

MEMORANDUM OF UNDERSTANDING

BETWEEN

SAN MATEO COUNTY HARBOR DISTRICT

AND

TEAMSTERS UNION LOCAL NO. 856



July 1, 2015 — June 30, 2018

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MEMORANDUM OF UNDERSTANDING
Between
SAN MATEO COUNTY HARBOR DISTRICT
And
TEAMSTERS UNION LOCAL NO. 856

This Memorandum of Understanding (MOU) is entered into pursuant to the provisions of Section 3500 et seq. of the Government Code of the State of California.

The San Mateo County Harbor District and Teamsters Union Local No. 856 have met and conferred in good faith regarding wages, hours, and other terms and conditions of employment for the Employees in said representation unit and have freely exchanged information, opinions, and proposals and have reached agreement on all matters relating to the employment conditions and Employer-Employee relations of such Employees.

This MOU shall be presented to the Board of Harbor Commissioners of the San Mateo County Harbor District for its consideration and approval on May 4, 2016 as the joint recommendation of the undersigned parties for salary and Employee benefit adjustments for the three-year period commencing July 1, 2015 ending June 30, 2018.

SECTION 1. RECOGNITION

1.1 Union Recognition

TEAMSTERS UNION LOCAL NO. 856 hereinafter referred to, as the "Union" is the recognized Employee organization for the classifications listed in Section 4.1 of the MOU.

1.2 District Recognition

The General Manager, or any person or organization duly authorized by the General Manager, is the representative of the San Mateo County Harbor District, hereinafter referred to as the "District", in Employer-Employee relations.

SECTION 2. UNION SECURITY

The Union agrees that it has the duty to provide fair and non-discriminatory representation to all employees in all classes in the units for which this section is applicable regardless of whether the employees are members of the Union.

2.1 Agency Shop

All employees employed in a classification represented by Teamster's Union ("IBT") Local 856 shall, with the exception of those who are management, confidential, or supervisory employees as defined in District Policy 6.1.20, as a condition of employment either:

1. Become and remain a member of the Union, or:
2. Pay to the Union an agency fee in an amount that does not exceed an amount which may be lawfully collected under applicable constitutional statutory, and case law (e.g. *Hudson v. Chicago Teachers Union, Local 1, AFL-CIO*), which shall be less than the monthly dues paid during the duration of this Memorandum of Understanding, it being understood that it shall be the sole responsibility of the Union to determine an agency fee which meets the above criteria; or
3. Do both of the following:
 - a. Present to the Union and the District General Manager a written declaration that the employee is a member of a bona-fide religion, body, or sect which has historically held a conscientious object to joining or financially supporting any public employee organization as a condition of employment; and
 - b. Pay a sum equal to the agency fee described above to one of three negotiated non-religious, non-labor charitable funds that are exempt from taxation under Section 501 (c) (3) of the Internal Revenue Code.

2.2 Compliance

If any currently employed employee fails to authorize one of the above deductions within thirty (30) calendar days of hire into a classification covered by this MOU, the District shall voluntarily deduct the agency fee from the employee's paycheck. The District shall determine the timing of such automatic deductions.

2.3 Maintenance of Membership

All employees who are member of IBT Union Local No. 856 and all employees who become members of IBT Union Local No. 856 shall continue to pay dues for the duration of this Memorandum of Understanding and each subsequent Memorandum of Understanding thereafter. For a period of one hundred and ten to ninety (110-90) days prior to the expiration of the Memorandum of Understanding and one hundred and ten to ninety (110-90) days prior to the expiration of any subsequent Memorandum of Understanding, any employee who is a member of IBT Union Local No. 856 shall have

the right to withdraw from the Union. Said withdrawal shall be communicated by the employee during that period of time in writing to the District General Manager to be delivered by certified mail and must be postmarked during the one hundred and ten to ninety (110-90) day period.

2.4 Forfeiture of Deduction

If, after all other voluntary and insurance premium deductions are made in any pay period, the balance is not sufficient to pay the deduction of Union dues, agency fee, or charity fee required by this section, no such deduction shall be made for the current pay period.

2.5 Reinstatement

The provision of 2.1 above shall not apply during periods that an employee is separated from the representation unit, but shall be re-instated upon the return of the employee to the representation unit. For the purpose of this section, the term separation includes transfer out of the representation unit, layoff, and leave of absence without pay.

2.6 Payroll Deductions

The Union may have the regular dues of its members within the representation unit deducted from employee's paychecks under procedures prescribed by the District Finance Director for such deductions. Dues deductions shall be made only upon signed authorization from the employee upon a form furnished by the District, and shall continue until, (1) such authorization is revoked, in writing, by the employee; or (2) the transfer of the employee out of the representation unit.

2.7 Rescinding Agency Shop

In the event that employees in the representation unit vote to rescind Agency Shop, the provisions of Section 2.3 Maintenance of Membership, shall apply to dues paying members of the Union.

2.8 District Obligations

1. Any new employees hired into positions covered by this Memorandum of Understanding shall be provided by the District with and shall execute an "Employee Authorization for Payroll Deduction" form selecting one of the following: (1) Union Dues; (2) Agency Fee; or (3) if he/she qualifies, a fee equal to agency fee payable to one of the three negotiated charities.

2. All dues and service fee deductions shall be transmitted to IBT Union Local No. 856 in an expeditious manner.
3. All transmittal checks shall be accompanied by documentation, which denotes the employees name, social security number, and amount of deduction and member of fee payer status.
4. The District shall hand out agreed upon Union materials along with the Agency Shop forms.

2.9 Hold Harmless and Union Obligations

The Union shall indemnify, defend, and save the District harmless against any and all claims, demands, suits, orders, judgments, or other forms of liability that arise out of Section 2.1 — 2.8, or action taken or not taken under these Sections. The Union shall keep an adequate itemized record of its financial transactions, and shall make available annual to the District and to bargaining unit members, within sixty (60) days after the end of its fiscal year, a detailed written financial report in the form of a balance sheet and an operating statement, certified as to its accuracy by its president and treasurer, or corresponding principal officer, or by a certified public accountant.

