, 2014, City and Union members agreed to split any rate differences at a 50/50 ratio.
- 8.01.04 Effective July 1, 2013, Union members will pay the full employee contribution rate of eight percent (8%).
- 8.01.05 Effective July 1, 2022, Union Members will share the employer's CalPERS contribution rate at 6.12%. The employee's contribution towards employer's share of pension cost will be capped at 6.12%. The City and Union members agree to split any rate decreases below the FY 2022-23 employer's CalPERS contribution rate of 28.77% at a 50/50 ratio.
- 8.01.06 Effective December 21, 2025, the employee's contribution towards employer's share of pension cost will reduce to 4.12%.

8.01.07 Effective December 20, 2026, the employee's contribution towards employer's share of pension cost will reduce to 1.12%.

8.01.08 Effective December 19, 2027, the employee's contribution towards employer's share of pension cost will be eliminated.

8.02 **Deferred Compensation Plan**

8.02.01 City shall continue to contribute two percent (2%) of an employee's base salary to a 457 Deferred Compensation plan per pay period at the time of hire, an additional one percent (1%) after 5 years of service and an additional one percent (1%) after 10 years of service. Effective December 19, 2027 all employees will receive an additional one percent (1%) city contribution. Employees may elect to contribute via payroll deduction to the City's deferred compensation plans. Employees' contributions can be a lump sum contribution or a percentage of base wages. Employees must submit a completed deferred compensation enrollment/change form to the Human Resources Division for changes in their deferred compensation contributions. Changes shall be effective consistent with the Human Resources submittal deadlines and effective dates.

8.03 **Life Insurance Program**

8.03.01 For the term of this agreement, City will maintain a Life Insurance Program for each employee represented by Union in the amount of one hundred thousand dollars (\$100,000.00) effective August 1, 2008. This amount decreases when the employee reaches age 65, 70, and 75. The Life Insurance benefit will be paid to the employee's beneficiary upon the death of the employee as outlined in the program documents. City will continue to pay 100 percent (100%) of the cost involved with this program. Any employee currently purchasing additional life insurance through the flexible benefits plan may continue to do so.

8.04 **Long Term Disability Program**

8.04.01 For the term of this agreement, City will maintain a Long Term Disability Program on all employees represented by Union. The amount of monthly coverage for the Long Term Disability will be sixty six and two thirds percent ($66\frac{2}{3}\%$) of the employee's monthly earnings or a maximum benefit paid of four thousand dollars (\$4,000.00) per month, reduced by any deductive benefits. The maximum benefit period is to age sixty-five (65) or twelve (12) months, whichever is longer. The elimination period is the sixty (60) days of total disability. Employees may be eligible for some benefits for partial disability as outlined in the Plan documents. City will continue to pay one hundred percent (100%) of the costs involved with this Long Term Disability Program.

8.05 **Short Term Disability Program**

8.05.01 For the term of this agreement, City will maintain a Short Term Disability Program on all employees represented by Union. The amount of weekly coverage for the Short Term Disability will be sixty six and two thirds percent ($66\frac{2}{3}\%$) of the employee's weekly earnings or a maximum of nine hundred eighty-three (\$983.00) per week with a duration of eight (8) weeks and the elimination period of eight (8) days. The employee must be totally disabled to qualify for benefits. Per Plan requirements, maternity benefits are included in the Short-Term Disability coverage. City will continue to pay 100 percent (100%) of the costs involved with this program.

8.06 **IRS 125 Program**

8.06.01 City shall maintain in effect the IRS-125 Program.

ARTICLE IX. – MISCELLANEOUS POLICIES AND PROCEDURES

9.01 **Hepatitis B Vaccines**

9.01.01 City agrees to provide Hepatitis-B shots for those employees represented by Union who regularly or occasionally perform field duties.

9.02 **Uniforms**

9.02.01 City will provide uniforms for those employees in the Parks, Streets and Utility Divisions required to wear uniforms as a condition of employment. All divisions will be provided soft caps with the City logo attached. With the exception of City provided soft cap or safety helmet, no other caps, head gear, or hats are to be worn. City will also provide regular uniform cleaning. The uniform cleaning amount is \$21.75 per pay period and will be PERSable under special compensation. Employees assigned uniforms are to report to work in uniforms that are neat and clean.

9.02.02 City will provide up to three hundred dollars (\$300.00) per fiscal year towards a one-time purchase of safety shoes for employees who regularly or occasionally perform field duties. This purchase will be made by City issued credit card. If the total cost of the safety shoe purchase is less than the amount provided by the City, the employee may apply the difference towards additional safety shoes or other safety-shoe related accessories at time of purchase, such as shoe protectant spray, shoelaces, insoles. Shoe- related accessories does not include socks. At no time, should the purchase exceed the \$300.00 limit. If the total cost does exceed the \$300.00 limit, the employee must use their personal credit card, debit card, or cash to pay the difference at the time of purchase. Proof of purchase is required to be submitted to their department; once purchased, employees are required to wear the shoes at all times when applicable duties are performed. If a new employee receives their initial safety shoes between the months of January – July, their next safety shoe purchase will be the following July.

It is the employee's responsibility to maintain safety shoes in proper working condition and replace them if necessary if they are damaged, worn, or unsafe. At any time, an employee's supervisor or manager may determine that shoes are unsafe and require replacement.

9.03 **Light Duty Determination**

9.03.01 In the event an employee is injured and off the job for ten (10) working days or more and may be able to return to work but not able to perform all her/his normal job duty assignments, a temporary "light duty" assignment may be made by City. To be eligible for such a modified assignment, City may require the employee to provide the Human Resources Office with a medical statement from his/her treating physician that clearly states the medical limitations and abilities of the employee. City may require a second or third doctor's determination at City expense. All light duty work requests shall be coordinated through the Human Resources Office. Light duty may be granted provide that:

- A. A temporary modified work assignment is available and may be accommodated without adverse consequences to City or disruption in services or operations,
- B. City may change regular days off and work hours while the employee is assigned to the temporary modified work assignment,

- C. No temporary modified work assignment shall extend for more than ninety (90) days with the approval of the City Manager, and
- D. No temporary modified work assignment creates any employee entitlement to an assignment in a light duty position.

9.03.02 An employee receiving such a light duty determination could be reassigned to another assignment or other reduced work schedule up to a forty (40) hour work week upon the determination of the Department Director. Once the employee is certified by his/her treating physician or City doctor as no longer in need of light duty, he/she will be reassigned to their normal work assignment.

9.04 **Substance Abuse Policy**

9.04.01 City's Substance Abuse Policy (Administrative Policy VI018) shall continue in effect for the term of this agreement.

9.05 **Class "A" License**

9.05.01 All Utility Worker and Maintenance Worker employees are required to maintain a Class "A" license. Pursuant to the Department of Transportation regulations, such employees are subject to the Department of Transportation Drug Policy. A copy of the Drug and Alcohol Testing Policy as agreed to by City and Union is attached Exhibit D).

9.06 **City-Wide Safety Committee**

9.06.01 City shall maintain a City-wide Safety Committee with Union appointing up to two (2) members. The Committee shall meet at least quarterly and shall review all accident reports and make recommendations thereon, review departmental safety programs and make recommendations thereon, and assist in planning and presenting safety programs. Responsibility for and authority over safety continues to be vested in City Management.

9.07 **Layoff Procedure**

9.07.01 The City Council may abolish any position in the Classified Service due to lack of funds, work or need.

9.07.02 If City implements a reduction in work force, City will administer the lay-off policy consistent with the following concepts:

A. ORDER: The order of lay-off shall be as follows:

1. Temporary (as-needed) employees;
2. Probationary employees; and
3. Permanent employees in inverse order of seniority within the classification series being reduced.

B. SENIORITY: Seniority shall be determined by the length of current continuous permanent service with City regardless of classification in which employed. Continuous service shall be defined as that which has not been interrupted by separation of service from City. Seniority shall be retained, but shall not accrue, during any period of authorized leave without pay (more than thirty (30) days), except for military leave. The treatment of personnel employed by means of State or Federal grant monies shall be in accordance with regulations for retention as established by the grantor. In the absence of such regulations, the type of position (Classified or Exempt) shall govern treatment of such personnel. Part time employees shall only receive their total hours of credit and are only subject to combine their total hours for bumping

another part-time employee. At no time shall a part-time employee be eligible to bump a full-time employee, regardless of seniority. Should a full-time employee who is subject to lay off, be eligible or certified to work in a part-time position, the full-time employee may bump into that position beginning with the least senior part-time employee first.

C. NOTICE: Probationary and regular employees in the Classified Service, who are scheduled to be laid off, shall receive at least a twenty-one (21) day notice. When City determines that it must implement a reduction in work force, notice to the employee shall be in writing and the bargaining unit shall receive the following information, in addition to the opportunity to discuss with a representative of management:

1. Reason for layoff,
2. Effective date of layoff,
3. Conditions governing re-employment, and
4. Information regarding unemployment insurance.

9.07.03 In lieu of layoff, an employee may elect transfer or demotion to a vacant position in the Classified Service which City intends to fill and for which the employee is qualified. Such actions shall be governed by the terms of Section 10 of the Personnel Rules and in no event shall result in an employee being placed in a classification carrying a higher maximum rate of pay. If two (2) or more employees have requested transfer or demotion to the same vacant position and City has determined they are both qualified to fill it, the more senior employee shall receive preference. For purposes of this section, total time in the Classified Service shall be utilized in determining seniority.

9.07.04 Within ten (10) days from the date layoff notices are issued, an employee who would otherwise be laid off may elect to displace an employee in a classification carrying a lower or the same maximum rate of pay, provided that the displacing employee must have held regular status in such classification and have greater time in the classification and directly related higher classifications combined than the employee being displaced. For example, related classifications would mean Utility Worker I, Utility Worker II, Senior Utility Worker, etc.

9.07.05 A probationary or regular employee displaced in accordance with this paragraph shall, in turn, be provided the same notice and “bumping” privilege as set forth in that paragraph.

9.07.06 Regular and probationary personnel laid off in accordance with this Section shall, unless they request otherwise, be placed on a re-employment list for three (3) years. If an employee is re-employed from such a list, all service credits and sick leave accrued to the date of layoff shall be restored. In no event, however, shall City be required to restore credits for vacation and sick leave paid out at the time of layoff.

9.07.07 At the time of layoff, the employee’s name shall be removed from all promotional eligible lists, but, at the employee’s request, shall be retained on open-competitive lists subject to the provisions of Section 10 of the City’s Personnel Rules. If the employee is re-employed prior to the expiration of a promotional list, they shall be reinstated to the list.

9.07.08 Prior to the effective date of layoff, the Department Director shall furnish the City Manager a final evaluation of the employee’s performance.

9.07.09 Management employees are not eligible to “bump down” into a Union represented position regardless of their previous seniority or status.

9.08 **Work Stoppage, Any Job Action, Slowdown**

9.08.01 During the life of this MOU, no work stoppage, strikes, or picketing shall be caused or sanctioned by Union and no lockouts shall be made by City.

9.08.02 In the event that any employee covered by this Agreement, individually or collectively, violates the provisions of this article and Union fails to exercise good faith in halting the work interruption, Union and the employees involved shall be deemed in violation of this article and City shall be entitled to seek all remedies available to it under applicable law.

9.08.03 Should City change or increase the duties, requirements, or safety hazards of any job classification(s) represented herein, City will meet and confer with Union no later than thirty (30) days before effective date of such change or changes for the purpose of negotiating appropriate salary adjustment(s) for the so changed classification(s) at a level appropriate to compensate for the increased duties, requirements or safety hazards.

ARTICLE X. – GRIEVANCE PROCEDURE

10.01 The following grievance procedure will be in effect:

10.02 A grievance is defined as any dispute involving the interpretation, application or alleged violation of:

A. A current Memorandum of Understanding between City and Union.

B. City’s Personnel Rules where the provision in dispute is within the scope of representation.

10.03 Disciplinary appeals are subject to the provisions of City's Personnel Rules. Disciplinary appeals are subject to the provisions of City's Personnel Rules.

10.04 **Informal and Formal Grievances**

10.04.01 Step 1. Union or an employee who has a grievance shall bring it to the attention of his/her immediate supervisor within twenty (20) working days of the occurrence of the act which is the basis for the dispute. If the employee and the immediate supervisor are unable to resolve the grievance within ten (10) working days of the date it is raised with the immediate supervisor, the employee shall have the right to submit a formal grievance which shall contain the following information:

A. The name of the grievant;

B. The grievant’s department and specific work site;

C. The name of the grievant’s immediate supervisor;

D. A statement of the nature of the grievance including the date and place of occurrence;

E. The specific provision, policy, or procedure alleged to have been violated;

F. The remedies sought by the grievant; and

G. The name of the individual or organization, if any, designated by the grievant to represent him/her in the processing of the grievance. However, in no event, shall an employee organization other than the one which formally represents the position occupied by the grievant be designated as the grievant's representative.

10.04.02 Step 2. If Union or an employee is dissatisfied with the decision of the immediate supervisor in Step 1, they may submit the grievance to the appropriate Department Director within ten (10) working days from the date of the immediate supervisor's decision. The Department Director shall respond to the Grievance in writing within seven (7) working days from the date of its receipt.

10.04.03 Step 3. If the employee is dissatisfied with the decision of the Department Director in Step 2, he/she may submit the grievance to the City Manager within ten (10) working days from receipt of the Department Director's response. The City Manager or his/her designated representative shall respond to the Grievance in writing within the ten (10) working days of its receipt. Within this period, the City Manager or his/her designee, at his/her discretion, may conduct an informal hearing involving the parties to the dispute.

10.04.04 Step 4. If Union or the employee is dissatisfied with the decision of the City Manager, he/she may submit the grievance to an Employee Relations Panel as provided in Part C, listed below. Notice of such appeal must be filed in writing by the employee with the City Manager within fifteen (15) working days of receipt of the City Manager or his/her designee's decision.

10.05 **Employee Relations Panel**

10.05.01 The Employee Relations Panel shall consist of three (3) members selected as follows:

- A. A City Management official selected by the City Manager;
- B. A City employee selected by the grievant provided, however, that the participation of the employee so selected shall not constitute a conflict of interest nor subject that employee to any recriminations as a result of his/her participation; and
- C. A representative of the California State Mediation and Conciliation Service, or an individual chosen by the parties knowledgeable in public sector labor relations from any source reasonably likely to produce such an individual, including, but not limited to, a labor organization or management organization. This person shall serve as chairperson.
 - i. Where provided compensation, pay shall be shared by City and the grievant or Union.
 - ii. The majority decision of the panel shall be final and binding, subject only to ratification by the City Council if said decision mandates a capital expenditure or significant, unbudgeted expenditures. In those instances, the ruling shall be submitted to the City Council for action which may include modification or reversal. Denial of an award by the City Council does not constitute a waiver of Union's right to seek enforcement of the Award in the Courts.

