



TO: Port Commission

FROM: Holland MacLaurie, Port Director

DATE: December 4, 2024

SUBJECT: Approval of Resolution 24-07 – Adopting the Memorandum of Understanding Between Santa Cruz Port District and Operating Engineers Local No. 3

Recommendation: Approve Resolution 24-07.

BACKGROUND

The Operating Engineers Local No. 3 (OE3) labor contract will expire on December 31, 2024.

OE3 and the District have reached agreement on a salary and benefit package that implements updates to the District's Classification and Compensation Study, among other negotiated terms. The updated Classification and Compensation Study report updated market salaries for previously approved job classifications and survey sources, and formed the basis of the Memorandum of Understanding between the Port District and OE3 for the period January 1, 2025, to December 31, 2027.

The Commission met in closed session on September 24, 2024, and again on November 26, 2024, to review the terms of a new labor contract with OE3. The terms were subsequently ratified by a majority of OE3 members.

ANALYSIS

Staff recommends approval of Resolution 24-07 (Attachment A), which adopts negotiated terms of the Memorandum of Understanding (Attachment B) between the Port District and OE3 as summarized below:

1. Three-year contract: January 1, 2025, to December 31, 2027.
2. Salaries (Article 11.1) – As of January 1, 2025, implement a 3% increase to the Grade and Step Plan, and implement a single grade increase for all positions. Implement a 3% increase to the Grade and Step Plan on January 1, 2026; and a 3% increase to the Grade and Step Plan on January 1, 2027.
3. Holidays (Article 16.1) – Addition of one 8-hour paid holiday (Juneteenth).
4. Differentials (Article 11.2) – 1.5% of the straight time rate shall apply to all members who perform dredge work.

5. Other – The Port District agrees to provide OE3 advance notice of draft finding of any future Classification and Compensation Study at least 10 working days prior to the finalization of any such study. District will consider OE3 feedback on comparable agencies, job descriptions, and any other data points. The District will also evaluate any Classification and Compensation Study sponsored by OE3 as part of negotiations on a successor MOU.

IMPACT ON PORT DISTRICT RESOURCES

The maximum unbenefited cost increase over the three-year contract term is estimated at \$119,729.

- ATTACHMENT –
- A. Resolution 24-07 – Adopting the Memorandum of Understanding between Santa Cruz Port District and Operating Engineers Local No. 3
 - B. Memorandum of Understanding between Santa Cruz Port District and Operating Engineers Local No. 3 – 2025-2027

Santa Cruz Port District
Resolution 24-07
December 10, 2024

ON THE MOTION OF _____

DULY SECONDED BY _____

A resolution of the Santa Cruz Port District Commission adopting the Memorandum of Understanding between the Santa Cruz Port District and the Operating Engineers Local No. 3 for the period January 1, 2025, to December 31, 2027.

WHEREAS, the Memorandum of Understanding between the Operating Engineers Local No. 3 and the Santa Cruz Port District ends on December 31, 2024; and,

WHEREAS, Port District negotiators and the Operating Engineers Local No. 3 have engaged in negotiations on a new contract; and,

WHEREAS, the terms of the tentative agreement have been ratified by a vote of the Operating Engineers Local No. 3; and,

WHEREAS, pursuant to California Government Code 20636(b)(1), the Port Commission shall periodically adopt a pay schedule for all Port District employees; and

WHEREAS, the California Code of Regulations (CCR) Section 570.5 further clarifies that the pay schedule be approved and adopted by the governing body; and

WHEREAS, the Memorandum of Understanding reflects the currently approved salaries for the Operating Engineers Local No. 3 and all negotiated terms.

NOW THEREFORE, BE IT RESOLVED, that the Santa Cruz Port District Commission does hereby adopt the Memorandum of Understanding between the Santa Cruz Port District and Operating Engineers Local No. 3 for the period January 1, 2025, through December 31, 2027.

