

# Memorandum of Understanding

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*between*

***CITY OF HAYWARD***

*and*

***HAYWARD POLICE MANAGEMENT UNIT***

**July 1, 2025, through June 30, 2030**

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## **MEMORANDUM OF UNDERSTANDING**

*between*

**CITY OF HAYWARD**

*and*

**HAYWARD POLICE MANAGEMENT UNIT**

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On the date hereinafter subscribed, authorized representatives of the City of Hayward, herein called "City" and the Hayward Police Management Unit, herein called "HPMU" made and entered into this Memorandum of Understanding. It is understood and agreed that this Memorandum of Understanding supersedes and replaces the Memorandum of Understanding made and entered into November 16, 2015 by and between the City of Hayward and the Hayward Police Management Unit. It is further understood and agreed that this Memorandum of Understanding supersedes and replaces all prior side letters and agreements between the parties Unless expressly incorporated into this Memorandum of Understanding, all prior side letters and agreements between the parties are deemed expired upon the effective date of this Memorandum of Understanding.

This Memorandum of Understanding is subject to all applicable laws, State laws, and the Charter of the City of Hayward; and all ordinances, resolutions, Administrative Rules, and Personnel Rules of the City except as expressly provided to the contrary by this Memorandum of Understanding. The terms and conditions of this Memorandum of Understanding shall not apply to those persons employed by the City in a temporary or provisional status as defined in the City of Hayward Personnel Rules.

### **1.00 COMPOSITION OF HAYWARD POLICE MANAGEMENT UNIT**

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#### **1.01 Composition of Hayward Police Management Unit**

The Hayward Police Management Unit shall be comprised of the following classifications of employment and any other classification of employment which may hereafter be assigned to the Hayward Police Management Unit by the City Manager in accordance with the provisions of the City of Hayward Personnel Rules governing unit determination and modification:

Police Captain

## **2.00 PROBATIONARY PERIOD**

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### **2.01 Appointments Subject to Probationary Period**

All appointments to positions in the classified service shall be subject to a probationary period. The regular period of probation shall be one (1) year. Extension of probationary periods up to a maximum of six (6) months may be approved by the City Manager in individual cases.

### **2.02 Release of Probationer**

During the probationary period, an employee may be released at any time without the right of appeal. Written notice of release designating the effective date of such action shall be furnished to the probationer.

### **2.03 Release Following Promotion**

Any employee released during the probationary period following promotion shall be reinstated at the former salary step of the employee's former position or a position in the class from which promoted unless the reason for release is cause for dismissal. If no vacancy exists in this class, the employee with the least amount of time in this class shall be demoted to the most recent class in which the employee has satisfactorily served. If any employee is released by such action, the employee shall be placed on a reemployment register for the classification from which the employee was released. Any employee who is released during a probationary period following promotion shall retain appeal rights to dismissal from the City but not the right to appeal the release from the position from which the employee was demoted.

### **2.04 Effective Date of Regular Status**

Upon attaining regular status, the effective date shall revert to the date of the initial probationary appointment.

## **3.00 LAYOFFS & RESIGNATIONS**

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### **3.01 Layoffs**

Whenever there is a lack of work or lack of funds requiring a reduction in a department or division of the City government, the required reduction shall be made in such job class or classes as the Department Director may designate, provided that employees shall be laid off in the inverse order of their relative length and quality of service, as determined by rules governing the evaluation of service. Within each affected job class, all provisional employees shall be laid off before probationary employees, and all probationary employees shall be laid off before any regular employees.

Layoff to the next lower class is authorized provided that the employee to be laid off has previously served in said lower class and whose original date of

appointment to that class predates at least one (1) employee presently serving therein.

### **3.02 Resignations**

Any employee wishing to leave the employment of the City in good standing shall file with the Department Director at least two (2) weeks before leaving the service, a written resignation stating the effective date and reasons for leaving. The resignation shall be forwarded to the City Manager through the Director of Human Resources with a statement by the Department Director as to the resigned employee's service performance. Failure of the employee to submit their written resignation as provided herein shall be entered on the service record of the employee and may be cause for denying future employment with the City.

## **4.00 WORK SCHEDULES**

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### **4.01 Work Week**

The normal work week for all full-time employees shall consist of forty (40) hours during each seven (7) day work period.

### **4.02 Work Performed During Disaster**

Employees who are required to work during a declared civil emergency shall not receive additional compensation for hours worked in excess of their regular workday or work week. All employees shall have the duty and obligation to perform emergency work upon request of proper authority declaring such emergency.

### **4.03 Short Term Absences**

Employees who are absent from work for a portion of the workday or work shift shall under no circumstances suffer any loss of income because of such an absence. In the event an employee has exhausted all credited vacation leave, management leave, and accrued compensatory time, a short-term absence as defined above will be covered by advancing management leave the employee would be entitled to use in the following year. If a short-term absence is occasioned by illness or non-occupational injury and the employee has exhausted all credited sick leave, vacation leave, management leave, and accrued compensatory time, the absence shall be covered by an advance of management leave as herein provided. The amount of management leave used in advance shall be sufficient to prevent any income loss and amounts so advanced shall be deducted from the employee's management leave for the following year. Advances will continue to be made as necessary for the purpose of this section even though they may exceed the amount of management leave the employee is entitled to use in the following year. In such instances, deductions of advanced leave amounts shall be made in subsequent years. Any "negative" management leave balance which may exist upon termination of employment shall be forgiven. For the purpose of this Section, management

leave shall be provided to those employees who are not otherwise qualified to receive it to avoid income loss because of short-term absences.

The maximum amount of Management Leave that can be advanced is one hundred and sixty (160) hours within any ten (10) year period. This provision is only available to regular employees who have satisfactory performance and who have worked for the City of Hayward for at least five (5) years. Advancement of leave must be approved by the City Manager.

## **5.00 BENEFIT PLANS**

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### **5.01 Medical Insurance**

The City currently contracts with the California Public Employees' Retirement System (CalPERS) to provide medical insurance benefits for active employees, eligible retired employees, and eligible survivors of retired employees. The eligibility of a dependent to participate in this program shall be in accordance with the terms of the Public Employees' Medical and Hospital Care Act (PEMHCA). The eligibility of retired employees and survivors of retired employees to participate in this program shall be in accordance with those provisions of the PEHMCA providing for participation by annuitants.

The City's employer contribution towards medical insurance benefits for each eligible employee shall be the minimum contribution amount required by Government Code Section 22892. Contributions under this section are required only to the extent mandated by the PEMHCA.

Because CalPERS may change carriers and plans, the City shall not be required to provide specific insurance coverage and shall only be required to provide those benefits as described in this Section so long as the City contracts with CalPERS for medical insurance benefits.

The City will provide each eligible annuitant, as defined by the PEMHCA, with an employer contribution towards medical insurance benefits that is equal to the contribution provided to an active employee under Section 5.01.

### **5.02 Flexible Benefits Allowance**

The City shall contribute to the City's flexible benefits plan (125 Plan) for each full-time employee in regular or probationary status who is enrolled in one of the CalPERS medical insurance plans offered by the City. Employees can use this contribution to offset the cost of benefits purchased through the 125 Plan. The value of any flexible benefit allowance provided by the City under this Section shall be determined as follows:

Each year, the City will review the premiums charged by CalPERS for employee +2 or more level insurance coverage (family coverage) under the Blue Shield HMO and Kaiser health insurance plans to determine the plan to be used for determining the amount of the City's contribution to the 125 Plan. Contributions will be the greater of A or B as defined below:

- A. If the premium for family-level coverage under the Blue Shield HMO plan is greater than the premium for family-level coverage under the Kaiser plan, the City's maximum employer contribution for participation in any plan, at any participation level (employee only, employee +1, or employee +2 or more) shall be equal to the premium for family coverage under the Blue Shield HMO plan, which includes the City's contribution pursuant to Section 5.01, Medical Insurance, above. The City's total contributions to an employee under the provisions of Section 5.01 and this Section shall be the family-level premium cost for Blue Shield HMO coverage or the premium cost for the plan selected, whichever is less.
- B. If the premium for family-level coverage under the Kaiser plan is greater than the premium for family-level coverage under the Blue Shield HMO plan, the City's maximum employer contribution for any participation level of coverage (employee only, employee +1, or employee +2 or more) shall be equal to the premium for coverage under the Kaiser plan, which includes the City's contribution pursuant to Section 5.01, Medical Insurance, above. The City's total contributions to an employee under the provisions of Section 5.01 and this Section shall be the family level premium cost for Kaiser coverage or the premium cost for the plan selected, whichever is less.

Contributions to an employee's flexible benefits account shall be used only for payment of those benefits that are available through the 125 Plan. The City will not treat any contributions made to the Flexible Benefits Plan as compensation subject to income tax withholding unless the Internal Revenue Service (IRS) and/or the Franchise Tax Board indicates that such contributions are taxable income subject to withholding. Each employee shall be solely and personally responsible for any federal, state, or local tax liability of the employee that may arise out of the implementation of this Section or any penalty that may be imposed, therefore.

Each employee shall file an election in writing during the month of open enrollment for medical insurance each year designating how the contributions in the employee's flexible benefits account are to be spent during the ensuing year.

Thereafter, no changes to designations shall be allowed until the enrollment of the following year, except for changes due to an eligible qualifying event.

Each employee shall be responsible for providing immediate written notice to the Director of Human Resources or designee of any change to the number of the employees' dependents that would affect the City's payment to the flexible benefits account. An employee who fails to report a change in dependents receives a City payment greater than the amount to which they are entitled, shall be liable for refunding the excess amount received via a reduction in the amount paid to the employees' flexible benefit account in subsequent months. Changes to flexible benefit contributions associated with changes in an employee's number of dependents shall take effect at the start of the first pay period in the month following the month in which notice of the change is received by the Human Resources Department. No retroactive increases to the flexible benefit allowance provided by the City shall be allowed.