2.10 Employee Rights

The Union, on behalf of the Employees it represents, retains all rights granted to it by the Meyers-Milias-Brown Act.

2.11 Union Representatives

Employees who are official representatives of the Union shall be given reasonable time off with pay to attend meetings with management representatives, or to be present at the hearing where matters within the scope of representation or grievances are being considered. The use of official time for this purpose shall be reasonable and shall not interfere with the performance of District services as determined by the District. Such employee representative shall submit a written request for an excused absence, to the District's General Manager at least two (2) working days prior to the scheduled meeting whenever possible. Except by mutual agreement, the number of employees excused for such purposes shall not exceed one (1) for each site.

2.12 Access to Work Locations

Reasonable access to Employee work locations shall be granted to officers of the Union and their officially designated representatives for the purpose of processing grievances or contacting members of the Union concerning business within the scope of representation. Access shall be restricted so as not to interfere with the normal operations of the department or with established safety of security requirements.

Solicitation of membership and activities concerned with internal management of the Union, such as collecting dues, holding membership meetings, campaigning for office, conducting elections, and distributing literature shall not be conducted during working hours.

2.13 Use of District Facilities

Employees of the Union or their representatives may, with the prior approval of the District's General Manager, be granted use of District facilities for meetings of District Employees provided space is available.

The use of District equipment other than items normally used in the conduct of business meetings, such as desks, chairs, and blackboards, is strictly prohibited, the present of such equipment in approved District facilities notwithstanding.

2.14 Bulletin Boards

The Union may use portions of the District bulletin boards under the following conditions: All materials must be dated and must identify the Union that posted them.

Unless special arrangements are made, materials posted will be removed thirty-one days after the publication date.

The District agrees to provide bulletin boards in reasonable locations and designate a reasonable portion thereof for Union use. If the Union does not abide by these rules, it will forfeit its right to have material posted on District bulletin boards.

2.15 Advance Notice

Fourteen-day written notice shall be given to the Union and Stewards of any ordinance, rule, resolution, or regulation relating to matters within the scope of representation proposed to be adopted by the District. The Union shall be given the opportunity to meet with the District's General Manager or his designee prior to the date of the adoption. In the event of an emergency necessitating immediate action, the District's General Manager or his designated representative shall notify the Union in writing within 72 hours of the adoption by the Board and upon request, meet with the Union and Steward within 14 calendar days of the adoption.

2.16 District Rights

The rights of the District, except as modified by this Agreement include, but are not limited to, the exclusive right to determine the mission of its constituent departments, commissions, and board; set standards of service; determine the procedures and

standards of selection for employment and promotion' direct its Employees; take disciplinary action; relieve its Employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means, and personnel by which governmental operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and to exercise complete control and discretion over its organization and the technology of performing its work.

2.17 No Discrimination

There shall be no discrimination based on race, creed, color, national origin, sex, sexual orientation or legitimate Union activities against any Employee or applicant for employment by the Union or by the District or by anyone employed by the District; and to the extent prohibited by applicable state and federal law, there shall be no discrimination because of age. There shall be no discrimination against any disabled person solely because of such disability unless that disability prevents the person from meeting the minimum standards established, with or without reasonable accommodation.

SECTION 3. DEFINITIONS

3.1 Overtime

The District will establish a regular and recurring workweek for each Employee. The beginning time and day of the week of each Employee's workweek will appear on a schedule posted by the District. Overtime shall be defined as all authorized (See Section 4.4.1 — Authorization of Overtime) time worked by an employee in excess of the Employee's regularly scheduled days off, or in excess of forty (40) hours in the Employee's workweek, except for those on an Alternative Workweek schedule overtime shall be defined as over eighty (80) hours during the two-week pay period. Overtime shall be compensated at the rate of one and one-half times the Employee's regular rate of pay. Changes in a regularly scheduled workweek shall not in itself cause or incur overtime. EIB to be counted as time worked when calculating overtime. The District's workweek is Sunday through Saturday.

3.2 Paid Time Off (PTO) Plan

The Paid Time Off (PTO) plan is a benefit designed to provide the Employee with paid personal time away from work. PTO can be used for vacation, religious observances, personal or family business, short-term illness, health or dental appointments, or any other reason deemed appropriate by the Employee to maintain continuity of pay. PTO can be used due to emergencies or natural disasters. Eligibility begins with the first day of employment in a regular, full-time status. (Section 5.1).

3.3 Paid Time Off (PTO) Bank

Individual Employee account containing accrued hours designated for vacation, the occasional sick day, or other personal needs.

3.4 Extended Illness Bank (EIB)

Individual Employee accounts containing accrued hours designed for the severe or long-term illness. EIB is not to be used for regular or routine physician or dental appointments for self or family, unless the employee applies, qualifies and is determined to be eligible for FMLA. The EIB may be used when an Employee is in one of these circumstances:

Is admitted to a hospital or has a surgical procedure performed in a hospital or a surgery center;

Otherwise qualifies for State Disability benefits; is eligible for Workers' Compensation benefits; or

When PTO has been consecutively used for the equivalent of one (1) week's work (50% of the scheduled hours in a pay period) and a physicians' verification of illness is provided.

Any other time when Employee requires time off for bona fide medical purposes of Employee or Employee's immediate family, and the attending physician's verification of attendance is provided.

3.5 Call Back

Anytime an Employee is called back to work outside of scheduled working hours.

SECTION 4. SALARIES AND OTHER COMPENSATION

4.1 Rates of Pay Refer to Appendix A

A new Employee or a newly promoted Employee shall be classified as a Probationary Employee pursuant to and in accordance with the provisions of Section 5 Promotion Standards of this MOU.

Unpaid leaves (including suspensions) will extend the amount of time between the annual step increases by the length of the leave.

4.2 Off-Salary Schedule Incentive Pay

Effective upon adoption of this MOU by the Board of Commissioners, all bargaining unit employees on the payroll as of the effective date shall receive a one-time off salary schedule, non-PERSable payment of \$2000.00.

