

MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LA HABRA AND THE
PROFESSIONAL EMPLOYEES GROUP
FOR THE PERIOD OF JANUARY 1, 2026 THROUGH JUNE 30, 2026



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MEMORANDUM OF UNDERSTANDING BETWEEN
THE CITY OF LA HABRA AND THE PROFESSIONAL EMPLOYEES GROUP
FOR THE PERIOD OF **JANUARY 1, 2026 THROUGH JUNE 30, 2026**

Pursuant to the City of La Habra (hereinafter referred to as "City"), Resolution 1759 and the Meyers-Milias-Brown Act, the Professional Employees have met and conferred in good faith with the authorized management representatives of City; and, the two groups have mutually agreed to submit and recommend to the City Council of the City this Memorandum of Understanding (hereinafter referred to as "MOU") affecting salaries and fringe benefits as set forth herein:

SECTION I. Recognition:

City recognizes the Professional Employees Group, here in after referred to as "Employee Group," effective June 30, 1991, as the sole and exclusive bargaining agent for the Professional Employees for the purpose of meeting and conferring.

SECTION II. Employee Rights:

Employees of this unit shall have the right to form, join and participate in the activities of an employee organization of their own choosing for the purpose of representation on all matters of employer/employee relations including, but not limited to, wages, hours and other terms and conditions of employment. Employees of City also shall have the right to refuse to join or participate in the activities of an employee's organization and shall have the right to represent themselves individually in their employment relations with City. No employee shall be interfered with, intimidated, restrained, coerced or discriminated against by City or by any employee organization because of the exercise of these rights.

SECTION III. Management Rights:

All rights of City not specifically limited by the terms of this MOU are hereby reserved to City. The exclusive management rights of City include, but are not limited to, the right to:

- A. The City shall retain, whether exercised or not, solely and exclusively, all express and inherent rights and authority pursuant to law with respect to determining the level of, and the manner in which, the City's activities are conducted, managed, and administered, and it is the exclusive right of the City to establish and maintain departmental rules and procedures for the administration of its departments. The City shall comply with the meet and confer requirements of the Meyers-Milias-Brown Act.
- B. The City has the exclusive right and authority to establish a workweek and to schedule work and/or overtime work as required by the City.

- C. Every incidental duty connected with operations enumerated in job descriptions is not always specifically described; nevertheless, it is intended that all such duties shall be performed by the employee.
- D. The appointing authority reserves the right to direct employees, including the right to hire, promote, discipline or discharge employees as set forth in the Personnel Rules. The City reserves the right to lay off personnel of the City at any time.
- E. The City shall determine assignments, and establish methods and processes by which assignments are performed.
- F. The City shall have the exclusive right to transfer employees within departments and to positions outside a department in a manner, which best meets the needs of the City in accordance with all otherwise applicable rules, such as the Personnel Rules.
- G. The City shall determine policy affecting the selection or training of new employees. The City shall determine policy affecting the on-going training and certification of employees, as applicable.
- H. The City shall have the right to establish and enforce employee performance standards.
- I. The City shall determine the safety, health, and property protection measures for the City.
- J. The City shall have the right to introduce new, improved or different methods and techniques of operation or a change in existing methods and techniques.
- K. The City shall determine the amount of supervision necessary.
- L. The City shall have the authority to effect reorganizations and reallocation of work of the City, including the determination of the size and organizational structure of departments and the determination of the job classification and ranks based upon assigned duties.
- M. The City has the right to contract for matters relating to municipal operations in accordance with government Code Sections 53060 and 3500-3510. The right of contracting or subcontracting is vested exclusively in the City. The City agrees to meet and confer with the Association pursuant to the requirements of the MMBA.

SECTION IV. Salary Schedule: see attached “Exhibit A”

- A. Salary Steps/Compensation
The City agrees to merit based step increases for eligible staff who receive an overall performance evaluation rating of “Competent” or better.