**5.03     Alternate Benefits**

Employees shall be allowed an opportunity to select certain options as alternatives to those benefits listed in Sections 5.01 and 5.02 of this Memorandum of Understanding. These options shall be available only to those employees for whom no City contribution is made towards premiums for such insurance because the employee is covered under group medical insurance from a source other than the City of Hayward. The employee may direct that the City's contribution be applied to payment of premiums for group insurance policies held by the employee because of professional affiliation, training, or nature of the position of employment with the City or be paid in cash. Cash payments, if any, shall be reported to the Internal Revenue Service as compensation subject to income tax withholding. Each employee shall be solely and personally responsible for any tax liability that may arise out of the implementation of the Alternate Benefits. The monthly alternate benefit amounts to be provided to employees are:

Employee Only .....	two-hundred ten dollars (\$210)
Employee & One Dependent .....	three-hundred eighty dollars (\$380)
Employee & Two+ Dependents .....	five-hundred dollars (\$500)

For the purpose of this section, the term "dependent" shall mean a dependent eligible for coverage under a CalPERS medical insurance plan if such coverage had otherwise been elected by the employee.

The provisions of this section shall be administered in accordance with regulations issued by the City Manager which shall include, but not be limited to, the method and frequency of reimbursement to employees for the alternate programs selected; the frequency with which employees may exercise the option to change alternate programs; and appropriate procedures for the verification of payments made in pursuance of this section.

**5.04     Dental Insurance**

The City shall purchase dental insurance coverage for full-time employees, other than temporary and provisional employees, and their eligible dependents as provided in this Section.

For eligible employees who enroll in a City-sponsored dental plan, the City shall contribute an amount equal to one hundred percent (100%) of the monthly premium for dental insurance as determined by the employee's enrolled participation level in the City sponsored dental plan.

Currently, the City provides insurance coverage through a Delta Dental plan or United Concordia Plan. Details regarding benefits and covered services for each plan may be found in the current Delta Dental or United Concordia benefits summaries for the City of Hayward respectively.

The City reserves the right to provide dental care benefits under a plan or through a carrier of its choice. Alternate coverage may be provided through a consortium of public agencies or private employers which may be formed for the purpose of providing dental care benefits for employees; or through a program of self-insurance. In the event the City exercises this option, the alternate coverage

shall be substantially equivalent to the coverage in effect at such time this option is exercised.

### **5.05 Life Insurance**

The City shall pay the cost of providing each employee with a group term life insurance policy equal to two (2) times the annual gross salary. The policy shall include accidental death and dismemberment coverage, and the right to conversion at the time of termination of employment to a form of permanent coverage without medical restrictions nor the requirement to demonstrate evidence of insurability.

### **5.06 Disability Insurance**

The City shall continue in effect, at no cost to the employee, the Long-Term Disability Insurance policy with Lincoln Financial, or any other such successor program which provides essentially comparable benefits. This program shall provide disability benefits based upon two-thirds (2/3) of an employee's current gross salary.

### **5.07 Vision Care**

The City shall purchase vision care insurance for employees and their eligible dependents. The plan shall require a fifteen-dollar (\$15.00) deductible and shall provide for an eye examination, lenses, and frames once every twelve (12) months.

The City's contribution shall be one hundred percent (100%) of the monthly premium for vision coverage as determined by the employee's enrolled participation level in the City-sponsored vision plan.

The City reserves the right to provide vision care benefits under a plan or through a carrier of its choice. Alternate coverage may be provided through a consortium of public agencies or private employers which may be formed to provide vision care benefits for employees, or through a program of self-insurance. In the event the City exercises this option the alternate coverage shall be substantially equivalent to the coverage in effect at the time this option is exercised.

### **5.08 Medical Flexible Spending Account and Dependent Care Spending Account**

The City shall maintain a Section 125 Plan, permitting employees to pay for eligible expenses, such as employee premium contributions, medical expenses, and dependent care costs, with pre-tax dollars. Participants will be responsible for any claims service charge. Participants in this Plan may contribute up to the maximum allowed by the IRS. Each employee shall be solely and personally responsible for meeting provisions and requirements outlined in the regulations of Section 125 Plan and the Plan Administrator.

### **5.09 CalPERS Pension Benefits**

#### **A. Employee CalPERS Contributions**

The City will continue to contract with CalPERS to provide a retirement program for bargaining unit members. Benefits shall include:

1. Three percent (3%) at fifty (50) benefit formula
2. Third Level of 1959 Survivor Benefits
3. Post-Retirement Survivor Allowance
4. One (1) Year Final Compensation
5. Military Service Credit as Public Service
6. Military Service Credit for Retired Persons
7. Continuation of Pre-Retirement Death Benefits After Remarriage of Survivor
8. Continuation of Pre-Retirement Death Benefits After Remarriage of Survivor

These benefit plans require an employee (or member) contribution of nine percent (9%) from police safety employees. Employees shall pay the full employee contribution of nine percent (9%), which shall be paid by the employee on a pre-tax basis.

## **B. Cost Sharing of Employer Contributions**

### **i. Employees Hired Before January 1, 2013**

The provisions described in this subsection (i) apply only to CalPERS eligible employees hired before January 1, 2013, or to an eligible employee hired after that date who qualifies for pension reciprocity pursuant to Government Code Section 7522.02 (c). Referred to as CalPERS "Classic Members."

As long as the annual Employer Contribution Rate required by PERS for the fiscal year beginning July 1, 2014 is at least thirty percent (30.00%), and as authorized by Government Code Section 20516 (Optional Benefits, Cost Sharing), "Classic" bargaining unit members shall be responsible for payment of the nine percent (9%) employee retirement contribution plus an additional six percent (6%) of their salaries (for a total of 15%) to CalPERS as payment of the City's employer contributions that the City would otherwise be required to pay to CalPERS for these employees. Said contribution shall be credited to each member's account as a normal contribution.

### **ii. Employees Hired on or After January 1, 2013**

This Section ii shall apply to CalPERS-eligible employees hired on or after January 1, 2013, who do not qualify for pension reciprocity pursuant to Government Code Section 75522.02(c). Referred to as CalPERS "New Members." The retirement plan for these employees shall be the retirement plan for which the City is required to provide new members pursuant to the California Public Employees' Pension Reform Act of 2013.

If the annual Employer Contribution Rate required by CalPERS for the fiscal years beginning July 1, 2014, is at least thirty percent (30.00%), and as authorized by Government Code Section 20516 (Optional Benefits, Cost Sharing), "New" bargaining unit members shall pay a total of fifteen percent (15%) of reportable wages to fund their pensions. The fifteen percent (15%) of reportable wages is comprised of the CalPERS published employee rate, plus the additional contribution to the City's employer rate that the City would otherwise be required to pay to CalPERS for these employees. Under Section 20516, the additional contributions are as follows:

Under Section 20516, after July 1, 2016, employees shall continue to pay an additional contribution of three percent (3.00%). If CalPERS enacts a change to the employee rate as reflected in the Annual Valuation Report, the parties will agree to a side letter to ensure it accurately reflects new members pay a total of fifteen percent (15%) of reportable wages to fund their pension.

This contribution currently represents more than the employee's fifty percent (50%) of the normal cost as determined by CalPERS. The amount paid over fifty percent (50%) of the normal cost shall constitute employee payment of a portion of the employer's fifty percent (50%) of the normal cost as determined by CalPERS. Said contributions over the fifty percent (50%) threshold shall be credited to each member's account as a normal contribution.

In no event shall the employee contribution be less than fifty percent (50%) of the total normal cost rate, as required by Government Code Section 7522.30. If fifty percent (50%) of the normal cost exceeds fifteen percent (15%), the employee contribution shall be increased to ensure that the employee contribution is fifty percent (50%) of the total normal cost rate in compliance with Government Code section 7522.30. The City agrees to meet and discuss, at the request of the HPMU, mutually acceptable adjustments to the terms negotiated herein to provide equitable treatment of classic and new PEPRAs employees.

### iii. All Members

The City will continue to not treat these contributions as compensation subject to income tax withholding unless the Internal Revenue Service or Franchise Tax Board indicates that such contributions are taxable income subject to withholding. Each employee shall be solely and personally responsible for any federal, state, or local tax liability of the employee that may arise out of the implementation of this Section or any penalty that may be imposed, therefore.

## 5.10 Supplemental Retirement Benefit

The City will provide eligible employees who retire from the City (either due to a disability retirement or a service retirement) with a supplemental retirement benefit as provided below:

Employees who are appointed to an HPMU-represented position will receive a supplemental retirement benefit that is equal to the Bay Area Kaiser single-party

premium rate, less the amount of any annuitant contribution provided under section 5.01 based on the following criteria:

1. The employee was hired into a Hayward Police Officer Association (HPOA)-represented position before May 1, 2012.
2. The employee is eligible for retirement and meets the vesting requirements.

Employees who did not hold an HPOA-represented position before May 1, 2012, and are appointed to an HPMU-represented position, will receive a supplemental retirement benefit equal to the premium for the individual's participation in a plan provided by CalPERS as an annuitant, less the amount of any annuitant contribution provided under section 5.01 above, up to a maximum benefit of five-hundred eight dollars and thirty cents (\$508.30) per month.

The supplemental benefits provided under this section are paid in the form of cash to the retiree monthly. To receive a benefit under this provision, an employee must: (1) directly retire from active employment with the City; (2) have worked a minimum of ten (10) years with the City before direct retirement; and (3) begin receiving pension benefits from CalPERS within one-hundred and twenty (120) days of leaving City employment. Retirees are solely responsible for any tax consequences associated with the receipt of benefits under this Section.

## **5.11 Other Post-Employment Benefits (OPEB)**

Employees shall contribute the amount of one percent (1%) of base salary (excluding all special pays, incentive pays, etc.) to an irrevocable trust to fund the unfunded retiree medical obligations.