PASSED AND ADOPTED by the Santa Cruz Port Commission, this 10th day of December 2024, by the following vote:

AYES _____

NOES _____

ABSENT _____

APPROVED BY:

Stephen Reed, Chair (2024)
Santa Cruz Port Commission

MEMORANDUM OF UNDERSTANDING
between
SANTA CRUZ PORT DISTRICT
and
OPERATING ENGINEERS LOCAL UNION NO. 3

ARTICLE 1: INTRODUCTION

This is a Memorandum of Understanding (“MOU” or “Agreement”) entered into between the Santa Cruz Port District (“District or Port District”) and the Operating Engineers, Local Union No. 3 (“the Union”) pursuant to the Meyers-Milias-Brown-Act (“MMBA”). Both parties agree that this MOU is a result of meeting and conferring in good faith under the terms of the MMBA. This MOU contains the complete results of negotiations between the Port District and Union the period beginning January 1, 2025, through December 31, 2027. Unless otherwise specified herein, all provisions of this MOU shall become effective following the adoption by the District’s Board of Port Commissioners.

ARTICLE 2: RECOGNITION

The Port District recognizes the Operating Engineers, Local Union No. 3, as the exclusive bargaining representative for all employees in regular full-time equivalent (FTE) positions within the Dredging Operations unit as set forth in Appendix 1.

ARTICLE 3: UNION SECURITY

3.1 NOTICE OF RECOGNIZED UNION

The Port District shall give a written notice to persons being processed for regular employment in a position represented by the Union. The notice shall contain the name and address of the Union, the fact that the Union is the exclusive bargaining representative for the employee's unit and class and the amount of dues to be collected from the employee. The Port District shall give the employee a copy of the current MOU.

Upon request from the Union, but not more than once every six (6) months, the Port District shall supply the Union with a list of the names, addresses, and classifications of all unit workers except those who file written notice with the Administrative Services Department objecting to release of addresses, in which case information will be transmitted without address. Once per month, the Port District shall supply the Union with a list of representation unit new hires, terminations and retirements which occurred during the previous month, if any. The Port District shall not be obligated to provide a list when no new hires, terminations or retirements have occurred within the bargaining unit.

3.2 PAYROLL DEDUCTIONS

3.2.1 Payroll Deductions

The Port District shall deduct Union membership dues and any other mutually agreed-upon, payroll deductions, to the extent permitted by law, from the monthly pay of each member employee. The Union will provide the Port District with information regarding the amount of dues

deductions and the list of Union member employees who have affirmatively consented to or authorized dues deductions.

The Port District shall remit the deducted dues and any other mutually agreed payroll deduction, to the extent permitted by law, to the Union as soon as possible after the deduction.

The Port District agrees to direct each member employee to the Union with regard to any questions or concerns related to membership dues or any other mutually agreed payroll deduction, to the extent permitted by law.

The Union is responsible for providing the Port District with timely information regarding changes to member employees' dues and any other lawful union-related payroll deduction.

3.2.2 Union's Certification

The Port District shall make payroll deductions in reliance on the Union's certification certifying that the Union has and will maintain an authorization, signed by each member employee who affirmatively consents to pay Union membership dues. Similarly, The Port District shall only cancel or modify any membership dues or any other mutually agreed payroll deduction, to the extent permitted by law, for any member employees in reliance on the information provided by the Union.

3.3 INDEMNIFICATION

The Union shall indemnify, defend, protect and hold harmless the Port District and its elected and appointed officials, officers, employees, officers and agents (collectively hereafter the "Indemnitees") from and against any and all claims, liabilities, losses, damages, fines, penalties, claims, demands, suits, actions, causes of action, judgments, costs and expenses (including, but not limited to, reasonable attorneys' fees and court costs) arising from the application of any provisions under Section 3.2, including, but not limited to, any claims made by any member employees for the membership dues deductions the Port District made in reliance on the Union's certification, and any claims made by any member employees for any deduction cancellation or modification the Port District made in reliance on the information provided by the Union.