1. Effective July 12, 2025, the City will provide a three percent (3%) Cost of Living Adjustment to all unit employees.
2. Effective July 12, 2025, Step A of the salary schedule will be removed. Step B will become Step 1. Employees on Step A will move to the new Step 1. All others will remain on their current Step. For compatibility with the City's Munis Payroll system, steps will be renamed from alphabet letters (Step A, Step B, etc.) to numbers (step 1, step 2, etc. All employees are required to utilize direct deposit of payroll checks.

B. One-time Lump Sum Payment

Effective upon City Council approval and by June 30, 2025, the City will provide one-time lump sum pay adjustment of eight percent (8%) to all full-time employees. Employees must still be employed as of June 30, 2025. Employees hired on or after June 16, 2025 will not be eligible for the lump sum payment.

C. Bilingual Pay

Employees may be eligible to receive bilingual pay of \$175 per month for bilingual proficiency in Spanish or any other language approved by the Department Director and Director of Human Resources.

D. Mileage Reimbursement

Employees in Employee Group required to use their own cars in the performance of their jobs will be reimbursed at the rate IRS rate for actual miles driven.

E. Acting Pay

A pay differential, up to five percent (5%), may be added to any step when an employee is acting in a position of higher rank commencing with the start of the fifth (5th) consecutive workday and retroactive to the first (1st) day of the acting assignment. Said pay differential shall be upon recommendation of the department head.

F. Retirement

The City contracts with the Public Employees' Retirement System for administration of the retirement program.

1. Retirement Formula for Miscellaneous Employees
Tier 1 – (Classic) Employees hired on or before January 13, 2012 Unit members (and not "new members as defined by the Public Employees' Pension Reform Act of 2013 - PEPRA):

- 2% @ 55 formula
- Calculations based upon single highest year.

Tier 2 – “Classic” Employees hired on or after January 14, 2012 Unit members (and not "new members as defined by the Public Employees' Pension Reform Act of 2013 - PEPRA)

- 2% @ 60 formula
- Calculations based on highest three continuous years average

Tier 3 – (PEPRA) Employees hired on or after January 1, 2013 who are defined as "new members" under the PEPRA at Government Code section 7522.20(a).

- 2% @ 62 formula
- Calculations based on highest three continuous years average

2. Contributions

- “Classic” PERS membership employees subject to the 2% @ 55 and 2% @60 formulas pay the seven percent (7%) member contribution.
- PEPRA membership employees subject to the 2% @62 formula pay the statutorily mandated employee contribution rate of one half of the total normal cost.
- Effective July 7, 2018, all Tier 1, Tier 2 and Tier 3 employees shall pay an additional one percent (1%) of compensation earnable of the required employer contribution as cost sharing in accordance with Government Code Section 20516(f) for a total of eight percent (8%) for “Classic” Tier 1 and Tier 2 members and 50% of the normal cost plus an additional one percent (1%) for Tier 3 PEPRA members.

SECTION V. Insurance Benefits:

A. Insurance Benefits/Contributions

- All employees are required to be covered by a minimum of \$2,000 Group Life Insurance.
- Effective December 1, 2025, the City will increase its insurance contribution by \$75 per month to a maximum of \$1800per month, on a use or lose basis.
- The City will provide vision plan coverage, on a voluntary basis with premium costs to be paid from the City’s monthly insurance contribution, if available. Premium costs in excess of the City’s insurance contribution will be paid by the employee.

B. Opt Out Provision:

Employees who provide the City with satisfactory proof of alternate group health coverage comparable to the City's offered health insurance plans can decline, in

writing each open enrollment period, coverage on the City's medical insurance plans. The alternative health coverage must meet all requirements of the Affordable Care Act (ACA) and related regulations for an eligible Opt-Out Arrangement.

Effective December 1, 2025, the City will increase the opt-out contribution by \$25 for a maximum opt-out contribution of the medical plan will be \$350 per month which shall constitute the maximum monthly City contribution to that employee for the opt-out bonus and all other benefits required and/or those that are optional. The opt-out contribution shall be provided in the form of bi-monthly cash disbursements (payable 24 times per year). Cash disbursements to the employee are subject to being taxed, pursuant to the appropriate tax codes.

