

**City of Simi Valley
Staff Report**

April 6, 2026

TO: City Council
Board of Directors, Ventura County Waterworks District No. 8

FROM: Office of the City Manager
Luis Garibay, Assistant City Manager

SUBJECT: Consideration of a proposed Memorandum of Understanding with the Simi Valley Engineers Association

Staff Recommendation

It is recommended that the City Council/Board of Directors:

1. Consider the proposed terms and conditions of the Memorandum of Understanding (MOU) with the Simi Valley Engineers Association (SVEA) as presented, and allow the public an opportunity to provide input prior to making a final determination on the MOU; and
2. Place this matter on the April 20, 2026, City Council/Board of Directors meeting agenda for final determination on the proposed MOU.

Background

SVEA was formed in November 2023 and includes eight job classifications, including: City Engineer, Deputy Public Works Director (Development Services), Principal Engineer, Associate Engineer, Deputy Public Works Director (Maintenance Services Engineer), Deputy Director/Traffic Engineer, Senior Engineer, and Assistant Engineer. The MOU being presented will be the first between the City and SVEA.

The policy goals communicated to the negotiating team by the City Council included recognizing employees' commitment and dedication to the City by providing a compensation increase, within budget authority, to address salary parity with other local jurisdictions, and to assist with retention of current employees and recruitment of new employees. The Parties agreed to develop a strategy to align salary ranges with market rates during the term of this MOU while remaining fiscally responsible.

In accordance with the adopted Policies and Procedures for Negotiations (Attachment A), the terms and conditions agreed to in a tentative agreement are being presented to the City Council and Board of Directors on April 6, 2026, to provide transparency and solicit public consideration and comment prior to final approval of the agreement by the City Council and Board of Directors.

Discussion

The City's negotiating team and SVEA met and conferred on the terms and conditions of the proposed MOU and have reached a three-year agreement (38 months in total) that includes a series of three percent (3%) salary and pay range increases implemented over the term of the agreement, along with other market rate adjustments implemented in three phases, and other pay and benefit enhancements (Attachment B). Some of the proposed MOU highlights include:

- The term of the agreement shall be effective from April 6, 2026, to June 30, 2029.
- Effective the first full pay period following City Council/District adoption, a one-time, lump sum payment of \$2,639.
- Effective the first full pay period following Council/District adoption, employee salaries and related salary ranges shall be increased by three percent (3%).
- Effective the beginning of the pay period, inclusive of July 1, 2027, a three percent (3%) salary increase will be applied to all pay ranges and incumbents. At the same time, the bottom five percent (5%) of each pay range will be eliminated.
- Effective the beginning of the pay period, inclusive of July 1, 2028, a three percent (3%) salary increase will be applied to all pay ranges and incumbents.
- Adjustments related to the City's Total Compensation Study to bring salary ranges to Market Median (Base + Insurance + Cash), in three increments on the following dates: January 1, 2027, June 30, 2027, and June 30, 2028. Once a classification reaches Market Median, no additional salary range adjustments tied to the compensation study will be made.
- The Simi Flex amount will remain the same in the 2026 Plan Year (\$2,269.44/month); increase to \$2,406 per month for the 2027 and 2028 Plan Years, and increase to \$2,575 in the 2029 Plan Year. There are no changes to the opt-out amount.

The proposed 3% salary increases and one-time lump-sum payment structure are identical to those approved by City Council for SEIU Local 721 (SEIU), adopted on December 15, 2025, and the City's Unrepresented Management Group (MGT), adopted on December 1, 2025. However, both SEIU and MGT received a \$2,406-per-month Simi Flex allocation for the 2026 plan year. Because SVEA's agreement was settled following the closure of the open enrollment period, SVEA will receive a higher one-time bonus equivalent to the increase amount, which equals \$1,639 (\$1,000 one-time bonus vs. \$2,639 one-time bonus). There is no retroactive compensation in this agreement. SVEA's membership overwhelmingly voted to ratify the agreement on Monday, March 16.

It is recommended that the City Council/Board of Directors consider the proposed terms and conditions of the MOU with SVEA and place this matter on the agenda for the April 6, 2026, City Council/Board of Directors meeting for final determination.

Financial Impact

The total contract cost over the three-year term is estimated at \$1,135,766 and will be funded out of the following funds: General Fund, Waterworks, and Sanitation. The total Year 1 cost is estimated at \$200,144 and will be funded by personnel savings realized from vacancies.

The costs for Years 2 and 3 will be included in the City and District's operating budgets as part of the annual budget process for the City Council's and the Board of Directors' consideration.

City Council Priority

This item supports the City Council's Pillars of Excellence for Excellent City Government. The proposed terms and conditions further address the City's Focus Area Goal to ensure more competitive compensation for City staff.

Suggested Motion

I move to:

1. Consider the proposed terms and conditions of the Memorandum of Understanding (MOU) with the Simi Valley Engineers Association (SVEA) as presented, and allow the public an opportunity to provide input prior to making a final determination on the MOU; and
2. Place this matter on April 20, 2026, City Council/Board of Directors meeting agenda for final determination on the proposed MOU.

