Exhibit 2

MEMORANDUM OF UNDERSTANDING

BETWEEN THE CITY OF CARLSBAD

AND THE CARLSBAD FIREFIGHTERS' ASSOCIATION, INC.

Term: January 1, 2014- December 31, 2016

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MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding is made and entered into as of the date of formal approval hereof by the City Council of the City of Carlsbad, by and between designated management representatives of the City of Carlsbad (hereinafter referred to as the "city") and the designated representatives of the Carlsbad Firefighters' Association, Inc. (hereinafter referred to as CFA or "CFA, Inc.").

PREAMBLE

It is the purpose of this Memorandum of Understanding (hereinafter referred to as "Memorandum") to promote and provide for harmonious relations, cooperation, and understanding between the city management representatives and the local safety fire employees covered under this Memorandum; to provide an orderly and equitable means of resolving any misunderstandings or differences which may arise under this Memorandum; and to set forth the agreement of the parties reached as a result of good faith negotiations regarding wages, hours, and other terms and conditions of employment of the employees covered under this Memorandum, which agreement the parties intend jointly to submit and recommend for City Council approval and implementation. In cases where there is a conflict between this Memorandum and the Carlsbad Fire Department Directives, this Memorandum shall prevail.

ARTICLE 1. RECOGNITION

The City of Carlsbad recognizes CFA, Inc. as the majority representative for all classifications in this Unit, as set forth in the Petition for Recognition, submitted November 3, 1991, in accordance with the provisions of Section 2.48.090 (1) of the Carlsbad Municipal Code.

ARTICLE 2. IMPLEMENTATION

This Memorandum constitutes a mutual recommendation to be jointly submitted to the City Council following ratification of the Memorandum by the membership of CFA, Inc. It is agreed that this Memorandum shall not be binding upon the parties, either in whole or in part, unless and until the City Council acts by majority vote to formally approve and adopt this Memorandum. It is further agreed that, if the City Council approves and adopts this Memorandum, city management will act in a timely manner to make the changes or recommend the City Council make the changes, in city ordinances, resolutions, rules, policies, and procedures necessary to implement this Memorandum.

ARTICLE 3. TERM

The term of this Memorandum shall be from January 1, 2014, through December 31, 2016.

ARTICLE 4. RENEGOTIATION

In the event either party desires to meet and confer in good faith on the terms of a successor Memorandum, that party shall serve upon the other a notice of such intent. During the term of

this Memorandum, the parties agree to meet and confer upon request of the other party to discuss additional changes to this Memorandum required by implementation of the HCMS payroll software system.

ARTICLE 5. RETENTION OF BENEFITS

The employees represented by CFA, Inc., shall retain all present benefits for the term of this agreement, as amended by this Memorandum, subject to the following provisions:

- Matters That Fall Within the Scope of Representation:

  The city agrees to give advance notice and opportunity to meet and confer on the subject of current wage levels and benefits, and other matters which fall within the scope of representation, such as, but not limited to, material modifications to personnel rules and Fire Department directives, before taking any action impacting employees within the bargaining unit.

- Management Rights:

  The city's decisions regarding staffing levels, station closures, layoffs, reorganization, contracting out bargaining unit work to third parties, and furloughs which the city may elect to utilize to address fiscal difficulties it faces now or in the future, are management rights. Nevertheless, the city agrees to give advance notice and the opportunity to discuss these subjects before taking any action impacting employees within the bargaining unit.

ARTICLE 6. CITY RIGHTS

The rights of the city include, but are not limited to the exclusive right to determine the mission of its constituent departments, commissions, and boards; set standards of service; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; contract out, after meeting and conferring over decision and effects, bargaining unit work to third parties; maintain the efficiency of governmental operations; determine the methods, means, and personnel by which government operations are to be conducted; determine the content of job classifications; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

ARTICLE 7. NO STRIKE AND NO LOCKOUT

A. No Strike. During the term of this Memorandum and in accordance with Labor Code Section 1962, neither the employees nor any agents or representatives will instigate, promote, sponsor, engage in, or condone any strike (including sympathy strike), slowdown, concerted stoppage of work, sickouts, or any other intentional disruption of the operations of the city, regardless of the reason for so doing.

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B. Penalty. If a strike occurs in violation of Article 7.A. or Labor Code Section 1962, the city may utilize any legal remedies available to it to halt the strike. In addition, any employee engaging in activity prohibited by Article 7.A. or Labor Code Section 1962, or who instigates or gives leadership to such activity, shall be subject to disciplinary action.

C. No Lockout. During the term of this Memorandum, the city will not instigate a lockout over a dispute with the employees so long as there is no breach of Section 7.A.

D. Association Official Responsibility. Each employee who is an officer of CFA, Inc. occupies a position of special trust and responsibility in maintaining and bringing about compliance with the provisions of this Article. The employees agree to inform members of their obligations under this Memorandum and Labor Code Section 1962 and to direct them to return to work.

E. Non-discrimination Clause. Neither city nor CFA, Inc. shall interfere with, intimidate, restrain, coerce, or discriminate against employees covered by this Memorandum because of exercise of rights to engage or not engage in CFA, Inc. activity or because of the exercise of any right provided to the employees by this Memorandum.

ARTICLE 8. COMPENSATION ADJUSTMENTS

Effective the first full pay period following City Council approval of this MOU, all CFA represented employees will receive a $2,900 taxable cash stipend that is non-persable.

Effective the pay period that includes January 1, 2015, all CFA represented employees will receive a $1,000 taxable cash stipend that is non-persable.

Effective the pay period that includes January 1, 2016, all CFA represented employees will receive a three percent (3%) salary increase.

Any step increases granted shall be effective on the employee's anniversary date or date of promotion.

ARTICLE 9. BEREAVEMENT LEAVE

An employee working a 112 hours/pay period schedule may use up to two shifts (48 hours) of paid leave if required to be absent from duty due to the death of a member of the employee's immediate family. The usage of bereavement leave, however, is limited to three consecutive days which may or may not include a scheduled shift(s). An employee working an 80 hours/pay period schedule may use up to three work shifts of paid leave if required to be absent from duty due to the death of a member of the employee's immediate family. Additional time off may be authorized by the Fire Chief or his/her designee and charged to accrued vacation or sick leave or, when no accrued leave is available, treated as leave without pay.

The "immediate family" shall be defined as: a spouse, domestic partner, child, grandchild, member of immediate household, sibling, parent, or grandparent whether biological, foster, step,

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adopted, or in-law. It also includes any person who has served in place of a parent to the employee, or any person for whom the employee has served in place of a parent. The term "child" means a biological, foster, or adopted child, a stepchild, a legal ward, a child of a domestic partner, or a child of a person standing in loco parentis. The term "parent" means a biological, foster, or adoptive parent, a stepparent, or a legal guardian.

The employee may be required to submit proof of the family member's death before being granted bereavement leave.

ARTICLE 10. LONG-TERM DISABILITY

The city and CFA agree that CFA will contract directly with an insurance company to provide long-term disability benefits for all represented employees at the employee's cost.

ARTICLE 11. ANNUAL VACATION LEAVE

A. Basis of Accrual

The city and CFA, Inc., agree to continue the following annual vacation leave schedule for all employees working a 112 hours/pay period schedule:

Less than 5			full calendar years of continuous service	-21 minutes/day
5	through	9.99	full calendar years of continuous service	-32 minutes/day
10	through	10.99	full calendar years of continuous service	-34 minutes/day
11	through	11.99	full calendar years of continuous service	-36 minutes/day
12	through	12.99	full calendar years of continuous service	-38 minutes/day
13	through	14.99	full calendar years of continuous service	-40 minutes/day
15	or more		full calendar years of continuous service	-42 minutes/day

The city and CFA, Inc., agree to continue the following annual vacation leave schedule for all employees working an 80 hours/pay period schedule:

Less than 5			full calendar years of continuous service	-13 minutes/day
5	through	9.99	full calendar years of continuous service	-20 minutes/day
10	through	10.99	full calendar years of continuous service	-21 minutes/day
11	through	11.99	full calendar years of continuous service	-22 minutes/day
12	through	12.99	full calendar years of continuous service	-24 minutes/day
13	through	14.99	full calendar years of continuous service	-25 minutes/day
15	or more		full calendar years of continuous service	-26 minutes/day

Vacation leave is accrued on a daily basis. Vacation leave can be used in 15 minute increments.