10.05.02 The conduct of the Panel's hearing shall be governed by the following ground rules.

- A. All hearings shall be convened during regular established City hours to the participation in the hearing is required by the Panel, shall not suffer loss of wages for time devoted to this purpose.
- B. All hearings shall be conducted in an expeditious manner, with the Chairperson retaining final authority to rule on procedural matters or on other points affecting the length and conduct of the hearing. Legal counsel, court reporters and briefs shall only be utilized upon agreement between City and Union or grievant and shall not serve to delay the Panel's decision, except by mutual agreement.
- C. The Panel shall be committed to resolving the grievance in an objective, timely and equitable fashion and shall not permit either party to engage in any presentation or line of an argument which detracts from this purpose. Moreover, the Panel shall not accept evidence not presented in Step 3 of this procedure.
- D. No hearing shall be convened unless both parties have stipulated in writing to the issue or issues to be heard by the panel.

10.05.03 **General Conditions**

- A. Any time limit set forth in this procedure may be extended by written agreement between City and the grievant or Union.
- B. Failure on the part of the grievant or their designated representative to comply with the time limits of this procedure or any extension thereto shall constitute a withdrawal of the grievance without further recourse for re- submittal under this procedure. Failure on the part of City to comply with prescribed time limits or extension thereto shall result in the grievance being moved to the next step of the procedure.
- C. The grievant shall be entitled to have a representative of his own choosing, except as provided in Step 1, B-G., present at any grievance meeting with City.
- D. A representative of a recognized employee organization which represents the grievant's position shall be entitled to be present at any hearing held in conjunction with Step 3 and Step 4 of this procedure.
- E. The City Manager or his/her designated representative shall serve as the central repository for all grievance records.


ARTICLE XI. – MISCELLANEOUS

- 11.01 City and Union consent to form a committee whose task shall be to create a program that provides for certain positions within City's classifications to be designated as "flexibly staffed." Flexibly staffed positions will afford City the opportunity to increase the capacity of the work force to deliver quality services to citizens and provides City employees with advancement opportunities within their job classification. Once the program is established, Human Resources shall be responsible for its oversight.

ARTICLE XII. – RATIFICATION


- 12.01 This MOU shall become effective December 21, 2025.
- 12.02 Unless mutually agreed otherwise by City and Union, Union shall provide City with its written requests on terms within the scope of representation for the period including January 1, 2029 no later than two (2) weeks prior to the start of negotiations. City and Union shall begin to meet and confer on or before August 1, 2028 and endeavor to complete negotiations on a successor MOU by the end of November 2028.

FOR THE CITY OF MORGAN HILL

DocuSigned by:

 Christina Turner
 City Manager


1/7/2026

Date

DocuSigned by:

 Donald Larkin
 City Attorney


12/18/2025

Date

DocuSigned by:

 Michael Horta
 Human Resources Director


12/18/2025

Date

DocuSigned by:

 Dat Nguyen
 Finance Director

12/18/2025


Date

DocuSigned by:

 Chris Ghione
 Assistant City Manager for Public Services

12/18/2025

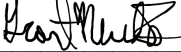
Date

FOR AFSCME, LOCAL 101

DocuSigned by:

 Osbaldo Esquivel
 President

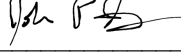
12/19/2025

Date

Signed by:

 Grant Murdock
 AFSCME Negotiator


1/9/2026

Date

DocuSigned by:

 John Amos
 AFSCME Negotiator


12/18/2025

Date

Signed by:

 Steven Robles
 AFSCME Negotiator

12/20/2025

Date

DocuSigned by:

 Carol McEwan
 Union Representative, AFSCME Council 57

12/18/2025

Date

Exhibit A

CITY OF MORGAN HILL AFSCME LOCAL 101 MONTHLY SALARY FOR REGULAR EMPLOYEES BY CLASSIFICATION

Effective: 12/21/2025 (3% increase)

Monthly figures are rounded to the nearest \$1.00

Position	A Monthly	A Hourly	B Monthly	B Hourly	C Monthly	C Hourly	D Monthly	D Hourly	E Monthly	E Hourly	F Monthly	F Hourly
Accountant I	8,873	51.19	9,316	53.75	9,782	56.44	10,271	59.26	10,785	62.22	11,324	65.33
Accounting Asst. I	6,184	35.67	6,493	37.46	6,817	39.33	7,158	41.30	7,516	43.36	7,892	45.53
Accounting Asst. II	6,470	37.33	6,793	39.19	7,133	41.15	7,490	43.21	7,864	45.37	8,257	47.64
Accounting Technician	7,990	46.10	8,389	48.40	8,809	50.82	9,249	53.36	9,712	56.03	10,197	58.83
Assistant Planner	8,873	51.19	9,316	53.75	9,782	56.44	10,271	59.26	10,785	62.22	11,324	65.33
Assistant Engineer	9,857	56.87	10,350	59.71	10,867	62.70	11,411	65.83	11,981	69.12	12,580	72.58
Associate Planner	9,551	55.10	10,029	57.86	10,530	60.75	11,057	63.79	11,610	66.98	12,190	70.33
Associate Engineer	11,451	66.06	12,023	69.36	12,624	72.83	13,255	76.47	13,918	80.30	14,614	84.31
Business Assistant	6,800	39.23	7,140	41.19	7,497	43.25	7,872	45.41	8,265	47.68	8,678	50.07
Building Inspector II	9,905	57.15	10,401	60.00	10,921	63.00	11,467	66.15	12,040	69.46	12,642	72.94
Building Inspector Supervisor	11,652	67.22	12,235	70.59	12,847	74.12	13,489	77.82	14,163	81.71	14,872	85.80
Code Compliance Officer	8,972	51.76	9,420	54.35	9,891	57.06	10,386	59.92	10,905	62.91	11,450	66.06
Communication and Engagement Coordinator	9,098	52.49	9,553	55.11	10,031	57.87	10,532	60.76	11,059	63.80	11,612	66.99
Community Services Coordinator	7,466	43.07	7,840	45.23	8,232	47.49	8,643	49.86	9,075	52.36	9,529	54.98
Council Services Assistant	6,756	38.97	7,093	40.92	7,448	42.97	7,821	45.12	8,212	47.37	8,622	49.74
Custodian	4,521	26.08	4,747	27.39	4,985	28.76	5,234	30.20	5,496	31.71	5,770	33.29
Deputy City Clerk	7,836	45.21	8,228	47.47	8,639	49.84	9,071	52.33	9,525	54.95	10,001	57.70
Development Services Technician	7,836	45.21	8,228	47.47	8,639	49.84	9,071	52.33	9,525	54.95	10,001	57.70
Electrician	9,334	53.85	9,800	56.54	10,290	59.37	10,805	62.34	11,345	65.45	11,912	68.73
Engineering Technician I	6,928	39.97	7,274	41.97	7,638	44.07	8,020	46.27	8,421	48.58	8,842	51.01
Engineering Technician II	7,660	44.19	8,043	46.40	8,445	48.72	8,867	51.16	9,311	53.72	9,776	56.40
Environmental Programs Coordinator	8,873	51.19	9,316	53.75	9,782	56.44	10,271	59.26	10,785	62.22	11,324	65.33
Environmental Services Technician	6,928	39.97	7,274	41.97	7,638	44.07	8,020	46.27	8,421	48.58	8,842	51.01
Exec. Asst. to the Chief of Police	7,378	42.57	7,747	44.70	8,134	46.93	8,541	49.28	8,968	51.74	9,417	54.33
Facilities Maintenance Specialist	7,466	43.07	7,840	45.23	8,232	47.49	8,643	49.86	9,075	52.36	9,529	54.98
Fire/Building Inspector	9,905	57.15	10,401	60.00	10,921	63.00	11,467	66.15	12,040	69.46	12,642	72.94
Housing Program Coordinator	9,551	55.10	10,029	57.86	10,530	60.75	11,057	63.79	11,610	66.98	12,190	70.33
Information Services Technician	8,873	51.19	9,316	53.75	9,782	56.44	10,271	59.26	10,785	62.22	11,324	65.33
Junior Engineer	8,873	51.19	9,316	53.75	9,782	56.44	10,271	59.26	10,785	62.22	11,324	65.33
Maintenance Worker I	6,140	35.42	6,447	37.19	6,769	39.05	7,108	41.01	7,463	43.06	7,836	45.21
Maintenance Worker II	6,774	39.08	7,113	41.04	7,469	43.09	7,842	45.24	8,234	47.51	8,646	49.88
Maintenance Worker III	7,452	42.99	7,824	45.14	8,215	47.40	8,626	49.77	9,058	52.25	9,510	54.87
Maintenance Supervisor	9,840	56.77	10,332	59.61	10,848	62.59	11,391	65.72	11,960	69.00	12,558	72.45
Management Analyst	9,098	52.49	9,553	55.11	10,031	57.87	10,532	60.76	11,059	63.80	11,612	66.99
Multimedia Coordinator	6,800	39.23	7,140	41.19	7,497	43.25	7,872	45.41	8,265	47.68	8,678	50.07
Municipal Services Assistant	6,470	37.33	6,793	39.19	7,133	41.15	7,490	43.21	7,864	45.37	8,257	47.64
Office Assistant I	4,667	26.92	4,900	28.27	5,145	29.68	5,402	31.17	5,672	32.73	5,956	34.36
Office Assistant II	5,866	33.84	6,159	35.53	6,467	37.31	6,791	39.18	7,130	41.14	7,487	43.19
Plan Check Engineer	11,652	67.22	12,235	70.59	12,847	74.12	13,489	77.82	14,163	81.71	14,872	85.80
Plans Examiner	9,905	57.15	10,401	60.00	10,921	63.00	11,467	66.15	12,040	69.46	12,642	72.94
Police Analyst	10,033	57.88	10,535	60.78	11,062	63.82	11,615	67.01	12,196	70.36	12,805	73.88
Public Works Inspection Supervisor	11,652	67.22	12,235	70.59	12,847	74.12	13,489	77.82	14,163	81.71	14,872	85.80
Public Works Inspector	9,334	53.85	9,800	56.54	10,290	59.37	10,805	62.34	11,345	65.45	11,912	68.73
Recreation Services Coordinator	7,466	43.07	7,840	45.23	8,232	47.49	8,643	49.86	9,075	52.36	9,529	54.98
Senior Accountant	9,760	56.31	10,248	59.12	10,760	62.08	11,298	65.18	11,863	68.44	12,456	71.86
Senior Information Services Technician	9,539	55.03	10,016	57.78	10,516	60.67	11,042	63.70	11,594	66.89	12,174	70.23
Senior Maintenance Worker	8,214	47.39	8,624	49.75	9,055	52.24	9,508	54.85	9,984	57.60	10,483	60.48
Senior Public Works Inspector	10,033	57.88	10,535	60.78	11,062	63.82	11,615	67.01	12,196	70.36	12,805	73.88
Senior Recreation Services Coordinator	7,840	45.23	8,232	47.50	8,644	49.87	9,076	52.36	9,530	54.98	10,007	57.73
Senior Utility Worker	8,214	47.39	8,624	49.75	9,055	52.24	9,508	54.85	9,984	57.60	10,483	60.48
Support Services Supervisor	8,851	51.07	9,294	53.62	9,759	56.30	10,247	59.11	10,759	62.07	11,297	65.17
Unhoused Specialist	7,466	43.07	7,840	45.23	8,232	47.49	8,643	49.86	9,075	52.36	9,529	54.98
Utility Worker I	6,140	35.42	6,447	37.19	6,769	39.05	7,108	41.01	7,463	43.06	7,836	45.21
Utility Worker II	6,774	39.08	7,113	41.04	7,469	43.09	7,842	45.24	8,234	47.51	8,646	49.88
Utility Worker III	7,452	42.99	7,824	45.14	8,215	47.40	8,626	49.77	9,058	52.25	9,510	54.87
Utility Supervisor	10,001	57.70	10,502	60.59	11,027	63.62	11,578	66.80	12,157	70.14	12,765	73.64
Utilities Technology Specialist	8,248	47.58	8,660	49.96	9,093	52.46	9,548	55.08	10,025	57.84	10,526	60.73
Water Quality Specialist	8,248	47.58	8,660	49.96	9,093	52.46	9,548	55.08	10,025	57.84	10,526	60.73

Exhibit B

CITY OF MORGAN HILL AFSCME LOCAL 101 MONTHLY SALARY FOR REGULAR EMPLOYEES BY CLASSIFICATION

Effective: 12/20/2026 (2% increase)