Summary

The City's negotiating team and SVEA met and conferred and have reached agreement on a three-year contract with a series of three percent (3%) salary and pay range increases implemented over the term of the contract, along with market-rate adjustments implemented in three phases, and other pay and benefit enhancements. The City has maintained a balanced budget, identified funds to cover Year 1 of the proposed MOU package, and proposes to include the costs for Years 2 and 3 in the annual budgeting process. It is recommended that the City Council/Board of Directors consider the proposed terms of the MOU and place this matter on the agenda for the April 20, 2026, City Council/Board of Directors meeting for final determination.

Prepared by: Luis Garibay, Assistant City Manager

Attachments:

Attachment A – Guiding Principles for Negotiations with Recognized Employee Organizations

Attachment B – Memorandum of Understanding between the City of Simi Valley and the Simi Valley Engineers Association

GUIDING PRINCIPLES FOR NEGOTIATIONS
WITH RECOGNIZED EMPLOYEE ORGANIZATIONS

PURPOSE. The City of Simi Valley values its employees and seeks to provide fair and equitable compensation for each employee group and classification. The following principles are established to guide adoption of compensation plans and contracts covering City employees.

GUIDING PRINCIPLES.

- (1.) Bargaining in Good Faith – The City renews its ongoing commitment to abide by the Meyers-Milias-Brown Act while developing strategies for long term fiscal stability. The City will negotiate in good faith, with the ultimate goal of ensuring long-term fiscal sustainability of employee salaries and benefits.
- (2.) Recruitment and Retention – The City’s compensation should, when economically feasible, be structured and provided at levels sufficient to recruit and retain qualified employees who are committed to providing the highest quality service to the community using compensation practices that are competitive with other comparable agencies.
- (3.) Fiscal Sustainability – All compensation commitments must take into account the financial ability of the City and be consistent with the principles of fiscal sustainability. The City should be able to meet the cost of any compensation commitment from current and projected on-going City revenues. Contracts, including compensation commitments, should not contain embedded costs and obligations that are difficult for the public to understand/evaluate, or for the City to articulate and sustain long-term.
- (4.) Transparency – Compensation for all City employees should be transparent to ensure full public disclosure of all elements of compensation, including all differential and incentive pay and all costs associated with health insurance, retirement, and other post-employment benefits. The City’s compensation structure should be simple and easily understood, and available online.
- (5.) Compliance with Laws – The City will ensure that its pay practices conform to the Fair Labor Standards Act (FLSA), abide by all requirements of the Meyers-Milias-Brown Act, and comply with other applicable State laws.
- (6.) Term of Agreements – Generally, the City should seek to negotiate multi-year agreements with recognized employee organizations. However, the City when considering long-term agreements, salary formulae should be based on objective cost of living indicators.
- (7.) Priorities – Levels of employee compensation should ensure the City’s long-term success in achieving its core mission, support the City’s ability to continue providing services, programs, and activities that align with the priorities of the public and the City Council, and be consistent with the interests and welfare of the public.
- (8.) Management Rights – The City must maintain its management rights to supervise, manage, and direct its workforce. The City should not enter into agreements that contain unreasonable restrictions on the City’s current management rights.
- (9.) Flexibility – The City should recognize that flexibility may be necessary on the specific elements of the overall compensation package, provided that guiding principles are achieved within budget constraints.

POLICIES AND PROCEDURES FOR NEGOTIATIONS
WITH RECOGNIZED EMPLOYEE ORGANIZATIONS

PURPOSE. The purpose of this policies and procedures document is to set guidelines for staff and the City Council to ensure that all labor negotiations are conducted in good faith, to avoid actions that would hinder the City's labor negotiation teams, and to provide timely and accurate information about the negotiations to the City Council and the public.

POLICIES AND PROCEDURES.

- (1.) Prior to initiation of negotiations, a public meeting shall be held to allow members of the public the opportunity to provide comments on the City's Guiding Principles, Policies and Procedures, and other labor negotiation recommendations.
- (2.) Pursuant to Section (3.)(M.) of Resolution 73-79, the City Manager is the City's Employee Relations Officer responsible for meeting and conferring in good faith with representatives of formally recognized employee organizations. The City Council may express its views to the City Manager but shall endeavor not to interfere with the execution by the City Manager of his or her authority to negotiate on behalf of the City.
- (3.) Pursuant to the Meyers-Milias-Brown Act, all contract negotiations should take place at the bargaining table between the designated representatives of the City and the designated representatives of the various bargaining units. Both the City and the bargaining units have an obligation under applicable laws to negotiate in good faith and, in the spirit of good faith bargaining, should not bypass the negotiating teams.
- (4.) Bargaining units should submit their proposals for changes to wages, benefits, terms, and conditions of employment no later than 90 days prior to expiration of the Memorandum of Understanding to encourage a timely conclusion of negotiations.
- (5.) Nothing in this policy shall prohibit members of the City Council from listening to bargaining unit representatives or persons acting on their behalf.
- (6.) Nothing in this policy prohibits the City Manager from requesting the assistance of the City Attorney in carrying out the City Manager's responsibilities as the Employee Relations Officer.
- (7.) Authorization and direction to the City Manager on bargaining parameters shall be provided by the City Council in closed session. In order to retain the integrity of the negotiation process, closed session discussions must remain confidential.
- (8.) The City Manager shall have a duty to advise the City Council during agendaized closed session meetings of offers, counteroffers, information, and/or statements of position discussed by employee organizations and City representatives participating in the bargaining process since the last agendaized closed session.
- (9.) Each Council Member shall disclose publicly during open session, the identity of employee association representatives with whom the Council Member has had any verbal, written, electronic, or other communications regarding a subject matter of a pending meet and confer process.
- (10.) Unless mutually agreed to by the City and the bargaining unit representatives, negotiation sessions shall remain confidential.