In the event any such action or proceeding is brought against the Port District by reason of any such claim, the Union, upon notice from the Port District, covenants to defend such action or proceeding by counsel reasonably satisfactory to the Port District. Further, the Union agrees to indemnify and hold harmless the Indemnitees for any loss or damage arising from the Union's actions or inactions under Section 3.2.

3.4 ENFORCEMENT/SEPARABILITY

In the event that any provision of Article 3, Section 3.2 is declared by a court of competent jurisdiction to be illegal or unenforceable, all employees in the representation unit, who are members of the Union, shall remain members during the period covered by this MOU, and shall remain subject to all provisions of this MOU which have not been declared to be illegal or unenforceable. Such employee desiring to revoke his/her authorization for union dues, shall forward a letter by U.S. mail to the Port District Administrative Services Department, 135 5th Avenue, Santa Cruz, California, 95062, setting forth his or her desire to revoke said authorization

and may include reason thereof. The Administrative Services Department shall promptly forward a copy of said letter to the Union.

New employees shall be required to execute an authorization form. The authorization form shall include a statement that the Union and the Port District have entered into a MOU, that the employee is required to authorize payroll deductions of Union dues or a service fee not to exceed Union dues as a condition of employment, and that such authorization may be revoked within the first thirty calendar days of employment upon proper written notice of the employee within said thirty day period. Each such employee shall, upon completion of the authorization form, receive a copy of said authorization form which shall be deemed proper notice of his or her right to revoke said authorization.

The Union shall receive from the Port District copies of the authorization form. Any employee desiring to revoke his or her authorization for union dues or service fee not to exceed Union dues shall forward a letter through the U.S. mail to the Port District Administrative Services Department, 135 5th Avenue, Santa Cruz, California, 95062, setting forth his or her desire to revoke said authorization and may include reasons thereof. The Port District Administrative Services Department shall promptly forward a copy of said letter to the Union.

3.5 INDEMNIFY AND HOLD HARMLESS

The Union indemnifies and holds the Port District, its officers, and employees acting on behalf of the Port District, harmless and agrees to defend the Port District, its officers, and employees acting on behalf of the Port District, against any and all claims, demands, suits and from liabilities of any nature which may arise out of or by reason of any action taken or not taken by the Port District under the provisions of this Article (Article 3), Sections 1 through 6.

3.6 PAYROLL DEDUCTIONS AND PAYOVER

The Port District shall deduct union dues or service fees and premiums for approved Union insurance programs from the pay of employees covered by the Union in conformity with Port District regulations. The Port District shall promptly pay over to the designated payee all sums so deducted.

ARTICLE 4: CONCERTED ACTIVITIES

As used in this Article 4, "strike or work stoppage" means the concerted failure to report for duty, the willful absence from one's position, the stoppage of work, or the abstinence in whole or in part from the full, faithful performance of the duties of employment for the purpose of inducing, influencing or coercing a change in the conditions of compensation, or the rights, privileges or obligations of employment.

During the term of the MOU, it is agreed and understood that there will be no strike, work stoppage, slowdown, or refusal to fully and faithfully perform job functions with responsibilities, or any interference with the operations of the Port District, or any concerted effort designed to improve its bargaining position which interferes with, impedes, or impairs Port District operations by the Union or by its officers, agents or members. The Union agrees that neither the Union nor its officers, agents or members will, in any manner whatsoever, honor, assist or participate in any picketing activities, sanctions or any other form of interference with Port District operations by any other non-unit employees or members of other employee associations or groups. Any employee who participates in any of such prohibited activities shall be subject to discharge or such lesser discipline as the Port District shall determine. If the Union, its staff or Board of Directors engage in, cause, instigate, encourage, condone, or ratify any strike, work stoppage, concerted interference with operations, picketing or refusal by employees to enter upon the Port

District's premises or work site, the Port District may immediately suspend or revoke the payroll deductions provided in Article 3.