## **5.12 Deferral of Certain Payments Due on Retirement**

An employee who separates from service and is at the time eligible for early, normal, late, or disability retirement under CalPERS may elect, in accordance with this section, to defer receipt of any payments that would normally be made in lieu of unused leave. An election under this section must be made in accordance with the following rules:

- A. The election must be made when the employee notifies the City or CalPERS of the date of retirement but not less than two (2) weeks before the employee's actual date of retirement. It may be changed or revoked, but any election in effect one year before retirement will be applied, regardless of any subsequent attempt to change or revoke it.
- B. The election applies to payments that employees would otherwise receive upon separation from service in lieu of unused sick leave, vacation leave, compensatory leave, or other leave.
- C. The employee may elect to defer all or any portion of the payments specified in subsection B above. The amount deferred may be expressed as a

percentage of the total payment or as a dollar amount not to exceed the total payment.

- D. The election must specify a date on which the deferred amount is to be paid. The specified date of payment may be no later than two and a half (2.5) months after the employee's date of retirement. Only a single date of payment may be specified. The date may be expressed as a fixed date (such as "January 1, 1999") or as a date determinable by reference to the date of retirement (such as "two and one-half months (2.5) months after retirement" or "January 1 following retirement" if within two and one-half months of retirement).
- E. If an employee does not separate from service on or before the date of payment specified in subsection D above or is not eligible for retirement under CalPERS at the time of separation from service, the deferral election is automatically revoked. A new election may be made only in accordance with subsection A above.
- F. No interest will be paid on amounts deferred under this section.
- G. Upon the death of a retired employee who has made a deferral election under this section but has not yet received payment, the deferred amount will be paid to the beneficiary determined under the provisions of CalPERS.

### **5.13 Voluntary Employee Beneficiary Association (VEBA) Plan**

The parties agree that the City will make available for Bargaining Unit members a Voluntary Employee Beneficiary Association (VEBA) Plan (collectively, "Plan") to enable eligible employees to accumulate funds in a tax-exempt trust from which qualified medical expenses can be paid including certain post-retirement medical expenses benefit accounts. The City will not contribute to employee VEBA accounts.

Plan requirements are as follows:

#### **1. Eligibility Defined**

All eligible members of the Bargaining Unit must participate in the Plan. An eligible employee is an employee who is a member of the Bargaining Unit and is in an allocated position of twenty (20) or more hours per week and receives benefits. Participation in the VEBA plan is mandatory for the duration of the employee's tenure within the bargaining unit. No forms specifying opt-in for the Plan will be required, and all eligible employees will be automatically enrolled.

Participation will be subject to and governed by all IRS requirements applicable to the VEBA Plan. Bargaining Unit members will make uniform monthly contributions and contributions upon separation as outlined in Subsections 2 and 3.

#### **2. Employee Contributions**

Participation in the Plan requires a payroll deduction for each pay period to fund the employee's account. The Bargaining Unit has determined that contributions to the Plan shall be in the amount of five dollars (\$5) per pay period.

Employers will transfer a mandatory pre-tax employee contribution from wages of \$5.00 per pay period for each covered employee. As each covered employee will contribute the same predetermined dollar amount, no employee election forms designating the amount will be needed, allowed, or requested.

Contributions made by an eligible employee must be made through payroll deductions. Eligible employees cannot make direct contributions to the Plan. Once separated from the City, the (former) employee can no longer make contributions to the Plan but will continue to be eligible to submit for reimbursement for eligible medical expenses.

Payroll deductions for all employees will commence during the pay period ending and will be reflected on the payday.

### 3. Leave Payout

Each eligible employee will be required, upon service retirement, disability retirement or separation from employment with the City to contribute paid leave balances as follows:

<b>Leave Type</b>	<b>Mandatory Percentage of Leave Balance to VEBA Upon Retirement</b>
Sick Leave	100% of eligible sick leave payouts.
Vacation Leave	50% of unused vacation leave balances at retirement will be paid in cash to the employee. The remaining 50% of unused vacation balance shall be contributed to VEBA or a deferred compensation account. Employees may elect to contribute to VEBA account, a deferred compensation account (subject to IRS limits), or any combination of the two accounts.

### 4. New Employees or Newly Eligible Employees

Employees, whether new to the City or new to the Bargaining Unit, who become eligible to participate in the Plan will begin payroll deductions no later than fifteen (15) calendar days from the date of eligibility.

### 5. Participant Accounts

A separate account is maintained for each contributing eligible employee, which documents the employee's contributions and disbursements.

Contributions to a VEBA account, as well as any disbursements to cover unreimbursed post-tax medical care expenses, are both tax-free. Eligible benefits subject to reimbursement by the Plan shall be limited to long-term care expenses and unreimbursed medical premiums, co-pays, prescribed drug expenses and other medical care costs as defined by the Internal Revenue Code Section 213.

## 6. Administrative Fees

An eligible employee's Plan account is subject to a monthly administrative fee for expenses related to recordkeeping, claims processing and claims reimbursement. The fee will be deducted from the eligible employee's individual account.

## 7. Dispute Resolution

Any disputes arising under or in connection with this provision shall not be subject to the dispute resolution procedure contained in the Bargaining Unit's Memorandum of Understanding or in the City's Personnel Rules, nor shall this provision and any such dispute relating thereto be subject to the jurisdiction of the City's Personnel Commission for any reason whatsoever.

## 8. Indemnification

The Bargaining Unit agrees to indemnify and hold the City of Hayward harmless against any claims made of any nature and against any suit instituted against the City arising from this Side Letter, including but not limited to claims arising from an employee's participation in VEBA or from any salary reduction initiated by the City for VEBA contributions.

## 9. Government Documents

VEBA funds are placed in the CALGOVEBA Trust, and CALGOVEBA Trustees administer the accounts pursuant to the Trust Agreement "Trust Agreement of The California Government Voluntary Employees' Beneficiary Association Trust, effective September 1, 2021." Employers hereby acknowledge receipt of the Trust Agreement governing the Trust.

Prior Trust Agreement or Plan Documents. Any prior Trust Agreements or Plan documents adopted by the Employer in relation to the CALGOVEBA Trust are hereby null and void.

## 10. Superseding Agreement

This provision supersedes all previous VEBA Side Letter agreements.

# 6.00 SALARY ADMINISTRATION

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## 6.01 Salary Administration Policy

The policy governing the preparation of a compensation plan shall be that of salary standardization, or like pay for like work.

The City agrees to maintain at a minimum fifteen percent (15%) salary differential between the base salary of Police Captains and the base salary of Police Lieutenants.

The members of this unit recognize their role as executives within the Hayward Police Department. The City of Hayward’s compensation philosophy ensures both internal and external equity.

Future salary discussions will be in alignment with the City’s compensation structure for executives and will focus primarily on performance and internal and external market equity.

**6.02 Salary at Time of Employment**

The City’s Salary Plan may provide a flat salary rate or a salary range for each classification with a minimum, maximum, and one (1) or more intermediate steps. The beginning or normal hiring rate shall usually be at the first step of the range. Every new employee shall be paid the first step of employment except that the City Manager or other appointing authority may authorize employment at a higher step if the labor supply is restricted or the person to be hired is unusually well qualified.

**6.03 Eligibility for Advancement in Pay**

Employees may be advanced to higher steps as merited by progressive improvement in job skills and work performance. The following time-in-step requirements shall normally apply before an employee gains eligibility for advancement in pay.

<u>Step</u>	<u>Time-in-Step</u>
A	six (6) months
B	six (6) months
C	one (1) year
D	one and one-half (1.5) years
E	---

If warranted for the good of the service or when an employee demonstrates outstanding capacity in performing job duties, an advancement may be made prior to completion of the above time-in-step requirements. When a pay range consists of less than five (5) steps the range shall be established at the higher steps within the above schedule. In determining time-in-step, it shall begin on the first five (5) days of the period; otherwise, time shall begin on the first day of the next payroll period. Advancement in pay, when approved, shall be effective at the beginning of the first pay period immediately following completion of the time-in-step requirements outlined above. If an employee is on leave without pay for more than one (1) month, the period shall be deducted from the employee’s accumulated time-in-step.

**6.04 Attaining Advancement**

An employee must demonstrate that advancement is merited based on job performance. Advancement shall not be made solely because an employee is eligible according to time-in-step requirements. Good attitude and personal conduct, work accomplished, conscientious attendance, safety alertness, efforts

at self-improvement, and other factors of individual achievement must be evident as appropriate to the position. Department Directors or the City Manager shall be notified by the Director of Human Resources of an employee's approaching eligibility for step advancements.

#### **6.05 Use of Performance Ratings in Determining Whether Step Advancement is Merited**

Performance ratings shall guide supervisors and Department Directors in determining whether step advancements have been earned and should be recommended to the City Manager.

#### **6.06 Withholding Step Advancements**

Department Directors have the authority and responsibility to recommend withholding step advancements by the City Manager if they are not merited. Department Directors shall keep their employees informed about their job performance, giving good work its proper recognition and any deficient work all possible guidance and assistance toward improvement. Department Directors shall notify the employee as to the reason(s) for withholding step advancements before submitting such recommendation to the City Manager.

#### **6.07 Change in Pay Upon Promotion**

When employees are promoted, they shall normally receive the first step in the salary range for their new position. However, if such step is equal to or less than their present salary, or they would be eligible for step advancement shortly in their previous position, they may receive the next step in the salary range of the new position which is immediately above their present salary. When no advancement in salary is granted on promotion, employees may be allowed to carry forward time-in-step accumulation.

#### **6.08 Change in Pay Upon Demotion**

When employees are demoted, they shall be placed in a salary step in their new class which is the same as or above the step held before demotion providing said demotion is not the result of disciplinary action.

#### **6.09 Change in Pay Upon Reclassification**

When a position is reallocated to a classification with a higher pay range and the incumbent employee retains the position, the employee shall normally be placed at the first step in the new range. If no increase in pay results, advancement may be made to the next step immediately above the employee's present salary. When recommended by the Department Director and approved by the City Manager, additional advancement may be granted. If no change in salary is granted, the employee may be allowed to carry forward time-in-step accumulation.