- (11.) Upon impasse, the City Manager may provide periodic updates on the status of labor negotiations to the City Council in open session.
- (12.) Upon impasse, bargaining unit representatives or persons acting on their behalf may comment on the City Manager's open session labor negotiations status update. This shall be done during open session to ensure each of the Council Members receives the same information. The City Council may listen to these statements made in the public forum and may ask questions for clarification purposes, but shall not respond to the comments, or engage in dialogue or any other form of bargaining with the representatives.
- (13.) Recognizing there is public interest in transparency regarding compensation practices, recommended labor agreements shall be made available for public review at least 72 hours prior to final approval of an agreement.
- (14.) The City shall ensure that all compensation packages are fully, accurately, and simply "costed out over time," with total costs displayed to the public at the time of public review so the public has the opportunity to understand/evaluate the pay at issue.
- (15.) The cost measurements shall display the fiscal impacts of the proposed compensation packages. The report shall include all benefit and or pay aspects of each memorandum of understanding.
- (16.) Excepting the resolution of any meet and confer impasse, the rendering of a final City Council determination regarding adoption of a memorandum of understanding shall only be undertaken after the matter has been heard at a regular City Council meeting wherein the public has had the opportunity to review and comment on the matter.
- (17.) For purposes of agendaized closed session meetings outlined in Item 8 above, "information" shall mean salaries, salary schedules, compensation paid in the form of fringe benefits, the City's available funds, and funding priorities for the purpose of reviewing the City's position and instructing the City's labor negotiating team.

**MEMORANDUM OF UNDERSTANDING
BETWEEN THE
CITY OF SIMI VALLEY
AND THE
SIMI VALLEY ENGINEERS ASSOCIATION**

APRIL 6, 2026 – JUNE 30, 2029

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**MEMORANDUM OF UNDERSTANDING BETWEEN THE
CITY OF SIMI VALLEY AND THE SIMI VALLEY
ENGINEERS ASSOCIATION (SVEA)**

SECTION I

RECOGNITION

Pursuant to the City's Employer-Employee Relations Resolution and the Meyers-Milias-Brown Act ("MMBA") (Government Code Section 3500 et. seq.) the City of Simi Valley ("City") recognizes the Simi Valley Engineers Association ("SVEA" or "Association") as the exclusive representative of the full- and part-time regular status employees in the bargaining unit.

Article 1. Purpose

It is the purpose of this comprehensive Memorandum of Understanding ("MOU") to promote and provide for harmonious labor relations, cooperation and understanding between the City and the employees covered by this MOU, to provide an orderly and equitable means of resolving any misunderstanding or differences which may arise under the MOU and to set forth the full and entire understanding of the parties reached as a result of meeting and conferring in good faith concerning wages, hours, terms and conditions of employment.

It is agreed that the parties shall be bound by this MOU upon implementation by the City Council. Upon implementation, the MOU shall supersede any conflicting rule, regulation or ordinance of the City.

Article 2. Term

This MOU shall be effective April 6, 2026, and shall expire on June 30, 2029. The specific provisions of this MOU shall be effective as specified herein.

Article 3. Integration

This MOU embodies the parties' entire understanding and mutual agreement as required by Government Code Section 3505.1. This MOU constitutes an agreement and joint recommendation for ratification by Simi Valley Engineers Association's membership, and approval and adoption in its entirety by the City Council.

Article 4. Conclusiveness

All terms and conditions of employment included in this MOU shall remain in full force and effect for the term of this MOU unless the Parties mutually agree to amend this MOU.

Article 5. Savings Clause

The Parties agree that this MOU is subject to all current and future applicable federal, state, and local laws. If any provisions of this MOU conflicts with or is inconsistent with such laws, or is held invalid by operation of law or by any tribunal or office of competent jurisdiction, or if compliance with or enforcement of any provision of this MOU is restrained by such tribunal or office, then such provisions will be deemed invalid and of no force of effect. In that event, all other provisions of the MOU will continue in full force and effect; and the parties shall, upon request, meet and confer over any proposed replacement provision or provisions.

Article 6. Modification and Waiver

The waiver of any express term or condition of this MOU shall not bar future enforcement of all its terms and provisions. In the event of a violation of any part of this MOU, failure to object to the violation shall not waive or bar future enforcement of all provisions.

Article 7. Non-Discrimination

The provisions of this MOU shall be applied equally to all employees covered hereby without favor or unlawful discrimination based on actual or perceived race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status or other factors not directly related to the successful performance of the job.

Article 8. Management Rights

The City reserves, retains, and is vested with, solely and exclusively, all rights of management, regardless of the frequency of use, which have not been expressly abridged by specific provisions of the MOU or by law, to manage the City for the citizens of Simi Valley, as such rights existed prior to the execution of this or any predecessor MOU. Without limiting the generality of the foregoing, the City continues to reserve and retain solely and exclusively all rights of management, including those City rights set forth in Resolution No. 73-79 on Employer-Employee Relations, and including but not limited to the right:

- a. To determine the mission of its constituent departments, commissions, and boards and the services to be rendered thereby;
- b. To set standards of service;
- c. To determine the procedures and standards of selection for employment, promotion, demotion and layoff;
- d. To direct its employees;

- e. To take disciplinary action just for cause;
- f. To relieve its employees from duty because of lack of work or for other legitimate reasons;
- g. To maintain the efficiency of governmental operations;
- h. To determine the methods, means and personnel, including contract and/or part-time personnel, by which government operations are to be conducted;
- i. To determine the content of job classifications;
- j. To take all necessary actions to carry out its mission in emergencies;
- k. To exercise complete control and discretion over its organization and the technology of performing its work.