Monthly figures are rounded to the nearest \$1.00

Position	A Monthly	A Hourly	B Monthly	B Hourly	C Monthly	C Hourly	D Monthly	D Hourly	E Monthly	E Hourly	F Monthly	F Hourly
Accountant I	9,050	52.21	9,503	54.82	9,978	57.56	10,477	60.44	11,001	63.47	11,551	66.64
Accounting Asst. I	6,307	36.39	6,623	38.21	6,954	40.12	7,301	42.12	7,666	44.23	8,050	46.44
Accounting Asst. II	6,599	38.07	6,929	39.98	7,276	41.98	7,640	44.07	8,022	46.28	8,423	48.59
Accounting Technician	8,150	47.02	8,557	49.37	8,985	51.84	9,434	54.43	9,906	57.15	10,401	60.01
Assistant Planner	9,050	52.21	9,503	54.82	9,978	57.56	10,477	60.44	11,001	63.47	11,551	66.64
Assistant Engineer	10,054	58.00	10,557	60.90	11,085	63.95	11,639	67.15	12,221	70.51	12,832	74.03
Associate Planner	9,742	56.21	10,229	59.02	10,741	61.97	11,278	65.06	11,842	68.32	12,434	71.73
Associate Engineer	11,680	67.38	12,264	70.75	12,877	74.29	13,521	78.00	14,197	81.90	14,906	86.00
Business Assistant	6,936	40.01	7,282	42.01	7,647	44.12	8,029	46.32	8,430	48.64	8,852	51.07
Building Inspector II	10,104	58.29	10,609	61.20	11,139	64.26	11,696	67.48	12,281	70.85	12,895	74.39
Building Inspector Supervisor	11,885	68.57	12,480	72.00	13,104	75.60	13,759	79.38	14,447	83.35	15,169	87.51
Code Compliance Officer	9,151	52.79	9,609	55.43	10,089	58.21	10,593	61.12	11,123	64.17	11,679	67.38
Communication and Engagement Coordinator	9,280	53.54	9,744	56.22	10,232	59.03	10,743	61.98	11,280	65.08	11,844	68.33
Community Services Coordinator	7,616	43.94	7,996	46.13	8,396	48.44	8,816	50.86	9,257	53.40	9,720	56.08
Council Services Assistant	6,891	39.75	7,235	41.74	7,597	43.83	7,977	46.02	8,376	48.32	8,795	50.74
Custodian	4,612	26.61	4,842	27.94	5,084	29.33	5,339	30.80	5,606	32.34	5,886	33.96
Deputy City Clerk	7,993	46.11	8,393	48.42	8,812	50.84	9,253	53.38	9,715	56.05	10,201	58.85
Development Services Technician	7,993	46.11	8,393	48.42	8,812	50.84	9,253	53.38	9,715	56.05	10,201	58.85
Electrician	9,520	54.92	9,996	57.67	10,496	60.55	11,021	63.58	11,572	66.76	12,151	70.10
Engineering Technician I	7,066	40.77	7,420	42.81	7,791	44.95	8,180	47.19	8,589	49.55	9,019	52.03
Engineering Technician II	7,813	45.08	8,204	47.33	8,614	49.70	9,045	52.18	9,497	54.79	9,972	57.53
Environmental Programs Coordinator	9,050	52.21	9,503	54.82	9,978	57.56	10,477	60.44	11,001	63.47	11,551	66.64
Environmental Services Technician	7,066	40.77	7,420	42.81	7,791	44.95	8,180	47.19	8,589	49.55	9,019	52.03
Exec. Asst. to the Chief of Police	7,526	43.42	7,902	45.59	8,297	47.87	8,712	50.26	9,148	52.77	9,605	55.41
Facilities Maintenance Specialist	7,616	43.94	7,996	46.13	8,396	48.44	8,816	50.86	9,257	53.40	9,720	56.08
Fire/Building Inspector	10,104	58.29	10,609	61.20	11,139	64.26	11,696	67.48	12,281	70.85	12,895	74.39
Housing Program Coordinator	9,742	56.21	10,229	59.02	10,741	61.97	11,278	65.06	11,842	68.32	12,434	71.73
Information Services Technician	9,050	52.21	9,503	54.82	9,978	57.56	10,477	60.44	11,001	63.47	11,551	66.64
Junior Engineer	9,050	52.21	9,503	54.82	9,978	57.56	10,477	60.44	11,001	63.47	11,551	66.64
Maintenance Worker I	6,263	36.13	6,576	37.94	6,905	39.84	7,250	41.83	7,613	43.92	7,993	46.11
Maintenance Worker II	6,910	39.87	7,255	41.86	7,618	43.95	7,999	46.15	8,399	48.46	8,819	50.88
Maintenance Worker III	7,601	43.85	7,981	46.04	8,380	48.34	8,799	50.76	9,239	53.30	9,701	55.97
Maintenance Supervisor	10,036	57.90	10,538	60.80	11,065	63.84	11,618	67.03	12,199	70.38	12,809	73.90
Management Analyst	9,280	53.54	9,744	56.22	10,232	59.03	10,743	61.98	11,280	65.08	11,844	68.33
Multimedia Coordinator	6,936	40.01	7,282	42.01	7,647	44.12	8,029	46.32	8,430	48.64	8,852	51.07
Municipal Services Assistant	6,599	38.07	6,929	39.98	7,276	41.98	7,640	44.07	8,022	46.28	8,423	48.59
Office Assistant I	4,760	27.46	4,998	28.83	5,248	30.28	5,510	31.79	5,786	33.38	6,075	35.05
Office Assistant II	5,983	34.52	6,283	36.25	6,597	38.06	6,926	39.96	7,273	41.96	7,636	44.06
Plan Check Engineer	11,885	68.57	12,480	72.00	13,104	75.60	13,759	79.38	14,447	83.35	15,169	87.51
Plans Examiner	10,104	58.29	10,609	61.20	11,139	64.26	11,696	67.48	12,281	70.85	12,895	74.39
Police Analyst	10,234	59.04	10,746	61.99	11,283	65.09	11,847	68.35	12,440	71.77	13,062	75.35
Public Works Inspection Supervisor	11,885	68.57	12,480	72.00	13,104	75.60	13,759	79.38	14,447	83.35	15,169	87.51
Public Works Inspector	9,520	54.92	9,996	57.67	10,496	60.55	11,021	63.58	11,572	66.76	12,151	70.10
Recreation Services Coordinator	7,616	43.94	7,996	46.13	8,396	48.44	8,816	50.86	9,257	53.40	9,720	56.08
Senior Accountant	9,955	57.43	10,453	60.31	10,976	63.32	11,524	66.49	12,101	69.81	12,706	73.30
Senior Information Services Technician	9,729	56.13	10,216	58.94	10,727	61.88	11,263	64.98	11,826	68.23	12,417	71.64
Senior Maintenance Worker	8,378	48.33	8,797	50.75	9,236	53.29	9,698	55.95	10,183	58.75	10,692	61.69
Senior Public Works Inspector	10,234	59.04	10,746	61.99	11,283	65.09	11,847	68.35	12,440	71.77	13,062	75.35
Senior Recreation Services Coordinator	7,997	46.14	8,397	48.45	8,817	50.87	9,258	53.41	9,721	56.08	10,207	58.89
Senior Utility Worker	8,378	48.33	8,797	50.75	9,236	53.29	9,698	55.95	10,183	58.75	10,692	61.69
Support Services Supervisor	9,028	52.09	9,480	54.69	9,954	57.43	10,451	60.30	10,974	63.31	11,523	66.48
Unhoused Specialist	7,616	43.94	7,996	46.13	8,396	48.44	8,816	50.86	9,257	53.40	9,720	56.08
Utility Worker I	6,263	36.13	6,576	37.94	6,905	39.84	7,250	41.83	7,613	43.92	7,993	46.11
Utility Worker II	6,910	39.87	7,255	41.86	7,618	43.95	7,999	46.15	8,399	48.46	8,819	50.88
Utility Worker III	7,601	43.85	7,981	46.04	8,380	48.34	8,799	50.76	9,239	53.30	9,701	55.97
Utility Supervisor	10,201	58.85	10,712	61.80	11,247	64.89	11,810	68.13	12,400	71.54	13,020	75.12
Utilities Technology Specialist	8,413	48.53	8,833	50.96	9,275	53.51	9,739	56.18	10,225	58.99	10,737	61.94
Water Quality Specialist	8,413	48.53	8,833	50.96	9,275	53.51	9,739	56.18	10,225	58.99	10,737	61.94

Exhibit C

CITY OF MORGAN HILL AFSCME LOCAL 101 MONTHLY SALARY FOR REGULAR EMPLOYEES BY CLASSIFICATION

Effective: 12/19/2027 (1% increase)

Monthly figures are rounded to the nearest \$1.00

Position	A Monthly	A Hourly	B Monthly	B Hourly	C Monthly	C Hourly	D Monthly	D Hourly	E Monthly	E Hourly	F Monthly	F Hourly
Accountant I	9,141	52.74	9,598	55.37	10,078	58.14	10,582	61.05	11,111	64.10	11,666	67.31
Accounting Asst. I	6,370	36.75	6,689	38.59	7,023	40.52	7,374	42.54	7,743	44.67	8,130	46.91
Accounting Asst. II	6,665	38.45	6,999	40.38	7,349	42.40	7,716	44.52	8,102	46.74	8,507	49.08
Accounting Technician	8,231	47.49	8,643	49.86	9,075	52.36	9,529	54.97	10,005	57.72	10,505	60.61
Assistant Planner	9,141	52.74	9,598	55.37	10,078	58.14	10,582	61.05	11,111	64.10	11,666	67.31
Assistant Engineer	10,155	58.58	10,662	61.51	11,196	64.59	11,755	67.82	12,343	71.21	12,960	74.77
Associate Planner	9,840	56.77	10,332	59.61	10,848	62.59	11,391	65.72	11,960	69.00	12,558	72.45
Associate Engineer	11,796	68.06	12,386	71.46	13,006	75.03	13,656	78.78	14,339	82.72	15,055	86.86
Business Assistant	7,005	40.41	7,355	42.43	7,723	44.56	8,109	46.78	8,515	49.12	8,940	51.58
Building Inspector II	10,205	58.87	10,715	61.82	11,251	64.91	11,813	68.15	12,404	71.56	13,024	75.14
Building Inspector Supervisor	12,004	69.25	12,604	72.72	13,235	76.35	13,896	80.17	14,591	84.18	15,321	88.39
Code Compliance Officer	9,243	53.32	9,705	55.99	10,190	58.79	10,699	61.73	11,234	64.81	11,796	68.05
Communication and Engagement Coordinator	9,373	54.08	9,842	56.78	10,334	59.62	10,851	62.60	11,393	65.73	11,963	69.02
Community Services Coordinator	7,692	44.38	8,076	46.59	8,480	48.92	8,904	51.37	9,349	53.94	9,817	56.64
Council Services Assistant	6,960	40.15	7,308	42.16	7,673	44.27	8,057	46.48	8,460	48.80	8,882	51.25
Custodian	4,658	26.87	4,891	28.22	5,135	29.63	5,392	31.11	5,662	32.66	5,945	34.30
Deputy City Clerk	8,073	46.57	8,476	48.90	8,900	51.35	9,345	53.92	9,813	56.61	10,303	59.44
Development Services Technician	8,073	46.57	8,476	48.90	8,900	51.35	9,345	53.92	9,813	56.61	10,303	59.44
Electrician	9,616	55.47	10,096	58.25	10,601	61.16	11,131	64.22	11,688	67.43	12,272	70.80
Engineering Technician I	7,137	41.18	7,494	43.23	7,869	45.40	8,262	47.67	8,675	50.05	9,109	52.55
Engineering Technician II	7,891	45.53	8,286	47.80	8,700	50.19	9,135	52.70	9,592	55.34	10,071	58.10
Environmental Programs Coordinator	9,141	52.74	9,598	55.37	10,078	58.14	10,582	61.05	11,111	64.10	11,666	67.31
Environmental Services Technician	7,137	41.18	7,494	43.23	7,869	45.40	8,262	47.67	8,675	50.05	9,109	52.55
Exec. Asst. to the Chief of Police	7,601	43.85	7,981	46.04	8,380	48.35	8,799	50.76	9,239	53.30	9,701	55.97
Facilities Maintenance Specialist	7,692	44.38	8,076	46.59	8,480	48.92	8,904	51.37	9,349	53.94	9,817	56.64
Fire/Building Inspector	10,205	58.87	10,715	61.82	11,251	64.91	11,813	68.15	12,404	71.56	13,024	75.14
Housing Program Coordinator	9,840	56.77	10,332	59.61	10,848	62.59	11,391	65.72	11,960	69.00	12,558	72.45
Information Services Technician	9,141	52.74	9,598	55.37	10,078	58.14	10,582	61.05	11,111	64.10	11,666	67.31
Junior Engineer	9,141	52.74	9,598	55.37	10,078	58.14	10,582	61.05	11,111	64.10	11,666	67.31
Maintenance Worker I	6,325	36.49	6,642	38.32	6,974	40.23	7,323	42.25	7,689	44.36	8,073	46.58
Maintenance Worker II	6,979	40.26	7,328	42.28	7,694	44.39	8,079	46.61	8,483	48.94	8,907	51.39
Maintenance Worker III	7,677	44.29	8,061	46.50	8,464	48.83	8,887	51.27	9,331	53.83	9,798	56.52
Maintenance Supervisor	10,137	58.48	10,644	61.41	11,176	64.48	11,735	67.70	12,321	71.08	12,937	74.64
Management Analyst	9,373	54.08	9,842	56.78	10,334	59.62	10,851	62.60	11,393	65.73	11,963	69.02
Multimedia Coordinator	7,005	40.41	7,355	42.43	7,723	44.56	8,109	46.78	8,515	49.12	8,940	51.58
Municipal Services Assistant	6,665	38.45	6,999	40.38	7,349	42.40	7,716	44.52	8,102	46.74	8,507	49.08
Office Assistant I	4,808	27.74	5,048	29.12	5,300	30.58	5,565	32.11	5,844	33.71	6,136	35.40
Office Assistant II	6,043	34.86	6,345	36.61	6,663	38.44	6,996	40.36	7,346	42.38	7,713	44.50
Plan Check Engineer	12,004	69.25	12,604	72.72	13,235	76.35	13,896	80.17	14,591	84.18	15,321	88.39
Plans Examiner	10,205	58.87	10,715	61.82	11,251	64.91	11,813	68.15	12,404	71.56	13,024	75.14
Police Analyst	10,336	59.63	10,853	62.61	11,396	65.75	11,966	69.03	12,564	72.48	13,192	76.11
Public Works Inspection Supervisor	12,004	69.25	12,604	72.72	13,235	76.35	13,896	80.17	14,591	84.18	15,321	88.39
Public Works Inspector	9,616	55.47	10,096	58.25	10,601	61.16	11,131	64.22	11,688	67.43	12,272	70.80
Recreation Services Coordinator	7,692	44.38	8,076	46.59	8,480	48.92	8,904	51.37	9,349	53.94	9,817	56.64
Senior Accountant	10,055	58.01	10,557	60.91	11,085	63.95	11,640	67.15	12,222	70.51	12,833	74.03
Senior Information Services Technician	9,827	56.69	10,318	59.53	10,834	62.50	11,376	65.63	11,944	68.91	12,542	72.36
Senior Maintenance Worker	8,462	48.82	8,885	51.26	9,329	53.82	9,795	56.51	10,285	59.34	10,799	62.30
Senior Public Works Inspector	10,336	59.63	10,853	62.61	11,396	65.75	11,966	69.03	12,564	72.48	13,192	76.11
Senior Recreation Services Coordinator	8,077	46.60	8,481	48.93	8,905	51.38	9,350	53.94	9,818	56.64	10,309	59.47
Senior Utility Worker	8,462	48.82	8,885	51.26	9,329	53.82	9,795	56.51	10,285	59.34	10,799	62.30
Support Services Supervisor	9,119	52.61	9,575	55.24	10,053	58.00	10,556	60.90	11,084	63.94	11,638	67.14
Unhoused Specialist	7,692	44.38	8,076	46.59	8,480	48.92	8,904	51.37	9,349	53.94	9,817	56.64
Utility Worker I	6,325	36.49	6,642	38.32	6,974	40.23	7,323	42.25	7,689	44.36	8,073	46.58
Utility Worker II	6,979	40.26	7,328	42.28	7,694	44.39	8,079	46.61	8,483	48.94	8,907	51.39
Utility Worker III	7,677	44.29	8,061	46.50	8,464	48.83	8,887	51.27	9,331	53.83	9,798	56.52
Utility Supervisor	10,304	59.44	10,819	62.42	11,360	65.54	11,928	68.81	12,524	72.25	13,150	75.87
Utilities Technology Specialist	8,497	49.02	8,921	51.47	9,368	54.04	9,836	56.75	10,328	59.58	10,844	62.56
Water Quality Specialist	8,497	49.02	8,921	51.47	9,368	54.04	9,836	56.75	10,328	59.58	10,844	62.56

EXHIBIT D

AFSCME, LOCAL 101 EDUCATIONAL INCENTIVE PAY PROGRAM

Effective: July 2, 1995

(Employees hired prior to July 1, 2008 are eligible for EIP)

I. INTRODUCTION

Educational Incentive Pay (EIP) shall be paid in addition to regular pay when education is in addition to the regular requirements of their job as stated in City's adopted job descriptions and said education is job-related. An employee may not receive more than a seven- and one-half percent (7.5%) increase above the employee's base monthly salary.

