SIDE LETTER AGREEMENT NO. 12
TO AGREEMENT NO. 6711c
BETWEEN
NAPA CITY EMPLOYEES ASSOCIATION
AND
CITY OF NAPA

WHEREAS,

1. The City of Napa (City) and the Napa City Employees Association (NCEA) are committed to maintaining cooperative labor relations, including discussions over matters outside of the Memorandum of Understanding (MOU) now and in the future.

2. The City and NCEA are parties to an MOU with a term of March 1, 2002 through February 28, 2011.

3. The City of Napa is in the process of implementing a new payroll system, projected to be rolled out effective January 1, 2011. This system upgrade will provide a more efficient and modern technology and will allow the City to comply with reporting requirements identified by a recent California Public Employees' Retirement System (CalPERS) audit. In addition, certain current pay practices are not supported by the new system.

4. The City and NCEA have reached agreement on changes to the MOU to ensure consistency with the payroll system upgrade.

5. The effective date of the changes outline below shall be reflected on the first paycheck in January 2011.

THEREFORE,

The parties agree that the MOU shall be modified as follows:

Section 3. Compensation

3.11 Upon recommendation of the Department Manager and the approval of the City Manager, an employee may be granted a performance bonus of two percent (2%), three percent (3%) or five percent (5%) of regular base salary only for special and outstanding performance in accordance with the City’s Administrative Policy entitled "Criteria for Annual Performance Pay System." Such bonus will be paid in a one-time, lump-sum payment, generally within thirty (30) days of approval, and shall be provided in a separate check subject to legal and required tax deductions.

Section 3.18 Effective Dates of Personnel Transactions (new section)

Effective with implementation of the IFAS Human Resources/Payroll system, employment transactions which affect an employee’s pay or retirement contributions shall be effective the first day of a 2-week pay cycle. This includes merit increases, promotions, transfers, reclassifications, starting and ending specialty pays and acting assignments. Merit increases, which are due on an employee’s anniversary date, shall be made effective the beginning of the pay period in which the effective date occurs.
Section 5. Hours and Overtime

5.5 In lieu of overtime payment, employees shall have the option of accruing compensatory time off at the rate of one and one-half (1 ½) hours of compensatory time off for each one (1) hour of overtime worked, unless the overtime hours are accrued as a result of a callback, or other emergency situation. Effective January 1, 2003, employees shall not accrue more than one hundred (100) hours of CTO; provided, however, that Public Safety Dispatchers I and II shall be allowed to accrue up to one hundred twenty (120) hours of CTO, and Supervising Public Safety Dispatchers shall be allowed to accrue up to one hundred sixty (160) hours of CTO. Annually, in July of each year, Supervisors shall be granted forty (40) hours of CTO as sole compensation for monthly Dispatch staff meetings. Employees who exceed the maximum hourly amount of Compensatory Time Off shall receive pay in the following period after this occurs for all hours that exceed the maximum. Employees may elect, twice each calendar year, to receive pay for up to fifty percent (50%) of their Compensatory Leave balance. Compensatory Leave balances of less than five (5) hours shall not qualify for this cash-out provision. The City will send out notices on November 1 and May 1 of each year informing employees of their individual CTO balance and providing employees with a form to exercise this option. Employees who are interested in exercising this option under this section must return the completed form to the Finance Department on or before November 16 or May 16, respectively. Payment shall be made in the pay period that contains the December 1 or June 1 payroll, respectively.

Section 6. Shifts and Shift Differential Pay

6.2 Rates of Differential Pay:

Differential Pay shall be calculated as a dollar amount. Differential pay shall be converted to an hourly rate, rounded to two decimal places, and calculated as follows: monthly base salary X shift differential % X 12 months + 2080 = shift differential hourly rate.

Employees working swing shift as defined in 6.1 above, shall receive a differential of 2.55%.

Employees working grave shift as defined in 6.1 above shall receive a differential of 4.0%.

Shift differential will be paid on an hour-for-hour basis within each pay period. Differential pay shall be paid following a single pay-period lag time.