Article 9. Coverage

Employees covered by the terms of this MOU shall be those in job classifications set forth below. Any additional classifications developed during the term of this MOU and designated by the City as an SVEA classification shall be added to the classifications listed.

- | | |
|--|----------------------------------|
| City Engineer | Deputy Director/Traffic Engineer |
| Principal Engineer | Senior Engineer |
| Deputy Public Works Director/
Development Services | Associate Engineer |
| Deputy Public Works Director/
Maintenance Services Engineer | Assistant Engineer |

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SECTION II
UNION BUSINESS

Article 1. Payroll Deduction and Indemnification

Dues Deduction

The City will honor employee authorizations for dues deduction as required by provisions of the Government Code. The authorizations will be maintained by the Association.

Quarterly, the City shall send to the Association a list of all employees in the bargaining unit including: each employee's first name, middle initial, last name; employee identification number; employee hire date; employee job classification; mailing address on file; and e-mail address. This information shall be sent in Excel format to the Association President.

Upon personnel changes, the Association shall provide the employer with an "authorized deduction report" which includes bargaining unit members who have authorized the deduction of Association dues deductions and the deduction amounts.

The Employer shall make the dues and other applicable deductions from the employees' paychecks and remit such itemized deductions to the Association via Electronic Funds Transfer (EFT) within five (5) business days of each payday. The Employer shall also provide the breakdown of each amount remitted in Excel format to the Association President.

Indemnification

The Union agrees to indemnify and hold the City harmless from any liabilities of any nature that may arise as a result of the application of provisions of this Article.

Article 2. Access to Work Locations

SVEA officers and staff shall be given reasonable access to work locations during work hours, provided that such visits do not unduly interfere with the City's operation.

Article 3. Association Representation

The parties agree that in any situation deemed appropriate for employee representation by the Association, no more than one SVEA Representative may participate in proceedings as the employee's representative. Employee representatives may participate as witnesses or in some other official capacity as may be necessary.

Article 4. New Employee Orientation

The City shall provide the Association's designated representative(s) written notice of a new employee orientation at least ten (10) business days prior to the event, unless there is an unforeseeable urgent need requiring a shorter notice period. Association representatives shall be permitted to meet with new hires for up to thirty (30) minutes during the mandatory scheduled new employee orientation. This meeting will be exclusively for Association representatives and employees newly hired into SVEA-represented classifications. The City shall grant release time for up to one steward to participate in the new employee orientation. "New hires" is defined to include any employee new to the bargaining unit represented by SVEA, including but not limited to through accretion or promotion/demotion.

Article 5. Association Release Time

The City shall provide release time for specific purposes for Employees designated by the Association as "Association Stewards". SVEA Employees designated as "Association Stewards" shall be granted aggregate release-time up to a maximum of 10 total hours in each calendar month. Such release-time may only be utilized by designated Association Stewards for the purposes of meeting with representatives of the City to discuss labor relations issues; and to meet with represented Association members to discuss personnel matters; or to attend monthly Union meetings. Meetings of designated Union Stewards shall not occur on City premises.

Employees designated as Association Stewards shall request release-time of their supervisors immediately upon becoming aware of the need to discuss a personnel issue with a SVEA employee or to attend a scheduled Association Board meeting. Release time approved by the supervisor shall be noted on the employees' timesheet in the City's timekeeping system using the pay code for "Union Release", which is currently pay code 185. Such time shall not be utilized for purposes other than expressly authorized. Absent exigent circumstances, meetings between Association representatives and City Management shall be scheduled toward the end of the workday or employees' work shifts. The Association agrees to cooperate with the City in accounting for release time utilized and in not abusing privileges afforded by this Section.

The Association shall provide the names of employees designated as Association Stewards in writing to the City within 30 days of the effective date of this Agreement and whenever any changes occur. The maximum number of employees designated as Association Stewards shall be two.

Association members shall seek pre-approval of release time requests for purposes other than that described above (e.g. labor negotiation meetings, ratification-voting processes) at least 72 hours prior to the time of requested release to their supervisors. The release time for these additional purposes are not counted towards the maximum monthly usage as described above.

Article 6. Distribution of Association Materials

The Association may distribute materials on City premises, before and after scheduled working hours or in non-work areas during scheduled working hours provided that both the employee distributing and the employee receiving such material are not on City time and so that such distribution shall not interfere with City operations as determined by the City.