Furthermore, the Union agrees that the provisions in this Article are enforceable by the Port District in a Court of law. The Port District may, upon its own election, initiate such court action as it deems appropriate to enjoin or impose damages on the Union, its officers, agents or members for activities referred to herein.

It is further agreed and understood that neither the Union nor its officers, agents, or members shall engage in any boycott, picketing or any other concerted attempts to discourage, impair or negatively affect the businesses of members of the Port District Commission during the term of the MOU.

Nothing herein shall be deemed to limit the remedies available to the Port District in dealing with concerted activities as described hereinabove.

ARTICLE 5: REPRESENTATION AND UNION RIGHTS AND RESPONSIBILITIES

5.1 RELEASE TIME

It is agreed that, so long as there is no disruption of work, Union representatives shall be allowed reasonable release time away from their work duties, without loss of pay, to act in representing a unit worker or workers on grievances, matters within the scope of representation or requiring representation before the Port Commission, or in contract negotiations.

A reasonable number of representatives shall be entitled to release time under this section for any one (1) grievance or group of related grievances. Release time shall be granted for the following types of activities:

- a. Formally meeting and conferring with representatives of the public agency on matters within the scope of representation.
- b. Testifying or appearing as the designated representative of the employee organization in conferences, hearings, or other proceedings before the board, or an agent thereof, in matters relating to a charge filed by the employee organization against the public agency or by the public agency against the employee organization.
- c. Testifying or appearing as the designated representative of the employee organization in matters before a personnel or merit commission.
- d. A meeting of the representative and a worker or workers in the unit related to a grievance.
- e. A meeting with Management.

The Union agrees that the representatives shall give adequate advance notification to their supervisors before leaving the work location except in those cases involving emergencies where advance notice cannot be given. Release time is subject to the legitimate scheduling needs of the department.

Additionally, one (1) representative shall be allowed a reasonable amount of time off without loss of pay for formal negotiation purposes. Preparation time for negotiations shall not be on release time without approval of the Port Director or his or her designee.

5.2 USE OF DISTRICT FACILITIES

Employees of the District or their representatives may, with the prior approval of the District's Port Director, be granted the use of District facilities for meetings of District Employees provided space is available. The use of District equipment other than items normally used in the conduct of business meetings, such as desks, chairs, and blackboards, is strictly prohibited, the presence of such equipment in approved District facilities notwithstanding.

5.3 BULLETIN BOARDS

The Union may use portions of District bulletin boards under the following conditions:

All materials must be dated and must identify that the Union published them. Unless special arrangements are made, materials posted will be removed thirty-one (31) days after the publication date.

The District agrees to provide bulletin boards in reasonable locations and designate a reasonable portion thereof for Union use.

5.4 ADVANCE NOTICE

A minimum of fourteen days (14) written notice shall be given to the Union and Stewards of any ordinance, rule, resolution, or regulation relating to matters within the scope of representation proposed to be adopted by the District. The Union shall be given the opportunity to meet with the Port District prior to the date of the adoption. In the event of an emergency necessitating immediate action, the Port District shall notify the Union in writing within seventy-two (72) hours of the adoption by the Board and upon request, meet with the Union and Stewards within fourteen (14) calendar days of the adoption.

5.5 UNION RIGHTS

The Union and the employees it represents retains all of the rights afforded to it by the MMBA.

ARTICLE 6: EQUAL EMPLOYMENT OPPORTUNITY

The Port District and the Union agree that no person employed or applying for employment shall be discriminated against on the basis of race, religious creed, color, national origin, ancestry, medical condition, genetic information, marital status, sex, gender, sexual orientation, gender identity, gender expression, pregnancy, childbirth or related condition, age over 40, military or veteran status, age or physical or mental disability or any other classification protected under state, federal or local law.