B. Vacation Accrual Maximum

All employees working a 112 hours/pay period schedule shall be entitled to earn and accrue up to and including four hundred and forty-eight (448) hours of vacation. No

employee working a 112 hours/pay period schedule will be allowed to earn and accrue vacation hours in excess of the four hundred and forty-eight (448) hour maximum.

All employees working an 80 hours/pay period schedule shall be entitled to earn and accrue up to and including three hundred and twenty (320) hours of vacation. No employee working an 80 hours/pay period schedule will be allowed to earn and accrue vacation hours in excess of the three hundred and twenty (320) hour maximum.

Department Heads will encourage the taking of accrued vacation leave. If there are unusual circumstances that would require an employee to exceed the vacation accrual maximum, he/she must submit a request in writing to the Fire Chief and the City Manager. The Fire Chief and the City Manager may grant such a request if it is in the best interest of the city. Requests will be handled on a case-by-case basis and will be considered only in extreme circumstances.

C. Vacation Conversion

Each February, during a pay period to be determined by the City Manager or his/her designee, all employees working a 112 hours/pay period schedule shall be allowed to voluntarily convert up to one hundred twelve (112) hours of accrued vacation to cash, provided that they have used at least one hundred twelve (112) hours of vacation during the prior calendar year.

Each February, during a pay period to be determined by the City Manager or his/her designee, all employees working an 80 hours/pay period schedule will be allowed to voluntarily convert up to eighty (80) hours of accrued vacation to cash, provided that they have used at least eighty (80) hours of vacation during the prior calendar year.

D. Effects of Holiday on Vacation Leave

For all employees who work an 80 hours/pay period schedule, in the event one or more authorized municipal holidays fall within a vacation leave, such holiday shall not be charged as vacation leave, but shall be credited as a holiday.

E. Effect of Leave of Absence on Accrual of Vacation Leave

An employee's accumulation of vacation leave will cease after the completion of two (2) full scheduled pay periods in which the employee has not received compensation due to a leave of absence without pay. Accrual will be reinstituted beginning the day the employee returns to work.

F. Compensation for City Work During Vacation Prohibited

No person shall be permitted to work for compensation for the city in any capacity, except compensation for mandated court appearances, during the time of his/her paid vacation leave from city service. This clause shall not limit the city's right to recall an

employee from vacation in the event of an emergency and place him/her on regular pay status.

G. Scheduling Vacations

An employee may take his/her annual vacation leave at any time during the year, contingent upon determination by his/her Department Head that such absence will not materially affect the department. Each employee must consider the needs of the service when requesting annual vacation leave. All vacation requests must be placed in Telestaff prior to 1700 hrs the day before the leave period. When a family emergency arises which necessitates the use of vacation time, an employee shall provide as much advance notice as possible considering the particular circumstances.

H. Terminal Vacation Pay

An employee with regular status separating from the city service who has accrued vacation leave shall be entitled to terminal pay in lieu of such vacation. No leave credit will be earned on terminal leave payments. When separation is caused by death of an employee, payment shall be made to the estate of such employee or, in applicable cases, as provided in the Probate Code of the State.

ARTICLE 12. SICK LEAVE ACCRUAL

All employees working a 112 hours/pay period schedule shall be entitled to accrue sick leave at a rate of 25 minutes per day. All other employees shall be entitled to accrue sick leave at a rate of 16 minutes per day. Sick leave is accrued on a daily basis. Sick leave can be used in 15 minute increments.

A. Use of Sick Leave

Sick leave shall not be considered a right which an employee may use at his/her discretion. Sick leave shall be allowed as follows:

1. In the case of actual illness or disability.

2. Exposure to contagious disease that would jeopardize the health of others. When sick leave is granted under these circumstances, an explanatory medical certificate from the physician is required.

3. A pre-scheduled doctor, dental, or optometry appointment has been entered into and allowed by Telestaff.

4. Because illness of a member of the immediate family requires constant care and no other care is available and/or financially feasible except that of the employee. Immediate family is defined in the Personnel Rules.

5. All leave provisions will be administered consistent with state and federal laws.

B. Proof of Illness

The Fire Chief may request a certificate issued by a licensed physician or other satisfactory proof of illness when abuse is suspected and/or when sick leave use is in excess of three (3) consecutive work days. The Fire Chief may also designate a licensed physician to conduct a physical examination, and such examination shall be conducted at city expense. Employees shall be required to account for all hours they are requesting as sick leave via Telestaff. Violation of sick leave privileges may result in disciplinary action and/or loss of pay when, in the opinion of the Fire Chief, the employee has abused such privileges.

C. Effect of Leave of Absence

An employee's accumulation of sick leave will cease after the completion of two (2) full scheduled pay periods in which the employee has not received compensation due to a leave of absence without pay. Accrual will be reinstituted upon return to work.

ARTICLE 13. BILINGUAL PAY

The city will provide additional compensation to an employee, designated by the Human Resources Department, in the amount of $40.00 per pay period for the performance of bilingual skills.

In order to qualify for and receive bilingual pay, employees must pass a bilingual proficiency test in the Spanish language as determined appropriate by the city. The city reserves the right to include other languages as eligible for bilingual pay at some future date. This article shall not be subject to the grievance procedure.

ARTICLE 14. LINEN PROVISION, MAINTENANCE, AND REPLACEMENT

The city agrees to provide one set of bed linen and two towels per person for all personnel working a 112 hours/pay period work schedule. To assist in maintenance, all fire stations will be equipped with washing machines and dryers; shift personnel will be responsible for maintaining their own linens and towels.

The city agrees to replace linens and towels on an "as needed" basis, with a maximum replacement of once per calendar year.

ARTICLE 15. FLEXIBLE BENEFITS PROGRAM

Employees represented by the CFA, Inc. will participate in a flexible benefits program which includes medical insurance, dental insurance, vision insurance, accidental death and dismemberment insurance (AD&D) and flexible spending accounts (FSAs).

A. Medical Insurance

During the term of this Agreement, represented employees will be covered by the Public Employees' Medical and Hospital Care Act (PEMHCA) and will be eligible to participate in the CalPERS Health Program. The city will pay on behalf of all employees covered by this agreement and their eligible dependents and those retirees designated in Section D of this Article, the minimum amount per month required under Government Code Section 22892 of the PEMHCA for medical insurance through the California Public Employees' Retirement System (CalPERS).

If electing to enroll for medical benefits, the employee must select one medical plan from the variety of medical plans offered through CalPERS. Effective the first full pay period following City Council approval of this Memorandum, prospectively only, the city shall contribute the following monthly amounts (called Benefits Credits) on behalf of each active employee and eligible dependents toward the payment of 1) medical premiums under the CalPERS health program, 2) city-sponsored dental, vision or AD&D premiums or 3) contributions in the name of the employee to the city's flexible spending account(s):

(a) For employees with "employee only" coverage, the city shall contribute six hundred seven ($607) per month (decreased from $657) that shall include the mandatory payments to CalPERS. If the actual total premiums exceed the city's total contributions, the employee will pay the difference.

(b) For employees with "employee plus one dependent" coverage, the city shall contribute nine hundred seventy one ($971) per month that shall include the mandatory payments to CalPERS. If the actual total premiums exceed the city's total contributions, the employee will pay the difference.

(c) For employees with "employee plus two or more dependents" coverage, the city shall contribute one thousand one hundred sixty one ($1,161) per month that shall include the mandatory payments to CalPERS. If the actual total premiums exceed the city's total contributions, the employee will pay the difference.

The dollar amount paid by the city for each coverage level (employee only, employee plus one dependent and employee plus two or more dependents) will change in the pay period that includes January 1, 2015. The amount of the change will be determined by 1) taking the average percentage change in premiums for all of the CalPERS HMO health plans for January 1, 2015 and 2) using half of this percentage change to determine the increase or decrease to the previous calendar year's monthly city contribution for each coverage level (rounded to the nearest whole dollar amount). Then, the city contribution for the employee only coverage level will be decreased by twenty-five ($25) per month.