When a position is reallocated to a classification with a lower salary range, the incumbent employee shall not be reduced in pay while the employee continues to

occupy the position. If the employee's current rate is below the maximum step of the new range, the employee shall continue at their present salary and carry forward time-in-step accumulation. If the employee's current rate exceeds the maximum step of the new range, the salary shall be frozen at its current level. When the incumbent leaves the position, a replacement shall normally be hired at the beginning rate.

## **6.10 Acting Pay**

Employees may be assigned to perform the duties of a higher classification on an "acting" basis when in the judgment of the Department Director a need exists for work to be performed in such a higher classification.

"Acting" assignments shall only be made by the Department Director and the employee shall be provided with a written notice assigning the employee to the higher classification on an "acting" basis.

Employees assigned in accordance with the foregoing to perform the duties of a higher classification on an "acting" basis for a period of five (5) consecutive days or more shall receive "acting" pay retroactive to the first day of such assignment. Employees qualifying for "acting" pay shall receive the salary step of the higher classification which represents an increase over the employee's present salary step, or a five percent (5%) increase over the employee's present salary step, whichever is the greater. In no event shall the acting pay rate exceed the maximum range for the higher classification.

Employees who qualify for acting pay shall be compensated at their acting pay salary level during periods of approved leave with pay, which occurs while they are on an acting assignment.

## **6.11 Bilingual Pay**

Employees who are required in the performance of their duties to converse with the public in a language other than English, and who have demonstrated their competency in a second language through an oral fluency test administered by the Human Resources Department, shall receive bilingual pay in the amount of thirty dollars (\$30) per pay period.

Employees who are required in the performance of their duties to communicate in writing and/or translate official written documents in a language other than English and who have demonstrated their competency in a second language through a written fluency test administered by the Human Resources Department shall receive bilingual pay in the amount of seventy dollars (\$70) per pay period.

No more than once every twenty-four (24) months, the Department Director or designee may require an employee receiving bilingual pay to demonstrate continued competency in a second language as a condition of continuing to receive pay under this Section. Employees who do not demonstrate continued competency will cease receiving bilingual pay until such time competency is again demonstrated.

## 6.12 Special Assignment Positions

Special Assignment positions within a classification may be established where duties and responsibilities are of a specialized nature by comparison to other positions in the class. Said positions may be established by the City Council following a report and recommendation thereon by the City Manager. Selection of employees for said positions and removal therefrom shall be made by the City Manager upon recommendation of the Department Director. An employee so assigned shall receive a salary increment not to exceed ten percent (10%) of his or her present salary.

Special assignment pay cash-out incentive shall apply for a single employee who is actively assigned as the second in command to the City of Hayward Police Chief for at least thirteen (13) contiguous pay periods.

The following MOU provisions are eligible for special assignment pay cash-out:

- Section 9.05 Payment for Unused Sick Leave
- Section 12.05 Conversion of Compensatory Time
- Section 12.09 Leave Cash Out

Related incentive pays and/or cash outs are intended for City payment calculations, and any related calculations for retirement are determined by CalPERS. The City makes no representation as to whether this or any of the cash-out compensation or payments in this Memorandum of Understanding are subject to CalPERS service credit or pensionable income.

## 6.13 Salary Adjustments

Bargaining unit salaries shall be increased by eleven and eighty-two hundredths percent (11.82%), effective July 1, 2025.

Bargaining unit salaries effective the pay period including July 1, 2026, through June 30, 2027, shall have no salary increases.

The bargaining unit's base wage shall be increased the pay period including July 1, 2027, through the last day of the pay period preceding the pay period that includes July 1, 2028, based on the salary survey increase due to HPOA the pay period containing January 1, 2027, and tied to the established HPOA salary survey formula, which shall not be less than five percent (5%) and shall not exceed seven percent (7%).

The bargaining unit's base wage shall be increased the pay period including July 1, 2028, through the last day of the pay period preceding the pay period that includes July 1, 2029, based on the salary survey increase to HPOA the pay period containing January 1, 2028, and tied to the established HPOA salary survey formula, which shall not be less than five percent (5%) and shall not exceed seven percent (7%).

The bargaining unit's base wage shall be increased the pay period including July 1, 2029, through the last day of the pay period preceding the pay period that

includes July 1, 2030, based on the salary survey increase due to HPOA the pay period containing January 1, 2029, and tied to the established HPOA salary survey formula.

### Salary Survey

The salary survey will determine the difference between the total compensation of a Hayward Police Captain and the average of the total compensation for Police Captain of the top four (4) agencies based on a survey of salary and benefits. The percentage shall be determined by  $(\text{Total compensation average of top four (4) agencies} - \text{Total compensation of Hayward Police Captain}) / \text{Total compensation of the Hayward Police Captain}$ , rounded to the nearest one-hundredth percent (.01%). Hayward may be included in the top four (4) agencies should its compensation so indicate.

Surveyed agencies shall be: Santa Clara, Vallejo, Palo Alto, Richmond, Fremont, Berkeley, Daly City, San Mateo, Alameda, and San Leandro.

The salary survey shall be completed by May 31 of each year and include all salaries and benefits effective on July 1, of each year respectively, and approved by the agency's board or council. If on October 1 of each year, any of the above agencies reaches a settlement retroactive on or before July 1 of that respective year, thereby changing the average of the top four (4) agencies, a one (1) time adjustment will be made no later than November 1 of that respective year to salaries to reflect that change. Even withstanding the exceptions outlined above, the salary survey itself shall be completed annually regardless of the years where salary adjustments are not linked to it. Unless otherwise negotiated, salary increases resulting from salary surveys shall not exceed five percent (5%).

For purposes of this agreement and any mutually agreed upon successor Memorandum of Understanding, "total compensation" shall mean the top step Captain base monthly salary; employer-paid member CalPERS contributions; total employee-paid voluntary cost sharing of employer CalPERS contributions; holiday pay; uniform allowance; education incentive pay applicable to all Police Captains; continuous service pay applicable to all Police Captains; employee-paid contributions towards the City's OPEB liability; employer contributions towards the employee's dental, life, Long Term Disability (LTD), Short Term Disability (STD), and vision care insurance premiums; and the amount the employer pays for premiums for family level health coverage. The amount to be included in the survey for family-level health coverage for the City of Hayward Police Captains shall be the amount of the family premium for the health plan in which the plurality of the HPMU members are enrolled. The amount to be included in the survey for employees' dental, life, LTD/STD, and vision care insurance premiums shall be the maximum amount payable for each benefit by the respective Cities. The amount to be included in the survey for Educational incentive pay, POST certification incentive pay, and Longevity pay shall be the maximum amount allowable for each incentive under each separate salary survey City's MOU.

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## 7.00 HOLIDAYS

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### 7.01 Holidays Observed by the City

The following days shall be holidays for all employees:

- New Year's Day (January 1)
- Martin Luther King Jr. Day (third Monday in January)
- Lincoln's Birthday (February 12)
- President's Day (third Monday in February)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Admission Day (September 9)
- Indigenous Peoples' Day (second Monday in October)
- Veterans' Day (November 11)
- Thanksgiving Day (fourth Thursday in November)
- Friday after Thanksgiving Day (Friday following the fourth Thursday in November)
- One-half (.5) Christmas Eve Day (one-half the regular shift length of the employee, Dec. 24)
- Christmas Day (December 25)
- One-half (.5) New Year's Eve Day (one-half the regular shift length of the employee, Dec. 31)

If any of said holidays fall on a Sunday, the following Monday shall be observed as a holiday. If a holiday falls on a Saturday, the preceding Friday shall be observed as a holiday.

### 7.02 Payment for Holidays Worked

In lieu of being allowed to take paid time off or accrue paid time off for a City holiday, employees assigned to this Unit shall receive six and seventy-three hundredths percent (6.73%) additional compensation per pay period, calculated on their base pay only.

An employee who works on a designated City holiday as part of the employee's regular work schedule will not receive any additional compensation based solely on the day's designation as a City recognized holiday.

Employees who wish to take a holiday off will be required to use accrued vacation leave.

## 8.00 VACATIONS

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### 8.01 Vacation Leave Policy

Vacation leave is a right; however, the use of vacation leave shall be approved by the Department Director or City Manager taking into account the desires and seniority of employees and, more particularly, the workload requirements of the department. Employees shall take vacation leave regularly each year and shall be encouraged to take vacation at least a full week at a time. To give effect to this policy and to realize the greatest benefit from vacation leave for both employees and the City, limitations shall be placed upon the amount of unused vacation leave an employee is allowed to accumulate.

If an employee exhausts their vacation leave, the employee may apply for another eligible paid or unpaid leave as provided for in this Memorandum of Understanding. If no other leave is approved, the leave will be documented as Unauthorized Leave Without Pay. No vacation leave accruals will be credited in advance. No vacation leave will be earned while on unpaid leave.

If vacation leave is used for purposes that qualify under a state or federal leave law, such as the Family Medical Leave Act (FMLA)/California Family Rights Act (CFRA) or Pregnancy Disability Leave (PDL), the leave taken will count toward the state or federal leave entitlement.

### 8.02 Vacation Leave Allowance

Full-time vacation accrual rates for employees who are budgeted and work full-time are as follows:

- a. Up to five (5) years of service: three and eight hundredths (3.08) hours per payroll period
- b. From five (5) years to nine (9) years of service: four and sixty-two hundredths (4.62) hours per payroll period
- c. From ten (10) years to fourteen (14) years of service: six and sixteen hundredths (6.16) hours per payroll period
- d. From fifteen (15) years of service: seven and seventy hundredths (7.70) hours per payroll period

Vacation leave can be accrued but shall not be granted during the first six (6) months of service. When an employee begins their seventh (7<sup>th</sup>) month of continuous, satisfactory service, the proportionate vacation leave earned shall be posted to the employee's credit from the initial date of employment. The increases in vacation leave allowance shall be granted based on full-time, continuous service. Vacation leave records shall be maintained on an hourly basis, and leave shall be taken in periods of not less than one (1) hour.

As an exception to the foregoing, the City Manager is authorized to place a new management employee at a position in the vacation schedule which recognizes that said employee has left a similar position with another employer where the employee had substantial vacation benefits.