II. PROGRAM GOALS

The goals of this program are:

- A. To encourage employees to pursue education and programs which enhance their job performance and understanding.
- B. To prepare employees for possible promotions to other positions or future openings within City.
- C. To reward employees for their own initiative demonstrated through their participation in this program.

Any evaluation or decision regarding this program or an employee's participation in the program will be made based on the intent of the above stated goals.

III. DEFINITIONS

- A. "Job-Related" - A course or training program that directly relates to or enhances the employee's ability to perform the duties of their classification.
- B. "Degree Program" - A series of college level courses that when completed results in an Associate of Arts, Associate of Science, Bachelor of Arts, Bachelor of Science, Master of Arts, or Master of Science degree. Courses that qualify for a degree program are those courses identified by the college or university that count toward the specific degree program the employee has selected.
- C. "Requalification" - The annual process that an employee must complete in order to continue receiving EIP for the following fiscal year.
- D. "Minimum job requirements" - The minimum job qualifications listed on the job description for each job classification.

IV. RATES OF PAY FOR EDUCATION ABOVE STATED JOB REQUIREMENTS

A. For classifications that have a minimum education requirement of high school diploma or the equivalent (GED), the following steps are available for attainment of up to seven- and one-half percent (7.5%) EIP:

- (1) One and a quarter percent (1.25%) = fifteen (15) recognized semester college units, two hundred forty (240) hours of job-related training, or the equivalent.
- (2) One and a quarter percent (1.25%) = thirty (30) recognized semester college units, four hundred eighty (480) hours of job-related training, or the equivalent.
- (3) One and a quarter percent (1.25%) = forty-five (45) recognized semester college units, seven hundred twenty (720) hours of job-related training, or the

- equivalent.
- (4) One and a quarter percent (1.25%) = sixty (60) recognized semester college units, nine hundred sixty (960) hours of job-related training, attainment of an Associate of Arts degree or Associate of Science degree, or the equivalent.
 - (5) One and a quarter percent (1.25%) = ninety (90) recognized semester college units, one thousand four hundred forty (1440) hours of job-related training, or the equivalent.
 - (6) One and a quarter percent (1.25%) = one hundred twenty (120) recognized semester college units, one thousand nine hundred twenty (1920) hours of job-related training, attainment of a Bachelor of Arts degree or Bachelor of Science degree, or the equivalent.
- B. For classifications that have a minimum education requirement of an Associate of Arts or Associate of Science degree or two (2) years of job-related college course work, the following steps are available for attainment of up to seven and a half percent (7.5%) EIP:
- (1) One and a quarter percent (1.25%) = fifteen (15) recognized semester college units toward attainment of a Bachelor's degree, two hundred forty (240) hours of job-related education or training, or the equivalent.
 - (2) One and a quarter percent (1.25%) = thirty (30) recognized semester college units toward attainment of a Bachelor's degree, four hundred eighty (480) hours of job-related education or training, or the equivalent.
 - (3) One and a quarter percent (1.25%) = Attainment of a Bachelor of Arts or Bachelor of Science degree, nine hundred sixty (960) hours of job-related education or training, or the equivalent.
 - (4) One and a quarter percent (1.25%) = Following attainment of a Bachelor's degree, fifteen (15) recognized semester units that qualify toward attainment of a Master of Arts or Master of Science degree, or the equivalent.
 - (5) One and a quarter percent (1.25%) = Attainment of a Master of Arts or Master of Science degree or the equivalent.
 - (6) One and a quarter percent (1.25%) = Following attainment of a Bachelor's degree or Master's degree, an additional two hundred forty (240) hours of job-related education or training.
- C. For classifications that have a minimum education requirement of a Bachelor of Arts or Bachelor of Science degree, the following steps are available for attainment of up to seven and a half percent (7.5%) EIP:
- (1) One and a quarter percent (1.25%) = fifteen (15) recognized semester units that qualify toward attainment of a Master of Arts or Master of Science degree, or the equivalent.
 - (2) One and a quarter percent (1.25%) = Attainment of a Master of Arts or Master of Science degree or the equivalent.

- (3) One and a quarter percent (1.25%) = Following attainment of a Bachelor's degree or Master's degree, an additional two hundred forty (240) hours of job-related education or training, or the equivalent.
- (4) One and a quarter percent (1.25%) = Following attainment of a Bachelor's degree or Master's degree, four hundred eighty (480) hours of job-related education or training, or the equivalent.
- (5) One and a quarter percent (1.25%) = Following attainment of a Master's degree, seven hundred twenty (720) hours of job-related education or training, or the equivalent.
- (6) One and a quarter percent (1.25%) = Following attainment of a Bachelor's degree or Master's degree, nine hundred sixty (960) hours of job-related education or training, or the equivalent.
- D. "Equivalents" are defined in the requalification section of this policy.
- E. Different certificates will qualify towards EIP based on the certificate's degree of difficulty, hours required for completion, and the recommendation of the Department Director. Attachment A lists specific certificates and licenses, and the respective EIP points that qualify for EIP.

V. REVIEW PROCESS FOR CERTIFICATIONS

The following review process will be used for assessing how a certification, other than a college course, will count towards EIP:

- A. Where possible, the formula found in the "Equivalents other than college units" section of this article will be used to evaluate the degree to which the certificate counts towards EIP.
- B. If it is possible to obtain, the Human Resources Manager will contact the agency awarding the certificate and request a statement describing the number of preparation and/or course hours needed to obtain the certificate. This statement will then be converted to formula hours.
- C. In the event a determination cannot be made using paragraphs A and B listed above, the employee will make a recommendation to their Department Director and to the Union President or in the absence of the Union President, the Vice-President. This recommendation by the employee shall be in writing and shall include the degree to which the employee feels the certificate should count towards EIP and the justification for such.
- D. If these two (2) individuals agree with the employee's recommendation or if they both agree with a modified recommendation, they will present such to the Human Resources Manager for final determination.
- E. The Human Resources Manager, if he/she concurs with the recommendation, will see that such certification is counted towards the employee's EIP.
- F. If the Department Director and Union President cannot agree on a recommendation, the Human Resources Manager will, with both parties present, conduct an informal hearing and allow both individuals to state their recommendation along with appropriate justification. The Human Resources Manager may decide to choose one of the recommendations presented or a modification of such. The decision of the Human Resources Manager will be final.
- G. If both the Department Director and the Union President agree on a recommendation which the Human Resources Manager cannot endorse, the Human Resources Manager will explain his/her justifications and attempt to get the parties to modify their recommendation. If agreement cannot be reached the issue will be presented to the City Manager for determination.
- H. If the employee is not satisfied with the decision of the City Manager, the employee may file a grievance pursuant to the grievance procedure contained in the AFSCME MOU. The grievance will be advanced to the final step in the grievance process as the City Manager

review has already taken place.

VI. PROGRAM QUALIFICATIONS AND GUIDELINES

The following qualifications and guidelines exist to help administer this program:

- A. An employee must have completed his/her initial probation before being eligible for this program. Employees on probationary status as a result of promotions shall be deemed eligible under this program.
- B. The employee must demonstrate that the course or degree being sought and being considered for the EIP program will be directly related towards enhancing the employee's present job skills or future promotional opportunities within City. The Human Resources Manager will make this determination after discussions with the employee and the Department Director. The burden of proof as to job relatedness of specific educational levels shall be upon employee. In addition, courses required as part of a degree program will also be considered.
- C. Employees should contact their Department Director prior to enrollment in a course or class to receive confirmation that such a class would qualify for this program. The Department Director will contact the Human Resources Office to receive confirmation that a specific course or certification qualifies for EIP.
- D. Upon Department Director approval, City will make every effort to reasonably accommodate employee course schedules provided employee workload, overtime budgets, etc. are not adversely impacted.
- E. All attendance and participation in this program will be on the employee's own time and at their own expense.
- F. The tuition reimbursement program is a separate benefit contained in the MOU and employees may have the option of using the tuition reimbursement program towards the attainment of their education or professional development goals. Use of the tuition reimbursement program by the employee will not violate any provisions of this article.
- G. To qualify for this program, the employee must complete the course(s) with a passing grade of "C" or better. If grades are not assigned, the employee must provide other written certification which demonstrates that the employee has successfully passed the course or obtained certification.
- H. Payment of EIP will be effective on the first day of the payroll period following the date of the college degree, course certification, etc., provided the employee has made a timely request to the Human Resources Manager for such pay. In no circumstances will payroll periods be split to match the exact date appearing on the degree or certificate.
- I. EIP is based upon education which is in addition to the regular requirements of the job as stated on City's adopted job description. Employees should refer to each specific job description for the minimum educational requirements. These educational requirements are used as the starting point for EIP calculations.

VII. DOCUMENTATION OF EDUCATIONAL ACHIEVEMENT

- A. City will provide an EIP Program form to be kept in the employee's personnel file to track the employee's participation in this program.
- B. Evidence of successful completion of a degree, course or certificate shall consist of a diploma or certificate indicating the major field of study along with a copy of college transcripts.
- C. The employee is responsible to furnish in a timely fashion all necessary documentation to the Human Resources Office.

VIII. TERMINATION OF EDUCATIONAL INCENTIVE PAY

- A. EIP shall be terminated at such time as the employee receiving EIP is promoted to or

otherwise placed in a position requiring the educational level which the employee already possesses or a higher educational level.

- B. In cases where a promotion would cause an employee to lose their EIP due to a reclassification, the employee will receive a new base salary equal to or greater than an amount five percent (5%) above their old base salary and EIP combined.
- C. EIP will also be terminated when an employee fails to requalify as per the guidelines outlined in this policy.
- D. Once an employee fails to requalify, they will lose their EIP until such time as they have completed the outlined requalification requirements. At such time, the employee will then be able to return to the EIP level they enjoyed before they failed to requalify.

IX. REQUALIFICATION PROCESS

Requalification for continued receipt of EIP shall be training sessions provided by the City during each year of the contract as identified by the Human Resources Manager.

X. EMPLOYEES PREVIOUSLY ON LONGEVITY

- A. Effective October 1, 1989, the City's Longevity Pay Program will be replaced entirely with a special EIP for only those employees still on the Longevity Pay Program as of that date. The terms of this special program will be as follows:
 - i. All eligible employees shall be converted to the special EIP program at the same pay as they enjoyed under the Longevity Pay Program. No employee will be allowed to begin receiving longevity pay who is not already receiving such pay prior to October 1, 1989. This special EIP Program assumes that these employees will continue to requalify under the City's existing EIP program guidelines for continued receipt of EIP.
 - ii. An employee previously on the longevity pay program may use this special EIP program or they may convert at any time they choose to the regular EIP program outlined in this article. This is a one-way conversion. Once an employee elects the regular EIP Program, he/she may not return to this special EIP Program.
 - iii. Employees covered under the previous longevity program may advance on their anniversary date to the various pay levels of five percent (5%) after ten (10) years service, seven- and one-half percent (7.5%) after fifteen (15) years of service, and ten percent (10%) after twenty (20) years of service. Advancement is based upon the assumption that these employees will continue to requalify under the City's existing EIP program guidelines for continued receipt of EIP pay.
- B. Once an employee fails to requalify, they will lose their EIP until such time as they have completed the outlined requalification requirements. At such time, the employee will then be able to return to the EIP level they enjoyed before they failed to requalify.
- C. Employees previously on the City longevity program who do not wish to continue to requalify annually may make a one-time decision to freeze their percentage benefit at its current rate.

Attachment A of AFSCME
Educational Incentive Pay Program
List of Qualifying Certificates and Point Values

EIP Point Equivalency

ISSUING ORGANIZATION	CERTIFICATE NAME	GRADE NO.	EIP POINT VALUE
State of California	Water Treatment Operator	I - V	6 points ea.
AWWA	Water Distribution Operator	I - IV	6 points ea.
AWWA	Backflow Prevention Tester	n/a	40 hours = 2.5 points
AWWA	Cross Connection Specialist	n/a	40 hours = 2.5 points
CWEA	Collection System Maintenance	I - IV	6 points ea.
CWEA	Mechanical/Electrical/Instrumentation Technologist	I - IV	6 points ea.
CSUS Homestudy Program	Operation and Maintenance of Wastewater Collection Systems Vol. 1	n/a	6 points
CSUS Homestudy Program	Operation and Maintenance of Wastewater Collection Systems Vol. 2	n/a	6 points
CSUS Homestudy Program	Water Treatment Plant Operation Vol. 1 (90 hours)	n/a	6 points
CSUS Homestudy Program	Water Treatment Plant Operation Vol. 2 (90 hours)	n/a	6 points
CSUS Homestudy Program	Small Water System Operation and Maintenance (90 hours)	n/a	6 points
CSUS Homestudy Program	Water Distribution System Operation and Maintenance (90 hours)	n/a	6 points
State of California	Qualified Applicators License	B	6 points
CSUS Homestudy Program	Manage for Success: Effective Utility Leadership Practices (45 hours)	n/a	3 points
CSUS Homestudy Program	Utility Management	n/a	1.5 points

ISSUING ORGANIZATION	CERTIFICATE NAME	GRADE NO.	EIP POINT VALUE
CSUS Homestudy Program	Collection Systems: Methods for Evaluation and Improving Performance	n/a	2 points
CSUS Homestudy Program	Small Wastewater System Operation and Maintenance Volume I (90 hours)	n/a	6 points
CSUS Homestudy Program	Operation of Wastewater System Treatment Plants Volume I (90 hours)	n/a	6 points
CSUS Homestudy Program	Operation of Wastewater System Treatment Plants Volume II (90 hours)	n/a	6 points
CSUS Homestudy Program	Operations of Wastewater Treatment Plants Volume I (90 hours)	n/a	6 points
CSUS Homestudy Program	Operations of Wastewater Treatment Plants Volume II (90 hours)	n/a	6 points
State of California	Water Distribution Operator	I - V	6 points ea.
AWWA	Water Treatment Operator	I - IV	6 points ea.
AWWA	Water Conservation Practitioner	n/a	2.5 points
State of California	Journeyman Electrician Certification	n/a	6 points
International Society of Arboriculture	Certified Arborist	n/a	6 points
State of California	Class A Drivers License	n/a	6 points
State of California	Real Estate Salesperson License	n/a	10 points
State of California	Real Estate Broker License	n/a	25 points
State of California	Notary Public	n/a	3.5 points
State of California	General Contractors License	n/a	up to 4.5 points
IIMC	Certified Municipal Clerk	n/a	up to 38.75 EIP points
ICC	Plans Examiner	n/a	4 points
ICC	Building Inspector	n/a	4 points