The dollar amount paid by the city for each coverage level (employee only, employee plus one dependent and employee plus two or more dependents) will change in the pay period that includes January 1, 2016. The amount of the change will be determined by 1) taking the average percentage change in premiums for all of the CalPERS HMO health

plans for January 1, 2016 and 2) using half of this percentage change to determine the increase or decrease to the previous calendar year's monthly city contribution for each coverage level (rounded to the nearest whole dollar amount). Then, the city contribution for the employee only coverage level will be decreased by twenty-five ($25) per month.

If the amount contributed by the city (Benefits Credits) exceeds the cost of the medical insurance purchased by the employee, the "unused credits" will be applied towards the cost of the employee's purchase of dental insurance, vision insurance, AD&D insurance, and contributions to a healthcare or dependent care flexible spending account (FSA). Remaining unused Benefits Credits will be paid to the employee in cash and reported as taxable income.

B. Dental Insurance, Vision Insurance and Accidental Death & Dismemberment (AD&D) Insurance

Employees may elect to purchase or waive city-sponsored dental, vision or AD&D insurance plans. If the decision is made to purchase one or more of these insurance plans, an employee may purchase them at any level of coverage offered by the plan.

C. Retirees

Each retired employee who was a member of this bargaining unit is covered by the Public Employees' Medical and Hospital Care Act and is eligible to participate in the California Public Employees' Retirement System (CalPERS) Health Program. Represented employees who retire from the city, either service or disability, shall be eligible to continue their enrollment in the CalPERS Health Program when they retire, provided that the individual is enrolled or eligible to enroll in a CalPERS medical plan at the time of separation from employment and their effective date of retirement is within 120 days of separation. The city will contribute the minimum amount per month required under Government Code Section 22892 of the PEMHCA toward the cost of each retiree's enrollment in the CalPERS Health Program.

Employees who retire from the city, either service or disability, shall be eligible to continue to participate in the city's dental and/or vision insurance programs. The cost of such dental and/or vision insurance for the retiree and eligible dependents shall be borne solely by the retiree. The city shall not charge the COBRA administrative cost to the retirees. A retiree who does not choose continued coverage upon retirement, or drops coverage, is only eligible to return to the city's dental and vision insurance program during open enrollment periods.

The city will invoice the retiree for his/her monthly premiums for dental and/or vision insurance and the retiree must keep such payments current to ensure continued coverage.

D. Opt Out Provision

CFA represented employees who do not wish to participate in the CalPERS Health Program will have the choice of waiving the city's medical insurance, provided they can show that they are covered under another insurance plan.

Employees who waive city-sponsored medical insurance will be given a reduced city contribution amount (Benefits Credits) of two hundred fifty ($250) per month to be used toward the purchase of dental insurance, vision insurance, AD&D insurance or as a contribution to a flexible spending account. The city contribution amount of two hundred fifty ($250) per month will be granted to any employee who elects to waive the CalPERS Health Program and who provides proof of other medical insurance coverage, regardless of the employee's level of coverage (employee only, employee plus one dependent, employee plus two or more dependents).

The dollar amount paid by the city for employees who waive city-sponsored medical insurance will change in the pay period that includes January 1, 2015. The amount of the change will be determined by 1) taking the average percentage change in premiums for all of the CalPERS HMO health plans for January 1, 2015 and 2) using half of this percentage change to determine the increase or decrease to the previous calendar year's monthly city contribution (rounded to the nearest whole dollar amount).

The dollar amount paid by the city for employees who waive city-sponsored medical insurance will change in the pay period that includes January 1, 2016. The amount of the change will be determined by 1) taking the average percentage change in premiums for all of the CalPERS HMO health plans for January 1, 2016 and 2) using half of this percentage change to determine the increase or decrease to the previous calendar year's monthly city contribution (rounded to the nearest whole dollar amount).

Unused Benefits Credits will be paid to the employee in cash and reported as taxable income.

ARTICLE 16. HOLIDAYS

The city shall observe the following scheduled paid holidays, consistent with the annual holiday schedule published by the Human Resources Department:

New Year's Day
Martin Luther King Jr.'s Birthday
President's Birthday
Memorial Day
Independence Day
Labor Day
Columbus Day
Veteran's Day
Thanksgiving
Thanksgiving Friday
Christmas Day
One (1) Floating Holiday (shall be eliminated in 2015)

Employees working a 112 hours/pay period schedule shall be compensated for twelve (12) hours of holiday pay (using a base salary rate that excludes additional pays) on the day the holiday

occurs. The holiday pay associated with the floating holiday will be compensated on April 15 for those employees who are employed with the city on that day until it is eliminated effective April 15, 2015 and no floating holiday pay shall be provided April 15, 2015.

Employees working an 80 hours/pay period schedule will observe the scheduled paid holidays listed above, and will be allowed to use the floating holiday (accrued on July 1, 2014 until it is eliminated effective July 1, 2015) at the discretion of the employee upon prior approval of the Department Head. Only employees who are on paid status on their scheduled work day immediately before a holiday shall be entitled to the paid holiday.

ARTICLE 17. RETIREMENT BENEFITS

17.1 The city has contracted with CalPERS for the following retirement benefits:

- Safety Tier 1 - (employees entering safety membership for the first time prior to October 4, 2010) – The retirement formula shall be 3% @ 50; single highest year final compensation.
- Safety Tier 2 - (employees entering safety membership for the first time on or after October 4, 2010) – The retirement formula shall be 2% @ 50; three year average final compensation.

Employees who are "New Members" as defined by the California Public Employees' Pension Reform Act of 2013 (PEPRA) (e.g., an employee hired on or after 1/1/2013 who has never been a CalPERS member or member of a reciprocal system or who has had a break in CalPERS service of at least 6 months or more) will constitute a third tier and be subject to all the applicable PEPRA provisions, which include but are not limited to the following retirement benefits:

- Safety Tier 3 – The retirement formula shall be 2.7% @ 57; three year average final compensation.

17.2. Employee Retirement Contribution

The employee retirement contribution will be made on a pre-tax basis by implementing provisions of section 414(h)(2) of the Internal Revenue Code (IRC).

Employees shall make the following employee retirement contributions through payroll deductions:

- Tier 1 and Tier 2 safety employees shall pay all of the employee retirement contribution (9%).
- Tier 3 safety employees shall pay one half of the normal cost rate associated with the 3rd tier.

17.3. If the Employer Paid Member Contributions (EPMC) ever is greater than zero, the city will report the value of the EPMC as additional (special) compensation to CalPERS for all local fire employees designated as "classic CalPERS members."

ARTICLE 18. PROVISION OF 1959 PERS SURVIVORS' BENEFIT

The city agrees to provide the Fourth Level of the 1959 Survivors' Benefit.

ARTICLE 19. OVERTIME AND COMPENSATORY TIME

In determining an employee's eligibility for overtime, paid leaves shall be included in the total hours worked. Excluded from the total hours worked are duty free lunches, travel time to and from work, and time spent conducting bona fide volunteer activities.

There shall be no pyramiding of overtime. Hours worked by an employee in any workday or workweek on which premium rates have once been allowed shall not be used again in any other overtime calculation other than computing total actual hours worked.

Time worked shall be computed by rounding to the nearest quarter of an hour.

A. EMPLOYEES WORKING A 112 HOUR/PAY PERIOD SCHEDULE:

1. Overtime

In accordance with section 7(k) of the Fair Labor Standards Act, the official 7-day work period for employees who work a 112 hour/pay period schedule begins on Monday at 7:30a.m. and ends the following Monday at 7:29a.m.

Any employee required to perform in excess of 53 hours in a 7 day cycle and/or in excess of an employee's normal scheduled shift shall receive compensation at the rate of time and one-half his/her regular rate of pay.

The regular rate of pay shall be calculated in conformance with the FLSA.

B. EMPLOYEES WORKING AN 80 HOURS/PAY PERIOD SCHEDULE:

1. Overtime

The official 7-day FLSA work week for employees on a 9/80 Friday to Friday shift begins four (4) hours after the regularly scheduled starting time for their Friday shift and ends one hundred sixty eight (168) hours later (at four (4) hours after the regularly scheduled starting time for their Friday shift). For all others who work an 80 hour/pay period schedule the FLSA work week is from Monday at 12:00 a.m. to Sunday at 11:59 p.m.

Any employee required to perform in excess of 40 hours in their 7 day FLSA work week or in excess of an employee's normal scheduled day shall receive compensation at the rate of time and one-half his/her regular rate of pay except as outlined in Section 3 below.

