

MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF FIFE AND POLICE GUILD – COMMISSIONED
REGARDING
PAYROLL ISSUES AND HSA/VEBA CONTRIBUTIONS

The Parties have entered into a Collective Bargaining Agreement with a term commencing on January 1, 2013 and running through December 31, 2017 (“CBA”). The City has expressed a desire to make some adjustments to its payroll system. The payroll system is not directly addressed in the CBA. Without addressing whether the subject matters are subjects of mandatory or permissive bargaining, the Parties have discussed the issues and agreed that the following shall apply to all Police Guild – Commissioned members.

In addition, the City has requested to modify the HSA/VEBA contribution date, effective January 1, 2016, so that the first payment is made with the 1st regular payroll in January, 2016 and the 1st regular payroll in 2017. This is an issue that is covered in Article 15 of the CBA, and the Parties have negotiated a CBA change by adding a new paragraph 15.4(c). There is no intent to change each employee’s total annual VEBA / HSA funding amount of \$4,000, which went into effect on January 1, 2015.

1. A new CBA paragraph 15.4(c) is added, which shall read as follows:

15.4(c) Commencing on January 1, 2016, any payment to VEBA or HSA will be payable in two equal installments, one payment to be made no later than the 1st payday in January, and one payment to be made no later than the 1st payday in July. Any employee who, anytime between January 1st and the first payday of that same January, has an individual need that requires immediate access to their January through June VEBA or HSA funding allotment of \$2,000, shall immediately be provided with access to those funds by the city upon written request. This immediate funding is intended to be reserved for employees who have urgent VEBA or HSA funding needs. The City shall deposit the money into the VEBA or HSA account within one (1) business day after receiving the written request.

2. Commencing January 1, 2016, the employees shall be paid two times per month, once on the 10th day of each month for work performed from the 16th day to the last day of the prior month, and once on the 25th day of the month, for work performed from the 1st day through the 15th day of the same month.

3. The City will convert to electronic timecards and pay stubs on the 1st day of the month after which the City determines the system is fully operational, and shall notify the membership no less than 15 days before the effective date of the conversion.

4. Commencing on January 1, 2016 all payroll shall be paid by direct deposit to the financial institution account chosen by the member. The City shall provide the necessary forms to the employee no later than November 1, 2015. An employee may request to be exempted from the mandatory direct deposit due to exceptional circumstances, such as bona fide religious objections and similar circumstances, which shall be considered by the City on a case by case basis.

5. The City will continue its current practice regarding employee benefit payments being deducted twice a month, provided if an employee chooses not to use any of the one-time transition offers set forth

in paragraph 6 below, then the entire medical benefit amount for the month of February, 2016 will be taken out of the January 25, 2016 paycheck.

6. In order to assist the employees with the transition to the new payroll pay dates, the City is extending to each employee the one time opportunity to choose any combination of the following benefits, not to exceed a total of 80 hours of compensation, which will be paid on January 10, 2016;

- a. Cash out accrued vacation;
- b. Cash out accrued compensatory time;
- c. Cash out accrued police holiday pay;
- d. Cash out green time pay for 1st quarter, 2016, if applicable;
- e. Cash advance, to be repaid to the City over twenty (20) consecutive pay periods in equal payment amounts, to be deducted as a payroll deduction commencing with the February 10, 2016 payroll. In the event that an employee who selects the cash advance option leaves employment with the City prior to full repayment of the cash advance, any amount remaining that has not been repaid to the City shall be due at the time of separation. The City may deduct any remaining unpaid amount from the employee's final paycheck.

The employee shall notify the City Finance Department in writing or by email no later than December 1, 2015 whether or not the employee wants to use any of this opportunity and, if so, which combination of the 5 options the employee wants to us. If the City does not receive the directive from the employee by December 1, 2015, then the opportunity for that employee that does not give notice will be automatically withdrawn.

7. The Grievance Procedures of CBA Article XVII shall apply to any dispute that arises with regards to the interpretation or application of this MOU.

This Memorandum of Understanding is entered into freely and voluntarily by the City and Guild.

Dated and Signed:



Subir Mukerjee, City Manager

08-19-15

Date



Kevin Farris, President
Commissioned Bargaining Unit, Fife Police Guild

08-17-15

Date