ISSUING ORGANIZATION	CERTIFICATE NAME	GRADE NO.	EIP POINT VALUE
ICC	Electrical Inspector	n/a	4 points
ICC	Building Code Accessibility/Usability Specialist	n/a	4 points
ICC	Housing Inspector	n/a	4 points
ICC	Zoning Inspector	n/a	4 points
ICC	Mechanical Inspector	n/a	4 points
ICC	Plumbing Inspector	n/a	4 points
ICC	Light Commercial Combination Inspector	n/a	4 points
ICC	Elevator Inspector	n/a	4 points
ICC	Special Inspector	n/a	4 points
CABO	One- and Two-Family Dwelling Inspector	n/a	4 points
State of California	Engineer in Training	n/a	7.5 points
State of California	Professional Engineer	n/a	12 points
State of California	Land Surveyor in Training	n/a	7.5 points
State of California	Land Surveyor	n/a	10.5 points
International Assn. of Administrative Professionals	Computer Concepts	n/a	3
International Assn. of Administrative Professionals	Information Systems	n/a	3
International Assn. of Administrative Professionals	Records Management	n/a	3
International Assn. of Administrative Professionals	Business Communications	n/a	3
International Assn. of Administrative Professionals	Human Resources Management	n/a	3

ISSUING ORGANIZATION	CERTIFICATE NAME	GRADE NO.	EIP POINT VALUE
International Assn. of Administrative Professionals	Accounting	n/a	1
International Assn. of Administrative Professionals	Management <i>or</i> Supervision	n/a	4
International Assn. of Administrative Professionals	Organizational Behavior	n/a	3
International Assn. of Administrative Professionals	Communications	n/a	3
International Assn. of Administrative Professionals	Leadership	n/a	3

RATIONALE FOR ASSIGNING POINT VALUES

In general, certification/license requirements were equated to college units by using our standard formula of three (3) college semester units = forty-eight (48) hours of class time = three (3) EIP points. None of the organizations listed above offered standard Continuing Professional Education (CPE) credits for the certifications/licenses, however, employees may take preparatory courses at institutions which do offer CPE credits. If such credits are offered, they count toward EIP, with one (1) CPE credit being equal to one (1) college semester unit.

EIP credit may also be given for home study which is *not* related to a preparatory class, provided that the employee keeps a detailed written log showing the hours of study and the specific topics studied.

For certifications which accept college courses or degrees in lieu of experience, employees will receive credit for the courses/degree under Section IV of the EIP Program.

Real Estate License

The State of California offers two (2) real estate licenses which might be obtained by City employees to benefit their job: a Real Estate Salesperson License, and a Real Estate Broker License. The requirements for each license are outlined below.

Real Estate Salesperson License	EIP Points	Real Estate Broker License	EIP Points
Must be 18 years old	0	Must be 18 years old	0
Must complete 1 3-semester unit course on Real Estate Principles, and 2 additional 3-unit courses within 18 months of receiving the license (9 semester units total required)	9 college units = 9 EIP points	Must take 8 3-unit classes and have two years of full-time licensed real estate sales person experience or a 4-year degree	24 college units = 24 EIP points
Pass Real Estate Salesperson exam	1	Pass Real Estate Broker exam	1
TOTAL POINTS	10	TOTAL POINTS	25

Notary Public

The requirements for becoming a Notary Public in the State of California are outlined below.

Notary License	EIP Points
Must be 18 years old, legal resident	0
Certified home study, up to 32 hours	up to 2
Optional 8-hour preparatory class for the exam	.5
Pass Notary exam	1
TOTAL POSSIBLE POINTS	up top 3.5

General Contractors License

The requirements for obtaining a General Contractors License in the State of California are outlined below.

General Contractors License	EIP Points
Must have 4 years of experience at the journey level (or a BS degree and 1 year of experience)	0
Certified home study, up to 32 hours	up to 2
Optional 24-hour preparatory class for the exam	24 hours = 1.5 EIP points

General Contractors License	EIP Points
Pass General Contractors exam	1
TOTAL POSSIBLE POINTS	up to 4.5

Certified Municipal Clerk

The process for becoming a Certified Municipal Clerk varies considerably depending on the work experience and educational level of the applicant. This table summarizes the primary ways individuals become a Certified Municipal Clerk and assigns EIP points for individuals working on this certification. A copy of the IIMC application for certification is available for review.

Certified Municipal Clerk	EIP Points
Must be a City or Deputy City Clerk, a 3-year member of IIMC, accept the IIMC Code of Ethics, submit an application form, and have a letter from a Clerk sponsor	0
<i>Educational Requirements:</i> Must attend a 100-hour Clerks Institute, have a BA degree in Public Administration or a related field, or have an AA in Public Administration and 67 of Clerks Institute training	100 hours = 6.25 EIP points
<i>Experience Requirements:</i> Must obtain 50 IIMC points based on a combination of work experience, Municipal Clerks Conferences, and relevant college/university course credits not included in educational qualifications. Up to 40 IIMC points for work experience: 4 points per year for a full-time Municipal or Deputy Clerk with administrative responsibility	Depends on method of meeting the requirement 0 EIP points for work experience
Up to 20 IIMC points for attending IIMC Conferences (1 IIMC point per 6-hour day; total 120 hours) Up to 25 IIMC points for college course credits, 1 pt=1 course hour	up to 7.5 EIP points for 120 hours at conferences 25 college credits = 25 EIP points
TOTAL POSSIBLE POINTS	up to 38.75

ICBO and CABO Certifications

The International Code Council (ICC) and the California Association of Building Officials (CABO) offer a number of different certifications (Plans Examiner, Building Inspector, Plumbing Inspector etc.) useful for the professional development in certain fields. The certification process for each of the certificates list above is the same and is summarized below.

ICC /CABO Certificates	EIP Points
Certified home study, up to 32 hours	up to 2
Optional 8-hour exam preparation class	8 hours = .5 EIP points
Pass ICC /CABO exam	1.5
TOTAL POSSIBLE POINTS	up to 4

Engineer-in-Training

The requirements to obtain an Engineer-in-Training certificate are outlined in the California Business and Professions Code and are summarized below.

Engineer-in-Training Certificate	EIP Points
Three years of engineering experience <i>or</i> 3 years of college education (90 units) in an engineering curriculum	0 EIP points for experience
Certified home study, up to 48 hours	up to 3
Optional 42-hour exam preparation class	42 hours = 3 EIP points
Pass EIT exam	3
TOTAL POSSIBLE POINTS	up to 9 EIP points

Professional Engineer

The requirements to obtain a Professional Engineer certificate are outlined in the California Business and Professions Code and are summarized below.

Professional Engineer Certificate	EIP Points
Six years of engineering experience <i>or</i> 4-year college degree in an engineering curriculum plus two years of experience	0 EIP points for experience
Certified home study, up to 96 hours	up to 6
Optional 42-hour exam preparation class	42 hours = 3 EIP points
Pass PE exam	6
TOTAL POSSIBLE POINTS	up to 15 EIP points

Land Surveyor-in-Training

The requirements to obtain a Land Surveyor-in-Training certificate are outlined in the California Business and Professions Code and are summarized below.

Land Surveyor-in-Training Certificate	EIP Points
Two years of land surveying experience or 2 years post-secondary education in land surveying (60 units)	0 EIP points for experience
Certified home study, up to 48 hours	up to 3
Optional 42-hour exam preparation class	42 hours = 3 EIP points
Pass LSIT exam	3
TOTAL POSSIBLE POINTS	up to 9 EIP points

Land Surveyor

The requirements to obtain a Land Surveyor certificate are outlined in the California Business and Professions Code and are summarized below.

Land Surveyor Certificate	EIP Points
Six years of engineering experience <i>or</i> 4-year college degree in (120 units) in an engineering curriculum plus two years of experience	0 EIP points for experience
Certified home study, up to 96 hours	up to 6
Optional 42-hour exam preparation class	42 hours = 3 EIP points
Pass Land Surveyor exam	3
TOTAL POSSIBLE POINTS	up to 12 EIP points

Exhibit E

CITY OF MORGAN HILL & AFSCME, LOCAL 101 DRUG AND ALCOHOL TESTING PROGRAM PURSUANT TO THE DEPARTMENT OF TRANSPORTATION REGULATIONS

EFFECTIVE DATE: November 3, 1997
REVISED: July 1, 2003

Effective January 1, 1996, the City of Morgan Hill must comply with the United States Department of Transportation regulation implementing the Federal Omnibus Transportation Employee Testing Act (OTETA) of 1991. OTETA requires the City to establish alcohol and drug testing programs to help prevent the misuse of alcohol and drugs by drivers of commercial motor vehicles. Keeping in mind the basic objectives stated in the City of Morgan Hill Policy on Substance Abuse, which went into effect September 26, 1989, the City has established the following alcohol and drug testing procedures and program in compliance with the OTETA, hereafter referred to as "the program".¹

Employees covered by this program are subject to pre-employment, cause, and random testing, and may be subject to post-accident, return-to-duty and unannounced follow-up testing. The testing procedures use an evidential breath test (EBT) device for alcohol testing. For drug testing, urine specimen collection and testing by a laboratory certified by the Department of Health and Human Services is required. If the Medical Review Officer (MRO) determines that an employee has misused alcohol or drugs in violation of this program, the City will remove the employee from safety-sensitive functions. The employee will not perform safety-sensitive functions until the employee meets the requirements established in this program which may include referral to a Substance Abuse Professional (SAP), participation in a rehabilitation program, return-to duty testing, and/or follow-up testing.

DEFINITIONS

Following are the definitions for the Drug and Alcohol Testing Program. This is a list of major definition areas and is not intended to be all inclusive of definition or terms.

WORD/PHRASE	DEFINITION
Adulterated Specimen	A specimen that contains a substance that is not expected to be present in human urine or contains a substance expected to be present but is at a concentration so high that it is not consistent with human urine.
Alcohol	The intoxicating agent in beverage alcohol, ethyl alcohol, or other low molecular weight alcohol including methyl and isopropyl alcohol.
Alcohol Concentration (or Content)	The alcohol in a volume of breath expressed in terms of grams of alcohol per 210 liters of breath as indicated by an evidential breath test under this part.
Collection Agency	State licensed service provider that follows procedures for the collection of urine samples in a split specimen process for delivery to a toxicological laboratory for testing.
Collection Site	A place where individuals present themselves for the purpose of providing breath or urine samples to be analyzed for specified alcohol or drugs.

¹This program meets the federal regulatory requirement that the City promulgate policies and procedures on the misuse of alcohol and use of controlled substances.

WORD/PHRASE	DEFINITION
Commercial Motor Vehicle (CMV)	<p>A motor vehicle or combination of motor vehicles used in commerce or transport passengers or property if the motor vehicle:</p> <ol style="list-style-type: none"> 1. Has a gross vehicle weight rating of 26,001 or more pounds; or 2. Has a gross combination weight rating of 26,001 or more pounds inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds; or 3. Is designed to transport 16 or more passengers including the driver; or 4. Is of any size and is used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act and which require the motor vehicle to be placarded under the Hazardous Materials Regulations (49 CFR part 172, subpart F).
Controlled Substance	Drugs as deemed under this policy include marijuana, cocaine, opiates, amphetamines, phencyclidine (PCP).
DOT	Federal Department of Transportation
Driver	Any person who operates a commercial motor vehicle. This includes, but is not limited to: full time, regularly employed drivers, casual, intermittent or occasional drivers, and leased drivers and independent, owner-operator contractors who are either directly employed by or under lease to the City or who operate a commercial motor vehicle at the direction of or with the consent of the City. For the purposes of pre-employment/ pre-duty testing only, the term "driver" includes a person applying to the City to drive a commercial motor vehicle.
Drug	Any substance (other than alcohol) that is a controlled substance as defined above and 49 CFR Part 40.
FHWA	The Federal Highway Administration, U.S. Department of Transportation.
Owner-Operator (s)	A driver(s) who has been contracted for services with the District. For the purposes of these procedures and the City's Alcohol and Controlled Substances Abuse Policy, owner-operators are not to be considered employees, but will be required to participate in the City's Alcohol and Controlled Substances Abuse Policy like all employee drivers.

WORD/PHRASE	DEFINITION
Medical Review Officer (MRO)	A licensed physician accredited by the Medical Review Officers' Association National with knowledge and expertise of the clinical and medical diagnosis and treatment of alcohol and drug related disorders.
On Duty Time	<p>All time from the time a driver begins to work or is required to be in readiness to work until the time the driver is relieved from work and all responsibility for performing work. "On duty time" shall include:</p> <ol style="list-style-type: none"> 1. All time at a City facility or other City property, or on any public property, waiting to be dispatched, unless the driver has been relieved from duty by the City; 2. All time inspecting, servicing, or conditioning any commercial motor vehicle at any time; 3. All driving time; 4. All time, other than driving time, in or upon any commercial motor vehicle; 5. All time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded; 6. All time spent performing the driver requirements relating to accidents; 7. All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle.
Performing (a safety-sensitive function)	A driver is performing a safety-sensitive function during any period in which the driver is actually performing, ready to perform or immediately available to perform any safety-sensitive functions.
Positive Test	A test is only positive and reported to the City when the initial screening test is positive, the confirming test is positive, and the Medical Review Officer has discussed with the employee the results of the two tests and ascertained that the tests are accurate.
Provider	Certified professional/agency contracted to provide services prescribed by this program.