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SECTION III
SALARIED COMPENSATION

Article 1. Salary Compensation

The salary ranges for each represented job classification prior to any modifications included in this MOU is shown in the following table:

Job Classification	Hourly Salary Range (Min.)	Hourly Salary Range (Max.)	Effective Date
Assistant Engineer	\$41.6539	\$53.4216	4/8/24
Associate Engineer	\$45.5787	\$58.5239	4/8/24
City Engineer	\$65.4545	\$84.3628	4/8/24
Deputy Director/Traffic Engineer	\$65.4545	\$84.3629	4/8/24
Deputy Public Works Director (Development Services)	\$59.6883	\$76.8665	4/8/24
Deputy Public Works Director (Maintenance Services Engineer)	\$59.6883	\$76.8665	4/8/24
Principal Engineer	\$59.6883	\$76.8665	4/8/24
Senior Engineer	\$52.0707	\$66.9634	4/8/24

Effective the first full pay period following City Council adoption, a one-time, lump sum payment of \$2,639 will be made to SVEA employees who were employed with the City for the entire period beginning January 1, 2026, through the first full pay period following City Council adoption of this MOU.

Effective the first full pay period following City Council adoption, employee salaries and related salary ranges shall be increased by three percent (3%).

Effective the beginning of the pay period inclusive of July 1, 2027, a three percent (3%) salary increase will be applied to all pay ranges and incumbents. At the same time, the bottom five percent (5%) of each pay range will be eliminated.

Effective the beginning of the pay period inclusive of July 1, 2028, a three percent (3%) salary increase will be applied to all pay ranges and incumbents.

Article 2. Equity Adjustments

The SVEA, on behalf of Association employees, may request equity studies for up to one (1) classification in each year of the Agreement to be submitted to Human Resources no later than January 2nd. The eligible classifications include City Engineer, Deputy Public Works Director (Development Services), Principal Engineer, Associate Engineer, Deputy Public Works Director (Maintenance Services Engineer), Deputy Director/Traffic Engineer, Senior Engineer, and Assistant Engineer. City Management reserves the right to undertake such studies as it deems appropriate in its sole discretion with due consideration to recruitment and retention issues.

The City shall review the following survey agencies for the City’s use in determining

salary and benefit levels for comparable classifications in other agencies, including:

Burbank	Santa Clarita
Camarillo	Santa Monica
Oxnard	Thousand Oaks
Pasadena	Ventura County
San Buenaventura (Ventura)	

Article 3. Salary Schedule

All employees shall be placed within the salary ranges in Article 1 of this Section. Except as provided herein, the position within the salary range shall be determined by merit.

Employees who are promoted to a higher job class shall receive a minimum of 5.5% salary increase or the lowest pay rate of the new range, whichever is higher.

Article 4. Merit Salary Increases

Management Employees' Manual City Policy 14, Compensation, sets forth the City's policy with respect to merit increases (up to 5%) and salary range adjustments as determined by the City Manager, as may be revised from time to time. A 6% merit increase may be granted with concurrence from the Deputy Human Resources Director and approval by the City Manager for exceptional service and work above and beyond the call of duty.

There shall be no merit increases during the probationary period.

Article 5. Jury and Witness Duty

Management Employees' Manual City Policy 30, Jury and Witness Duty, sets forth the City's policy with respect to the provision of paid time off to Regular Status employees serving jury duty and witness duty, when witness duty is related to City business.

An employee summoned to attend any court proceeding due to personal reasons during his/her scheduled shift shall be required to use their accrued annual leave to cover the absence. If an employee does not have enough paid time to cover the absence, it will be unpaid. Employees must notify their supervisor and provide a copy of the court summons on the first regularly scheduled work date after receipt of the summons.

In the event an employee is legally subpoenaed to appear as a witness by SVEA for a matter before the Public Employment Relations Board or in a matter not related to his/her duties as a City employee, the employee shall be granted the use of accrued annual leave time to comply with the directive of the subpoena.

Article 6. Compensation Study

The City agrees to bring all Benchmark and associated classifications up to Median, Total Compensation (Base + Cash + Insurance), based on the City's 2026 compensation study, for each classification that is found to be below median no later than July 1, 2029, implemented equally in three salary range increases – one increase shall occur on the first full pay period that includes January 1, 2027, the second increase shall occur on the first full pay period that includes June 30, 2027, and the third (and final) increase shall occur on the first pay period inclusive of June 30, 2028. Once a Benchmark position reaches Median, no further salary adjustments will be made.

The Benchmark positions shall be Associate Engineer and Principal Engineer. The comparable agencies shall be the cities of Burbank, Camarillo, Oxnard, Pasadena, San Buenaventura (Ventura), Santa Clarita, Santa Monica, Thousand Oaks and the County of Ventura.

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SECTION IV

BENEFITS

Article 1. Retirement

The City offers a defined retirement benefit plan through the California Public Employees' Retirement System (CalPERS). An employee's retirement benefit plan will be based on the employee's date of hire and whether the employee qualified as a "Classic" or "New Member" as those terms are defined in the Public Employee Pension Reform Act of 2013 (PEPRA).

Classic Member	2% @ 55	Hired prior to 1/1/2013 and eligible transfers
New Member	2% @ 62	Hired on or after 1/1/2013

A. Classic Members: 2% @ 55

1. The following is a summary of CalPERS contract provisions for Classic Members:
 - a. One Year Final Compensation – Single Highest Year
 - b. 4th Level 1959 Survivor Benefits
 - c. Military Service Credit as Prior Service
 - d. Public Service Credit for Peace Corps or AmeriCorps Vista Service
2. All Classic Member employees shall pay the full member contribution for pension benefits according to the CalPERS actuarial published for each fiscal year. The City shall notify SVEA as to when it notices that the new actuarial is published on the CalPERS website.