Vacation leave shall continue to be earned during other authorized leaves with pay. When a holiday falls during an employee's absence on vacation leave, it shall not be deducted from the employee's accrued leave. If an employee leaves the employment of the City before the end of the calendar year, reconciliation of vacation leave earned and taken to the date of termination shall be made. If the employee owes the City for unearned leave, the actual time shall be deducted from final pay. Leave time earned but unused at the date of termination shall be added to final pay.

Effective January 1, 2024, the maximum annual vacation accrual cap shall be twice the annual allowance plus forty (40) hours. Vacation leave shall stop accruing when an employee's vacation balance reaches two (2) times their annual accrual plus forty (40) hours. No employee shall be allowed to maintain a balance of unused vacation leave in excess of two (2) times their annual accrual plus forty (40) hours. It shall be the responsibility of each employee to ensure the full use of vacation leave credits received by scheduling the necessary time off each year.

Unused vacation hours will be cashed out upon separation of employment, except that any hours accrued in excess of two (2) times an employee's annual accrual plus forty (40) hours will be forfeited and will not be included in any cash-out upon separation.

For purposes of crediting service time for vacation accruals, a former employee who is reinstated after an absence of more than one (1) year shall not receive credit for their prior service time nor will an employee who was serving in a temporary, provisional, or contracted appointment and appointed to a regular appointment be credited with their temporary, provisional or contract service time.

Vacation leave cash out shall be applied in accordance with the provisions outlined in subsection 12.09.

## **9.00 SICK LEAVE**

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### **9.01 Sick Leave Policy**

Sick leave is paid leave. Sick leave shall be allowed in case of an employee's bona fide illness or injury, or for an employee's doctor/health appointments. Sick leave shall be recommended by the employee's supervisor and approved by the Department Director or a designated representative.

Employees shall, whenever possible, make appointments for medical, dental, and other health and wellness purposes during non-work time. If this is not possible, sick leave may be used for these purposes for a minimum period of one (1) hour and should not exceed four (4) hours except in unusual circumstances.

In addition to the foregoing, sick leave may be used as family sick leave to care for an ill or injured family member or to take a family member to a doctor's appointment. A family member is a child, parent, spouse, registered domestic partner, or the child of a registered domestic partner as defined by California Labor Code 233. Up to half (1/2) of an employee's annual sick leave accruals per calendar year may be used as family sick leave by full-time employees.

Authorization to use additional sick leave for family illness beyond the five (5) days maximum may be granted by the City Manager when in their judgment circumstances warrant the same. If an employee exhausts their sick leave, the employee may apply for another eligible paid or unpaid leave as provided for in this Memorandum of Understanding. If no other leave is approved, the leave will be documented as Unauthorized Leave Without Pay. No sick leave accruals will be credited in advance. Sick leave will not be earned while on unpaid leave.

If sick leave is used for purposes that qualify under a state or federal leave law, such as the Family Medical Leave Act/California Family Rights or Pregnancy Disability Leave, the leave taken will count toward the state or federal leave entitlement. If an employee is unable to return to work and has exhausted all of their leave entitlements, the employee may be retired for disability or separated.

## **9.02 Sick Leave Allowance**

All full-time employees other than temporary and provisional shall accrue sick leave benefits each payroll period based upon the number of hours the employee is entitled. The full-time sick leave accrual rate is three and seven-tenths (3.7) hours per payroll period. Sick leave records shall be maintained through the payroll system. After an absence is approved as sick leave, it shall be deducted from an employee's leave balance. Employees shall receive an annual sick leave allowance of ninety-six (96) hours. Employees shall earn sick leave credits in accordance with the foregoing schedule from their initial date of employment and shall be entitled to the use of sick leave upon completion of three (3) months of continuous, full-time satisfactory employment. There shall be no limit to the number of hours of unused sick leave which may be accumulated by an employee.

## **9.03 Sick Leave Notice and Certification**

To receive compensation while absent on sick leave, employees or someone on their behalf shall notify the immediate supervisor before or within two (2) hours after the time set for reporting to work. Department Directors may waive this requirement upon presentation of a reasonable excuse by the employee.

Employees shall file a personal certification with their supervisor if required by their Department Director or their designee. After five (5) working days of absence, the employee's supervisor may require a physician's certificate. If employees become ill while on vacation, periods of illness may be charged to sick leave upon presentation of a doctor's certificate stating the nature and extent of the illness. In case of frequent use of sick leave, employees may be requested to file a physician's certification for each illness, regardless of duration. A physician's certificate needs to include the name and signature of the attending physician, the date and time the employee was seen by the physician, and the physician's certification that the illness or injury was of such nature to prevent the employee from performing their job. Employees may also be required to take an examination by a physician designated by the City and to authorize consultation with their physician concerning their illness. Sick leave shall not be granted for absences caused by intoxication or excessive use of alcoholic beverages. As an exception to the foregoing, sick leave may be authorized for the treatment of

alcoholism or substance addiction when such a condition has been diagnosed by a competent medical authority.

## **9.04 Sick Leave Records**

Sick leave records shall be maintained through the payroll system. After an absence is approved as sick leave, it shall be deducted from an employee's leave balance. If at the time of separation, an employee owes the City for unearned sick leave, the actual time shall be deducted from the employee's final pay. Upon separation of the employee, sick leave allowance for which payment has not been made shall be canceled and shall not be restored if a former employee is reinstated.

## **9.05 Payment for Unused Sick Leave**

Any full-time employee leaving the employment of the City in good standing after having completed twenty (20) years of continuous service, or upon retirement from the City for service or disability, or termination of employment because of death, shall receive payment for a portion of that sick leave earned but unused at the time of separation.

The amount of this payment shall be equivalent to one percent (1%) of sick leave earned but unused at the time of separation times the number of whole years of continuous employment times an employee's hourly rate of pay at the time of separation, plus applicable incentive pay adjustments.

The amount of payment for unused sick leave shall be based on the accumulated unused sick leave balance at the time of separation, times the employee's hourly rate on the date of separation, times the number of years of continuous service, times the percentage factor from the following table, plus applicable incentive pay adjustments.

- Zero percent (0%) to twenty percent (20%) of maximum eligible sick leave accrual = zero percent (0%)
- Twenty and one-hundredth percent (20.01%) to fifty percent (50%) of maximum eligible sick leave accrual = one percent (1%)
- Fifty and one-hundredth percent (50.01%) to seventy-five percent (75%) of maximum eligible sick leave accrual = two percent (2%)
- Seventy-five and one-hundredth percent (75.01%) or more of maximum eligible sick leave accrual = two and one-half percent (2.5%)

To provide for the occurrence of anomalies in the sick leave usage patterns of employees, when computing the unused sick leave balance used to determine the percentage of payment as specified above, the largest number of hours of sick leave used by the employee in any rolling twelve (12) month period during their continuous employment shall be added to the accumulated unused balance at separation. This figure shall be used solely for determining the percentage of payout. The actual payout shall be based on the accumulated balance of unused sick leave on the date of separation.

To accommodate the differing lengths of workdays based on the various work schedules, adjustments are required in fairly administering this section since all

employees accrue sick leave at the same rate and those working shifts of more than eight (8) hours use sick leave at a rate greater than those assigned to eight (8) hour days. Appendix "A" which is attached hereto and incorporated herein details the number of hours required to obtain the various sick leave payout percentages based on the employee's work schedule and the number of years of service.

To the extent not prohibited by state or federal laws or regulations, if the employee designates that the payout be designated for deposit in an approved tax-deferred plan for use for future medical expenses, the percentage factors shall be as follows:

- Zero percent (0%) to twenty percent (20%) of maximum eligible sick leave accrual = zero percent (0%)
- Twenty and one-hundredth percent (20.01%) to fifty percent (50%) of maximum eligible sick leave accrual = one percent (1%)
- Fifty and one-hundredth percent (50.01%) to seventy-five percent (75%) of maximum eligible sick leave accrual = two percent (2%)
- Seventy-five and one-hundredth percent (75.01%) or more of maximum eligible sick leave accrual = three percent (3%)

For the purpose of this computation, an employee's hourly rate of pay shall be the employee's annual salary divided by two-thousand eighty (2,080) hours.

Cash out for sick leave will include the following incentives: education incentive, POST certification incentive, longevity pay, and special assignment pay in accordance with Section 6.12 Special Assignment Positions.

That portion of an employee's sick leave balance for which payment is not provided shall be canceled and shall not be restored if said employee is reinstated.

## **10.00 MISCELLANEOUS LEAVES**

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### **10.01 Bereavement Leave**

All full-time employees other than temporary and provisional employees shall be granted bereavement leave with pay for not more than three (3) workdays upon the occasion of the death of a close relative or a domestic partner registered with the City in a manner prescribed by the Human Resources Department. When additional time is desired, employees may be allowed to take accumulated vacation leave or compensatory time due off. For the purpose of this section, a close relative is defined as any relation of the employee, by blood or marriage, where one or more of the following conditions are present:

- a. The employee will be attending the funeral of the deceased.
- b. The employee is responsible for or involved with funeral arrangements or estate settlement for the deceased.

- c. The employee's relationship with the deceased was of a close and personal nature such that time is required by the employee to deal with their bereavement or to participate in memorial services, either religious, or non-sectarian.

When requesting such leave, employees will be required to certify to the Department Director or a designated representative the conditions for granting bereavement leave have been satisfied. Upon presentation of such a request, the Department Director shall determine whether leave shall be granted and in what amount. Additional bereavement leave for travel purposes not to exceed five (5) calendar days may be granted by the Department Director when circumstances warrant the same.

## **10.02 Jury Duty Leave**

An employee summoned to jury duty shall inform their supervisor and, if required to serve, may be absent from duty with full pay. Any jury duty fees received by an employee shall be remitted to the City.

## **10.03 Military Leave**

This provision shall be in compliance with all applicable state and federal laws and is governed by the City of Hayward Resolution.

Military leave shall be granted in accordance with the provisions of state law. All employees entitled to military leave shall give their Department Director and the City Manager an opportunity, within the limits of military requirements, to determine when such leave shall be taken.