The regular rate of pay shall be calculated in conformance with the FLSA.

2. Compensatory Time

In lieu of receiving overtime pay pursuant to Section 1 above, a Fire Prevention employee may elect, subject to department approval, to receive compensatory time off on a time and one-half basis. No employee shall accrue more than 80 hours of such compensatory time. Should any employee exceed 80 hours of accrued compensatory time, he/she shall be paid at time and one-half his/her regular rate. An employee may use such compensatory time within a reasonable period after making the request if the use of compensatory time does not unduly disrupt the operations of the department.

An employee may elect to "cash out" any portion of his/her accrued compensatory time at his/her regular rate of pay in any pay period. The employee shall indicate the number of hours to be cashed out on his/her timesheet..

3. Request for Temporary Shift Adjustment (Flex Time)

An employee on an 80-hour shift may request that the employee's normal workday be temporarily altered in order to accumulate a credit of work hours that may be used to take time off during the employee's FLSA work week without loss of pay. If the request is approved by management, pay for hours worked during this temporary shift adjustment shall be paid at the straight time rate even if the employee's hours worked exceed his/her normal scheduled shift on that day. Overtime will still be paid if the employee works in excess of 40 hours during his/her FLSA work week.

ARTICLE 20. FLEXIBLE WORK SCHEDULES

Employees hired by divisions currently operating on an alternative work schedule shall be subject to having their daily work schedule changed at the sole discretion of the department. Such changes include, but are not limited to, a) number of days/hours to be worked on a daily basis and in a payroll period; b) normal days off; and c) starting/ending times of assigned shifts. Suppression employees temporarily assigned to light duty will be assigned to the 9/80 work schedule referenced below or a traditional 5/40 work schedule. This article shall not be subject to the grievance procedure.

9/80 Alternative Work Schedule:

The parties acknowledge that they met and conferred in good faith over the terms and conditions for implementation of a 9/80 work schedule. The result of that meeting and conferring is reflected in the City of Carlsbad's Administrative Order No. 57, by which the parties will control implementation of the 9/80 schedule. This article shall not be subject to the grievance procedure.

ARTICLE 21. AMERICANS WITH DISABILITIES ACT

The parties acknowledge the applicability of the Americans With Disabilities Act (ADA) and intend to apply and implement this MOU so as to comply with the ADA. The parties agree to consult if compliance with the ADA may require modifying the provisions of this MOU.

ARTICLE 22. FAMILY LEAVE ACT

The parties acknowledge the applicability of the Family Leave Act (Act) and intend to apply and implement this MOU so as to comply with the Act. The parties agree to consult if compliance with the Act may require modifying the provisions of this MOU.

ARTICLE 23. DISCIPLINE OF AN EMPLOYEE

23.1 The city may discipline a regular employee for just cause. In the case of disciplinary action involving suspension without pay, demotion or discharge, the employee shall be given notice of the action to be taken, the evidence or materials upon which the action is based, and an opportunity to respond to the Fire Chief either orally or in writing, provided the employee requests the opportunity within seven (7) calendar days of the notice of the action. The above process will occur prior to the imposition of the discipline.

23.2 Except as provided in Section 23.3, an employee has the right to appeal discipline according to the appeal procedure as set out below. Written notice of discipline shall inform and remind the disciplined employee of this right.
Hearing Officer. The employee or employee organization and the city agree that the advisory hearing will be conducted before a hearing officer selected by the parties from a list provided by the California State Mediation and Conciliation Service. If the parties cannot mutually agree on the hearing officer they will use a strikeout procedure using a list of seven names provided by the California State Mediation and Conciliation Service. The appellant will have the prerogative of striking the first name.

The city will bear all administrative costs associated with an appeal of discipline and the subsequent hearing; including the hearing officer, court reporter and transcription costs, if any.

The employee or employee organization will be responsible for the cost of his or her own representation or attorney fees and preparation of documents.

23.3 A probationary employee (entry level or promotional) rejected during the probationary period shall not be entitled to appeal such rejection to the Hearing Officer.

23.4 Right of Appeal. Within seven (7) calendar days of receipt of the notice of discipline, a regular employee shall have the right to appeal to the Hearing Officer disciplinary action, except in instances where the right of appeal is specifically prohibited by the Personnel Ordinance or Personnel Rules, or this Article.

23.5 Method of Appeal. Appeals shall be in writing, signed by the employee, and filed with the Human Resources Director, who shall, within ten (10) calendar days after receipt of the appeal, inform the Hearing Officer of the action desired by the employee and the reasons why. The formality of a legal pleading is not required.

23.6 Notice. Upon the filing of an appeal, the Human Resources Director will set a date for the hearing on the appeal not less than ten (10) calendar days nor more than thirty (30) calendar days from the date of filing, unless the parties mutually agree to a later hearing date. The Human Resources Director will notify all interested parties of the date, time, and place of the hearing.

23.7 Hearings. Unless physically unable to do so, the employee must appear personally before the Hearing Officer at the time and place of the hearing. The employee may be represented at the hearing by any person or attorney the employee selects and may produce any relevant oral or documentary evidence. The city will state its case first and, at the conclusion, employee may then present evidence. Rebuttal evidence not repetitive may be allowed in the discretion of the Hearing Officer. Cross-examination of witnesses will be permitted. The conduct and decorum of the hearing will be under the control of the Hearing Officer, with due regard to the rights and privileges of the parties appearing before him/her. Hearings need not be conducted according to technical rules relating to evidence and witnesses. Hearings will be closed unless at least four (4) business days prior to the hearing the employee, in writing, requests an open hearing. If either party disagrees with the Hearing Officer's recommendation, that party may appeal within ten (10) calendar days to the City Manager.

23.8 Findings and Recommendations. The Hearing Officer will, within ten (10) calendar days after the conclusion of the hearing, certify his/her findings and decisions in writing to the City Manager and to the employee. The City Manager will review the findings and recommendations of the Hearing Officer and may then affirm, revoke or modify the action taken as, in the City Manager's judgment, seems warranted, and the action taken will be final. The Hearing Officer may submit a minority or supplemental finding and recommendation.

23.9 Timelines. Any of the above timelines may be modified by mutual agreement of the parties. The parties understand that these timelines may need to be modified for reasons out of the control of either the city or CFA.

23.10 A. Grounds For Discipline

The city has the authority to impose appropriate discipline upon any represented employee for cause. Discipline shall be commensurate with the seriousness of the offense and with consideration of the employee's prior performance and disciplinary record. Grounds for discipline may include but are not limited to the following:

(1) Fraud in securing employment including untruthfulness, misrepresentation or omission of information.
(2) Incompetence, neglect of duty, willful disobedience, insubordination, tardiness, working unauthorized overtime, public disclosure of privileged information or dishonesty.
(3) Failure to maintain certification and licenses required by law or the Fire Department.
(4) Being under the influence of alcohol or intoxicating drugs while on duty.
(5) Unauthorized absence without leave.
(6) Criminal conviction having some relevance to the job.
(7) Intentionally being discourteous to the public.
(8) Unauthorized use of or neglect of city property.
(9) Abuse of sick leave.
(10) Unauthorized outside employment that constitutes a conflict of interest.
(11) Acceptance of a gift or gratuity that constitutes a willful conflict of interest.
(12) Falsification of any city report or record.
(13) Willful violation of any of the provisions of the City Code, ordinances, resolutions or any rules, regulations or policies which may be prescribed by the City Council, City Manager, Fire Chief, or supervisor.
(14) Political activities precluded by State or Federal law.
(15) Other acts that are incompatible with service to the public.
(16) Failure to respond to questions or otherwise fail to participate during an investigation conducted by the city or its agents.

The city will abide by the Firefighters Bill of Rights.

ARTICLE 24. GRIEVANCE PROCEDURE

24.1 A grievance is an allegation made by an employee that the employee has been damaged or denied a benefit by the city due to misapplication or a mistaken interpretation of a specific provision of this Agreement, the city's Personnel Rules or, effective no later than January 1, 2009, any existing Fire Department Directive which falls within the subject matter contained in the scope of bargaining set forth in the Meyers, Milias Brown Act.

24.2 Reviewable and Non-Reviewable Grievances

24.2.1 To be reviewable under this procedure a grievance must:

(a) Concern matters or incidents that have occurred.