B. New Members: 2% @ 62

1. The following is a summary of CalPERS contract provisions for New Members:
 - a. Three Year Final Compensation – Highest average annual final compensation during a consecutive 36-month period subject to the cap
 - b. 4th Level 1959 Survivor Benefits
 - c. Military Service Credit as Prior Service
 - d. Public Service Credit for Peace Corps or AmeriCorps Vista Service

2. All New Member employees shall pay the full member contribution for pension benefits according to the CalPERS actuarial published for each fiscal year. The City shall notify SVEA as to when it notices that the new actuarial is published on the CalPERS website.

Article 2. Holidays

The following are recognized holidays for regular, full-time employees:

- January 1 - New Year's Day
- Third Monday in January - Dr. Martin Luther King Jr. Day
- Third Monday in February - President's Day
- Last Monday in May - Memorial Day
- July 4 - Independence Day
- First Monday in September - Labor Day
- November 11 - Veteran's Day
- Thanksgiving Day
- Day after Thanksgiving
- December 24 - Christmas Eve
- December 25 – Christmas Day

Employees assigned to facilities other than City Hall shall work their regularly assigned schedule, subject to the following: if December 24th falls on a Wednesday, then the Christmas Eve holiday will be observed on December 26th; if the Christmas Eve holiday falls on a Friday, then the Christmas Eve holiday will be observed on December 23rd; and if the Christmas Eve holiday falls on a Sunday, then the Christmas Eve holiday will be observed on December 22nd.

Regular full-time employees shall receive an 8-hour floating holiday. Regular part-time employees shall receive a pro-rated floating holiday benefit based on their part-time status (i.e., a 50% part-time employee will receive 4 hours.) The floating holiday benefit may be used by employees in whole or in part at any time during the calendar year for which it is granted, however it may not be cashed out. The use of floating holidays is subject to the scheduling provisions of City Policy 27, Annual Leave, of the Management Employees' Manual.

Article 3. Insurance

The City-paid health insurance contribution is discontinued after an employee has been on leave without pay for twelve months.

Medical Insurance

The City contracts with CalPERS for medical insurance coverage through the Public Employees' Medical and Hospital Care Act ("PEMHCA").

For employees enrolled in a CalPERS plan, the City shall pay the required statutory minimum on behalf of each employee. The minimum contribution will apply only toward the medical insurance premium for a CalPERS Health plan. If an employee chooses not to enroll in a CalPERS Health plan, the minimum contribution cannot be used for any other purpose.

If CalPERS changes any of the medical insurance plans by either adding to or deleting the plan options described above, employees will be limited to those plan options offered by CalPERS.

Dental and Vision Insurances

The City shall contribute up to \$100.00 per month for dental insurance.

The City shall contribute up to \$19.80 per month for vision care insurance.

Contributions for part-time employees are prorated based on their part-time status (i.e., a 50% part-time employee will receive \$50.00 per month for dental insurance and \$9.90 per month of the City's contribution toward vision care.)

For both Dental and Vision Insurances, the City's contribution is split between the first and second paycheck of each month.

Simi Flex Dollars

In addition to the City's payment of a portion of employees' medical, dental, and vision insurance premiums as described above, eligible regular employees are provided with a flexible benefit plan package (Simi Flex dollars), which could be used by the employee to offset the cost of medical, dental, or vision insurance, or other health-related benefits. The Simi Flex amount varies depending upon the employee group and the medical plan selected. Contributions for part-time employees are prorated based on their part-time status (i.e., a 50% part-time employee will receive half of the City's Simi Flex contribution provided to a full-time employee.)

Maximum monthly Simi Flex amounts for employees who are enrolled in a City medical insurance plan are determined as follows:

	2026 Simi Flex Monthly Maximum	2027 Simi Flex Monthly Maximum	2028 Simi Flex Monthly Maximum	2029 Simi Flex Monthly Maximum**
With Medical Insurance*	\$2,269.44	\$2,406.00	\$2,406.00	\$2,575.00
Without Medical Insurance (Opt Out)	\$335.83	\$335.83	\$335.83	\$335.83

*After deducting the employee’s medical insurance out-of-pocket costs (premium less PEMHCA minimum employer medical insurance contribution), the remaining Simi Flex cash balance shall not exceed the Opt Out amounts shown above.

**Should this agreement extend into future calendar years, the 2029 Simi Flex Monthly Maximum column shall apply.

Continuation of Health Plan Coverages

Employees who retire may elect to remain on the City’s dental and vision plans, at the premium rates, subject to the carriers’ terms.

Retiree Health Premium Coverage

The City shall contribute amounts for health premium coverage under the City's group health plans, for employees who retire from the City of Simi Valley after July 2, 1990 and were hired prior to June 21, 2010 (as designated below). Employees hired on or after June 21, 2010, are not eligible to receive current retiree health insurance benefits (as designated below), but rather will receive a contribution in the amount of \$200.00 per month during employment placed into a retiree health savings account or similar program. Employees hired June 20, 2010 or before are not subject to this provision upon promotion.

Effective June 21, 2010, eligible employees who retire from the City of Simi Valley may select one of the following options for health coverage:

Option One

The City shall contribute equal to employee-only coverage for up to \$1,500 per month on the City's group health plan for up to 120 months (10 years) after the date of retirement for employees that served ten (10) years or more with the City prior to retirement.