4.3 Salary on Temporary Promotion

An Employee assigned to a higher classification to fill a vacancy caused by sick leave or other absence, or any other reason stipulated by the Board of Harbor Commissioners, and who serves in said higher classification for fifteen (15) consecutive work days, shall thereafter be paid the salary, of the higher at the same step of his/her previous classification. He/she shall receive this salary beginning with the sixteenth (16) consecutive work day and continuing as long as he/she continues to serve in said higher classification and shall be entitled to receive increases within the range for the position as though he/she had been appointed on the day he/she began to receive the salary designated for the position. The fifteen (15) day waiting period shall apply each time a regular employee is assigned to a higher classification.

4.4 Overtime Authorization

The District's General Manager or his/her designated representative must authorize all overtime suffered or permitted in writing in advance of being worked where reasonable and practical, however in any case, overtime shall be approved by employee's immediate supervisor.

4.5 Call Back

Any time an Employee is called back to work outside of regular work hours, he/she shall receive PTO for all hours worked, with a minimum of three (3) hours credit even though less time may have been worked. If the call back results in the Employee exceeding 40 hours in the work week the PTO shall be credited at the rate of 1.5 hours PTO per hour of call back, always subject to the 3 hour minimum described above.

Continuation of work beyond a previously scheduled work period is not deemed to be a call back.

SECTION 5. PROMOTION STANDARD

5.1 Probationary Period

INITIAL PROBATION: All original appointments shall be subject to a probationary period lasting not less than twelve (12) months of actual service and may be extended by the District for a period not to exceed six (6) additional months, or as provided in Section 5.2. All promotional appointments shall be subject to a probationary period lasting not less than six (6) months of actual service in the position to which the Employees has been promoted and may be extended by mutual agreement not to exceed six (6) additional months, or as provided in Section 5.2. Training to complete required courses as may be established by the District. During or before such probationary period the Employee is expected to obtain the training and qualifications necessary to be promoted to the position as a regular permanent Employee to which the probationary appointment was made. During the initial probationary period an employee may be rejected at any time by the General Manager without cause and without the right of appeal. The department head or facility manager shall evaluate the performance of the probationary Employee, and shall submit an evaluation report to the General Manager at the end of the third and sixth month of the Employee's probationary period, or more frequently if desired by the facility department head or facility manager or General Manager.

PROMOTIONAL PROBATION: All promotional appointments shall be subject to a probationary period lasting not less than six (6) months and which may be extended by the District for a period not to exceed six (6) additional months; or as provided in Section 5.3 Training to complete required courses. An employee promoted to a position for a probationary period, if rejection for promotion by the General Manager during that period, shall be returned to the lower job class, and reasons for the rejection shall be provided to the Employee in writing. There shall be no appeal of the General Manager's decision to reject promotion from probation.

5.2 Training

Any employee who fails to complete a scheduled required course of who is unable to schedule a required course through no fault of the employee within the time frame that would permit normal advancement, shall not be penalized for said non-completion. Alternative required training shall be provided at the discretion of the District. Additionally, the Employee shall be advanced to the next pay level for a six (6) month provisional period, which shall also be a probationary period. If an Employee still is unable to schedule a required course through no fault of the Employee, and has otherwise successfully completed the probationary period, he/she shall remain in the provisional probationary status for an additional period not to exceed six months or until such time as he/she can schedule the required course or courses. The total time of the "provisional probationary period" provided to schedule and complete required training shall not exceed 12 months. Advancement from provisional probationary status shall be

conditioned upon successful completion of all required courses. Should the Employee not complete the course or courses successfully within 18 months of promotion (a provisional probationary status), he/she shall be rejected from the provisional probationary status and return to the lower job class. This does not constitute a disciplinary action on the part of the District, and there is no right of appeal for rejection from provisional probationary status.

The District shall pay the direct costs of required training courses including required alternative training, including tuition, books, lodging, food, travel, etc. for each Employee. The Employee and his/her supervisor shall schedule time off for required training.

The District shall work with its Managers and Employees to establish a roster of training courses, which would benefit the Employee and the District. Once an Employee has undertaken and passed all courses required by the District for advancement purposes, additional courses may be established for continuing education, enrichment, and other reasons to the benefit of the District and the Employee.

5.3 Evaluations: Performance Reviews

Department heads or facility managers of the General Manager and any other immediate supervisor of an Employee shall complete annual Employee performance reviews just prior to Employee's anniversary date of hire or promotion as applicable or otherwise consistent with Section 17.03 of the District's Personnel Rules and Regulations. Notwithstanding any other provisions of this Memorandum of Understanding, an Employee's promotion or advancement from probationary status or from any other employment status as defined by the Harbor District Personnel Rules and Regulations, shall be conditioned upon a satisfactory performance review for the year or probationary period preceding the date upon which promotion or advancement would otherwise occur. No Employee shall be adversely affected if his/her performance review is not completed in a timely manner as provided for elsewhere in this section.

Performance reviews will include an evaluation of achievement of performance goals agreed upon by the Employee and his/her supervisor at the start of the work period to which the performance review applies. Reviews shall be completed within thirty (30) days of the due date, or the performance review shall be deemed satisfactory, unless the delay is due to unforeseen circumstances. If the latter occurs, an additional thirty (30) days will be provided for completion of the performance review. If the performance review is still not completed after the additional thirty (30) days period, i.e. sixty (60) days after the due date, the review shall be deemed satisfactory. However, no Employee shall be adversely affected if his/her performance review is not completed in a timely manner as provided for elsewhere in this section.

5.4 Pay Basis For Benefits and Contributions

In the event of adjustments to the salary level, adjustments shall be used as the basis for CalPERS and any other plan that utilizes earnings as the basis for contributions.

SECTION 6. HEALTH AND WELFARE AND INSURANCE

6.1 Medical

Upon adoption of this MOU the District shall pay to the Teamsters Union Local No. 856 Health and Welfare Trust Fund, for each employee who worked eighty (80) or more hours in the preceding calendar month, the contribution cost established by the trustee of the Trust which will provide active employees with the following benefits pursuant to and in accord with Benefit Plans maintained by the Teamsters Union Local No. 856 Health and Welfare Trust Fund.