WORD/PHRASE	DEFINITION
Reasonable Suspicion	The City believes the actions or appearance or conduct of a commercial motor vehicle driver who is on duty as defined below, are indicative of the use of alcohol or drugs.
Refusal to Submit (to an alcohol or drug test)	A covered employee who (1) fails to arrive at the collection site within a reasonable time, as determined by the employer, (2) refuses to take an alcohol or drug test, (3) fails to provide adequate breath for testing without a valid medical explanation after he/she has received notice of the requirement for breath testing in accordance with FHWA regulations, (4) fails to provide adequate urine for drug testing without a valid medical explanation after he or she has received notice of the requirement for urine testing in accordance with FHWA regulations, (5) provides a Verified Adulterated or Substituted test, (6) engages in conduct that clearly obstructs the testing process, (7) fails to remain at the collection facility until all testing is completed, or (8) refuses to submit to a direct observation when required by the collector or employer. A refusal includes not providing a breath sample or urine as directed, refusing to sign appropriate control forms, not being readily available following an accident, using alcohol within eight hours of an accident, or tampering with a sample.
Safety-Sensitive Function	Any of those on-duty functions set forth in 49 CFR section 395.2 and as defined under "On duty time."
Split-Specimen	A division of the original urine sample that is stored by the lab when provided by the collection agency for a second test to be used when the primary test results are challenged.
Substance Abuse Professional (SAP)	A licensed physician, or a licensed or certified psychologist, social worker, employee assistance professional, or addiction counselor (certified by the National Association of Alcoholism and Drug Abuse Counselors Certification Commission) with knowledge of and clinical experience in the diagnosis and treatment of alcohol and drug related disorders.
Substituted Specimen	A specimen with creatine and specific gravity values that are so diminished that they are not consistent with human urine.
Supervisor	Any one of the following positions: Director of Public Works, Utility Systems Manager, Maintenance Supervisor, or in their absence, a designated trained individual.

WORD/PHRASE	DEFINITION
Toxicological Laboratory	A drug abuse service laboratory licensed to perform alcohol and drug testing under the auspices of the federal government with specific expertise and chain of custody procedures, split specimen sampling, and drug/alcohol record-keeping methodologies. The agency must have all necessary personnel, materials, equipment, facilities and supervision to provide for the collection, security, temporary and long-term storage and transportation or shipment of the samples to a laboratory.

I. COVERED EMPLOYEES

A. Covered employees must comply with the alcohol and drug testing requirements of this program. "Covered employees" are those employees who are required to drive, may be required to drive, or have the potential to drive, and who meet any of the three (3) following qualifications:

1. They are required by the City to possess a Commercial Driver's License (Class A or B) to do their jobs.
 - a. This includes all regular, probationary, temporary, and work-out-of class assignments in job positions which require a Commercial Driver's License.
 - b. This also includes applicants to jobs with the City which require the possession of a Commercial Driver's License.

2. They operate a commercial motor vehicle.

"Commercial motor vehicle" means a motor vehicle or combination of motor vehicles used in commerce to transport passengers or property if the motor vehicle:

- a. Has a gross combination weight rating of 26,001 or more pounds inclusive of a towed unit with a gross vehicle weight rating of more than 10,000 pounds; or
- b. Has a gross vehicle weight rating of 26,001 or more pounds; or
- c. Is designed to transport 16 or more passengers, including the driver; or
- d. Is of any size and is used in the transportation of materials found to be hazardous for the purposes of the Hazardous Materials Transportation Act and which require the motor vehicle to be placarded and over 1,000 lbs. under the Hazardous Materials Regulations.²

3. They are performing safety-sensitive functions.

- a. "Safety-sensitive function" means any of the following functions:
 - 1) All time spent at the driving controls of a commercial motor vehicle in operation;

- 2) All time, other than driving time, in or upon any commercial motor vehicle except time spent resting in a sleeper berth;
 - 3) All time loading or unloading a vehicle, supervising, or assisting in the loading or unloading, attending a vehicle being loaded or unloaded, remaining in readiness to operate the vehicle, or in giving or receiving receipts for shipments loaded or unloaded;
 - 4) All time spent performing the requirements for covered employees who are involved in an accident, as further described in Section X;
 - 5) All time repairing, obtaining assistance, or remaining in attendance upon a disabled vehicle;
 - 6) All time inspecting, servicing or conditioning any commercial motor vehicle at any time.
- b. A covered employee" performs a safety-sensitive function" during any period in which the employee is actually performing, ready to perform, or immediately available to perform any safety-sensitive function.
 - c. Employees who have the required commercial license and who want to be immediately available to perform safety-sensitive functions in a temporary, stand-by, call back, or work-out-of-class status will be subject to the provisions of this program.
4. Covered employees will also include any employee who has a Commercial Driver's License where the medical examination and/or license fees are paid for by the City.

²49 C.F.R. Section 390.5

II. GENERAL PROVISIONS FOR ALL ALCOHOL AND DRUG TESTING PROGRAMS

A. Notice to Covered Employees That Alcohol and Drug Testing is Required By Federal Law

Before performing an alcohol or drug test under this program, the City shall notify the employee that the alcohol or drug test is required by federal law.

B. Administration of the City's Alcohol and Drug Testing Program

The City has designated the Drug Program Coordinator in the Human Resources Office to answer employee questions about the City's alcohol and drug testing program and procedures.

C. Record Retention Requirements

In compliance with the record retention requirements under the OTETA, the City shall maintain confidential records of its alcohol and drug misuse prevention program in a secure location with controlled access. Records of positive results, documentation of refusals to take test, calibration documentation for breath testing devices, and driver evaluation and referrals shall be maintained for five (5) years in accordance with federal law. The City or its service agent shall generate an annual calendar year summary of the results of its program, which will also be retained for five (5) years. Records relating to the alcohol and drug collection process and training, including collection logbooks, documents relating to the random selection process, breath alcohol technician training, documents relating to reasonable cause tests, post-accident tests, and random tests, compliance, and evaluation, shall be maintained for up to five (5) years. The City or its service agent shall prepare an annual summary by March 15 for the previous year containing specific information as to the number of covered employees, employees who refused to submit to tests, the number of supervisors receiving training, the covered employees, the number and types of tests given, the results, the number of covered employees who refused to submit to tests, the number of supervisors receiving training, the covered employees who returned to duty after a positive test, and other similar information.

D. Access to Records

Covered employees are entitled, upon written request to the Human Resources Office, to obtain copies of any records pertaining to the employee's misuse of alcohol or drugs, including any records pertaining to his or her alcohol or drug tests. The City shall promptly provide the records requested by the employee.

Copies of or information in these records shall not be otherwise released to any other person except as follows:

1. To the Drug Program Coordinator and the City Manager who require access to these records to comply with the requirements of federal law and this program;
2. To federal, state or local officials with regulatory authority over the City or any of its covered employees and who have legitimate need for access;

3. To a decision maker in connection with a lawsuit, grievance, or other proceeding initiated by or on behalf of the employee, and arising from the results of an alcohol and/or drug test administered under this program, or from the City's determination that the covered employee engaged in conduct prohibited by Section III; or
4. To a person identified by the covered employee in accordance with the terms of the employee's written consent authorizing such release.

E. Confidentiality and Recordkeeping

The City desires to comply with the confidentiality and recordkeeping requirements. As such, the City stipulates that with the exception of the Drug Program Coordinator or designee, Collection Facility, Testing Laboratory, MRO and SAP, the results of individual tests shall not be released to anyone without the expressed written authorization of the tested individual, unless ordered by means of proper legal procedure and appropriate legal authority, such as a court ordered subpoena, or in connection with a City disciplinary, grievance or arbitration proceeding initiated by or on behalf of the individual and arising from a certified positive alcohol or drug test.

To maintain confidentiality, records pertaining to program administration, the collection process and individual test records will not be a part of the individual personnel files. A separate test records retention system will be maintained by the Drug Program Coordinator.

The records will be secured and maintained by the Drug Program Coordinator. Access to the test records is restricted to the Drug Program Coordinator and the City Manager. The release to City Management of such information from the Drug Program Coordinator, medical sources of MRO will require the signed release of the employee. Unless noted, such records are permanent and are subject to examination by the Drug Program Coordinator, the City Manager or their designee.

However, information related to an employee's availability for work will be provided to the employee's supervisor to ensure that an employee is removed from a safety-sensitive function when necessary or accommodated in a non-safety-sensitive function, when appropriate. In the case of reasonable cause testing, the supervisor will receive the results of the alcohol and/or drug tests.

Collection and test records of employees producing negative alcohol and drug tests must be retained for one (1) year. Collection and test records of employees producing positive alcohol tests of 0.02% Breath Alcohol Concentration (BAC) or greater must be retained for three (3) years and positive drug test must be retained for five (5) years.

The following lists of records shall be retained and maintained by the Drug Program Coordinator:

1. Supporting documents for pre-employment, post accident, reasonable cause or random testing decisions.
2. Records of 2 (2) year drug and alcohol testing histories of new hires.

3. Records of the collection process to indicate specimen identification, accountability and chain of custody.
4. Any individual reports or records provided directly to the tested employee by the MRO.
5. Records of test results and any information provided by the affected employee concerning split samples, retests, or follow-up tests.
6. Return to work test records.
7. All reports forwarded to reporting agencies.
8. Records and documents provided by the Drug Program Coordinator, Rehabilitation Agencies and any consultants.

III. PROHIBITIONS

A. It is UNLAWFUL for covered employees to do the following:

1. To perform safety-sensitive functions after a positive alcohol test result indicating a 0.04% BAC or a positive drug test result, regardless of when the alcohol or drug was ingested and regardless of whether the employee is under the influence of alcohol or drugs;
2. Report for duty or remain on duty requiring the performance of safety-sensitive functions while having an alcohol concentration of 0.04% or greater. No employer having actual knowledge that a driver has an alcohol concentration of 0.04% or greater shall permit the driver to perform or continue to perform safety-sensitive functions. (See Federal Register, Section 382.201);
3. Perform or continue to perform safety-sensitive functions with an alcohol concentration of 0.02% to 0.04% (see Federal Register, Section 382.505);
4. To use alcohol or products containing alcohol while performing safety-sensitive functions;
5. To perform safety-sensitive functions within four (4) hours after using alcohol or products containing alcohol;
6. To use alcohol or products containing alcohol for eight (8) hours following an accident for which the employee is required to take a post-accident alcohol test;
7. To report for duty or remain on duty and perform safety-sensitive functions when the employee is currently using a drug, unless the use of the drug is prescribed by a physician. Employees who are taking prescribed medication that may impair their ability to perform safety-sensitive functions are required to inform their supervisor immediately and prior to performing any safety sensitive functions.

8. To refuse to submit to any of the alcohol or drug test required by OTETA (random, post-accident, reasonable cause, follow-up, return to duty test) and alcohol/drug testing rules as described in this program.

A "Refusal to submit" to an alcohol or drug test means that a covered employee:

- a. Fails to arrive at the collection site within a reasonable time, as determined by the employer;
 - b. Refuses to take the test;
 - c. Fails to provide adequate breath for testing without a valid medical explanation after he or she has received notice of the requirement for breath testing in accordance with this program;
 - d. Fails to provide adequate urine for drug testing without a valid medical explanation after he or she has received notice of the requirement for urine testing in accordance with this program;
 - e. Provides a Verified Adulterated or Substituted test;
 - f. Engages in conduct that clearly obstructs the testing process;
 - g. Fails to remain at the collection facility until all testing is completed;
- or
- h. Refuses to submit to a direct observation when required by the collector or the employer.

B. The following drugs are specified in the law and will be analyzed during drug testing:

<u>Drug</u>	<u>Initial Screen (ng/ML)</u>	<u>Confirmation Level</u>
Marijuana	50	15
Cocaine	300	150
Amphetamines/ Methamphetamine	1,000	500
Opiates	300	300
Phencyclidine (PCP)	25	25

IV. CONSEQUENCES TO ENGAGING IN ANY GENERAL PROHIBITION

Any covered employee who engages in any action prohibited by this program under Section III will be subject to the following consequences.³

- A. The employee shall be relieved from performing safety-sensitive functions.

- B. The employee shall be immediately suspended according to Section VI.
- C. The employee shall be evaluated by a SAP who shall determine what assistance, if any, the employee needs in resolving problems associated with the misuse of alcohol or drugs.
- D. After the completion of the suspension period, the employee may return to work as soon as medically certified by the MRO/SAP. The employee must, however, provide a negative test result and be certified for return to duty no later than ninety (90) calendar days after notification of the positive test result.

The employee must, at a minimum, provide six (6) follow-up tests during the first year following the employee's return to safety sensitive duties. The SAP will establish the number and frequency of follow-up tests and that follow-up testing may last up to five (5) years. Failure to be certified by the MRO/SAP or return to work shall result in termination.

- 1. The employee may use accumulated vacation, sick leave, personal leave, comp time or leave without pay while undergoing treatment/rehabilitation.
- 2. Leave accruals may not be used for discipline such as a suspension.
- 3. Any employee who is given an alcohol confirmation test according to 49 CFR 40.65 by the BAT and the BAC level is 0.02% or greater, but less than 0.04%, shall be required to take leave without pay or use vacation or personal leave, but not sick leave time, until the driver's next regularly scheduled duty period, but not less than twenty four (24) hours following administration of the test. Any employee who is given an alcohol confirmation test by the BAT and the BAC level is 0.02% or greater, but less than 0.04%, on the second time shall be suspended without pay for five (5) regularly scheduled work days. The employee shall be referred to the SAP for evaluation and assessment of fitness for duty.
- 4. Any employee who has a BAC level that is 0.02% or greater, but less than 0.04%, on the third time within a five (5) year period will be treated as the second step in random testing.

³For consequences to outside applicants, please see Section VIII (D)(4) of this program regarding pre-employment testing.

Any covered employee who refuses to submit to an alcohol or drug test required by this program shall be terminated.

- E. The City's Drug Program Coordinator or designee will assist in advising the employee of the resources available to the employee in evaluating and resolving problems associated with the misuse of alcohol or drugs, including the names, addresses, and telephone numbers of SAPs and counseling and treatment programs.

V. SELF-IDENTIFICATION PROCEDURE

Covered employees are encouraged to advise the City if they are involved with the misuse of alcohol or for the use of drugs. This procedure is available only to covered employees who have not been notified of a random test, reasonable cause test, or a post-accident test. This procedure cannot be used by covered employees to avoid the consequences for a positive test or a refusal to test.

PROCEDURE

If an employee self-identifies a problem with misuse of alcohol or drugs, the City will refer the employee to a SAP. Prior to returning to a safety-sensitive position, the employee will be tested.

If the SAP determines that the employee requires participation in a rehabilitation program, the employee will be referred to his/her own medical insurance plan and/or the City's Employee Assistance Program (EAP). The City is not required to pay for treatment beyond the cost contributed for those programs as stated in the AFSCME MOU.

If an employee self-identifies a second time, it will be treated as a first incident of a positive test through random testing.

VI. PERSONNEL ACTIONS

A. Disciplinary Action for Misconduct

Any covered employee who engages in an act prohibited by Section III violates federal law. Employee violations of this program may constitute misconduct under the City of Morgan Hill's Personnel Rules and Regulations, Section 11, "Disciplinary Actions" as may be amended from time to time.