Section 7. Acting Pay

7.6 Payment of acting pay is computed at the hourly rate and will be paid twice monthly, allowing for a single pay-period lag time. Payment of acting pay, which is earned as the result of a vacancy or assignment lasting two (2) weeks or longer and which is computed at a rate within the salary range of the higher classification, will occur twice monthly, allowing for a single pay-period lag time.
Section 15. Vacation

The maximum annual carry-over of accrued vacation will be two hundred eighty (280) hours (as of the last day of the pay period containing December 31 of each year) with an additional forty (40) hours for special purposes upon the approval of the City Manager. The City will send out notices in October of each year to all supervisors directing them to discuss with employees, vacation leave balances which have the potential for exceeding the maximum annual carry over at the end of the year. Failure by supervisors to discuss the annual vacation cap with employees shall not nullify the annual carry-over provisions of 280 hours.

Section 16. Holiday Pay

16.15. Floating (Scalehouse Attendants and Community Service Officers) and Birthday (Community Service Officers) holidays shall be scheduled by mutual agreement between the employee and the Department Manager. The floating holidays (Scalehouse Attendants and Community Service Officers) and birthday (Community Service Officers) holidays must be used as day-time off with pay, and employees will not be granted additional pay in lieu of time off. Floating (Scalehouse Attendants and Community Service Officers) and birthday (Community Service Officers) holidays may not be carried over into a succeeding calendar.

16.3 The City shall have the right to schedule Community Service Officers and Scale House Attendants to perform regular duties on recognized holidays and to grant Community Service Officers and Scale House Attendants* "holiday pay" in lieu of time off, which will be paid in accordance with PERS rules, in four equal payments in the months of April, July, October, and December. "Holiday pay" is defined as eight (8) hours of pay times the number of holidays worked in a calendar year.

[* Holiday pay for Scale House Attendants is governed by Article 16.5, as set forth in Side Letter Agreement No. 7b. This side letter is not intended to affect the language of Article 16.5.]

Section 17. Sick Leave

17.4 Existing sick leave may be converted to vacation leave on a ratio of three (3) days sick leave to one (1) day vacation leave, with a maximum conversion of five (5) new vacation days per calendar year. Bargaining unit members wishing to exercise this option must so notify the Finance Department during the month of December. Conversion shall then become effective at the end of the pay period which contains January 1.

Section 25. Allowances

25.1 Uniform Allowance:

(a) The City agrees to the following uniform allowance:

- Community Service Officer: $475/year cash allowance (includes 7% PERS roll-up costs)
- Parking Enforcement Officer: $475/year cash allowance
- Initial Allowance: $321 (includes 7% PERS roll-up costs)
Other NCEA employees required to wear a City uniform: A maximum of $300/year allowance (non cash) for purchase of non safety uniform expenses (shirts and jackets) based on department specifications and budget availability. This allowance will be taxable and subject to PERS.

(b) Uniform cash allowance shall be paid biweekly, semi-annually (March 1 for January through June, September 1 for July through December) by checks separate from the employee’s regular paycheck.

(c) It is understood and agreed that the amount paid hereunder constitutes a reimbursement to employees for expenses actually and necessarily incurred in the purchase, maintenance, and cleaning of the uniforms such employees are required to wear.

(d) The amount the City spends on uniforms and clothing provided to employees is considered PERSable income. The dollar amount spent will be reported to PERS as income and the employee will be responsible for the employee portion of PERS on that amount.

(e) The value of uniforms which can be worn in public as everyday clothing is considered taxable income and will be subject to withholding at the time the expense is incurred on the employee’s behalf.

(f) Uniforms will be issued in accordance with City policy.

25.2 Tool Allowance:

(a) The City agrees to the following annual tool allowance:

Mechanic $300/year

(b) Tool allowance shall be paid annually (July 15 for the following year) by check separate from the employee’s regular paycheck. In the pay period containing July 15th.

(c) It is understood and agreed that the amount paid hereunder constitutes a reimbursement to employees for expenses actually and necessarily incurred in the purchase, upgrade and maintenance of tools in order to perform their duties.

25.3 Safety Shoe Allowance:

The City will reimburse specified employees, who provide a receipt as proof of purchase, up to one hundred forty dollars ($140.00) (includes employee PERS Contribution) for purchase of safety toe footwear. Effective 2003 the amount will be one hundred fifty dollars ($150). Effective 2005 the amount will be one hundred sixty dollars ($160). Effective 2007 the amount will be one hundred seventy dollars ($170). Effective 2009 the amount will be one hundred eighty dollars ($180). Effective 2011 the amount will be one hundred ninety dollars ($190).