Effective July 1, 2017 all employees who worked eighty (80) or more hours in the preceding calendar month shall pay through payroll deductions to the Teamsters Union Local No. 856 Health and Welfare Trust Fund seven percent (7%) of the contribution cost established by the trustee of the Trust which will provide active employees with the following benefits pursuant to and in accord with Benefit Plans maintained by the Teamsters Union Local No. 856 Health and Welfare Trust Fund.

- Medical Plan AA, NO/DED
- Dental 2 (AA)
- Ortho
- Vision No/DED
- Drugs
- Life/AD&D (\$5,000)
- Retirees

Any regular, full-time employees who provide evidence of alternative health and medical insurance may opt to withdraw from the District's health and medical insurance program. If the District will affect savings as a result of not having to pay premiums for these employees who withdraw from the program, fifty percent (50%) or \$765.00, whichever is less of such savings shall be returned to the individual in the form of a bonus payable concurrent with regular payroll. For employees who are eligible for the single plan coverage but opt out, they shall receive Fifty percent (50%) or \$765.00, whichever is less of District savings from the premiums for the single rate. Likewise, for employees eligible for the family plan but opt out, they shall receive first percent (50%) or \$765.00, whichever is less of District savings from the premiums of the family rate.

At such time as regulations are issued implementing the Affordable Care Act ("ACA"), the District and the union will meet to discuss the impact, if any, of such regulations on any

benefit offered by the District. If modifications to the benefits, eligibility for coverage, employer or employee contribution to the cost of insurance or any other provisions of the benefits plans covered by this MOU will be modified by the ACA during the term of this agreement, it is agreed that the District and the union will meet and confer over the impact and effect of the mandated changes.

6.2 Medical Examination of Employees

Fitness for Duty Examination

If the General Manager has reason to believe that an Employee is not mentally or physically competent to perform assigned duties, or may represent a risk to coworkers or the public, the General Manager may require the Employee to undergo a fitness for duty examination and to present a written report from a physician designated by the General Manager certifying the Employee's mental or physical competency to perform his or her essential job duties, with or without reasonable accommodation.

6.2.1 Disability Accommodation

An Employee who has a mental or physical disability and cannot be reasonably accommodated, based upon a physician's medical opinion and an interactive process with the Employee, may appeal to the General Manager within ten (10) days of the date of a written notice of inability to accommodate. The General Manager shall appoint a medical specialist not in the District service to conduct a second fitness for duty evaluation and to report the findings in writing. Subject to budget limitations, this evaluation shall be conducted at the cost of the District. The General Manager will review the findings of the medical specialist, conduct a further interactive process with the employee as warranted by the second fitness for duty report, and will determine whether the employee's disability can be reasonably accommodated. The General Manager will provide the Employee written notice of his/her determination on the appeal.

6.2.2 Appeals

Failure to appeal within the appeal periods provided above shall constitute a waiver of appeal and shall cause all appeal rights for the rejection in question to be lost.

6.2.3 Limited Duty

An employee who has a disability that the General Manager had determined cannot be accommodated, or an Employee whose appeal under this section is denied, may request the District to provide an employment accommodation for limited duty consistent with applicable laws for a period of time not to exceed ninety (90) days. At

the conclusion of the period of limited duty, the Employee shall undergo a fitness for duty examination by a physician who shall be selected by the General Manager from a list of three physicians provided by the San Mateo County Medical Association and reviewed by the General Managers and Teamsters Union Local No. 856. The physician so selected shall be agreeable to both the General Manager and Teamsters Union Local No. 856. After reviewing the physician's fitness for duty report, and conducting any further interactive process with the Employee as warranted by the report, the General Manager will determine whether the District can reasonable accommodate the Employee in his or her original job position. If the Employee cannot be accommodated in his/her original job position, and the District in unable to provide a permanent, non-limited duty employment accommodation, the General Manager shall give notice of intent to terminate employment, and if the Employee has sufficient years of service accrued, he/she may simultaneously apply for disability retirement through the Public Employees Retirement System. The Employee has the right to appeal any final notice to terminate employment through the discipline appeal procedure of this MOU.

SECTION 7. CALIFORNIA PUBLIC EMPLOYEES RETIREMENT SYSTEM (CalPERS)

For classic members, the District contracts with CalPERS to provide 2.5% at 55 for Local Miscellaneous member's retirement plan.

The District shall contribute to CalPERS at the rate required by law and the plan to maintain the Employer's contributions.

With respect to the employees required portion of the contribution to CalPERS effective upon adoption of the MOU, employee's hired on or before July 1, 2009, will contribute 2% of their base salary through payroll withholding and the District shall pay 6% of the employee contribution. Effective July 1, 2016 the employee will contribute 3% of their base salary through payroll withholding and the District shall contribute 5% of the employee's contribution. Effective July 1, 2017 the employee will contribute 4% of their base salary through payroll withholding and the District shall contribute 4% of the employee's contribution.

Contributions made pursuant to this section on behalf of the Employee shall be reported to CalPERS as "employee contributions being made by the contracting agency". The District will not treat these contributions as compensation subject to income tax withholding unless the Internal Revenue Service or Franchise Tax Board determine that such contributions are taxable and require the District to do so.

Each Employee is solely and personally responsible for any federal, state, or local tax liability of the Employee that may arise out of the implementation of this section of any penalty that may be imposed as a result.

With respect to the employee's required portion of the contribution to CalPERS, effective upon adoption of the MOU, employees hired on or after July 1, 2009, but before January 1, 2013, will contribute 7% of their base salary through payroll withholding of the employee's CalPERS contribution, and the District shall pay 1% of the employee contribution. Effective July 1, 2016, all employees shall pay the full employee contribution as determined by CalPERS; the District shall not pay any portion of the required employee contribution.

Employees shall pay the full employee's share of CalPERS as determined by CalPERS through payroll withholding; the District shall not pay any portion of the required employee contribution.

New members as defined by PEPRA who are hired by the District on or after January 1, 2013 will be provided a retirement benefit formula of Miscellaneous Employees 2% at age 62 with 3-year final compensation.