B. Nothing in this section shall be interpreted as interfering with the City's right to remove from the workplace an employee who poses a direct threat to another employee or others.

C. All disciplinary action under this program is subject to the disciplinary procedures contained in the City's Personnel Rules and Regulations.

D. The following is a guideline for disciplinary action when an employee violates the City's alcohol and drug program. Discipline shall be based on the degree of the offense and in accordance with the following guidelines:

E. DISCIPLINARY GUIDELINES

RANDOM TESTING	
1st Incident	<ul style="list-style-type: none"> * Counseling * Suspension (5 days) * Participate and complete rehabilitation, if necessary * Last Chance Agreement
2nd Incident	* Termination

POST ACCIDENT TESTING	
1st Incident	<ul style="list-style-type: none"> * Discipline (suspension or termination) dependent on seriousness of accident and/or the degree of disregard for safety * “Last Chance” Agreement * Participate and complete rehabilitation, if necessary
2nd Incident	* Termination

REASONABLE SUSPICION	
1st Incident	<ul style="list-style-type: none"> * Counseling * Suspension (5 days) * “Last Chance” Agreement * Participate and complete rehabilitation, if necessary
2nd Incident	* Termination

SELF-IDENTIFICATION	
1st Incident	<ul style="list-style-type: none"> * No discipline * Referred to SAP * Participate and complete rehabilitation, if necessary
2nd Incident	* Termination

PROBATIONARY EMPLOYEES	
Positive Drug Test	* Termination of probation. However, at the City's option, if an employee has status in a previous classification, the employee's probationary appointment may be terminated, or the employee may remain on probation and be subject to these disciplinary guidelines depending on the severity of the case and the classification
Positive Alcohol Test (.04 or greater)	* Termination of probation. However, at the City's option, if an employee has status in a previous classification, the employee's probationary appointment may be terminated, or the employee may remain on probation and be subject to these disciplinary guidelines depending on the severity of the facts of the case and the classification.
Positive Alcohol Test (.02 to .04)	* Termination of probation. However, at the City's option, probationary employee may be referred to SAP and required to participate in rehabilitation, if necessary. Any second positive test for alcohol during probation will result in termination of probation. However, at the City's option, if an employee has status in a previous classification, the employee may remain on probation and be subject to these disciplinary guidelines depending on the severity of the case and the classification. Any second positive test showing a result between 0.02% and 0.04% after completion of probation will be treated as the first step in the appropriate category.

OTHER FACTORS	
1.	If an employee has a confirmed positive test from follow-up testing, the employee will be given a last chance agreement unless he/she is already on a last chance agreement at which point he/she will be terminated.
2.	If an employee is required by the SAP to participate in rehabilitation and the employee refuses to participate in the required rehabilitation program, the employee will be terminated.
3.	If an employee is required by the SAP to participate in rehabilitation and the employee fails to complete the required rehabilitation program, the employee will be terminated.
4.	If an employee refuses to be tested under this program, the employee will be terminated.

VII. DRUG AND ALCOHOL TESTING METHODOLOGY

A. Alcohol Testing

Alcohol testing shall be done based on an "evidential breath testing device" which is the testing method used by law enforcement officials in drunk driving cases. A breath alcohol technician shall explain the test to the employee being tested and properly administer the test to the employee.

B. Drug Testing

Drug testing shall be done based on a "split specimen" procedure of collecting and analyzing urine samples. The specimen taken will be divided into primary and secondary specimens. If the primary specimen test is positive, the employee shall be informed of their right to request a test of the secondary specimen by a separate laboratory or by the same laboratory, if they choose, at the employee's expense. The employee will be removed from the safety-sensitive function pending the outcome of the secondary sample test results. The employee has seventy-two (72) hours within which to make the request for the secondary sample test. If the secondary test result is negative, the City shall reimburse the employee for the cost of the secondary test and all references to the positive test will be expunged from all records. If the secondary test result is positive, the employee will be subject to the procedures in Personnel Rules Section VI.

C. Chain of Custody/Confidentiality

All alcohol and drug tests required to be administered to covered employees under this program shall be conducted by the City's service providers to ensure appropriate chain of custody and confidentiality of results.

VIII. PRE-EMPLOYMENT ALCOHOL AND DRUG TESTING

A. Preface

Prior to performing any safety-sensitive functions for the City, the employee or applicant shall undergo testing for alcohol and drugs. The City shall not allow a covered employee to perform safety-sensitive functions unless the employee has been administered an alcohol test with a result indicating an alcohol concentration less than 0.02% and has received a drug test result indicating a verified negative test result.

B. Procedures

1. All regular, probationary, temporary, limited term, and work-out-of class assignments in job positions which require a Commercial Driver's License and the performance of safety-sensitive functions are subject to pre-employment testing.
2. All persons selected by the City Manager and offered a position from an appropriate employment list for a job position requiring a Commercial Driver's License and the performance of safety-sensitive functions are subject to pre-employment testing. This section applies equally to current employees of the

City and outside applicants. The drug samples may be collected during pre-employment medical examinations and the samples will be provided to the City certified laboratory.

3. Every job announcement and internal transfer opportunities bulletin for a position requiring a Commercial Driver's License and the performance of safety-sensitive functions will include a written statement of the alcohol and drug testing requirement as stated above.
4. Pursuant to the City's Policy regarding Substance Abuse, all job positions are subject to pre-employment alcohol and drug testing.
5. All pre-employment alcohol and drug tests will be conducted by the City's service providers to ensure appropriate chain of custody and confidentiality of results.

C. Exceptions to Pre-Employment Testing

1. Persons employed by the City upon implementation of the program and who are in positions requiring the possession of a Commercial Driver's License and the performance safety-sensitive functions will not be required to submit to initial drug testing to continue in their jobs. Commencing on implementation of the program, all other persons who are entering into positions requiring the possession of a Commercial Driver's License and the performance of safety-sensitive functions, for example, but not limited to, new hires, rehires, transfers, and return-to-duty from any leave of absence for 20 consecutive working days or more, shall be required to submit to pre-employment testing under this program.
2. Current employees in covered classes will not be required to submit to pre-employment testing if they have been tested within the last twelve (12) months in their current position.
3. Current employees of the City who wish to be eligible for temporary or work-out-of-class assignments and have previously passed pre-employment alcohol and drug tests and agreed to remain within the pool of employees from which random testing is conducted.

D. Consequences

1. Any covered employee who tests positive on a drug test or has an alcohol test result of 0.04% BAC or greater will be removed from the safety-sensitive eligibility list and will be subject to the provisions in Section IV. The employee may, however, reapply for future safety-sensitive position with the City and will be subject to testing in accordance with this program at that time.
2. If the pre-employment alcohol test result indicates a BAC of 0.02% or greater but less than 0.04%, the employee will have the right to request retesting of the second split specimen at their expense. If the retest result is negative, the employee will be reimbursed the cost by the City and the employee will be considered for the safety sensitive position. If the retest is positive, the employee will be removed from the safety-sensitive eligibility list and will be

subject to the provisions in Section IV. The employee may, however, reapply for future safety-sensitive positions with the City and will be subject to testing in accordance with this program at that time.

3. All outside applicants for positions with the City which require the possession of a Commercial Driver's License and the performance of safety-sensitive functions must submit to pre-employment alcohol and-drug testing without exception. Any applicant who has a confirmed positive test for alcohol or drugs or refuses to take the test will not be hired.

IX. NEW HIRE DRUG AND ALCOHOL RECORD CHECK

A. Preface

The City is required to request information about safety-sensitive function employees from previous DOT-regulated employers who have employed the new hires during any period preceding the two (2) years before the date of the new hire's application or transfer. After obtaining written consent from the employee, the City must request information from previous DOT-regulated employers regarding alcohol tests with results of 0.04% or higher concentration, verified positive drug tests, refusals to be tested and other violations of DOT agency and drug and alcohol testing regulations. In respect to any employee who violated a regulation, the City must obtain documentation of the employee's successful completion of DOT return-to-duty requirements.

B. Procedures

1. The City will obtain the written consent of any employee seeking to begin performing safety-sensitive duties for the first time, such as a new hire or an employee transferring into a safety-sensitive position. If the employee refuses to provide this written consent, the City will not permit the employee to perform safety-sensitive functions.
2. The City will request the following information from the employee's previous DOT-related employers:
 - a. Alcohol tests with a result of 0.04% or higher alcohol concentration.
 - b. Verified positive drug tests.
 - c. Refusals to be tested (including verified adulterated or substituted drug test results).
 - d. Other violations of DOT agency drug and alcohol testing regulations.
 - e. With respect to any employee who violated a DOT drug and alcohol regulation, documentation of the employee's successful completion of DOT return-to-duty requirements including follow-up tests. If the previous employer does not have information about the return-to-duty process (e.g., an employer who did not hire an employee who tested positive on a pre-employment test) the City will seek to obtain this information from the employee.

- f. This information obtained from a previous employer includes any drug or alcohol test information obtained from previous DOT-regulated employers. The City will obtain a release of information from the new hire. This release will accompany the request for information, and will maintain a written, confidential record of this information, including the date, the party to whom it was released, and a summary of the information provided.
3. The City will maintain a written, confidential record of the information obtained or of the good-faith effort made to obtain the information. The City will retain this information for three (3) years from the date of the employee's first performance of safety-sensitive duties.
4. The City must ask the employee whether he or she has tested positive, or refused to test, on any pre-employment drug or alcohol test administered by an employer to which the employee applied for, but did not obtain, in safety-sensitive work covered by DOT agency drug and alcohol testing rules during the preceding two (2) years. If the employee admits that he or she had a positive test or a refusal to test, the City will not use the employee to perform safety-sensitive functions unless the employee documents successful completion of the return-to-duty process.
5. If the City has not obtained results pre-employment drug or alcohol testing or made a documented good-faith effort to obtain this information within thirty (30) days of the hire date, the employee must be removed from performance of safety-sensitive functions.
6. The City must comply with requests for two (2) year drug and alcohol testing histories from any future employers of personnel covered by this policy.

X. RANDOM ALCOHOL AND DRUG TESTING

A. Preface

Covered employees are required to submit to alcohol and drug testing on a random basis. Twenty-five percent (25%) of the average number of covered employee positions shall be subject to random alcohol testing in each calendar year. Fifty percent (50%) of the average number of covered employee positions shall be subject to random drug testing in each calendar year. The City will change the minimum annual percentage testing rate in compliance with any change by the Federal Highway Administration (FHWA) Administrator to increase or decrease the annual violation rate. The FHWA annual violation rate is based on the reported rate for commercial drivers.

B. Procedures

1. The Provider shall randomly select a sufficient number of covered employees for alcohol and drug testing during each calendar year to equal an annual rate not less than the minimum annual percentage rate established by the FHWA Administrator.

2. The Provider shall select covered employees for random alcohol and drug testing by a scientifically valid method, such as a random number table of a computer-based random number generator matched with the covered employees' Social Security numbers, City identification numbers, or other comparable identifying number. Under the selection process used, each covered employee shall have an equal chance of being tested each time selections are made.
3. Random alcohol and drug tests shall be unannounced and the dates for administering random alcohol and drug tests shall be spread reasonably throughout the calendar year.
4. Each covered employee who is notified of selection for random alcohol or drug testing shall go to the test site immediately. If a notified employee is performing a safety-sensitive function, the employee shall cease to perform that safety-sensitive function and go to the testing site as soon as possible.
5. A covered employee shall only be tested for alcohol while the employee is performing safety-sensitive functions, four (4) hours before the employee is to perform safety-sensitive functions, or four (4) hours after the employee has ceased performing such functions. The employee will be on City paid time during the testing process
6. A covered employee may be tested for drugs at anytime while the employee is at work for the City.
7. The City shall not require any covered employee to submit to a random test while the employee is off work. If a covered employee is off work, the City will skip the employee's name and the next employee's name on the selection list will be selected and tested. The City shall document that the employee was off work and that the employee was in the random selection pool for that cycle. If the employee's absence lasts for more than thirty (30) days, the pre-employment testing provisions of this program shall apply.
8. Employees performing safety-sensitive functions may be tested for alcohol with a pre-trip inspection. . However, if the pre-trip inspection is not appropriate, the employee may be requested to perform other safety-sensitive functions (e.g., driving a truck or loading a truck) in order to comply with the requirements for alcohol testing.
9. Upon notification of a Negative Dilute, the City may immediately re-test the employee.

C. Consequences

1. Covered employees shall be subject to the referral, evaluation, and rehabilitation requirements in Section IV and may be subject to disciplinary action under Section VI if they refuse to submit to a random alcohol or drug test or if they have an alcohol test with a result indicating an alcohol concentration of 0.04% or greater or a drug test with a verified positive test result.

2. Any covered employee who has engaged in conduct in violation of Section III concerning the use of alcohol or who has had an alcohol test with a result of 0.02% to 0.04% BAC or greater shall not return to duty until the employee has submitted to a return to duty alcohol test with a verified negative result. In addition, the employee will be evaluated by the SAP and develop a treatment methodology, if necessary, and may be subject to the referral, evaluation, and rehabilitation requirements in Section IV.

XI. POST-ACCIDENT ALCOHOL AND DRUG TESTING

A. Preface

As soon as practicable following an accident, the City shall test a surviving covered employee for alcohol and drugs where the accident has resulted in any one of the following conditions:

1. Death of a human being.
2. Bodily injury to a person who, as a result of the accident, receives medical treatment away from the scene of the accident.
3. The covered employee received a citation or there is a high probability that the covered employee will receive a citation for a moving traffic violation arising from performance of a safety-sensitive function with respect to the accident. In the case where it is not immediately known if the above criteria is met, the employee will provide a sample and the sample will not be tested until it is determined that the criteria for post-accident testing are met.
4. At least one (1) of the involved vehicles is required to be towed from the scene of the accident.

Following the accident, the covered employee will be tested as soon as possible, not to exceed eight (8) hours for alcohol and thirty-two (32) hours for drugs.