New employees will receive an advance initial allowance of one hundred forty dollars ($140.00). A receipt as proof of purchase and any excess funds shall be returned to the City within
two weeks of hire date. The following March 1, the annual allowance will be prorated (reduced by 1/12 for each calendar month less than a full year since the employee's hire date). Thereafter, the employee shall submit the receipt for safety shoe purchase to the Finance Department by the first Monday in February of each year. The safety shoe allowance shall be paid annually during the pay period that contains March 1st. Since verification that the allowance was used for a work related purpose is not required, the allowance is considered taxable earnings and will be subject to withholding when provided.

Section 40. Payroll Implementation

To assist employees in mitigating the impacts of implementing a new pay cycle, the city will offer an interest free loan in the amount of up to 40 hours of employees' base pay, in accordance with the guidelines contained in Attachment A. Loan will be effective on January 28, 2011 and will be paid back over a 1 to 3 year period. For NCEA employees, the City will provide an additional loan on July 1, 2011 to those members who request it (up to 20 hours maximum) to be paid back to the City by June 30, 2012.

[Note: this side letter is not intended to affect the language of any other provisions of the MOU.]

Dated: August 9, 2010
By: [Signature]
Nancy Weiss, Assistant City Manager
City of Napa

Dated: August 5, 2010
By: [Signature]
Dave Hight, NCEA President
Napa City Employees Association

Dated: August 6, 2010
By: [Signature]
Linda Cantillon, NCEA Vice President
Napa City Employees Association

Dated: August 9, 2010
By: [Signature]
Dan Plunkett, NCEA Board Member
Napa City Employees Association
Side Letter Agreement No 12
Between NCEA and the City of Napa
Re: Payroll System Upgrade
Page 6 of 6

ATTEST:

DOROTHY ROADMAN, City Clerk
(Type name and title)

COUNTERSIGNED:

ANN MEHTA, City Auditor
(Type name and title)

APPROVED AS TO FORM:

MICHAEL W. BARRETT, City Attorney
City of Napa Uniform/Apparel Policy

March 2010*

The purpose of this policy is to establish guidelines under which the City of Napa will provide clothing items for City of Napa employees in order to maintain consistency throughout all departments in regards to dress, and present a professional appearance to the public and fellow employees. This policy should be considered along with bargaining unit MOUs and other uniform information. This policy does NOT include items for the Police and Fire Departments which are considered specialty. This Policy excludes Safety items which will be provided as a standardized purchase as needed through direct purchase through the Purchasing Division.

General Guidelines:

Purchasing Division will solicit quotes from vendors for clothing items for City of Napa employees. Departments and Divisions will determine the safety and non-safety city apparel need based upon customer service needs and budget availability. This clothing will generally consist of T-Shirts, Sweatshirts, Jackets and Caps. No pants or jeans will be provided. This purchased clothing will be the “Uniform” for the City.

Special Orders - In addition to the regular city order described above, departments may place a special order for clothing for any city employee who is not eligible to receive clothing paid for by the city, but wants to purchase items at their own expense. Department managers will be required to collect monies to pay for items in the special order prior to it being placed.

Eligibility

All city employees who are present in the field and have regular contact with City of Napa citizens may be required to wear a "Uniform" which will clearly display the City of Napa LOGO and/or display City of Napa verbiage on the front or back of the clothing item. Actual eligibility will be determined by department and division managers or their delegate and generally follow specific job classes. The City of Napa will purchase clothing items at city expense.

Excused Situations
The following is a list of situations where the employee may be excused from wearing the City uniform that has been assigned to him/her.
- Excused by a physician with proper medical certification.
- Excused by a manager. The manager shall insure that the employee is not assigned a task that requires a uniform.

Shirts

All standard uniform shirts must have the City logo and the employee’s department on the front of the shirt. All T-shirts, polo shirts and sweatshirts must be purchased through the City’s preferred vendor to insure a consistent color and scheme so as to provide uniformity and professionalism to the uniform attire. The City approved Vendor will be determined by the Purchasing Services Manager with input from departments. T-shirts, polo shirts and sweatshirts when worn must be clean, not faded, and in good condition, (no stains, holes, tears, etc.). When authorized by the Department’s Director, a mix of approved uniforms may be worn within the department. The City of Napa logo and the department name appear in black, white or blue as designated by the departments.

Coveralls

Disposable coveralls in sizes large enough to fit over employee’s regular clothing will be made available through a preferred vendor.