Option Two

The City shall contribute equal to employee-plus-one coverage up to \$1,500 per month on the City's group health plan for up to 60 months (5 years) after the date of retirement for employees that served ten (10) years or more with the City prior to retirement.

Effective July 2, 2001, retiring eligible employees (hired prior to June 21, 2010) who have worked for the City for over twenty (20) years will be eligible for additional years of medical coverage. For every year worked for the City beyond twenty (20), the retiring employee will be eligible for an additional year of medical coverage under Option One or one-half year under Option Two.

Effective January 1, 2014, the City contracted with the Public Employees' Retirement System for medical insurance through the Public Employees Medical and Hospital Care Act ("PEMHCA"). All benefits shall be provided in accordance with PEMHCA regulations.

For retirees enrolled in a CalPERS plan, the City shall pay the required statutory minimum on behalf of each eligible retiree. The minimum contribution will apply only toward the medical insurance premium for a CalPERS Health plan. If a retiree chooses not to enroll in a CalPERS Health plan, the minimum contribution cannot be used for any other purpose.

If CalPERS changes any of the medical insurance plans by either adding to or deleting any of the plan options, retirees will be limited to those plan options offered by CalPERS.

CalPERS Health Plan Requirements for Retirees:

In order to qualify for coverage under the City's medical insurance plans in retirement, retirees must meet the following CalPERS Health Plan requirements, along with any additional requirements as dictated by CalPERS and applicable laws:

- Retire from the City of Simi Valley within 120 days of separation from employment;
- Be eligible for health benefits upon separation; and,
- Receive a monthly CalPERS retirement allowance.

In the event of the death of a retiree, a surviving spouse is eligible for coverage under the City's medical insurance plans so long as they continue to receive a pre-selected allocation of the retiree's retirement allowance in place of the deceased retiree. The CalPERS Health Plan is tied to the CalPERS pension benefit, such that, if the surviving spouse does not receive the retiree's retirement allowance (for example, the retiree selected Unmodified Allowance or Option 1 at the time of retirement), the surviving spouse will not be eligible for the City's medical insurance plans upon the death of the retiree.

Sharing the City Medical Insurance Contribution with a Spouse:

Association retirees who have earned a City medical insurance contribution (as described in the Retiree Health Premium Coverage section above) can apply the City medical insurance contribution to cover a spouse for all or a portion of the earned period of time, so long as the retiree and the spouse continue to meet the CalPERS Health Plan requirements.

For example, if the retiree earned a City contribution towards medical insurance for a 10-year time period, the retiree may elect to apply the contribution to cover him/herself and a spouse for 2 years, and him/herself only for the remaining 6 years. The retiree must designate, at the time of retirement, how the City's medical insurance contribution will be applied. Changes will not be permitted once the designation is complete. The retiree is required to be the insured on the medical plan; a spouse may not participate on the medical plan without the retiree, except in the event of death of the retiree as outlined below.

In the event of the death of a retiree, a surviving spouse, who meets the CalPERS Health Plan requirements, will continue receiving the City medical insurance contribution for the remainder of the earned period of time as elected by the retiree at the time of retirement, or until the spouse remarries, whichever occurs first.

Delay of City Medical Insurance Contribution:

Association retirees may elect to delay receiving the City medical insurance contribution for up to five years from their separation date so long as they meet the CalPERS Health Plan requirements. If the separated employee does not meet the CalPERS Health Plan requirements upon retirement, they will not be eligible for enrollment in the City's medical insurance plans and will not qualify to receive the City retiree medical insurance contribution. Retirees may only enroll in the City's health plans during an open enrollment period, which usually occurs in September/October each year as stipulated by CalPERS, with an effective date of January 1 of the following year. It is the retiree's responsibility to enroll in a medical plan during an open enrollment period occurring prior to the deferment deadline in order to begin receiving the City medical insurance contribution. The City will not provide reminders or notices that the deferment period is ending. Retirees who do not enroll in a City medical plan prior to the end of the deferment period will not be eligible to receive any portion of the City medical insurance contribution.

Life Insurance

Employees shall be included in the group term life insurance under the terms of the City's policy. The City shall contribute an amount equal to the monthly premium amount for the designated amount of insurance including accidental death and dismemberment coverage and dependent life insurance.

The amount of accidental death and dismemberment life insurance coverage shall be \$101,000.

The City shall provide coverage in the amount of \$5,000 for the employee's spouse and eligible dependents as defined under the plan.

Short-Term/Long-Term Disability Insurance

Employees shall receive short-term and long-term disability insurance under the terms of the City’s policy. The short-term disability benefit begins on the 8th day of absence (or first day if the employee is hospitalized) and continues for 180 days (6 months). The long-term disability policy begins on the 181st day. The City shall contribute an amount equal to the monthly premium for such coverage. Currently, the monthly benefit for short-term and long-term disability shall be 66-2/3 percent of salary up to a maximum monthly benefit of \$9,500 (refer to the Plan Documents for the latest maximums).

Article 4. Annual Leave

Association Employees shall accumulate Annual Leave at the following rates:

Years of Continuous Service	Effective Upon Adoption
10 or more years	279.5 hours per year / 10.75 per pay period
5 years to 9.99 years	267.54 hours per year / 10.29 per pay period
Less than 5 years	227.5 hours per year / 8.75 per pay period

Accruals shall be prorated for part-time employees and granted each pay period. The maximum accrual of Annual Leave for SVEA Employees shall be 800 hours.