(b) Result from an act or omission by management regarding working conditions or other matters contained in this Agreement over which the Fire Chief has control.

(c) Arise out of a specific situation, act, or acts which result in damage to the employee.

(d) Arise out of a misinterpretation or misapplication of this Agreement.

24.2.2 A grievance is not reviewable under this procedure:

(a) If it is a matter which would require a modification of a policy established by City Council or by law;

(b) Is reviewable under some other administrative procedure and/or rules of the City of Carlsbad (See, e.g., Article 24 Discipline), such as:

(1) Applications for changes in title, job classification, or salary.

(2) Appeals from formal disciplinary proceeding.

(3) Appeals from work performance evaluations.

24.3 Special Grievance Procedure Provisions: The following special provisions apply to the grievance procedure.

24.3.1 Procedure for Presentation: In presenting a grievance, an employee shall follow the sequence and the procedure outlined in Section 25.4 of this procedure.

24.3.2 Prompt Presentation: The employee shall discuss the grievance with an immediate supervisor promptly after (i.e., when grievant knew or should have known) the act or omission of management caused the grievance.

24.3.3 Prescribed Form: The written grievance shall be submitted on a form prescribed by the Human Resources Director for this purpose.

24.3.4 Statement of Grievance: The grievance shall contain a statement of:

(a) The specific facts or actions, including dates, which constitute the basis for the grievance.

(b) The article that was misapplied or misinterpreted.

(c) The damage suffered by the employee.

(d) The relief sought.

24.3.5 Employee Representative: The employee may choose someone as a representative at any step in the procedure. No person hearing a grievance need recognize more than one representative for any one time, unless he/she so desires.

24.3.6 Interested Parties: Interested parties may provide information during the hearing of the grievance at any step of the grievance procedure.

24.3.7 Handled During Working Hours: Whenever possible, grievances will be handled during regularly scheduled working hours.

24.3.8 Extension of Time: The time limits within which action must be taken or a decision made as specified in this procedure may be extended by mutual written consent of the parties involved. A statement of the duration of such extension of time must be signed by both parties involved at the step to be extended.

24.3.9 Consolidation of Grievances: If the grievance involves a group of employees or if a number of employees file separate grievances on the same matter, the grievances may be handled as a single grievance.

24.3.10 Settlement: Any grievance shall be considered settled at the completion of any step if the grievant is satisfied or if the grievant does not appeal the matter to a higher authority within the prescribed time.

24.3.11 Reprisal: The grievance procedure is intended to assure a grieving employee the right to present a grievance without fear of disciplinary action or reprisal, provided the provisions of the grievance procedure are observed. Copies of grievance forms will not be placed in employee personnel records but will be maintained in separate files in the Human Resources Department.

24.4 Grievance Procedure Steps: The following procedure shall be followed by an employee submitting a grievance for consideration and action.

24.4.1 Discussion With Supervisor: The employee shall discuss the grievance with the employee's immediate supervisor informally. Within seven (7) calendar days, the supervisor shall give a decision to the employee verbally.

24.4.2 Step 1: If the employee and the supervisor cannot reach an agreement to resolve the grievance, the employee may within seven (7) calendar days present the grievance in writing to the supervisor. The supervisor shall memorialize the prior verbal decision on the grievance and

present the grievance to the next-level supervisor within seven (7) calendar days.

The next-level supervisor shall hear the grievance and shall give a written decision to the employee within seven (7) calendar days after receiving the grievance. This portion of this step shall be repeated as necessary until the next-level supervisor is a Division Chief.

24.4.3 Step 2: If the employee and the next-level supervisor cannot reach an agreement to resolve the grievance, the employee may within seven (7) calendar days present the grievance in writing to the Fire Chief. The Fire Chief shall hear the grievance and shall give the written decision to the employee within seven (7) calendar days after receiving the grievance.

24.4.4 Step 3: If the employee and Fire Chief cannot reach an agreement as to the solution of the grievance, the employee may file a written request with the Human Resources Director, within seven (7) calendar days, to have the grievance heard by a Hearing Officer selected via the process described in Section 25.4.7. The grievance shall also be presented to the Assistant City Manager who may conduct a meeting with the grievant and/or CFA representative to identify and clarify disputed issues and attempt to resolve the grievance prior to presentation of the grievance to the Hearing Officer.

24.4.5 Step 4: If the matter is not otherwise resolved, the Hearing Officer shall, within thirty (30) calendar days after receipt of the grievance, hear the grievance and render an advisory opinion to the City Manager. The City Manager shall, within fourteen (14) calendar days after receipt of the advisory opinion, notify the employee of the final action.

24.4.6 Any of the above steps may be waived by mutual agreement of the parties.

24.4.7 The employee or employee organization and the city agree that the advisory hearing will be conducted before a hearing officer selected by the parties from a list provided by the California State Mediation and Conciliation Service. If the parties cannot mutually agree on the hearing officer they will use a strikeout procedure using a list of seven names provided by the California State Mediation and Conciliation Service. The appellant will have the prerogative of striking the first name.

All administrative costs associated with the cost of a grievance and the subsequent hearing; including the hearing officer, court reporter and

transcription cost, if any, will be shared equally between the city and the Carlsbad Firefighters' Association. In the case that the Carlsbad Firefighters' Association does not support the grievance continuing to the advisory hearing by a hearing officer, all administrative costs associated with the cost of a grievance and the subsequent hearing; including the hearing officer, court reporter and transcription cost, if any, will be shared equally between the city and the employee.

The employee or employee organization will be responsible for the cost of his or her own representation or attorney fees and preparation of documents.

ARTICLE 25. ALCOHOL AND DRUG POLICY

I. POLICY

It is the policy of the City of Carlsbad to provide, for its employees, a work environment free from the effects of drugs and alcohol consistent with the directives of the Drug Free Workplace Act. The City of Carlsbad agrees to use a clinical laboratory which is certified by the National Institute on Drug Abuse (NIDA), now known as the Substance Abuse & Mental Health Services Administration (SAMHSA). All procedures and protocols for collection, chain of custody and testing will be conducted consistent with standards required under SAMHSA certification. This policy is intended to accomplish that objective.

A. Definitions - As Used in This Policy:

1. "Drug" means any substance which produces a physical, mental, emotional or behavioral change in the user, including but not limited to, prescription medications, heroin, cocaine, morphine and its derivatives, P.C.P., methadone, barbiturates, amphetamines, methamphetamines, alcohol, marijuana, and other cannabinoids.

2. "Workplace" means any site where city-assigned work is performed, including city premises, city vehicles or other premises or vehicles, while city-assigned work is being conducted, or within a reasonable time thereafter.

3. "Reasonable suspicion" means a standard for evidence or other indication of impairment of normal physical or mental skills by alcohol or drugs where such impairment could negatively affect work performance or could pose a threat to public or employee safety.

B. Employee Responsibilities

1. As a condition of employment, employees shall:

a. not engage in the unlawful manufacture, distribution, dispensation, possession or use of alcohol or drugs nor be under the influence of alcohol or drugs in the workplace or while on-call;

b. submit to an alcohol and drug analysis and remain on the premises when requested to do so by city management, acting pursuant to this policy, or by law enforcement personnel;

c. notify the city of any conviction under a criminal drug statute (including any pleas of nolo contendere), if such conviction was based on a violation which occurred in the workplace, no later than five days after such conviction; (notification under this subsection does not relieve an employee from the disciplinary consequences of the conduct upon which a criminal conviction is based); and

d. abide by all terms of this policy.

2. Employees must notify their supervisors when taking any medication or drugs, prescription or non-prescription (over-the-counter medications), which may interfere with safe or effective performance of their duties or operation of city equipment.

3. Off-duty involvement with any controlled substance including, but not limited to manufacture, distribution, dispensing, possession, use or any conviction under a criminal drug statute whose scope and employment are relevant to city employment may result in disciplinary action up to and including termination if there is relevant nexus between such off-duty involvement and the employee's employment with the city, consistent with the legal requirements for disciplinary due process.