For employees who are hired by the District in a miscellaneous classification on or after January 1, 2013, and who are deemed by CalPERS to be "classic" members shall pay the post 2009 employee contribution. Effective July 1, 2016 employees shall pay the full employee's share of CalPERS as determined by CalPERS through payroll withholding; the District shall not pay any portion of the required employee contribution.

SECTION 8. TIME OFF ACCRUAL SYSTEM

8.1 PTO and EIB

PTO and EIB hours accrue on a bi-weekly pay period. The accrual rates for employees hired prior to July 1, 2009 are set forth as follows:

Each employee will be entitled to Twenty-Five (25) PTO days (hourly equivalent= .0962) annually for the first Five (5) years of employment. After Five (5) years of employment, the following schedule will apply:

6-10 years	11-15 years	16-20 years	21 and above
30 days = .1154	35 days = .1346	40 days = .1538	45 days = .1731

PTO can be carried over from year to year. The District shall keep a separate accounting of overtime-converted PTO. Employee must draw from the overtime- converted PTO bank first, before drawing from other PTO. An Employee may accrue a combined total of 540 hours of overtime-converted PTO and other PTO. As of July 1, 2009, employees will no longer accrual hours for the overtime- converted PTO bank. All overtime hours shall be paid with the employee's next regularly scheduled payroll check. An employee will stop earning PTO once he or she has accrued 480 hours.

The accrual rates for employees hired after July 1, 2009 are set forth as follows:

Year of Service	Hourly accrual	Per pay period	Annual accrual
0-4 years	.0770	6.16	20 days per year
5-14 years	.0962	7.70	25 days per year
15-24 years	.1154	9.23	30 days per year
25+	.1346	10.77	35 days per year

Maximum accrual for new employees is 240 hours.

Holidays

Regular full-time employees shall be entitled to observe all authorized holidays at full pay, not to exceed eight hours for any one (1) day. A holiday shall be defined as eight (8) hours

of paid time off for regular full-time employees, regardless of whether an employee is on an alternative or flexible work schedule.

The following are authorized holidays:

10 Holidays (as listed below) plus Three floating holidays

New Year's Day	January 1
Martin Luther King Day	3 rd Monday in January
President's Day	3 rd Monday in February
Memorial Day	Last Monday in May
Independence Day	4 th of July
Labor Day	First Monday in September
Veteran's Day	November 11 th
Thanksgiving Day	4 th Thursday in November
Day after Thanksgiving	4 th Friday in November
Christmas Day	December 25

If any of the above holidays fall on a weekend (Saturday or Sunday), the holiday shall be celebrated on the date determined by the federal or state government. Employees may elect to substitute any other recognized holiday for Christmas Day. Such substitution must be requested at least fourteen (14) days in advance and approval obtained from the employee's supervisor.

8.2 Extended Illness Bank

EIB accrual rates shall be equivalent of 3.08 hours biweekly. There is no maximum number of EIB hours that may be accumulated. EIB hours accrued may be converted to service credit as permitted by law. In no event may an employee receive cash out of EIB at any time.

8.3 Emergencies

Employees not able to report to work because of an emergency must advise their supervisor at the earliest possible time of their inability to report to work.

8.4 Requests for Scheduled PTO

Accrued PTO will be granted upon approval by the Employee's Manager. Unless otherwise agreed, the Employee must request PTO as least fourteen (14) days in advance. Such requests shall not be unreasonably denied. Employee using PTO for personal emergencies or other situations where scheduling is impractical shall notify their supervisor at the earliest possible time of their inability to work.

8.5 Payment of PTO and EIB

The pay rate for time provided under this section (PTO and EIB) shall be at the straight time rate of pay exclusive of differentials and shall be payable on the same bi-weekly schedule as regular earnings, except that PTO earned after forty (40) hours of work in a workweek shall be paid at the FLSA regular rate. PTO and EIB paid in regular paycheck according to the Employee's regularly scheduled number of hours of work not to exceed either (80) hours in any such pay period.

Employees who work a District holiday listed in this section shall continue to receive holiday compensation regardless of which shift the Employees work at the rate of overtime as specified in Section 3.1 and Section 4.1 Requests for advance payment of accrued PTO shall be for an amount equal to or less than eighty (80) hours, but in no case shall cash advances on an Employee's PTO bank exceed a maximum of one hundred sixty (160) hours per calendar year, consistent with District Policy 6.3.5 as amended by Resolution 33-99.

When an employee elects to take PTO or EIB benefits for a day when also receiving State Disability or Workers' Compensation benefits, the District's payment shall be integrated with those benefits so that the total payment for such day equals but does not exceed the Employee's regular pay for scheduled hours.

Upon separation from the District or retirement, all PTO hours accrued and unused will be paid to the Employee. EIB hours will not be paid upon termination. If an Employee leaves the District's employ for less than one (1) year and returns to eligible status, EIB hours accrued prior to the Employees departure shall be reinstated.

8.6 Leave

8.6.1 Leave of Absence

The General Manager may grant regular permanent Employees a Leave of Absence without pay for a period not to exceed one (1) year, when such leave and the reasons therefore is requested by the Employee in writing and approved by the Board of Harbor

Commissioners and Employee's Facility Manager. A Leave of Absence without pay will not become effective until such time as all accumulated PTO is taken.

The Employee shall return to work promptly on completion of the leave. Failure to do so will subject the Employee to termination of employment. Service credits and benefits shall not accrue while the Employee is on a Leave of Absence without pay.

8.6.2 Jury Duty

An Employee summoned to jury duty shall inform his/her supervisor and, if required to serve, may be absent from duty with full pay; provided, however, the Employee must remit to the District, within fifteen (15) days after receipt, all fees received except those specifically allowed for mileage and expenses, and the Employee shall provide the District with written proof of having attended jury duty. When the Employee is released from jury duty any day before noon, he/she shall report to work promptly for the balance of his/her scheduled shift or workday.

The District recognizes the civic duty of an Employee to serve on an impaneled jury. Time actually served on a jury shall not be charged against PTO.

8.6.3 Voting

The District recognizes the civic duty of an Employee to vote. Time off for two (2) hours for voting will be granted and will not be charged against PTO, provided that the Employee provide the District with written proof of having voted; such proof may include the voting stub from the Employee's ballot.