ARTICLE 7: SAFETY

It is the duty of the Port District to make reasonable efforts to provide and maintain a safe place of employment. The Union will cooperate in urging all employees to perform their work in a safe manner. It is the duty of all employees to be alert to unsafe practices, equipment, and conditions and to report any such unsafe practices, equipment, or conditions to their immediate supervisor. If such condition cannot be satisfactorily remedied by the immediate supervisor, the employee may submit the matter in writing to the department head. If the employee does not receive a

response within a reasonable period of time, or finds the response unsatisfactory, he/she may directly contact the Port Director.

ARTICLE 8: ROTATION AND REASSIGNMENT EXPECTED AND NORMAL

It is understood and agreed that employees covered by this MOU are subject to periodic reassignment among functions and geographic areas as a normal part of their work and that such changes are not punitive, disciplinary or subject to the grievance process, and that employees from other departments are similarly subject to temporary reassignment which may include unit work. For purposes of this Article, reassignment refers to temporary assignment, not to exceed 14 working days, needed to fulfill short-term needs, as determined by the Port Director, such as for vacation, injury, illness or short-term leave, and not subject to the provisions of Article 21. If the temporary assignment exceeds 14-days, for example in the case of long-term illness, retirement, or the employee's otherwise unavailability, the Port District shall notify the Union of the operational need for the temporary assignment. Except as otherwise provided herein, the Port District retains sole discretion to temporarily reassign employees under this Article.

ARTICLE 9: RECLASSIFICATION

In the event an employee is consistently working above the designated duties as outlined in the job description for the particular position, the employee's supervisor may submit a request to the Port Director for approval, a reclassification of job description, salary and/or title. The employee shall be notified of the outcome of this request within thirty (30) calendar days.

ARTICLE 10: SCHEDULED HOURS

10.1 Regular Work Week

The standard work week shall consist of seven (7) consecutive days from 7:00 a.m. Monday, through 6:59 a.m. Monday. The standard work week shall consist of 40 hours per week. Employees' current schedule is four ~~nineteen~~-hour days ~~and 1 four-hour day~~, per week: Monday through Thursday from 7:00 a.m. to ~~5:30~~~~4:30~~ p.m. ~~and Friday from 7:00 a.m. to 11:00 a.m.~~ Upon seven (7) days advance notice to the Union, the Port District shall have the option of altering the employee's work schedule based on operational needs of the Port District.

The Port District may permit employees to waive their 30-minute meal period. The Port District shall only allow this waiver if agreed to in writing by the employee. Employees who waive their 30-minute meal period may be allowed a meal break if the workload permits. Employees who do not receive a 30-minute meal period during their shift will not be entitled to overtime, solely because of the waived meal period.

10.2 Flexible Scheduling

The Port District may permit alternate work schedules such as 4/10 or 9/80 by mutual agreement with the Union, provided the Port District's scheduling needs are met.

At the discretion of the Port Director or his or her designee, some employees may be required or permitted to work a different schedule, such as a 4/10 work schedule (four (4) consecutive days of ten (10) hours each day), or a 9/80 work schedule (eight (8) days of nine (9) hours each day and one (1) day of eight (8) hours), due to the requirements of their job classifications or department responsibilities. Any such variation to the work schedule must be memorialized in writing.

ARTICLE 11: SALARY

11.1 SALARIES

Salary grades for the period January 1, 202~~5~~², through December 31, 202~~7~~⁴, are established for each job classification as set forth in Appendix 1. The salary grades shall take effect either on the first full pay period, starting from January 1, 202~~5~~², or whenever the Port District Commission approves the salary grades in an open session, whichever is later. As of the effective date of the MOU in 202~~5~~², the salary grades shall increase by ~~3~~³⁴%, and implement a single grade increase (5%) to the Supervising Harbor Dredge Worker, Harbor Dredger Worker III, and Harbor Dredge Worker II, and Harbor Dredge Worker I positions, ~~and two grade increases (10%) to the Harbor Maintenance Worker III position.~~ The salary grades shall increase by 3% on January 1, 202~~6~~³, and ~~2.5~~^{2.53}% on January 1, 202~~7~~⁴, as set forth in Appendix 2 and Appendix 3.