C. Employer Searches

For the purpose of enforcing this policy and maintaining a drug-free workplace, the city reserves the right to search, with notice to the employee or if no prior notice, in the employee's presence, all work areas and property in which the city maintains full or joint control with the employee, including but not limited to city vehicles, desks, lockers, file cabinets, and bookshelves. These areas remain part of the workplace context even if the employee has placed personal items in them. Employees are cautioned against storing personal belongings in work areas under full or joint city control since such work areas may be subject to investigation and/or search under this policy. Employees shall have no expectation of privacy in these areas, locations or properties.

Employer searches shall occur when there is a determination of "reasonable suspicion" as defined herein. Such searches shall be conducted by persons having supervisory and/or other legal authority to conduct such searches. Searches will not normally occur without concurrence of more than one supervisor.

If the FBOR (Government code section 3259) is applicable to a particular search, then the city will comply with the Act notwithstanding anything to the contrary in this article. For example, the city may conduct searches without notice to the employee or without the employee being present, if a valid search warrant has been obtained. The employee may also consent to a search.

Nothing herein shall prevent the city from taking appropriate action if there is an inadvertent discovery of evidence of drug or alcohol use.

D. Consequences of Violation of Policy

1. Failure to abide by the terms of this policy shall be grounds for disciplinary action, up to and including termination.

2. In addition to any disciplinary action, an employee who fails to abide by this policy may also be directed or allowed to satisfactorily participate in an approved alcohol or substance abuse assistance or rehabilitation program.

E. Federal Motor Carrier Safety Improvement Act of 1999 and DOT regulations

The parties acknowledge that the Federal Motor Carrier Safety Improvement Act of 1999 (see Attachment B) and the California Vehicle Code apply to unit members. The parties shall comply with the regulations developed by the Department of Transportation to enforce the Act.

II. DRUG AND ALCOHOL ANALYSIS

A. Pre-employment Drug and Alcohol Analysis

1. Prior to receiving an offer of employment, an otherwise successful candidate must submit to a drug and alcohol analysis. At the city's discretion, this analysis may be in the form of "breathalizer," urine, or blood analysis.

2. Persons whose results are positive for either drugs or alcohol will be rejected for city employment.

B. Employee Drug and Alcohol Analysis

1. If a manager or supervisor of the city has reasonable suspicion that an employee is under the influence of drugs or alcohol while in the workplace or subject to duty, the employee shall be:

   a. Prevented from engaging in other work; and

   b. Required to submit to a drug and alcohol analysis. At the city's discretion, this analysis may be in the form of "breathalizer," urine, or blood analysis.

   c. An employee may also be required to remain on the premises for a reasonable time until arrangements can be made to transport the employee to his or her home.

2. Some examples of "reasonable suspicion" as defined in Section I.A.3. include, but are not limited to, the following, when confirmed by more than one person having supervisory authority:

   a. slurred speech.

   b. alcohol odor on breath;

   c. unsteady walking or movement not related to prior injury or disability;

   d. an accident involving city property having no obvious causal explanation other than possible employee responsibility;

   e. physical or verbal behaviors that are disruptive, non-responsive, unusual for that employee or otherwise inappropriate to the workplace situation;

   f. attributable possession of alcohol or drugs;

   g. information obtained from a reliable person with personal knowledge that would lead a reasonably prudent supervisor to believe that an employee is under the influence of alcohol or drugs;

3. Refusal to remain on the premises or to submit to a drug and alcohol analysis when requested to do so by city management or by law enforcement officers shall constitute insubordination and shall be grounds for discipline, up to and including termination.

4. A drug and alcohol analysis may test for the presence of any drug which could impair an employee's ability to effectively and safely perform the functions of his or her job.

5. A positive result from a drug and alcohol analysis may result in disciplinary action, up to and including termination.

6. City agrees to take steps to protect the chain of custody of any drug test sample.

7. Employee will be placed on paid administrative leave pending the completion of any testing process and any investigation deemed necessary by the city.

III. EMPLOYEE ASSISTANCE PROGRAM

A. The city has a well-established voluntary Employee Assistance Program (EAP) to assist employees who seek help for substance abuse problems. The EAP is available for assessment, referral to treatment, and follow-up. Any employee of the city wishing confidential assistance for a possible alcohol or drug problem can call the EAP office and arrange for an appointment with a counselor.

B. Employees who are concerned about their alcohol or drug use are strongly encouraged to voluntarily seek assistance through the EAP. All self-referral contacts are held in confidence by the EAP.

C. Participation in the employee assistance program will not replace normal disciplinary procedures for unsatisfactory job performance or for violation of any city policy.

ARTICLE 26. AUTHORIZED AGENTS

For the purpose of administering the terms and provisions of this Memorandum of Understanding:

A. City's principal authorized agent shall be the City Manager or a duly authorized representative. Address: 1200 Carlsbad Village Drive, Carlsbad, California 92008; Telephone (760) 434-2820, except where a particular city representative is specifically designated in connection with the performance of a specific function or obligation set forth herein.

B. CFA, Inc., principal authorized agent shall be its President or duly authorized representative. Address: P.O. Box 945, Carlsbad, California 92018-0945; Telephone: (760) 729-3730; Email: iafflocal3730@aol.com.

ARTICLE 27. FULL UNDERSTANDING, MODIFICATION, WAIVER

A. It is the intent of the parties that this Memorandum set forth the full and entire understanding of matters agreed to upon conclusion of meet and confer sessions which resulted in this Memorandum. Any other matters not contained herein, which were addressed during the course of the meet and confer process, resulting from this Memorandum, are superseded and terminated in their entirety. Any understanding or agreement, not contained herein, whether formal or informal, which occurred during the course of meet and confer sessions, resulting in this Memorandum, are terminated or superseded in their entirety.

B. It is the intent of the parties that this Memorandum be administered in its entirety in good faith during its full term.

It is recognized that if during such term it may be necessary for the city to propose changes in matters within the scope of representation not contained in this agreement, the city shall notify CFA, Inc., indicating the proposed change prior to its implementation. If CFA, Inc., wishes to consult or negotiate with the city regarding the matter, CFA, Inc., shall notify the city within five (5) working days from the receipt of such notice. Upon receipt of such notice, the parties shall meet promptly in an earnest effort to reach a mutually satisfactory resolution of any problem arising as a result of the change instituted by the city.

Where the city makes such changes because of the requirements of the law, the city shall not be required to negotiate the matter of compliance with any such law.

Nothing herein shall limit the authority of the city to make such changes required during emergencies. However, the city shall notify CFA, Inc. of such changes as soon as practicable. Such emergency changes shall not extend beyond the period of emergency. "Emergency" shall be defined as an unforeseen circumstance requiring immediate implementation of the change.

C. Failure by CFA, Inc. to request consultation or negotiations pursuant to Paragraph B shall be deemed as approval of any action taken by the city.

D. Any agreement, alteration, understanding, variation, waiver, or modification of any of the terms or provisions contained herein shall not be binding upon the parties hereto unless made and executed in writing by all parties hereto, and if required, approved and implemented by the City Council.

E. The waiver of any breach, term, or condition of this Memorandum by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

ARTICLE 28. PROVISIONS OF LAW

It is understood and agreed that this Memorandum of Understanding is subject to all current and future applicable federal and state laws and federal and state regulations. If any part or provision of the Memorandum is in conflict or inconsistent with such above applicable laws, rules and regulations, or is otherwise held to be invalid or unenforceable by any tribunal or competent jurisdiction, such part or provision shall be suspended and superseded by such applicable law or regulations, and the remainder of this Memorandum shall not be affected thereby.

ARTICLE 29. PARAMEDIC LICENSE PAY

Fire Captains and Fire Engineers who retain their paramedic license and San Diego County accreditation will receive sixty-six dollars and ninety-five cents ($66.95) per pay period for paramedic license pay.

ARTICLE 30. REPORTING VALUE OF UNIFORMS TO CALPERS

Effective May 31, 2010, all CFA-represented employees who are required to wear city-provided uniforms will have the amount of $17.31 reported to CalPERS bi-weekly as special compensation related to the monetary value of the required uniforms, excluding boots. Under PEPRA, this benefit does not apply to new members.

ARTICLE 31. ACTING PAY

Whenever the needs of the city require an employee to temporarily perform the duties of a higher classification than that in which the employee is currently employed for a period of four (4) hours or more, the employee shall receive 5% additional pay while in the acting capacity. Only employees who are on an Eligibility List (maintained by the Human Resources Dept) for the higher classification or employees who have completed an Acting Position Taskbook (as described in the Fire Department Directives) are eligible to serve in an acting capacity. The CFA and the city agree that during the term of this Memorandum, CFA and Fire Department management shall meet and confer on the issue of the specific provisions of the Acting Position Taskbook.