Conversion to Salary - Employees may convert Annual Leave accumulations to salary in accordance with the terms set forth below.

A. Eligibility.

This provision applies only to those employees with one or more years of service with the City as of the first working day of December in the year which the conversion is requested and who has a balance of 40 hours remaining after deduction of the hours subject to the cash out election.

In addition, an employee must use forty (40) hours of accrued annual leave during the twelve (12) months immediately preceding the submission of the cash-out election. For this purpose, “use” shall mean actually taking time off work and being paid annual leave pay for such time off.

If an employee has not met the foregoing requirements, the employee will not be eligible to make a cash out election.

B. Cash Out Terms.

Employees will have the opportunity to declare their intent to cash out annual leave that will accrue after the election in accordance with the following conditions:

1. No less than 8 hours and not more than 235 hours (for employees with 5 or more years of service) and 209 hours (for employees with 1 – 4 years of service) of annual leave may be converted to salary during a fiscal year.
2. By December 15 of each year, employees can declare their intent to cash out annual leave that they will earn during the following calendar year. Only annual leave hours accrued in the calendar year for which an election is made may be cashed out. Cash outs for annual leave hours accrued in a prior calendar year are not allowed. For example, elections made by December 15, 2021, shall apply to hours accrued in 2022.
3. There will be two pay out opportunities available to employees. The first pay out date will be the first pay date in July, and the second pay out date will be the first pay date in November.
4. Once an election is made, it cannot be rescinded.
5. Cash out amounts will be based on the employee's base hourly rate of pay at the time of the pay out.

Employees will be eligible for partial cash outs if the full amount of hours elected are not available at the elected time of cash out. For example, if an employee elects to cash out 40 hours of Annual Leave, but only 20 hours are available, 20 hours would be cashed out.

Employees will be required to complete the City's standardized Annual Leave Cash Out Form by December 15 of the calendar year prior to the calendar year in which the employee wishes to redeem annual leave hours for cash. Failure to submit an Annual Leave Cash Out Form with an irrevocable election by December 15 of each year shall be the same as not electing to cash out annual leave during the following calendar year.

Annual leave hours used for paid time off will be deducted first from annual leave hours accrued in prior calendar years, and last from annual leave hours accrued in the current calendar year.

C. Exception – Unforeseeable Emergency

Employees who experience an unforeseeable emergency may elect to cash out annual leave hours, including hours that have accrued. For these purposes, “unforeseeable emergency” means a severe financial hardship to the employee resulting from an illness or accident of the employee, the employee’s spouse, or a dependent of the employee, loss of the employee’s property due to casualty, or other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the employee. The amount of the cash out shall be limited to the amount necessary to satisfy the unforeseeable emergency plus an amount necessary to pay taxes reasonably anticipated as a result of the cash-out. Whether an occurrence is an unforeseeable emergency shall be determined by the City in its sole discretion.

D. Reopener

If it is subsequently determined by the City, the Internal Revenue Service, a court of competent jurisdiction or another governing authority that the leave redemption provisions in place prior to October 2021 or substantially similar, will not trigger constructive receipt of income from accrued leave, the Association may, at its sole option, compel the City to reopen negotiations in order to restore the leave redemption provisions in place in October 2021 or something substantially similar that will not trigger constructive receipt of income from accrued leave.

Article 5. Deferred Compensation

401(k) Plan

A 401(k) deferred compensation program is available to Association employees. Participating employees receive a match up to \$200 per month. A Roth 401(k) option is also available.

457 Plan

Association employees are eligible to participate in the City’s 457 deferred compensation plan.

Article 6. Tuition Reimbursement

Association employees may receive reimbursement for tuition expenses up to \$1,600 per fiscal year.

Article 7. Substance Abuse Policy / Employee Assistance Program

The City shall continue a Substance Abuse Policy/Employee Assistance Program, applicable to all employees, in concert with the City's commitment to assuring a drug and alcohol-free workplace.

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SECTION V**MISCELLANEOUS****Article 1. Disciplinary Action**

The Parties agree that disciplinary action shall be processed in accordance with the Disciplinary Actions policy (Policy 31) set forth in the City's Management Employees' Manual.

Article 2. Grievance Procedure

The Parties agree that grievances shall be processed in accordance with the Grievance Procedures policy set forth in the City's Management Employees Manual and except as expressly stated in this MOU (i.e., the express terms of this MOU shall supersede the City's Management Employees Manual).

A grievance shall be defined as any dispute between the City and Association over the interpretation or application of the terms of this MOU.

Article 3. Other Terms and Conditions

The remaining terms of conditions of employment for employees within the unit shall be as provided in the applicable sections of the Management Employees' Manual or as determined by the City Manager. In the event of a conflict between this MOU and the Management Employees' Manual, this MOU shall control.

This Memorandum of Understanding represents the agreement and understanding of the representatives of the general membership of the Simi Valley Engineers Association and the City Council of the City of Simi Valley. This document shall become binding on the Membership of the Association and the City only when ratified by the City Council.

FOR THE CITY OF SIMI VALLEY:

FOR THE SIMI VALLEY ENGINEERS ASSOCIATION:

Luis Garibay, Chief Negotiator

Justin Link, Chief Negotiator

Zachary Lopes, Counsel

Eddie Yamamoto

Robert Herr

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