## **10.04 Industrial Disability Leave**

For employee injury or disability falling within the provisions of the State Workers' Compensation Disability Act, disability compensation at the rate allowed under said act shall be the basic remuneration during the employees' period of disability. Compensation under this Act will be provided through payroll or the City's third-party administrator. Employees will be allowed time off as provided under Section 10.6 - Leave of Absence. Employees may elect to use their own personal paid leave. If any paid leave is used, the employee must contact Payroll and integrate the leave with any temporary disability benefits paid under this Act, so that compensation does not exceed one hundred percent (100%) of an employee's regular pay.

## **10.05 Leave Without Pay**

A Department Director, upon written request of a full-time or part-time employee other than temporary or provisional employees, may grant authorized leave under this provision for a maximum of eighty (80) hours per calendar year. An employee will continue to receive health benefits but is still responsible for any out-of-pocket expenses. No leave accruals will be earned. If the leave is requested for purposes covered by a state or federal leave law such as but not limited to School Issues and Activities Leave, the leave will be approved if required by law. If Leave Without Pay is used for purposes that qualify under a

state or federal leave law, such as (FMLA)/ (CFRA) or (PDL), the leave taken will count toward the state or federal leave entitlement. If an employee is unable to return to work and has exhausted all of their leave entitlements, the employee may be retired for disability or separated.

The employee may be required to deplete their paid leave balances before requesting this leave.

## **10.06 Leave of Absence**

The City Manager, upon written request of a full-time employee other than temporary and provisional employees, may grant for the good of the service a leave of absence without pay for a maximum period of one (1) year. Total unpaid leave of absence shall not exceed the equivalent of one (1) year during any two (2) year period. Examples of leaves that may be granted pursuant to the provisions of this section include medical leaves, educational leaves, parental leaves, and leave for any other purpose promoting the good of the service. Whenever granted, such leave shall be in writing and signed by the City Manager. Upon expiration of such a leave, the employee shall be reinstated to the position held at the time leave was granted. Failure of the employee to report promptly at its expiration or within a reasonable time after notice to return to duty shall terminate their right to be reinstated.

All eligible paid leaves must be depleted before this leave is taken. If Leave of Absence is used for purposes that qualify under a state or federal leave law, such as FMLA/CFRA or PDL, the leave taken will count toward the state or federal leave entitlement. If an employee is unable to return to work and has exhausted all their leave entitlements, the employee may be retired for disability or separated. No benefits will be provided during this period except as provided below. Health coverage may be continued but at the employee's own cost.

Employees who are out on a bona fide work-related injury or illness will be placed on a Leave of Absence. However, employees on workers' compensation continue to receive health benefits but are still responsible for any out-of-pocket expenses.

## **10.07 Absence Without Leave**

No employee shall be absent without leave except in case of sickness and emergency which prevents the employee from providing notification. Within twenty-four (24) hours of the time required to report for duty, an employee shall notify his or her Department Director of an inability to report. Failure, without cause, to give this proper notification or to report for duty as scheduled after a leave has expired shall be cause for disciplinary action.

## **10.08 Family and Medical Leave**

This provision shall comply with all applicable state and federal laws and is governed by the City of Hayward, Administrative Rule 2.45.

## 10.09 Pregnancy Disability Leave

This provision shall comply with all applicable state and federal laws and is governed by the City of Hayward, Administrative Rule 2.45.

## 10.10 Catastrophic Injury/Illness Time Bank

Upon approval of the City Manager or their designated representative, a time bank may be established for the benefit of an employee who is incapacitated by a catastrophic illness or injury. This program intends to assist catastrophically ill or injured employees who have exhausted all available paid accruals to maintain paid status as long as possible. Catastrophic injury or illness is defined as a medically certified, severe, and disabling, non-industrial condition resulting in an employee's inability to work. Employees may submit requests to donate earned vacation and/or compensatory time voluntarily and subject to the conditions listed below.

- a. Employees initially eligible to receive leave contributions must have exhausted all other leave balances available including earned vacation, earned sick leave, and accrued compensatory time.
- b. State and federal income tax on the value of leave donated shall be deducted from the recipient employee's pay at the time of crediting.
- c. Leave hours that are credited as sick leave to the recipient, shall not be reversible.
- d. Hours requested to be donated shall be kept in a pledge status until used, shall be credited on a monthly basis as sick leave, and shall be subject to the provisions of this Memorandum of Understanding regarding the use and payment of same. Donations shall be credited in the following order:
  1. From donors whose vacation accruals are at or within sixteen (16) hours of the maximum allowed for their classification; then
  2. From other donors in random order, to be determined on a draw basis by the Human Resources Department.
  3. Donation requests shall be credited in the order specified above in subsequent month(s).
- e. Donated leave time shall be changed to its cash value and then credited to the recipient in equivalent hours at the recipient's straight-time hourly rate of pay. Recipient employees shall not be credited with one (1) more than one-hundred percent (100%) of their normally scheduled hours for any given pay period.
- f. Donating employees may not reduce their balance of earned vacation below eighty (80) hours because of such donations.
- g. Recipient employees shall be credited with up to forty (40) hours of donated time upon return to work, provided that sufficient hours remain in pledge status during the pay period immediately preceding the return-to-work date. All undonated, pledged hours exceeding forty (40) shall be returned to the respective donor(s).

- h. In the event of the death of the recipient, their designated beneficiary shall receive payment for hours credited as donated. Hours remaining in pledge status are not subject to payout to the beneficiary and shall be returned to the donor(s).

## **10.11 Management Leave**

The City Manager is authorized to grant up to eighty (80) hours of Management Leave with pay each year as compensation, in part, to an employee who in the performance of their duties is required to work additional hours substantially above the customary forty (40) hour work week. Additionally, the City Manager may, upon request, authorize additional Management Leave beyond the eighty (80) hour limit for employees who are required to work an extraordinary number of additional hours over an extended period because of extremely unusual circumstances. All leave granted pursuant to this Section must be used no later than the last pay period of the respective calendar year in which it is received, otherwise, it is forfeited.

Management leave cash out shall be applied in accordance with the provisions outlined in subsection 12.09.

## **11.00 MISCELLANEOUS ALLOWANCES**

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### **11.01 Police Education Incentive Program**

This program is designed so that Captains can prepare themselves to meet the challenges presently confronting law enforcement agencies. A high degree of excellence is required by all sworn officers in view of the social, legislative, technical, and judicial changes that reflect the need for such a program. An experienced police force and its well educated leadership will be better qualified to meet these challenges if they can improve their skills by participating in academic training and specialized training programs. Additional compensation will be provided to those officers who qualify. The requirements are as follows:

Captains must complete a minimum of 50 hours of approved study and training during each qualification period as defined below. Approved study and training includes the following:

- a. Captains may take courses in accredited public or private schools, colleges or universities if the courses are identified as courses that would improve their efficiency, knowledge or competency in the performance of their duties, or are acceptable credits toward a college degree.
- b. Enrollment in correspondence courses and educational television/internet courses may be approved providing such courses are acceptable for credit toward a college degree by a college or university with maximum accreditation from the Western Association of Schools and Colleges and/or the Accrediting Commission of the Distance Education and Training Council (DETC). Such courses must also be consistent with the general aims and

requirements of the program. All other accreditations will be evaluated by the Personnel and Training Manager.

- c. Three (3) semester units, four (4) quarter units or more of approved public school, college or university work shall be equivalent to 50 hours of classroom study. Credit for special classroom study or training provided by another law enforcement agency may be combined with college enrollment to obtain the required 50 hours only upon approval by the Personnel and Training Manager or the Personnel and Training Manager's designee.
- d. Captains who wish to enroll in an outside school, college or university must submit, in advance of enrollment, a report to the Personnel and Training Manager or the Personnel and Training Manager's designee the name of the school, the subject(s), the number of credits or units, for approval by the Chief of Police or their designee. Captains who wish to appeal the decision with respect to the suitability of intended training or course work, if denied, may do so by fully stating their position in writing to the Program Review Committee, whose decision shall be final.
- e. Captains attending outside schools, colleges or universities will be required to complete the selected course of study with a minimum grade of "C" or its equivalent. Transcripts or other official notifications from the institution shall be furnished to the Chief of Police. For non-graded courses or training programs, a certificate of completion together with evidence of satisfactory attendance shall be required.

The Hayward Police Department values Police Management members continuing their education. A captain who initiates and completes attendance in an approved study or training course as outlined above, within a 12-month period, is eligible to receive two and one-half percent (2.5%) additional Continuing Education Pay for the pay period beginning immediately following the 12-month period. The Police Captain is required to provide proof of enrollment in a course on a rolling twelve (12) month period. Increased compensation will be permanent for continuous and active enrollment with no lapses in attendance. Failure to submit timely proof of enrollment may result in the revocation of additional permanent pay.

A Captain who obtains or possesses a four (4)-year (BA or BS) degree or higher shall be entitled to compensation of two and one-half percent (2.5%) above the basic salary step currently held. It shall be considered "permanent" and not subject to re-qualification requirements.

A Captain who obtains or possesses a Master's degree shall be entitled to "permanent" compensation of five percent (5%) above the salary step currently held.

Under this Section, employees are only eligible to receive additional compensation under Subsections (b) or (c) provided in the table below. Employees cannot combine differentials under (b) and (c). As an exception, all

employees receiving additional compensation under Subsections (b) would also be eligible to receive the two and one-half percent (2.5%) as outlined in Subsection (a) provided they comply with the requirements of that Subsection.

Summary of Requirements and Pay Percentages for Educational Incentive Program		
Subsection	Degree Requirement	Max % Per Subsection
(b)	Bachelor's Degree	2.5%
(c)	Master's Degree	5%
(a)	Additional % Allowed with Continuing Education <sup>1</sup>	2.5%

<sup>1</sup>Can be combined with incentives earned under (b).

In no case will a member receive more than a total of five percent (5%) above the basic salary step currently held by reason of the members participation in the Educational Incentive Program.