Employees generally move through the salary range for their classification in a seven-year period if performance is of a normal level (adequate); however, for consistently outstanding performance, an employee may proceed through the range at a faster pace.

- a. The bottom of the grade in each class is the minimum step and may be the hiring step for the class.
- b. For new-hires and promoted employees, a step increase may be paid at any time after 1040 hours of satisfactory or better service as evidenced by a satisfactory or better overall employee performance rating and upon the recommendation of the department head.
- c. Additional step increases may be granted at any time after 2080 hours and annually thereafter until the top of the salary grade is reached for satisfactory or better service as evidenced by a satisfactory or better overall employee performance rating and upon recommendation of the department head.

11.2 DIFFERENTIALS

A differential in the amount of 8% of the straight time rate shall apply to all hours worked between 9:00 p.m. and 7:00 a.m.

[A differential in the amount of 1.5% of the straight time rate shall apply to all hours worked by OE3 members for annual dredge work and maintenance.](#)

11.3 TEMPORARY UPGRADE PAY OR WORKING OUT OF CLASS PAY

A regular employee may be required by the Port Director to perform a majority of the duties of an upgraded position or classification on a temporary basis, due to a vacation, termination, sick leave, leave of absence, or other vacancy.

The following conditions must be met for the employee to be eligible to receive pay for working in the higher class:

- A. The employee must meet the employment standards for the higher class;

B. Appointments shall be for absences or vacancies exceeding forty (40) cumulative hours in any calendar year; and

C. "Work Out of Class" assignments shall be made in writing and shall generally not exceed sixty (60) days in duration except by mutual agreement of the Port District and the Union.

Employees eligible to receive working out of class pay shall be entitled to receive five percent (5%) above the employee's current base rate of pay or at least the first step of the higher salary grade, whichever is higher, for all hours worked in the upgraded class.

Time served in the upgraded class shall not contribute towards acquiring probationary or permanent status in the higher class.

ARTICLE 12: RETIREMENT

All full-time, regular employees shall be enrolled in the California Public Employees Retirement System (CalPERS).

Port District employees hired prior to August 1, 2010, are enrolled in the 2.5% at 55 plan.

Port District employees hired on August 1, 2010 but before January 1, 2013, are enrolled in the 2% at 60 plan. This 2% at 60 plan may also be available to employees hired on or after January 1, 2013 who CalPERS determines are not new members, as defined under Government Code section 7522.04.

Port District employees hired on or after January 1, 2013 are enrolled in the 2% at 62 plan in accordance with CalPERS pension reform requirements.

Employees in the 2.5% at 55 plan and employees in the 2% at 60 plan shall pay 100% of the required employee contribution, which is 8% and 7% of salary respectively. Employees in the 2% at 62 plan are required to pay the employee contribution rate of fifty percent (50%) of normal costs as established by CalPERS.

The Port District shall pay 100% of the employer's cost.

ARTICLE 13: HEALTH AND WELFARE

13.1 INSURANCE

13.1.1 Medical Coverage

The Port District will provide medical insurance through the California Public Employees' Retirement System ("CalPERS"). Employees eligible to enroll in health insurance may select from the available CalPERS health plans. Employees who enroll in health insurance will also be automatically enrolled in the Port District's dental, and life insurance plans. All employees will be enrolled in a long-term disability insurance plan.

For coverage during the term of this Agreement, the Port District shall contribute

the following monthly amounts towards the medical and dental insurance plans for active, eligible employees in budgeted positions who elect to participate in the medical coverage program:

1. Employee only = 100% of the medical and dental premium
2. Employee + one dependent = 95% of the average of the premium amounts for Blue Shield Access+ and Anthem HMO Select (for 2022, this amount is \$2,025.23 per month).
3. Employee + two or more dependents = 90% of the average of the premium amounts for Blue Shield Access+ and Anthem HMO Select (for 2022, this amount is \$2,494.23 per month).