C. State Disability Insurance (SDI)

All unit employees must participate in the State Disability Insurance (SDI) and State Family Leave (PFL) programs. The employee shall pay all costs associated with these programs.

D. Flu Vaccinations

The City agrees to provide or reimburse flu vaccinations to unit members who request them.

SECTION VI. Vacation:

A. Vacation Approval

1. The following schedule shall become effective for all employees in Employee Group as of their employment-anniversary date, effective the date of the agreement:

Years	Hours of Vacation Accrued (bi-weekly)	Annual Accrual Hours	Maximum Accrual
1 through 4	3.08	80	160 hours
5 through 10	4.62	120	240 hours
11 through 15	5.24	136	272 hours
16 through 19	6.15	160	320 hours
20 and over	6.77	176	352 hours

2. Pursuant to Personnel Rules and Regulations, Section 502.2 (12), the maximum allowable accumulation of vacation leave shall be two (2) years of annual accrual. Employees will not accrue vacation hours in excess of this amount.

B. Hardship Transfer

Employees are permitted to transfer a maximum of 30 hours per month of accrued vacation time only, to another City employee's leave accounts. Employee offering the transfer must have a minimum of 40 hours of leave banked prior to the transfer. For purposes of definition, hardship shall mean a medical or family situation which causes an employee to be absent from work for an extended period of time, and which is designated as such by their department head, or designee. A form exercising this option shall be completed prior to the transfer.

C. Vacation Buyback

Employees may buy back up to a maximum of 120 hours of vacation in a fiscal year, provided the employee uses at least 80 hours of vacation as time off (i.e., one hour of vacation time off for one hour of vacation buy back) during the same fiscal year. Employees who do not use the required number of vacation hours as time off by the end of the fiscal year will not be permitted to buy back any additional hours until they have used the required number of hours as time off.

D. Absent Without Pay

Employees requesting time off will not be permitted to be Absent without Pay (AWOP) if they have eligible vacation and/or compensatory leave available, unless there are extenuating circumstances which are presented in writing and approved, in advance, by the Department Director.

SECTION VII. Sick Leave:

- A. Employees accrue twelve (12) days per year for sick leave at a rate of 3.70 hours per pay period. All employees may use accrued sick leave, including probationary employees. The maximum accumulation of sick leave for payoffs is one hundred (100) days (or 800 hours).
- B. Employees in the Professional Employees Group may accrue sick hours above the established sick leave caps for the purposes of converting unused sick leave to additional service credit at the time of retirement (PERS section 20965-Credit for Unused Sick).
- C. Employees with five years of service with City may substitute twenty-five percent (25%) of their annual sick leave for an equal amount of vacation time. Employees shall make such written determination in January of each year on an appropriate form provided by City. The additional vacation may be taken as individual days or added on to an employee's vacation, subject to approval of the employee's department head. The remaining unused sick leave shall remain in reserve for the employee's use when

sick or injured; however, the employee will receive no percentage of this unused sick leave upon termination.

- D. In accordance with California Labor Code 233, employees may use one-half (½) of their annual accrued sick leave (48 hours) per calendar year for illness related to the family members below.

Family sick leave will include the following family members:

- A child who, for the purposes of this policy, includes a biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis. This definition of a child is applicable regardless of age or dependency status.
- A biological, adoptive, or foster parent, stepparent, or legal guardian of an employee or the employee's spouse or registered domestic partner, or a person who stood in loco parentis when the employee was a minor child.
- A spouse.
- A registered domestic partner.
- A grandparent.
- A grandchild.
- A sibling.
- A "designated person" (an employee may designate one person per 12-month period at the time the employee requests sick leave).

All other provisions regarding the accrual remain unchanged.