A Program Review Committee consisting of the City Manager, Chief of Police, Human Resources Director, or their designated alternates and two representatives of the Hayward Police Management Unit shall be formed to assist in the administration of the program. The Personnel and Training Manager shall serve as a non-voting advisory member of the committee. The committee shall resolve questions of eligibility, hear appeals from candidates with respect to acceptability of course work or training programs and decide any other questions which may arise in the administration of the program, or the interpretation of this MOU section or how it relates to the applicable departmental order. A quorum of three voting members shall be required, and decisions of the committee shall be by majority vote of those in attendance. Decisions made by this committee shall be final.

## 11.02 Educational Reimbursement

The City shall maintain a fund of one thousand five hundred dollars (\$1,500.00) per year for reimbursement of costs related to educational and/or professional development. A maximum of seven hundred and fifty dollars (\$750.00) of this fund shall be available to each employee who qualifies under Administrative Rule 2.5, Educational Reimbursement.

## 11.03 POST Police Professional Certification Program

The POST Police Professional Certification Program established by the California Commission on Peace Captain Standards and Training (POST) shall be incentivized, and all future revisions to the Professional Certificate Program shall automatically be incorporated herein.

A Captain who obtains a POST Intermediate Certificate shall be entitled to additional compensation of two and one-half percent (2.5%) above the salary

step currently held. It shall be considered “permanent” and not subject to re-qualification requirements. The additional compensation shall be retroactive to the date the Captain is eligible for and submits their application for the POST Intermediate Certificate and their Incentive Pay Request to the Personnel and Training Bureau.

Captains who obtain a POST Advanced Certificate shall be entitled to compensation of five percent (5%) above the basic salary step currently held. It shall be considered “permanent” and not subject to re-qualification requirements. The additional compensation shall be retroactive to the date the Captain is eligible for and submits their application for the POST Advanced Certificate and their Incentive Pay Request to the Personnel and Training Bureau.

Captains who obtain a POST Management Certificate shall be entitled to compensation of seven and one-half percent (7.5%) above the basic salary step currently held. It shall be considered “permanent” and not subject to re-qualification requirements. The additional compensation shall be retroactive to the date the Captain is eligible for and submits their application for the POST Management Certificate and their Incentive Pay Request to the Personnel and Training Bureau.

Under this Section, employees are only eligible to receive additional compensation under Subsections (a), (b) or (c) provided in the table below. Employees cannot combine differentials under (a) through (c).

Summary of Requirements and Pay Percentages for POST Professional Certification Program		
Subsection	POST/Degree/Years Requirement	Max%Per Subsection
(a)	Intermediate POST	2.5%
(b)	Advanced POST	5%
(c)	Management POST	7.5%

In no case will a member receive more than a total of seven and one-half percent (7.5%) above the basic salary step currently held by reason of the members participation in the POST Professional Certification Program.

#### 11.04 Longevity Pay

For the purpose of this Section only, continuous, paid experience in a relevant classification unique to the Hayward Police Department that is contiguous with the employee’s acceptance into the Police Academy shall be considered experience for the purpose of calculating years of continuous service and eligibility for longevity service pay.

Effective July 1, 2025:

- (a) Employees who have experience as a sworn Police Officer with the City of Hayward for twelve (12) years or more shall be entitled to “permanent”

compensation of five percent (5%) above the basic salary step currently held.

- (b) Employees who have experience as a sworn Police Officer with the City of Hayward for sixteen (16) years or more shall be entitled to “permanent” compensation of eight percent (8%) above the basic salary step currently held.
- (c) Employees who have experience as a sworn Police Officer with the City of Hayward for twenty (20) years or more shall be entitled to “permanent” compensation of eleven percent (11%) above the basic salary step currently held.
- (d) Employees who have experience as a sworn Police Officer with the City of Hayward for twenty-one (21) years or more shall be entitled to “permanent” compensation of twelve percent (12%) above the basic salary step currently held.
- (e) Employees who have experience as a sworn Police Officer with the City of Hayward for twenty-two (22) years or more shall be entitled to “permanent” compensation of thirteen percent (13%) above the basic salary step currently held.
- (f) Employees who have experience as a sworn Police Officer with the City of Hayward for twenty-three (23) years or more shall be entitled to “permanent” compensation of fourteen percent (14%) above the basic salary step currently held.
- (g) Employees who have experience as a sworn Police Officer with the City of Hayward for twenty-four (24) years or more shall be entitled to “permanent” compensation of fifteen (15%) above the basic salary step currently held.

In no case will an employee receive more than a total of fifteen percent (15%) above the basic salary step currently held because of the employee’s longevity with the City.

## **11.05 Uniform Maintenance**

The City shall, for all employees, replace or repair without cost to the employee any worn or damaged uniform shirt or pants which, in the judgment of the City, are no longer serviceable. For all other items of uniform purchased by employees that are severely or irreparably damaged in the line of duty, the City will continue to reimburse employees on a prorated basis for replacement items.

## **11.06 Uniform Allowance**

An annual uniform allowance of nine hundred dollars (\$900.00) shall be paid to each employee in the following manner:

1. Each employee's annual uniform allowance will be paid to them in equal installments of thirty-four dollars and sixty-two cents (\$34.62) per pay period over the twenty-six (26) biweekly pay periods.

In cases where items of uniform are severely or irreparably damaged in the line of duty, provision is made for direct replacement of said items.

## **12.00 MISCELLANEOUS PROVISIONS**

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### **12.01 Notification of Address**

All employees, including those on leave of absence, shall keep the Director of Human Resources informed as to their current home address at all times, no later than ten (10) days after such a change of address.

### **12.02 Restrictions on Outside Work**

Gainful employment outside an employee's regular City position shall be considered a privilege subject to regulation and not a right. No employee shall engage in a gainful occupation outside the City position which is incompatible with the City employment, or which is of such a nature as to interfere with the satisfactory discharge of the employee's regular duties. Any employee who wishes to engage in or accept such employment may do so after having first obtained written approval from the City Manager or a designated representative. Violation of this section shall be cause for disciplinary action.

### **12.03 Employee Health and Medical Examinations**

When in the judgment of the Department Director and the City Manager, an employee's health or physical condition may have an adverse effect on the performance of duties, or affect safety or health of fellow employees, the employee may be required to undergo a medical examination at the City's expense.

Based on authoritative medical advice, the City Manager shall determine whether an employee is physically incapacitated for the duties of the position and may take whatever action they deem appropriate. The determination and resultant action may be the subject of appeal to the Personnel Commission for its review and recommendation.

Those employees designated by the City Manager shall also undergo, at the City's expense, routine medical examinations. The frequency of these examinations and the examining physician shall also be designated by the City Manager.

### **12.04 Safety Equipment**

The following items shall be issued by the City to each member and replaced when, in the judgment of the City, they are obsolete or unserviceable:

Police Identification Card	Ring, 4 Keepers, 1 Key Keeper
Badge	Batons: 1 long, 1 short
Building Key	Raincoat & Pants
Handgun with 3 Magazines or Speed Loaders	Cap Piece
Flashlight	Whistle
Radio & Case	Riot Helmet
Handcuffs & Case	Tie Tack
Holster	Duty Ammunition
Double Magazine Pouch	Mace & Case
Lined Equipment Belt, Baton	Citation Holder
Body Armor	

## 12.05 Conversion of Compensatory Time

An employee promoted from another representation unit to a classification in the HPMU will be afforded the following options:

- a) A one-time option to cash out all or a portion of accrued compensatory time.  
Cash out for compensatory time will be paid at the hourly rate plus applicable incentive pay held immediately before the promotion or immediately before an acting appointment in HPMU. Applicable incentive pay includes the following: Permanent education incentive, temporary education incentive, and continuous service pay.  
  
Any remaining leave not used for cash out shall be used in accordance with 12.05(b) and (c) below.
- b) Compensatory time may be used for paid leave on an hour-for-hour basis. Compensatory time used will be paid at the employee's current hourly rate plus applicable incentive pays held at the time of the usage. Applicable incentive pays include the following: education incentive, POST certification incentive, longevity pay, and special assignment pay in accordance with Section 6.12 Special Assignment Positions.
- c) The cash value of all or a portion of the compensatory time may be exchanged/transferred into the employee's Deferred Compensation Plan pursuant to Plan rules. Compensatory time exchanged/transferred into the employee's Deferred Compensation Plan will be transferred at the employee's current hourly rate plus applicable incentive pays held at the time of the exchange. Applicable incentive pays include the following: education incentive, POST certification incentive, longevity pay, and special assignment pay in accordance with Section 6.12 Special Assignment Positions.

Upon separation, compensatory time left on the books may be cashed out. The value shall be the current hourly rate on the date of separation of the classification held prior to promotion into HPMU, excluding any acting appointment in HPMU.

This section shall apply to all HPMU classifications regardless of the date of promotion.

## **12.06 Americans with Disabilities Act (ADA)**

The City and HPMU recognize that the City has an obligation under the law to meet with individual employees who allege a need for reasonable accommodation in the workplace because of a disability. If because of the aforesaid requirement, the City contemplates actions to provide reasonable accommodation to an individual employee in compliance with ADA which is in potential conflict with any provision of this agreement, HPMU will be advised of any such proposed accommodation and be afforded an opportunity to discuss before implementation by the City.

## **12.07 Disability Retirement Advance Payments**

The City shall make monthly advance payments in a timely manner for disability retirement pursuant to Labor Code Sec. 4850.3 and Government Code Section 21293.1. Such advance payments shall continue for up to nine (9) months or until the employee receives their initial CalPERS warrant, whichever occurs first. There shall be added to the advance payment issued by the City, an amount required to be paid by the provisions of this agreement to the retiree for medical coverage. The City shall notify the affected employee before the effective date of retirement of the employee's right to continue the medical coverage and to obtain the City's contribution towards same.

## **12.08 Health and Wellness Benefit**

The City will reimburse full-time HPMU employees a maximum of one-thousand two-hundred dollars (\$1,200) each fiscal year for expenses associated with health and wellness programs.