Any premium costs in excess of the Port District's contribution shall be paid by the employee.

If in any year during the term of this Agreement, CalPERS monthly health insurance premiums, for plans available to employees, exceed the preceding year's monthly premiums by more than 10%, the parties agree to meet and confer on contribution limits.

13.1.2 Dental Coverage

The current dental plan is provided through Delta Dental and provides a maximum benefit of \$1,500.00 per year for enrolled employees.

13.1.3 Payment-In-Lieu of Medical Coverage Benefit

Employees who have alternative medical insurance coverage and meet the eligibility requirements under 13.1.4 may receive payment-in-lieu of medical coverage benefits in an amount of \$250 per month. This amount shall be prorated based on the eligible employee's FTE status.

13.1.4 Eligibility for Payment-In-Lieu of Health Coverage Benefit

In order to be eligible to receive the payment-in-lieu of health benefit under section 13.1.3, the employee must provide proof of other current health coverage to the Port District, which the Port District deems acceptable. The employee must also elect to waive Port District health coverage in order to receive payment-in-lieu of health benefit. The payment-in-lieu of health benefit amount shall be paid as a taxable cash benefit, and is not reportable to CalPERS as pensionable compensation. Employees enrolled in the Port District's health coverage will not receive any payment-in-lieu.

The payment-in-lieu of health benefit will be discontinued if the employee becomes ineligible. An employee's ineligible status would include but not be limited to the following situations: employment status changes from regular to part-time or seasonal, employee is on an unpaid leave of absence, or employee loses or does not have alternate health insurance coverage. Payment-in-lieu is also adjusted if an employee takes unpaid time off resulting in a work reduction of 5% or more over a 6 month period. An employee whose payment-in-lieu of health

benefit is discontinued may enroll, if eligible, in a Port District health plan as required by Patient Protection and Affordable Care Act.

Employees receiving the payment-in-lieu of health benefit must notify the Port District prior to the next pay period if they cease to be covered by any other medical plan, thereby making them ineligible for the payment-in-lieu of medical benefit.

13.2 LONG TERM DISABILITY

The Port District provides long-term disability payments which are meant to supplement Workers' Compensation or State Disability benefits. The Port District guarantees 80% of the employee's gross salary for the first six months of disability, following the use of all sick leave benefits. The Port District guarantees 70% of the employee's gross salary for the second six months of disability.

The long-term disability plan is a supplemental plan which goes into effect after 180 days of disability. This plan supplements Workers' Compensation and State Disability to insure a 66 2/3% of gross salary to age 65.

13.3 LIFE INSURANCE

Employees enrolled in the medical benefit program will automatically be enrolled in the current group/term life insurance program which provides employees benefit in the amount of \$20,000.

13.4 RETIREE HEALTH BENEFITS

Employees who retire under the provisions of the Port District's contract with CalPERS would be eligible to continue CalPERS medical coverage. The Port District will contribute the minimum required monthly amount for retirees to CalPERS pursuant to Government Code Section 22892 of PEMHCA. Retirees shall not be reimbursed or otherwise receive payment from the Port District for health insurance premiums. The retiree health benefits and the Port District's contribution under this section are not accrued or vested benefit entitlements. The benefits provided under this section do not create vested rights under either the federal or state constitution. The Port District may decide to reduce, terminate, eliminate and/or modify the retiree health benefits provided under this section after complying with the applicable meet and confer requirements.

13.5 MEDICAL EXPENSE REIMBURSEMENT

The Port District will reimburse current employees \$700.00 per year (prorated in accordance with FTE percentage) for out-of-pocket medical expenses in accordance with current personnel policies. This amount is in addition to the Port District's contributions to medical premiums under 13.1.1 and any Payment In Lieu of Medical Coverage under 13.1.3.