An employee may not serve in an acting capacity for more than six (6) months without prior approval from the Fire Chief.

ARTICLE 32. DEFERRED COMPENSATION

The city shall provide for a Deferred Compensation Plan which may be utilized by any employee on an optional basis. The city reserves the right to accept or reject any particular plan (current providers are ICMA and Nationwide) and to impose specific conditions upon the use of any plan. Such plan shall be implemented without cost to the city.

As soon as administratively possible, CFA-represented employees will be eligible for the personal loan provision established with Nationwide deferred compensation provider only. It is

acknowledged that the city will assist in the administrative set-up of this benefit but that the city has no liability if an employee should default on the repayment of such loan.

ARTICLE 33. LEAVE OF ABSENCE

33.1 Occupational Injuries or Illnesses

33.1.1 Employees in the classifications of Firefighter, Paramedic Firefighter, Fire Engineer, Fire Captain and Captain Specialist who are temporarily unable to work due to an occupational illness or injury will receive full pay for up to one year as provided in Section 4850 of the Labor Code ("4850 benefits"). The employee may not receive 4850 benefits concurrently with sick leave or any other form of paid time off.

All non-suppression classifications that sustain a work related injury or illness and becomes temporarily disabled from work as a result, may receive their full salary, in lieu of the State mandated temporary disability benefit, for a period of up to forty-five (45) calendar days for any single incident. The periods of temporary disability need not be continuous. Any aggravation of a pre-existing occupational injury or illness will be treated as such and not as a new injury. In this situation, the employee will not be entitled to any occupational sick leave benefit which exceeds the original maximum of forty-five (45) calendar days. The city reserves the right to determine whether occupational sick leave will be granted. Granting of occupational sick leave will be subject to the same procedures and standards (including predesignated physicians, resolution of disputes over benefits, use of Agreed Medical Examiners, etc.) as used in workers' compensation matters and/or FMLA/CFRA matters.

If the employee continues to be unable to work after the above described benefits have been exhausted and the employee has not been retired, the employee will receive workers' compensation temporary disability payments as provided in the Labor Code. To the extent these benefits are less than the employee's full regular pay, the employee shall supplement them by using accrued sick leave, vacation, and/or compensatory time to reach the amount equal to the employee's full regular pay until the employee's leave balances reach zero, at which time the employee would commence an unpaid leave of absence.

33.2 Non-Occupational Injuries or Illnesses

33.2.1 An employee who is temporarily unable to work due to a non-occupational illness or injury will receive those disability benefit payments for which the employee is eligible and applies. To the extent that these benefits are less than the employee's full regular pay, the employee shall supplement them by using accrued sick leave, vacation,

and/or compensatory time to reach the amount equal to the employee's full regular pay until the employee's leave balances reach zero, at which time the employee would commence an unpaid leave of absence.

33.2.2 Leaves of absence for pregnancy-related disabilities will be handled in the same manner as leaves of absence for non-occupational illnesses or injuries, subject to the pregnancy disability provisions of the California Fair Employment and Housing Act.

33.3 To the extent permitted by law, a leave of absence under this article will run concurrently with any leave of absence an employee is entitled to receive under the California Family Rights Act or the federal Family and Medical Leave Act.

33.4. Leave of Absence Without Pay

A. General Policy

Any employee may be granted a leave of absence without pay pursuant to the approval of the Fire Chief for less than two calendar weeks. If the duration of the leave of absence will be longer, the approval of the City Manager or his/her designee is required.

An employee shall utilize all his/her vacation, compensatory time off and/or sick leave (if applicable) prior to taking an authorized leave of absence without pay.

A leave without pay may be granted for any of the following reasons:

1. Illness or disability.

2. To take a course of study which will increase the employee's usefulness on return to his/her position in the city service.

3. For personal reasons acceptable to the Fire Chief and City Manager.

B. Authorization Procedure

Requests for leave of absence without pay shall be made in writing and shall state specifically the reason for the request, the date when the leave is desired to begin, the probable date of return, and the agreement to reimburse the city for any benefit premiums paid by the city during the leave of absence. The request shall normally be initiated by the employee, but may be initiated by the Fire Chief, and, if applicable, shall be promptly transmitted to the City Manager or his/her designee for approval. A copy of any approved request for leave of absence without pay with a duration equal to or greater than two calendar weeks shall be delivered promptly to the Directors of Finance and Human Resources.

C. Length of Leave and Extension

A leave of absence without pay may be made for a period not to exceed six months, unless otherwise approved by the City Manager. The procedure for granting extensions shall be the same as that in granting the original leave provided that the request for extension is made no later than fourteen (14) calendar days prior to the expiration of the original leave.

D. Return From Leave

When an employee intends to return from an authorized leave of absence without pay either before or upon the expiration of such leave, he/she shall contact his/her Department Head at least fourteen (14) calendar days prior to the day he/she plans to return. The Department Head shall promptly notify the Human Resources Department of the employee's intention. The employee shall return at a rate of pay not less than the rate at the time the leave of absence began.

E. Effect of Leave Without Pay

A prorata reduction of normal annual vacation and sick leave accruals shall be applicable to an approved absence without pay. Any absence without pay constitutes a break of continuous service with the city. The granting of any leave without pay exceeding two full scheduled pay periods shall cause the employee's salary anniversary date and calculation of full-time continuous service to be extended by the number of calendar days for which such leave has been granted less the first two full pay periods of such leave.

An employee's accumulation of sick leave and vacation leave will cease after the completion of two (2) full scheduled pay periods in which the employee has not received compensation due to a leave of absence without pay. Accrual will be reinstituted beginning the first day the employee has returned to work.

F. Leave Without Pay - Insurance Payments and Privileges

An employee on leave without pay may continue his/her city insurance benefits by reimbursing the city for the employee's costs of insurance on a monthly basis during the period of the leave. Failure to reimburse the city for such benefits during the term of a leave of absence will result in the employee's coverage terminating on the first day following the month in which the last payment was received.

Upon the employee's return to paid status, any sums due to the city shall be repaid through payroll deductions. This applies to sums due for insurance as well as other payment plans entered into between the city and the employee (e.g., computer loan).

Upon eligibility for COBRA, the employee will be notified of the opportunity to continue benefit coverage via the COBRA process.

An employee on leave of absence without pay shall not have all of the privileges granted to regular employees.

G. Pregnancy Disability Leave

Pregnancy Disability Leave shall be authorized and/or administered in accordance with the provisions of State and Federal law. An employee disabled by pregnancy shall be allowed to utilize a combination of accrued sick leave, vacation, compensatory time and leave without pay to take a leave for a reasonable period of time, not to exceed four months. An employee shall utilize all accrued leave, except compensatory time off, prior to taking leave without pay. Reasonable period of time means that period during which the employee is disabled on account of pregnancy, childbirth, or related conditions.

An employee who plans to take a leave pursuant to this article shall give the city reasonable notice of the date the leave shall commence and the estimated duration of the leave.

ARTICLE 34. MILITARY LEAVE

Military leave shall be authorized in accordance with the applicable provisions of State and Federal law. The employee must furnish satisfactory proof to the Fire Chief, as far in advance as possible, that he/she must report to military duty.

ARTICLE 35. JURY DUTY

When called to jury duty, an employee, having provided at least five working days written notice from the date of the summons, shall be entitled to his/her regular compensation. Employees shall be entitled to keep mileage reimbursement paid while on jury duty. The Fire Chief may, at his/her sole discretion, contact the court and request an exemption and/or postponement of jury service on behalf of an employee.

Employees released early from jury duty shall report to their supervisor for assignment for the duration of the work day. At the discretion of the supervisor, an employee may be released from reporting back to work if an unreasonable amount of the work day remains in light of travel time to the job site after release.

ARTICLE 36. LIFE INSURANCE AND VOLUNTARY BENEFITS

All CFA-represented employees shall receive city paid life insurance in an amount equal to one times their basic yearly earnings. To determine the benefit, the amount of insurance is rounded to the next higher $1,000 multiple, unless the amount equals a $1,000 multiple.