- E. Employees may use their accrued sick leave if they are a victim of domestic violence, sexual assault, or stalking to obtain any relief or services related to being such a victim, including but not limited to:
- A temporary restraining order or restraining order.
 - Other injunctive relief to help ensure the health, safety or welfare of themselves or their children.
 - To seek medical attention for injuries caused by domestic violence, sexual assault, or stalking.
 - To obtain services from a domestic violence shelter, program, or rape crisis center as a result of domestic violence, sexual assault, or stalking.
 - To obtain psychological counseling related to an experience of domestic violence, sexual assault, or stalking.
 - To participate in safety planning and take other actions to increase safety from future domestic violence, sexual assault, or stalking, including temporary or permanent relocation.

SECTION VIII. Holiday Schedule:

- A. Holiday Schedule:

Following is the holiday schedule for Employee Group's employees:

1. New Year's Day (January 1)
2. Martin Luther King, Jr. Day (Third Monday in January)
3. Washington's Birthday (Third Monday in February)
4. Memorial Day (Fourth Monday in May)
5. Independence Day (July 4)
6. Labor Day (First Monday in September)
7. Veterans Day (Either the 4th Monday in October or November 11 as determined by the State of California)
8. Thanksgiving Day (as proclaimed by the State Governor)
9. The day following Thanksgiving Day
10. Christmas Day (December 25)
11. Floating Holiday (either the first working day before Christmas Day or the first working day before New Year's Day)

B. Holiday Compensation

Holidays will be compensated at the same number of hours an employee works in a workday.

C. Personal Days

Effective July 1, 2021, Employees will receive 32 hours per fiscal year. Personal days off can be taken at the discretion of employee, with approval of their department head. Such approval shall not unreasonably be withheld, but shall be for essential scheduled work. All other provisions regarding the use of personal time remain unchanged. Personal days do not carry over year to year and is a use or lose basis.

SECTION IX. Clothing:

A. General Personnel:

City agrees to reimburse employee for torn or damaged clothing for employees who, through their job duties, expose their clothing to abnormal hazards. Such reimbursement shall be determined by the employee's department head. It is intended that City replace only clothing that is normal to the position and will not be exposed to high-cost items that, in the opinion of the department head, normally would not be required to the affected position. In addition, it may be necessary to prorate the cost of clothing, based on its normal-wear expectancy, said cost to be negotiated between employee and department head. Snags, runs, and minor damage to clothing or wearing apparel is specifically excluded from this section. Further, if it is found that an employee has excessive use of this section, department heads shall report such facts to the Human Resources Director and an individual decision will be made regarding such over-usage with the employee's meet-and-confer team.

SECTION: X. Special Programs:

It is understood that City is involved in special grant programs and funding for said grant programs is contingent upon the availability of federal and/or state funds. Should an

employee voluntarily transfer to a grant program, that employee will thereby change his/her status to that of a grant temporary employee, and will have the same rights of a grant temporary employee as defined in the personnel manual and/or grant.

SECTION XI. Employee Reduction:

By this section, City in no way gives up its management right to reduce employees or to determine the necessity of a service. However, should it become necessary for City to decrease personnel and/or costs through layoff or other appropriate methods, City agrees to provide Employee Group an option of a reduction in salary versus a reduction in personnel, if such option is appropriate. Funding for the grant programs is contingent upon the availability of federal and/or state funds and should specific grant funds or programs be discontinued or reduced, it is not intended that the above option is appropriate.

SECTION XII. Bereavement Leave:

Employees are entitled to up to (5) days off for bereavement leave per fiscal year per family member by reason of death or an eminent death in the immediate family or per reproductive loss occurrence. The City will pay for three (3) days and the employee may use existing accruals or take unpaid time off for the remaining two (2) days. Bereavement leave shall be completed within three (3) months of the death of the family member or reproduction loss event.