8.6.4 Military Duty

The District recognizes the civic responsibility of an Employee to serve in the Reserve and National Guard Components. Compulsory Military Reserve or National Guard leave for regular scheduled summer training periods shall be granted in accordance with the laws of the State of California and the Federal Government. Employees called to active duty during periods of declared state or federal emergency shall be granted the appropriate leave of absence.

The District will accommodate the drilling requirements of the Employee when scheduling the Employee's work periods, as required by law.

8.6.5 Maternity Leave

The District shall grant maternity leave in accordance with the laws of the State of California and the Federal Government. Should the District develop a Maternity leave plan

more liberal than that required by the State of California or the Federal Government, the more liberal plan will apply.

8.6.6 Family Care Leave

The District shall grant family care leave in accordance with the laws of the State of California and the Federal Government. Should the District develop a Family Care Leave plan that is more liberal than that required by the State of California or the Federal Government, the more liberal plan will apply.

8.6.7 Industrial Disability Leave

Employees who suffer any disability arising out of and in the course of their employment, as defined by the Workers' Compensation Laws of the State of California shall be entitled to disability leave while so disabled for the period of such disability to a maximum of one (1) year, or retirement, whichever occurs first. Compensation benefits shall be determined and paid in accordance with the Worker's Compensation Laws of the State of California. Integration of PTO and Worker's Compensation will be in accordance with the Laws of the State of California and shall accommodate the Employee, if permitted by Law. The District reserves the right to withhold payment of any disability benefits until such time as a determination is made whether or not the illness or injury is covered by Worker's Compensation.

8.6.8 Bereavement Leave

All regular-full-time or regular part-time employees who has a member of his/her immediate family taken by death shall receive up to three working days off with pay, regardless of shift as bereavement leave. In the event of activities out of state, such employee will be granted up to five (5) working days off with pay.

"Immediate family" shall be defined as spouse, significant other, domestic partner, father, mother, children, brother, sister, grandmother, grandfather, father-in-law, mother-in-law, sister-in-law, brother-in-law; grandchildren; step children and a child for whom the employee has parenting responsibilities, legal guardian, or any other person who is permanently residing in the household of the employee.

If additional time is necessary, it shall be taken as PTO or unpaid leave if PTO has been exhausted with advance authorization by the appropriate Department Head.

8.6.9 Notification of Supervisor

The employee must notify his/her immediate supervisor upon making determination to take bereavement time off work.

SECTION 9. SEVERANCE

In the event that the Employee is terminated from the employ of the District because of a reduction in force, general lay-off, dissolution of the District, or other similar, non-disciplinary reason beyond the control of the Employee, said Employee shall be entitled to Severance Pay as follows:

For each year of service, the Employee shall receive an amount equal to two (2) weeks' pay, to a maximum of one (1) years pay for twenty-four (24) years' service. The Severance pay shall be computed at the highest salary achieved by the Employee over the last three (3) years of service.

The employee shall receive all accumulated PTO.

The District will provide professional placement services to the Employee as necessary to place Employee in a similar or superior position, for a period not to exceed six (6) months.

SECTION 10. LAYOFF AND RE-EMPLOYMENT

- (a) Whenever, in the judgment of the Harbor Commission it becomes necessary in the interest of the economy or because the necessity for the position involved no longer exists, the Harbor Commission may abolish any position or employment with the District and layoff, reassign, demote, or transfer an employee holding such position or employment without filing written charges. The General Manager may likewise layoff an employee of the District because of material change in duties or organization or shortage of work or funds.
- (b) Seniority for the purpose of layoff is defined as length of continuous full-time employment within the service of the District, except for service in a provisional and temporary status. Seniority shall be retained, but shall not accrue during any period of leave without pay, except for authorized military leave, granted pursuant to State Military and Veteran's Code.
- (c) Order of Layoff — When one or more employees performing in the same class in the District are to be laid off (provisional and temporaries therein having already been terminated), the order of layoff shall be as follows:
 - 1. Probationary employees in inverse order of seniority.
 - 2. Permanent employees in inverse order of seniority. Should two or more employees have identical service seniority, the order of layoff will be determined by classification seniority.

- (d) **Notice of Layoff** — Employees shall be forwarded written notice, including reasons therefore, by Certified Mail, Return Receipt Requested or Personally Served, a minimum of twenty (20) working days prior to the effective date of layoff. An employee receiving said notice may respond in writing to the General Manager. The employee's representative shall receive concurrent notice, and upon request, shall be afforded an opportunity to meet with the District to discuss the circumstances of layoff and any proposed alternatives that do not include the consideration of the merits, necessity, or organization of any service or activity.
- (e) The provisions of subsection (c) must be requested by the Employee, in writing fifteen (15) working days prior to the effective date of layoff.
- (f) Probationary and permanent employees who are reclassified and/or demoted as a result of a reduction in force, shall have their names placed on a classification reinstatement list in order of their seniority.
1. Vacant positions within the classification shall first be offered to employees on this list.
 2. Employees who are laid off shall have their names placed on a re-employment list of classifications, which, in the opinion of the General Manager requires basically the same qualifications and Duties and responsibilities as those of the classifications from when the layoff occurred, in order of seniority. Vacant positions in such classifications shall be offered to eligible on the re-employment list that qualify for such vacancies prior to an open or promotional recruitment.
 3. No name shall be carried on a reinstatement or reemployment list for a period longer than two years. Refusal to accept the first offer of reinstatement or reemployment within the same classification shall cause the name to be dropped from the list. Individuals not responding to written notification, by certified mail, return receipt requested, forwarded to their last given address, of an opening within ten (10) ten working days from mailing shall have their names removed from either a reinstatement or reemployment list. Individuals who do not meet current employment standards (i.e. medical, licenses, etc.) shall have their names removed from either a reinstatement or reemployment list.
 4. Probationary employees appointed from a reinstatement or reemployment list must serve the remainder of their probationary period in order to attain permanent status.