B. Procedures

1. These procedures do not supersede the Vehicle Use Policy contained in the City of Morgan Hill's Administrative Policy and Procedure Manual or any other departmental policy or procedure regarding reporting of vehicle accidents, incidents, citations, or damage.
2. The covered employee shall notify his or her supervisor as soon as possible following an accident. The covered employee shall refrain from using alcohol for eight (8) hours following the accident or until it is determined that a post-accident alcohol test is not required as provided below. Any employee leaving the scene of the accident without appropriate authorization prior to submitting to an alcohol or drug test or being released by the supervisor will be considered to have refused to test.
3. The supervisor at the site of an accident shall:

- a. Attend to any emergency needs of employees, passengers, pedestrians, etc. by requesting medical, fire and/or police assistance and the presence of another supervisor;
 - b. Take the covered employee involved in the accident aside and give the employee a direct verbal order to abstain from alcohol and drugs until after they have been tested or until after eight (8) hours for alcohol or thirty two hours (32) for drugs and to stand by at the site until the supervisor has determined if the accident is one requiring a post-accident alcohol and drug test;
 - c. Evaluate the accident to determine whether a post-accident test is required under this program and document with written notes the supervisor's decision to require or to not require a post-accident alcohol and drug test.
4. If the supervisor at the site affirms that a post-accident alcohol or drug test of the covered employee is required, the supervisor shall take the following actions:
- a. The supervisor shall inform the covered employee the test is required by the OTETA. The supervisor will also explain that by refusing to take the alcohol and drug tests, the employee will be subject to the mandatory referral, evaluation and rehabilitation requirements of Section IV. . Refusal to take the tests will subject the employee to disciplinary action in accordance with Section IV.

Any employee who refuses to submit to a post-accident test as required by federal law shall be terminated from employment pursuant to Section IV. The employee will be offered the opportunity to be safely transported home. If an employee appears to be impaired, refuses the post-accident alcohol and drug test, and intends or attempts to drive home, the City will inform the employee that it is required to notify the proper authorities.

- b. The supervisor shall transport the employee to the designated collection site to take the necessary tests. The supervisor shall inform the employee that they have a right to request a steward. However, the process will proceed whether or not the steward is present. The supervisor transporting the employee will stay with the employee, verify the employee's identification at the collection site and later return the employee to the employee's division or work unit.
- c. If the covered employee is injured and requires off-site treatment, the supervisor shall escort the employee to a hospital or other appropriate treatment facility. The hospital will be requested to collect the necessary specimen and provide safe-keeping until the sample is picked up by the City collection agency.
- d. The supervisor shall ensure that the covered employee does not perform any safety-sensitive function until the employee is cleared by the post-accident test results. This includes ensuring that neither the covered

employee nor any other employee involved in the accident operates the vehicle any further. If necessary, the supervisor will move the vehicle or request another employee not involved in the accident to do so.

5. If the supervisor at the site of the accident determines that the accident does not meet the criteria for a post-accident alcohol and drug test, the covered employee may continue to perform safety-sensitive functions.
6. If the covered employee is taken into police custody at the site of an accident and the site supervisor has affirmed that the accident is one requiring post-accident drug testing, the City's collection agency will be requested to test the employee for alcohol and drugs.
7. If a post- accident alcohol test is required and is not administered within two (2) hours following the accident, the City shall prepare and maintain on file a record stating the reasons the test was not promptly administered. If the alcohol test is not administered within eight (8) hours, the City shall cease attempts to administer an alcohol test and shall prepare and maintain the samerecord.
8. If a post-accident drug test is required and is not administered within thirty-two (32) hours following the accident, the City shall cease attempts to administer a drug test and shall prepare and maintain on file a record stating the reasons the test was not promptly administered.

C. Consequences

1. Covered employees shall be subject to the referral, evaluation, and rehabilitation requirements in Section IV and shall also be subject to the disciplinary consequences of Section VI if they refuse to submit to a post-accident alcohol or drug test or if they have a post-accident alcohol test with a result indicating an alcohol concentration of 0.04% or greater or a drug test with a verified positive test result.
2. Any covered employee who has engaged in conduct in violation of Section III concerning the use of alcohol or who has had an alcohol test with a result of 0.02% to 0.04% BAC or greater shall not perform a safety-sensitive function until the employee has submitted to a return to duty alcohol test with a verified negative result. In addition, the employee will be evaluated by the SAP and develop a treatment methodology, if necessary, and may be subject to the referral, evaluation, and rehabilitation requirements in Section IV.

XII. REASONABLE SUSPICION ALCOHOL AND DRUG TESTING

A. Preface

The City shall require a covered employee to submit to an alcohol and/or drug test when the City has reasonable suspicion to believe that the employee is under the influence of alcohol or drugs.

B. Procedures

1. The City's decision to require a covered employee to submit to a reasonable

suspicion alcohol and/or drug test shall be based on a supervisor's determination that reasonable suspicion exists that the employee is in violation of Section III . The City's determination must be based on:

- a. Specific, personal, and articulate observations concerning the appearance, behavior, speech or performance of the employee; or
- b. Violation of a safety rule, or other unsafe work incident which, after further investigation of the employee's behavior, leads the supervisor(s) to believe that alcohol or drug use may be a contributing factor; or
- c. Other physical, circumstantial or contemporaneous indicators of alcohol or drug use

Suspicion based solely on third party observation, violation of safety rule or unsafe work incident is not reasonable suspicion for testing. However, such suspicion may be a basis for further investigation, or for action to protect the safety of others, such as ordering the employee to stop work.

No action shall be taken against a covered employee based solely on the employee's behavior and appearance, with respect to alcohol or drug use, without a positive test.

2. The supervisor will obtain the assistance of another supervisor, when feasible, to observe and document the above behavior or factors.
3. The supervisor shall inform the employee of the facts upon which the reasonable suspicion is based, advise the employee that the supervisor wishes to question the employee about the employee's behavior or conduct on which the reasonable suspicion is based, and advise the employee that he or she has the right to request the presence of a steward or other representative before answering the supervisor's questions.
 - a. If the employee chooses to be represented, the steward or other representative will be allowed up to one (1) hour to arrive. If no steward or other representative is available within one (1) hour, the supervisor should continue the procedure.
 - b. The supervisor shall request an explanation from the employee concerning the employee's behavior or conduct on which the reasonable suspicion is based. If a satisfactory explanation is not provided, the employee will be tested.
 - c. The supervisor must complete the Observation/Incident Report within one (1) hour of the incident. The supervisor will provide a copy of the completed Observation/Incident Report to the Union. A copy should be given to the steward or other representative, if present, and another sent to the Union president.
4. If the employee refuses to submit to the test, the employee will be terminated pursuant to Section VI. The employee shall be offered the opportunity to be

safely transported home.

If an employee appears to be impaired, refuses the reasonable suspicion alcohol and drug test, and intends or attempts to drive home, the supervisor will inform the employee that the City is required to notify the proper authorities. Again, an employee who has refused to submit to a post-accident test will be disciplined in accordance with Section VI.

5. If the employee submits to the reasonable suspicion alcohol and/or drug test, the supervisor will assign the employee to non-safety-sensitive duties until the supervisor receives the test results, unless in the supervisor's judgment, the continued presence of the employee in the workplace poses a significant safety risk to the employee or others or is disrupting the workplace. In that event, the supervisor shall place the employee on sick leave or other accrued leave and arrange to safely transport the employee home.
 - a. If the alcohol and/or drug test is positive, the employee will be subject to the return to duty/follow-up testing program and procedures.
6. No supervisor shall physically search an employee or an employee's private property (purse, briefcase, car) based on the supervisor's reasonable suspicion that the employee has violated Section III.
7. The supervisor(s) or City official(s) who observe(s) the employee's behavior on which reasonable suspicion testing is based must have received at least sixty (60) minutes of training on alcohol misuse and an additional sixty (60) minutes training on drug use. The training must cover the physical, behavioral, speech, and performance indicators of probable alcohol misuse and use of drugs.
8. No reasonable suspicion alcohol testing may be done except while the employee is performing a safety-sensitive function, four (4) hours before the employee is to perform a safety-sensitive function, or four (4) hours after the employee has ceased performing such function.
9. If an alcohol test is not conducted within two (2) hours of the observation, the City must prepare and maintain a record stating the reasons the alcohol test was not promptly administered. If eight (8) hours have passed, the City will not administer the test.
10. A written record must be made of the observations leading to an alcohol or drug reasonable suspicion test and signed by the supervisor or City official who made the observations, within one (1) hour of the observed behavior or before the results of the alcohol or drug test are received, whichever is earlier.

C. Consequences

1. Covered employees shall be subject to the referral, evaluation, and rehabilitation requirements contained herein and may be subject to the disciplinary consequences of Section VI if they refuse to submit to a reasonable suspicion alcohol or drug test or if they have a reasonable suspicion alcohol concentration of 0.04% or greater or a drug test with a verified positive test result.

2. Any covered employee who has engaged in conduct in violation of Section III concerning the use of alcohol or has had an alcohol test with a result of 0.02% to 0.04% BAC or greater shall not perform a safety-sensitive function until the employee has submitted to a return to duty alcohol test with a verified negative result. In addition, the employee will be evaluated by the SAP and develop a treatment methodology, if necessary.

XIII. RETURN TO DUTY/FOLLOW-UP TESTING

A. Preface

Covered employees who have alcohol test results of 0.04% BAC or greater or who test positive for drugs are subject to return-to-duty testing and are also subject to unannounced follow-up alcohol and/or drug test following their return to duty.

B. Procedures

1. Return to duty test

- a. Any covered employee who has engaged in conduct in violation of Section III concerning the use of alcohol or had an alcohol test with a result of 0.04% BAC or greater shall not return to duty until the employee has submitted to a return to duty alcohol test with a verified negative result. In addition, the employee will be evaluated by the SAP and develop a treatment methodology, if necessary.
- b. Any covered employee who has engaged in conduct in violation of Section III concerning the use of drugs or who has had a drug test with a positive result shall not return to duty until the employee has submitted to a return to duty drug test with a verified negative result. In addition, the employee will be evaluated by the SAP and develop a treatment methodology, of necessary.

2. Follow-up testing

- a. If an employee tests positive for either alcohol or controlled substances, he/she will be subject to unannounced follow-up alcohol and controlled substances tests following his/her return to duty. The number and frequency of such follow-up testing shall be as directed by the SAP and consist of at least six (6) tests in the first twelve (12) months following the employee's return to duty.
- b. Follow-up testing shall not exceed sixty (60) months from the date of the employee's return. The SAP may terminate the requirement for follow-up testing at any time after the first six (6) tests have been administered if the SAP determines that such testing is no longer necessary.
- c. Follow-up alcohol testing shall be conducted only when the employee is performing safety-sensitive functions, four (4) hours before the employee is to perform safety-sensitive functions, or (4) four hours

after the employee has ceased performing safety-sensitive functions.

- d. Follow-up drug testing may be conducted at anytime while the employee is at work for the City.

C. Consequences

1. Covered employees shall be subject to the referral, evaluation, and rehabilitation requirements contained herein and may be subject to the disciplinary consequences of Section VI if they refuse to submit to a return-to-duty or a follow-up alcohol or drug test or if they have a return-to-duty or follow-up alcohol test with a result indicating a BAC of 0.04% or greater or drug test with a verified positive test result.
2. Any covered employee who has engaged in conduct in violation of Section III concerning the use of alcohol or who has had an alcohol test with a result of 0.02% to 0.04% BAC or greater shall not return to duty until the employee has submitted to a return-to-duty alcohol test with a verified negative result. In addition, the employee will be evaluated by the SAP and develop a treatment methodology, if necessary. In addition, the employee may be subject to the disciplinary consequences of Section VI if they refuse to submit to a return-to-duty or a follow-up alcohol or drug test or if they have a return-to-duty or follow-up alcohol test with a result indicating a BAC of 0.04% or greater or drug test with a verified positive test result.

XIV. DOCUMENT DISTRIBUTION AND TRAINING

A. City's Alcohol and Drug Testing Programs and Procedures

Every employee who is covered by the federal alcohol and drug testing regulation as explained in this program shall be provided with a copy of this program prior to the start of alcohol and drug testing. Each employee is required to sign a statement certifying that he or she has received a copy of this program. The City will maintain the original of the signed document in the official personnel file and will provide a copy of the certificate to the employee.

B. Required Training for Covered Employee

Every covered employee will receive a one (1) hour training course on the City's Alcohol and Drug Testing Programs and Procedures. Each employee will sign an attendance roster and will receive a certificate of completion of this training. A copy of the certificate of completion will be placed in the employee's official personnel file. Every subsequent year, refresher training will be provided.

C. Supervisory Training

All supervisors of covered employees will receive a minimum of one (1) hour of training for alcohol and one (1) hour for drugs related to the City's Alcohol and Drug Testing Program and Procedures. In addition, the supervisor will be trained on alcohol and drug usage and impairment with strategies for dealing with these types of issues. Each supervisor will sign an attendance roster and will receive a certificate of completion of this training. A copy of the certificate of completion will be placed in the supervisor's official personnel file. Every subsequent year, refresher training will be provided.

CERTIFICATE OF RECEIPT
OF CITY OF MORGAN HILL & AFSCME, LOCAL 101
DRUG AND ALCOHOL TESTING PROGRAM

I, _____, understand that I am employed by the City of Morgan Hill in a position that is covered by the federal alcohol and drug testing regulations, and that I will be subject to the alcohol and drug testing programs described in this program which implements those federal alcohol and drug testing regulations. I hereby certify that the City has provided me with a copy of this program. I understand that the City will maintain the original of the signed certificate and that I will be provided a copy of the certificate. I also understand that federal law requires the City to ensure that I have been provided with a copy of the City's alcohol and drug testing program and also requires me to sign this statement certifying my receipt of a copy of this program.

Date _____
Signature of Employee

I hereby acknowledge that I asked for and received a copy of this certificate of receipt.

Date _____
Signature of Employee



CITY OF MORGAN HILL
LAST CHANCE AGREEMENT

CITY OF MORGAN HILL *This Last Chance Agreement is created to assist you in understanding the severity of the issues being confronted and the City's desire that you be successful in resolving of these concerns. Successful completion of this Agreement will prevent further disciplinary action toward you for the issues stated hereafter.*

EMPLOYEE NAME: _____

EMPLOYEE CLASSIFICATION: _____

DEPARTMENT: _____

NATURE OF THE INCIDENT:

CREATED PROGRAM FOR REHABILITATION: This may include day treatment, night programs, residential programs or some form of counseling as developed by the Substance Abuse Professional in concert with the employee.

NUMBER OF TESTS REQUIRED FOR UNANNOUNCED TESTING IN COMPLIANCE WITH THIS AGREEMENT: _____

THE AGREEMENT:

I, _____, agree to comply with the guidelines and procedures entailed in the City's Drug and Alcohol Testing Program and the conditions established in the rehabilitation program. I understand that periodic unannounced samples will be taken as a condition of continued employment. Any positive test as a result of unannounced testing will be considered a violation of this last chance agreement. Should I successfully complete the rehabilitation program described above and successfully maintain negative test results for a duration of one (1) year for alcohol and five (5) years for drugs, this agreement shall be null and void and a notice of completion shall be placed in my alcohol and drug file. Another incident of drug and/or alcohol use after completion of this process shall not be subject to a second last chance agreement and I will be terminated as outlined in Section VI of the Program.

Signature of Employee

Date