The city provides various voluntary benefits available at the employee's cost. Employees may select among various levels of coverage. For information regarding these benefits, contact the Human Resources Department at 760-602-2440.

ARTICLE 37. PROBATIONARY PERIOD

37.1 The initial hire probationary period shall be one year from the date the employee is hired. The probationary period will permit both the supervisor and the employee to become acquainted and to determine the adaptability and the fitness of the employee to the assigned work. The employee will find this period helpful in evaluation of the city, his/her duties, his/her work and other satisfaction.

37.2 All personnel promoted within the Department shall be on probation in the promotional position for a period of one year from the date of promotion. Failure to pass probation shall result in employee being put back to their prior position.

ARTICLE 38. POST-RETIREMENT HEALTHCARE TRUST

The city and CFA, Inc. agree that CFA, Inc. will contract directly with a company of its choosing to provide post-retirement healthcare trust benefits for all represented employees. All CFA represented employees will contribute $100 per month into the post-retirement healthcare trust established by CFA, Inc. via payroll deductions. As soon as administratively possible after ratification of this MOU and submission to the city by CFA, Inc., of the fully executed contract, the city will begin employee paid payroll deductions related to this benefit. CFA, Inc., acknowledges that the city has no administrative responsibilities or liabilities related to this benefit, other than processing of payroll deductions as described above. The city will not make any contributions to the post-retirement healthcare trust. CFA, Inc. shall hold the city harmless for the city's actions related to this Article, and indemnify the city against any liability the city incurs as a result of this Article, including but not limited to, its agreement to allow CFA, Inc., to participate in a post-retirement healthcare trust and/or the city's processing of payroll deductions as set forth above.

ARTICLE 39. OUTSOURCING

The city and CFA agree that the city may contract with public and private entities or individuals to perform any or all plan check activities except the final step in the plan checking process. CFA agrees that the city may contract out these services without meeting and conferring with CFA over the decision to contract these services or the effects of that decision.

ARTICLE 40. SURVEY MARKET

In keeping with the City Council's philosophy of surveying the total compensation of other agencies, the agencies listed below will be considered in the survey market for CFA, Inc.

1. City of Del Mar
2. City of Encinitas

3. City of Escondido
4. City of Oceanside
5. City of Poway
6. City of San Marcos
7. City of Solana Beach
8. City of Vista
9. North County Fire District
10. Rancho Santa Fe Fire District

ARTICLE 41. EDUCATION INCENTIVE

This article shall not be subject to the grievance procedure.

41.1 Level 1: Applicable to all employees represented by CFA, Inc., effective the pay period inclusive of January 1, 2015.

(a) Requirement: Present proof to the Fire Chief or his/her designee of the following:

Evidence of the award of each of the following certificates issued by the California State Board of Fire Services: 1. Fire Fighter I, 2. Fire Fighter II, 3. Driver Operator 1A, 4. Driver Operator 1B, 5. Training Instructor 1A and 6. Training Instructor 1B. Proof of certification from a California State Fire Marshal course that is deemed equivalent to one of the courses listed above by the Fire Chief or his/her designee shall also meet the requirement.	or	A Baccalaureate degree and at least two (2) years' experience with a professional municipal fire agency in a position responsible for fire prevention or fire suppression duties or an Associate degree and at least four (4) years' experience with a professional municipal fire agency in a position responsible for fire prevention or fire suppression duties.

(b) Compensation:

Satisfactory fulfillment of the above requirements shall be compensated at the rate of seventy-five dollars ($75) biweekly. Eligibility for receiving the compensation will be based upon the date the employee provides evidence of eligibility to the

Fire Chief or his/her designee. It is the sole responsibility of the employee to make notification of eligibility for the education incentive pay.

41.2 Level 2: Applicable to all employees represented by CFA, Inc., effective the pay period inclusive of January 1, 2015.

(a) Requirement: Present proof to the Fire Chief or his/her designee of the following:

Evidence of the award of the Fire Officer certificate issued by the California State Board of Fire Services. Proof of certification from a California State Fire Marshal course that is deemed equivalent to the course listed above by the Fire Chief or his/her designee shall also meet the requirement.	or	A Masters degree and at least four (4) years' experience with a professional municipal fire agency in a position responsible for fire prevention or fire suppression duties, or a Baccalaureate degree and at least six (6) years' experience with a professional municipal fire agency in a position responsible for fire prevention or fire suppression duties, or an Associate degree and at least nine (9) years' experience with a professional municipal fire agency in a position responsible for fire prevention or fire suppression duties.

(b) Compensation:

Satisfactory fulfillment of the above requirements shall be compensated at the rate of one hundred twenty dollars ($120) biweekly. Eligibility for receiving the compensation will be based upon the date the employee provides evidence of eligibility to the Fire Chief or his/her designee. It is the sole responsibility of the employee to make notification of eligibility for the education incentive pay.

41.3 An employee that meets the criteria for compensation under more than one level, above, shall receive compensation for only the highest such level for which he or she qualifies.

41.4 Eligibility for education incentive is determined based on the requirements issued by the California State Fire Marshal in place at the time the employee presents his/her evidence of eligibility. A change in the name of any of the above tracks identified or a future requirement of promotion in addition to the completion of a "task book" shall not effect eligibility for certification compensation.

IN WITNESS WHEREOF, the parties hereto have caused their duly authorized representatives to execute this Memorandum of Understanding the day, month, and year first above written.

CITY OF CARLSBAD

1/15/14

KEVIN CRAWFORD, Interim City Manager Date

Approved as to form:

for 1-6-14

CELIA BREWER, City Attorney Date

CARLSBAD FIREFIGHTERS' ASSOCIATION, INC.

1/02/14

CHRISTOPHER LAWRENCE, President Date

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CARLSBAD FIRE DEPARTMENT
BIWEEKLY SALARY SCHEDULE

Effective 6/10/2013

RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	RANGE
35	$2,250.54	$2,363.09	$2,481.26	$2,605.28	$2,735.59	35
36	$2,276.26	$2,390.09	$2,509.59	$2,635.07	$2,766.82	36
37	$2,503.43	$2,628.61	$2,760.02	$2,898.04	$3,042.94	37
41	$2,609.42	$2,739.90	$2,876.90	$3,020.74	$3,171.77	41
42	$2,635.52	$2,767.30	$2,905.66	$3,050.94	$3,203.49	42
43	$2,661.62	$2,794.70	$2,934.45	$3,081.14	$3,235.22	43
45	$3,086.73	$3,241.07	$3,403.12	$3,573.27	$3,751.92	45
49	$3,395.44	$3,565.18	$3,743.46	$3,930.57	$4,127.12	49

CLASSIFICATION	RANGE
FIREFIGHTER	35
FIRE PREVENTION SPECIALIST I	36
FIRE PREVENTION SPECIALIST II	37
PARAMEDIC FIREFIGHTER	41
FIRE ENGINEER	42
DEPUTY FIRE MARSHAL	43
FIRE CAPTAIN	45
CAPTAIN SPECIALIST	49

CARLSBAD FIRE DEPARTMENT
BIWEEKLY SALARY SCHEDULE

Effective 12/21/2015

RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	RANGE
35	$2,318.05	$2,433.98	$2,555.69	$2,683.43	$2,817.65	35
36	$2,344.55	$2,461.79	$2,584.88	$2,714.13	$2,849.83	36
37	$2,578.54	$2,707.46	$2,842.82	$2,984.98	$3,134.23	37
41	$2,687.71	$2,822.10	$2,963.21	$3,111.36	$3,266.93	41
42	$2,714.58	$2,850.31	$2,992.83	$3,142.46	$3,299.60	42
43	$2,741.47	$2,878.54	$3,022.48	$3,173.57	$3,332.27	43
45	$3,179.33	$3,338.29	$3,505.22	$3,680.47	$3,864.48	45
49	$3,497.30	$3,672.14	$3,855.76	$4,048.49	$4,250.94	49

CLASSIFICATION	RANGE
FIREFIGHTER	35
FIRE PREVENTION SPECIALIST I	36
FIRE PREVENTION SPECIALIST II	37
PARAMEDIC FIREFIGHTER	41
FIRE ENGINEER	42
DEPUTY FIRE MARSHAL	43
FIRE CAPTAIN	45
CAPTAIN SPECIALIST	49