SECTION 11. DISCIPLINE

The District shall reserve the right to discipline any Employee, up to and including suspension or discharge, for reasons stipulated and defined in the Personnel Policies and Procedures of the District. The reasons shall include, but not be limited to: Violation of major safety rules or regulations, commission of a felony, failure to carry out a lawful order, willful negligence, willful destruction of District property, and other charges and specifications involving safety of life or property. Action may be taken by the District against Employees for individual or group slowdowns or work stoppages, engaging in unlawful strikes, refusal to work when assigned, or for violation or ordering the violation of District rules of this MOU. The District must send the Union notice of any such discipline within thirty-six (36) hours by fax and certified mail.

11.1 Appeals

If an Employee feels that he/she had been unjustly disciplined, he/she shall have the right to appeal his/her case through the grievance procedure. Such appeal must be filed with the General Manager by the Employee or the Union in writing and within five (5) business days from the date of notice of the discipline, and unless so filed, the right of appeal is lost. Any disciplined Employee shall be furnished the reason for his/her discipline in writing along with any supporting documentation.

11.2 Personnel Files

An Employee, or an Employee's representative designated in writing by the Employee, shall have access to the Employee's personnel file upon request.

SECTION 12. GRIEVANCES

A grievance shall be defined as any dispute arising during the term of this MOU that involves the interpretation or application of any provision of the MOU during this term, or the appealed discipline against an Employee. Any District Ordinance, Resolution, Rule and Regulation, the subject of which is not specifically covered by the MOU or which does not have a direct impact upon the grievant's terms and conditions of employment is not subject to grievance. Employees have the same rights other citizens to discuss the District Ordinances, resolutions, Rules and Regulations at public hearings and forums convened for that purpose.

12.1 Grievance Procedure

Grievances shall be heard and resolved according to the following procedure: Any Employee who believes that he/she has a grievance shall first discuss said grievance with the Employee's immediate supervisor. Should the immediate supervisor not resolve the issue, the Employee may directly approach the Employee's department head or site manager for discussion and possible resolution of the grievance. This procedure should be instituted in a timely manner, generally no later than ten (10) business days of the aggrieved incident.

If the grievance is not satisfied at the site or department level, the Employee shall submit the grievance directly to the General Manager, in writing, who shall be required to respond to the same within fifteen (15) business days. In addition to the written grievance from the Employee, the General Manager shall respond to the aggrieved Employee, and advise him/her that the incident is being investigated.

The General Manager shall be required to adjust any grievance submitted to his/her attention within one (1) month of receipt. Should the grievance not be adjusted to the satisfaction of the Employee, the Employee has the right of final appeal to the Board of Harbor Commissioner's convened in a regular or special meeting, provided that the Employee appeals in writing to the Board of Harbor Commissions within seven (7) business days of receipt of the General Managers' decision. Except for the requirement that grievance hearings be held at a regular meeting, the provision of District Rule 14.06 applies to the grievance hearing process. The decision of the Board shall be final. Employees have the absolute right to Union representation at all levels of the grievance procedure. No grievance resolution shall be made that violates the specific terms and conditions of employment as-provided in the MOU without the agreement of the Union.

12.2 Pay Claims

All complaints involving or concerning payment or compensation shall be filed in writing within thirty (30) days of occurrence.

SECTION 13. DISTRICT'S PERSONNEL POLICIES AND PROCEDURES

The District's General Manager and Board of Harbor Commissioners are in the process of updating and systematizing the Personnel Policies and Procedures of the District, insofar as possible, standardized procedures will be developed that will apply to all employees, including those covered by this MOU.

The General Manager shall inform the Union of any proposed changes to existing policies. Upon such notification or upon the Union claim that such proposed changes

are negotiable as defined by applicable law, the District agrees to "meet and confer" or "meet and consult" to the full extent of the law prior to such changes being implemented for represented employees.

The District may choose to modify its nomenclature and/or policies regarding the following terms: Paid time off (PTO), Overtime, Extended Illness Bank (EIB), Vacation Time, Sick Leave, and Compensatory time Off. The intent of the District in this regard would be to facilitate more effective District budget preparation, review, and monitoring of current and proposed expenditures for the above-mentioned items, and not to reduce the current levels of Employee benefits. Consistent with the provisions of this section, and upon executive of this Memorandum of Understanding (MOU) by the District and the Union, the District shall meet and confer upon such proposed changes with the Union as required by applicable law and this MOU.

SECTION 14. OUTSIDE EMPLOYMENT

No regular, full-time Employee shall engage in employment that constitutes a conflict of interest for the Employee or the District. No Employee shall engage in outside employment during his/her regular working hours. No item of the uniform that identifies that Employee, as an Employee of the District shall be worn while in the employment of someone other than the District.

All outside employment requires the approval of the General Manager. The Employee shall submit requests for outside employment in writing to the General Manager. The General Manager shall discuss said outside employment with the Employee to determine the potential for conflict of interest. Approval shall not be unreasonably withheld.

Employees shall not carry on, concurrently with their public employment, any other employment; business or undertaking that conflicts or interferes with their District employment.

Under no circumstances shall an employee be authorized to perform any function related to outside employment or activities during working hours.

During the term of this Agreement, should any other bargaining unit in the district receive any wage or benefit enhancements that exceed those contained in this agreement, Teamsters Union Local No. 856 bargaining unit shall receive such wages or benefits retroactive to the date such wages or benefits went into effect.

SECTION 15. SEPARABILITY OF PROVISIONS

Should any section, clause or provision of this MOU be declared illegal by final action of a court of competent jurisdiction, such invalidation of such section, clause or provision shall not invalidate the remaining portions hereof, and such remaining section, clauses and provisions shall remain in full force and effect for the duration of this MOU.

Upon such validation, the parties agree to meet and confer concerning substitute provision for those rendered or declared illegal.

SECTION 16. PAST PRACTICES AND PRIOR MEMORANDUM OF UNDERSTANDING

Continuance of working conditions and practices not specifically authorized by Ordinance or Resolution of the Board of Harbor Commissioners is not guaranteed by this MOU.

This MOU shall supersede all existing and prior Memoranda of Understanding between the District and the Union.