This reimbursement may be used for fees associated with gym or health club memberships, fitness classes (such as yoga, Zumba, or similar), personal trainers, weight loss programs (such as Weight Watchers, Jenny Craig, or similar), short term or long-term disability plans, life insurance, or other health and wellness related expenses. Requests must be made in writing and submitted with receipts.

*Reimbursement of Recurring Fees and Expenses.* The City will reimburse full-time employees a maximum of one-hundred dollars (\$100) per month for expenses associated with health and wellness programs. Requests for reimbursement of monthly fees for health and wellness related expenses must be submitted in writing and accompanied by receipts and proof of monthly membership within forty-five (45) days of the most recent monthly payment made by the employee. Following receipt and approval of the employee's request, the employee shall receive the health and wellness reimbursement on a monthly basis until the employee indicates they have cancelled the monthly health and wellness related payments. The employee will be expected to inform the City in a timely manner that they have ceased making recurring monthly payments for health and wellness-related expenses. Timely notice under this section of the

MOU shall mean no more than thirty (30) days from when the employee cancels their recurring monthly health and wellness-related fees.

**Reimbursement of Non-Recurring Fees and Expenses.** For non-recurring health and wellness expenses, the City will reimburse up to one-thousand two-hundred dollars (\$1,200) for purchases made during that fiscal year. Requests for reimbursement of non-recurring fees must be submitted in writing and accompanied by receipts and proof of purchase and may only be requested within forty-five (45) days of the date of receipt. Purchases made through June 30 of a fiscal year shall be deducted from the employee's available health and wellness funds in that fiscal year. For example, a receipt dated June 30, 2022, that is submitted for reimbursement on or before August 15, 2022, will be reimbursed from the fiscal year 2022 amount available to the employee. As noted above, if the receipt is not received within 45 days of purchase, the expense will be ineligible for reimbursement. Under no circumstances will the health and wellness reimbursement of recurring and non-recurring health and wellness-related expenses exceed the annual maximum of one-thousand two-hundred dollars (\$1,200) per full-time employee. Although participants may not be required to produce monthly receipts for health and wellness payments made on a recurring monthly basis, the City, at the discretion of the Human Resources Director, or designee, may at any time request receipts to verify monthly payments have been continuous and the participating employee remains eligible to receive the health and wellness benefit in accordance with this section of the MOU.

Expenses reimbursed under this program are subject to the approval of the Director of Human Resources and the City Manager. The City's decision to reimburse an employee is final and not subject to dispute or the grievance procedure.

## **12.09 Leave Cash Out**

Employees may cash out up to one-hundred twenty (120) hours of accrued vacation and/or management leave each calendar year.

To be eligible for cash out, employees must have a minimum of eighty (80) vacation hours accrued at the time of their request. In addition, employees must have used a minimum of eighty (80) vacation hours during the twelve (12) months preceding their request for cash out.

Vacation and management leave cash out will include the following incentives: education incentive, POST certification incentive, longevity pay, and special assignment pay in accordance with Section 6.12 Special Assignment Positions.

All requests for cash-out shall be submitted through ESS by completing the Request for Management Leave/Vacation Leave Cash Out Form. Employees who intend to cash out leave shall submit an irrevocable request to do so in the calendar year preceding the year in which the cash out is to be processed. Employees may specify the month(s) in which they wish to receive their cash out in the payment year but cannot split the payout into more than two (2) payments per calendar year. For example, if an employee wishes to cash out eighty (80) hours of leave in calendar year 2023, they must submit their irrevocable request

to do so no later than December 31, 2022, and can specify that they wish to cash out forty (40) hours in March 2023 and forty (40) hours in September 2023 at the time of the request. Employees who fail to provide such notice will be paid out for the requested cash out as part of their final payment issued in the applicable calendar year. Payout will be applied to a single bi-weekly payroll, and employees will be responsible for all taxes associated with such payout.

For leave cash out between July 1, 2023, and December 31, 2023, only, requests for cash out may be received through December 31, 2023.

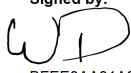
Under no circumstances will an employee be permitted to cash out more than one-hundred twenty (120) hours of management leave or a combination of vacation and management leave each calendar year.

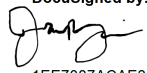
## **12.10 Duration**

This agreement is intended to provide authorization for salaries, benefits, and other terms and conditions of employment for the period July 1, 2025, through June 30, 2030, or until this agreement is thereafter amended or rescinded by the City Council, or until the parties complete good faith bargaining for a successor Memorandum of Understanding, unless a provision of this agreement or active side letter specifically states otherwise.

**SIGNATURE PAGE**

**FOR HAYWARD POLICE  
MANAGEMENT UNIT:**

Signed by:  
  
BFE68AA91A96442...  
William Deplitch  
Police Captain

DocuSigned by:  
  
1EE7087ACAE34A6...  
James Javier  
Police Captain

DocuSigned by:  
Daniel Olsen  
DC6F486E0BBD449...  
Daniel Olsen  
Police Captain

Signed by:  
Heather Linteo  
078B62D08F4145A...  
Heather Linteo  
Police Captain

**FOR CITY OF HAYWARD:**

Signed by:  
Jayanti Addleman  
38748498C2A6487...  
Jayanti Addleman  
Interim City Manager

DocuSigned by:  
Regina Youngblood  
66EEB4C7B72D44A...  
Regina Youngblood  
Assistant City Manager

DocuSigned by:  
Ian Tecson  
B2B069E037D8441...  
Ian Tecson  
Director of Human Resources

**AGREEMENT**  
City of Hayward – HPMU

**APPENDIX A**

**Sick Leave Payout**

YEARS OF SERVICE	Required Accumulated Minimum Balance to Obtain 2.5% Payout			Required Accumulated Minimum Balance to Obtain 2% Payout			Required Accumulated Minimum Balance to Obtain 1% Payout		
	8 hour day	10 hour day	12.5 hour day	8 hour day	10 hour day	12.5 hour day	8 hour day	10 hour day	12.5 hour day
1	72.01	57.61	46.09	48.01	38.41	30.73	19.21	15.37	12.29
2	144.02	172.82	92.17	96.02	76.82	61.45	38.42	30.74	24.59
3	216.03	172.82	138.26	144.03	115.22	92.18	57.63	46.10	36.88
4	288.04	230.43	184.34	192.04	153.63	122.90	76.84	61.47	49.18
5	360.05	288.04	230.43	240.05	192.04	153.63	96.05	76.84	61.47
6	432.06	345.65	276.52	288.06	230.45	184.36	115.26	92.21	73.76
7	504.07	403.25	322.60	336.07	268.85	215.08	134.47	107.57	86.06
8	576.08	460.86	368.69	384.08	307.26	245.81	153.68	122.94	98.35
9	648.09	518.47	414.78	432.09	345.67	276.54	172.89	138.31	110.65
10	720.10	576.08	460.86	480.10	384.08	307.26	192.10	153.68	122.94
11	792.11	633.68	506.95	528.11	422.48	337.99	211.31	169.04	135.24
12	864.12	691.29	553.03	576.12	460.89	368.71	230.52	184.41	147.53
13	936.12	748.90	599.12	624.12	499.30	399.44	249.72	199.78	159.82
14	1008.13	806.51	645.21	672.13	537.71	430.17	268.93	215.15	172.12
15	1080.14	864.12	691.29	720.14	576.12	460.89	288.14	230.52	184.41
16	1152.15	921.72	737.38	768.15	614.52	491.62	307.35	245.88	196.71
17	1224.16	979.33	783.46	816.16	652.93	522.34	326.56	261.25	209.00
18	1296.17	1036.94	829.55	864.17	691.34	553.07	345.77	276.62	221.29
19	1368.18	1094.55	875.64	912.18	729.75	583.80	364.98	291.99	233.59
20	1440.19	1152.15	921.72	960.19	768.15	614.52	384.19	307.35	245.88
21	1512.20	1209.76	967.81	1008.20	806.56	645.25	403.40	322.72	258.18
22	1584.21	1267.37	1013.90	1056.21	844.97	675.98	422.61	338.09	270.47
23	1656.22	1324.98	1059.98	1104.22	883.38	706.70	441.82	353.46	282.77
24	1728.23	1382.58	1106.07	1152.23	921.78	737.43	461.03	368.82	295.06
25	1800.24	1440.19	1152.15	1200.24	960.19	768.15	480.24	384.19	307.35
26	1872.25	1497.80	1198.24	1248.25	998.60	798.88	499.45	399.56	319.65
27	1944.26	1555.41	1244.33	1296.26	1037.01	829.61	518.66	414.93	331.94
28	2016.27	1613.02	1290.41	1344.27	1075.42	860.33	537.87	430.30	344.24
29	2088.28	1670.62	1336.50	1392.28	1113.82	891.06	557.08	445.66	356.53
30	2160.29	1728.23	1382.58	1440.29	1152.23	921.78	576.29	461.03	368.82
31	2232.30	1785.84	1428.67	1488.30	1190.64	952.51	595.50	476.40	381.12
32	2304.31	1843.45	1474.76	1536.31	1229.05	983.24	614.71	491.77	393.41
33	2376.32	1901.05	1520.84	1584.32	1267.45	1013.96	633.92	507.13	405.71
34	2448.33	1958.66	1566.93	1632.33	1305.86	1044.69	653.13	522.50	418.00

35	2520.34	2016.27	1613.02	1680.34	1344.27	1075.42	672.34	537.87	430.30
36	2592.35	2073.88	1659.10	1728.35	1382.68	1106.14	691.55	553.24	442.59
37	2664.36	2131.48	1705.19	1776.36	1421.08	1136.87	710.76	568.60	454.88
38	2736.36	2189.09	1751.27	1824.36	1459.49	1167.59	729.96	583.97	467.18
39	2808.37	2246.70	1797.36	1872.37	1497.90	1198.32	749.17	599.34	479.47
40	2880.38	2304.31	1843.45	1920.38	1536.31	1229.05	768.38	614.71	491.77

[Appendix A will be carried forward into this MOU. Previously executed Appendix will be added to final MOU]