*(completed Meet and Confer process with NCEA, March 4, 2010. See NCEA Side letter No. 12)
Headgear

All City employees who work in the field will be furnished with City provided protective headgear. When working in areas where protective headgear is not required or in a position where protective headgear is not required, employees are eligible to receive City provided baseball caps as determined by the departments.

Cold Weather Clothing

All employees who work in the field may be provided a safety jacket as part of the uniform. Jackets are to be provided solely by the City's uniform supplier selected by the Purchasing Services Manager and must have the employee's department and the City logo on the front. No other emblems or logos are to be added to this garment at any time unless issued by the City. Jackets are to be replaced when it is determined by a manager of the department that it is in a worn condition or not presentable to the public. A replacement jacket is to be the same style as the one being replaced. To receive a replacement jacket, the old jacket must be turned in to the department manager. Lost jacket replacement will be at the employee's expense. If an employee chooses to wear his/her own jacket, sweatshirt, vest, or other appropriate cold weather clothing, this clothing shall be free of any emblems or logos other than a small logo of the clothing manufacturer.

Selection of Items to be ordered:

A committee consisting of the Purchasing Services Manager and several department managers who are affected by the uniform policy will agree upon specific items to be included in the offering of employee clothing. The meeting of the committee will be called by the Purchasing Services Manager approximately 45 days prior to anticipated order placement. Committee members will review recommendations of the Purchasing department and other departments requiring changes/additions. The review will be as to type of item (shirt, sweatshirt, jacket, etc.), color or variety of colors and quality. If possible, the Purchasing department will obtain samples of items to facilitate the review. Any changes to the offering will be reviewed and agreed upon in advance of the semi-annual ordering period. The Committee can also meet to review other issues relating to employee clothing including making recommendations for total expenditure by item and by employee.

The Ordering Process:

Approximately one month prior to the semi-annual order placement, the purchasing department will send an email to department managers and directors providing a spreadsheet to use for the order process and the deadline for submission to the Purchasing Services Manager. Generally, orders will be placed in October (to allow for ordering of winter clothing items) and April (to allow for ordering summer clothing items). The actual clothing order does NOT have to follow seasonal trends and any item can be ordered as needed. After receipt of the spreadsheets from each department the Purchasing Department will prepare a quotation and distribute to acceptable sources of supply. Upon return of the quotes an order will be placed with the vendor that provides the best value and a copy of the spreadsheet will be returned to the departments showing the actual cost per item, per employee.

Maintenance and Replacement

Purchasing multiple quantities of each item on a semi-annual basis should assure each employee has available quality clothing on an on-going basis. Each City employee is responsible to maintain each uniform item by keeping them properly laundered and having no tears. Should the employee and his supervisor feel replacement of an item is warranted prior to the semi-annual order period, the replacement will be supplied from extra inventory carried in the department or a special order will be placed. The supervisor, at his discretion, may direct the employee to turn in any unusable item prior to receiving a replacement.
Payroll Reporting

A copy of the apparel spreadsheet will be supplied to the Finance Department – Purchasing Division to record employee PERS responsibility. The specifics of PERS and uniform cost are covered in each bargaining units MOU (Memorandum of Understanding).

There will be a maximum $300/yr allowance (non cash) for the purchase of non safety uniform expenses based on department specifications and budget availability. The allowance will be taxable and subject to PERS.

CITY OF NAPA
UNIFORM POLICY – PAYROLL REPORTING

<table>
<thead>
<tr>
<th>Payroll frequency</th>
<th>Taxable (Fed, State, Medicare &amp; SDI)</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Work Unit (NCEA)</td>
<td>Annual Cash provided by City</td>
<td>Uniform/laundry service</td>
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<tr>
<td>Community Service Officers</td>
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<td>no</td>
</tr>
<tr>
<td>Parking Enforcement Officers</td>
<td>$475</td>
<td>no</td>
</tr>
<tr>
<td>Fleet</td>
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<td>no</td>
</tr>
<tr>
<td>Safety Boots 2010</td>
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<tr>
<td>2011</td>
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<td>no</td>
</tr>
<tr>
<td>Shirts/Jackets (up to $300/yr)</td>
<td>Yes</td>
<td>n/a</td>
</tr>
</tbody>
</table>

Notes:

1 Receipts are not required to verify that allowance was used on uniform therefore the amount is taxable.
2 Safety items are not PERSable however since receipts are no longer required the allowance is taxable to employee.
3 Clothing can be worn in public as everyday clothing therefore the value is taxable.