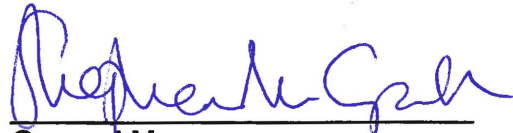
Made and entered into this June 3, 2016

Teamsters Union Local No. 856

San Mateo County Harbor District



Secretary/Treasurer – Peter Finn



General Manager



Business Agent – Tim Jenkins

APPENDIX A

The below table reflects the pay rates for the first pay period after May 4, 2016; the first pay period after July 1, 2016; the first pay period after July 1, 2017.

APPENDIX A

FY 2015-2016

JOB TITLE	EFFECTIVE DATE	Pay Rate	Probationary	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
ACCOUNTANT	First Full	Hourly	\$ 34.52	\$ 36.25	\$ 38.07	\$ 39.98	\$ 41.98	\$ 44.08	\$ 46.29
ACCOUNTING SPECIALIST	Pay Period	Hourly	\$ 30.30	\$ 31.82	\$ 33.42	\$ 35.10	\$ 36.86	\$ 38.71	\$ 40.65
DEPUTY SECRETARY	following	Hourly	\$ 30.30	\$ 31.82	\$ 33.42	\$ 35.10	\$ 36.86	\$ 38.71	\$ 40.65
ACCOUNTING TECH/ADM ASST 2	final	Hourly	\$ 26.51	\$ 27.84	\$ 29.24	\$ 30.71	\$ 32.25	\$ 33.87	\$ 35.57
ADMINISTRATIVE ASSISTANT1	adoption	Hourly	\$ 21.99	\$ 23.09	\$ 24.25	\$ 25.47	\$ 26.75	\$ 28.09	\$ 29.50
OFFICE ASSISTANT	3% salary	Hourly	\$ 14.06	\$ 14.77	\$ 15.51	\$ 16.29	\$ 17.11	\$ 17.97	\$ 18.87
PROJECT COORDINATOR	adjustment	Hourly	\$ 35.86	\$ 37.66	\$ 39.55	\$ 41.53	\$ 43.61	\$ 45.80	\$ 48.09
PLANNER ANALYST		Hourly	\$ 30.30	\$ 31.82	\$ 33.42	\$ 35.10	\$ 36.86	\$ 38.71	\$ 40.65
ADMINISTRATIVE ANALYST		Hourly	\$ 30.30	\$ 31.82	\$ 33.42	\$ 35.10	\$ 36.86	\$ 38.71	\$ 40.65

FY 2016-2017

JOB TITLE	EFFECTIVE DATE	Pay Rate	Probationary	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
ACCOUNTANT	First Full	Hourly	\$ 35.56	\$ 37.34	\$ 39.21	\$ 41.18	\$ 43.24	\$ 45.41	\$ 47.69
ACCOUNTING SPECIALIST	Pay Period	Hourly	\$ 31.21	\$ 32.78	\$ 34.42	\$ 36.15	\$ 37.96	\$ 39.86	\$ 41.86
DEPUTY SECRETARY	following	Hourly	\$ 31.21	\$ 32.78	\$ 34.42	\$ 36.15	\$ 37.96	\$ 39.86	\$ 41.86
ACCOUNTING TECH/ADM ASST 2	July 1, 2016	Hourly	\$ 27.31	\$ 28.68	\$ 30.12	\$ 31.63	\$ 33.22	\$ 34.89	\$ 36.64
ADMINISTRATIVE ASSISTANT1	3% salary	Hourly	\$ 22.65	\$ 23.79	\$ 24.98	\$ 26.23	\$ 27.55	\$ 28.93	\$ 30.38
OFFICE ASSISTANT	adjustment	Hourly	\$ 14.49	\$ 15.22	\$ 15.99	\$ 16.79	\$ 17.63	\$ 18.52	\$ 19.45
PROJECT COORDINATOR		Hourly	\$ 36.94	\$ 38.79	\$ 40.73	\$ 42.77	\$ 44.91	\$ 47.16	\$ 49.52
PLANNER ANALYST		Hourly	\$ 31.21	\$ 32.78	\$ 34.42	\$ 36.15	\$ 37.96	\$ 39.86	\$ 41.86
ADMINISTRATIVE ANALYST		Hourly	\$ 31.21	\$ 32.78	\$ 34.42	\$ 36.15	\$ 37.96	\$ 39.86	\$ 41.86

FY 2017-2018

JOB TITLE	EFFECTIVE DATE	Pay Rate	Probationary	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6
ACCOUNTANT	First Full	Hourly	\$ 36.63	\$ 38.47	\$ 40.40	\$ 42.42	\$ 44.55	\$ 46.78	\$ 49.12
ACCOUNTING SPECIALIST	Pay Period	Hourly	\$ 32.15	\$ 33.76	\$ 35.45	\$ 37.23	\$ 39.10	\$ 41.06	\$ 43.12
DEPUTY SECRETARY	following	Hourly	\$ 32.15	\$ 33.76	\$ 35.45	\$ 37.23	\$ 39.10	\$ 41.06	\$ 43.12
ACCOUNTING TECH/ADM ASST 2	July 1, 2017	Hourly	\$ 28.13	\$ 29.54	\$ 31.02	\$ 32.58	\$ 34.21	\$ 35.93	\$ 37.73
ADMINISTRATIVE ASSISTANT1	3% salary	Hourly	\$ 23.33	\$ 24.50	\$ 25.73	\$ 27.02	\$ 28.38	\$ 29.80	\$ 31.29
OFFICE ASSISTANT	adjustment	Hourly	\$ 14.93	\$ 15.68	\$ 16.47	\$ 17.30	\$ 18.17	\$ 19.08	\$ 20.04
PROJECT COORDINATOR		Hourly	\$ 38.05	\$ 39.96	\$ 41.96	\$ 44.06	\$ 46.27	\$ 48.59	\$ 51.02
PLANNER ANALYST		Hourly	\$ 32.15	\$ 33.76	\$ 35.45	\$ 37.23	\$ 39.10	\$ 41.06	\$ 43.12
ADMINISTRATIVE ANALYST		Hourly	\$ 32.15	\$ 33.76	\$ 35.45	\$ 37.23	\$ 39.10	\$ 41.06	\$ 43.12