For the purpose of Bereavement Leave, the following shall be included: father, mother, brother, sister, spouse, domestic partner, child, father-in-law, mother-in-law, brother-in-law, sister-in-law, daughter-in-law-, son-in-law, grandparents, grandchildren, stepparents and stepchildren.

For the purpose of Reproductive Leave (SB 848), a reproductive loss event is defined as the day or, for a multiple-day event, the final day of a failed adoption, failed surrogacy, miscarriage, stillbirth, or an unsuccessful assisted reproduction. The law limits the amount of reproductive loss leave to a maximum of twenty (20) days within a twelve (12) month period.

SECTION XIII. Personnel Manual:

All Employee Group grievance and seniority policies will apply as outlined in the procedures of City's Personnel Manual and the attached procedures (Exhibit B and Exhibit C). Attached procedures supersede Personnel Manual.

The City and Professional Employees' Group agree to remove Sections 301.2 (9) and 303.2 (16), from the Personnel Rules and Regulations, which allow for a Skelly hearing for promotional probationary employees.

Association and City agree to continue coalition meet and confer to revise and clarify the City's Personnel Rules.

SECTION XIV. Workers' Compensation (Section 414, Resolution 1542):

Miscellaneous employees, while absent from work as a result of an on-the-job injury shall be paid for the first three days (waiting period) by the City from their accumulated sick leave to fit Labor Code, Section 4650, compensation payments to begin the fourth day of disability.

SECTION XV. Nondiscrimination Clause:

City and Employee Group agree they shall not discriminate against any employee because of race, color, sex, age, national origin, handicap, religion, political opinions or affiliations.

SECTION XVI. Safety Clause:

City and Employee Group employees agree to comply with all applicable federal, state and local laws and City of La Habra regulations which relate to occupational health and safety.

SECTION XVII. Education Incentive:

- A. Employees of Employee Group may request, and their department may grant, release time for purposes of additional training and/or education in job-related areas.
- B. Employees in the unit, with the exception of the Food Program Coordinator, Child Development Office Assistant and Child Development Office Manager classifications, may receive reimbursement in an amount up to \$800 per fiscal year for the purpose of professional development. Reimbursement may include expenses related to attending outside training or school, books, and/or materials. Employee must receive prior written approval from the Department Director pursuant to the Education Reimbursement policy.

SECTION XVIII. Work Week:

The normal work week for employees of this group shall be from 8:00 a.m. to 5:00 p.m., with one unpaid hour for lunch. Scheduled work will be Monday through Friday. These hours may be modified to meet the specific needs of the program, individuals and/or departments. The needs of the employer shall prevail.

SECTION XIX. Work Period:

FLSA requires the employer to establish a regular work period for each employee, in the case of these employees it shall be seven (7) consecutive days. This is currently set on an individual basis. This can be changed by the employer.

SECTION XX. Overtime:

The City follows FLSA requirements in paying overtime. Hours exceeding 40 in a work period, provided all hours are work hours, will be compensated at time and one half for employees who are not exempt from the overtime provision. Exempt employees are not compensated for overtime. Paid leave, or any other non-work hours do not count in arriving at hours worked. Management has the option of allowing compensatory time off (at 1.5 hours per worked hour if the premiums appropriate) or pay at the appropriate rate. The maximum compensatory time accrual cap is 120 hours. If a section of the MOU is in conflict with the FLSA rules, then the MOU will prevail if it is more liberal than the FLSA rules.


SECTION XXI. Scope of Memorandum of Understanding:

It is understood and agreed that this Memorandum of Understanding affects and applies only to the La Habra Professional Employees Group and employees within the scope of its representation and the City of La Habra.

EXECUTED this ____ day of December, 2025, in the City of La Habra, California.

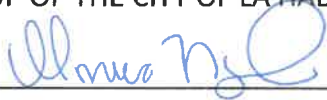
CITY OF LA HABRA

By:  _____

By:  _____

By: _____

PROFESSIONAL EMPLOYEES'
GROUP OF THE CITY OF LA HABRA

By:  _____

By:  _____

By:  _____