13.6 TRAINING

Port District will invest in training through the annual budgetary process for dredge crew members and supervisors to enhance their knowledge of dredge systems, mechanics, hydraulics, and dredge operation control and monitoring; heavy equipment operation; welding, diving, project planning and other training proposed by crew and approved by management that will increase knowledge, skills and abilities necessary for dredging and equipment repair and maintenance.

ARTICLE 14: OVERTIME

Overtime is defined to include any time worked in excess of the employee's regularly scheduled shift, or in excess of 40 hours per work week. The overtime rate shall be time and one-half of the employee's regular rate of pay. All overtime requires advance approval by the department head.

In order to stay within budget confines, it may be necessary for the Port District to request that employees take the overtime earned as compensating time off within the standard work week. When doing so, however, the time off must be at the overtime equivalent.

All regular personnel working shifts longer than 12 hours shall be paid double-time for time exceeding 12 hours.

ARTICLE 15: COMPENSATORY TIME

Compensatory time can be earned at the regular or overtime rate, whichever is applicable. It is the employee's option to be paid for compensatory time, or request to take the time off. Employees must be able to take the time off within a reasonable time period after a request has been made, as long as it does not unduly disrupt the Port District's operations. Compensatory time off can be accrued to a maximum of two hundred forty (240) hours.

Employees may request payment for unused compensatory time. Compensatory time may be cashed out with approval by the Port Director. Compensatory time cashed out is not reportable to CalPERS as pensionable compensation. [All accrued and unused compensatory time during the calendar year will be paid out on the last pay date in December.](#)

ARTICLE 16: CALL BACK PAY

An employee who is called back to work at an unscheduled or non-standby time shall be compensated a minimum of three (3) hours pay or time and one-half (when applicable) for the actual time worked, whichever is greater.

ARTICLE 17: PAID LEAVE

17.1 HOLIDAYS

All regular employees shall receive 12 paid, 8-hour holidays per year (or the equivalent proration⁺).

The paid holidays for regular employees are approved by the Port District Commission as part of the employee contract. Holidays are listed on a fiscal year basis.

The following is a listing of all paid holidays:

- New Year's Day*
- Martin Luther King Day
- Presidents' Day
- Memorial Day
- [Juneteenth \(19th of June\)](#)
- Independence Day (4th of July)*
- Labor Day
- Veterans' Day
- Thanksgiving Day*
- Day Following Thanksgiving
- Christmas Eve Day
- Christmas Day*
- Employee "Floating" Holiday

*These holidays are defined as "hardship holidays." The following indicates how hardship holiday time is calculated:

Pay For:

- Regular Shift
- Working at Overtime Rate
- Call-in Hours
- Call-ready Time

Hardship Holiday Pay Calculation:

- Holiday plus 1.5 X the straight time hourly rate
- Holiday plus 1.5 X the over-time rate
- Holiday plus 1.5 X the call-in calculation
- Holiday plus 1.5 X the call-ready time

†Holiday time is calculated on a pro-rated basis, based on employee percentage of time.

Employees whose weekly work schedule is different from a normal (i.e., eight hours a day, five days a week) work schedule shall be granted the same number of hours off from their work as employees on a normal work schedule are granted because of holidays.

17.2 VACATION

All employees working in a designated regular position are eligible to earn vacation time. Vacation time may be used after six months of continuous employment.

Employees shall accrue vacation days as follows:

Length of Service	Vacation Day (Hour) Accrual Rate Per Pay Period	Maximum Days (hours) Accrued Annually
New employee to completion of 5 th year	0.416 day (3.333 hours)	10 days (80 hours) of vacation per year
Start of 6 th year to completion of 10 th year	0.625 day (5 hours)	15 days (120 hours) of vacation per year
Start of 11 th year to completion of 20 th year	0.833 day (6.666 hours)	20 days (160 hours) of vacation per year

Start of 21 st year and succeeding years	1.041 day (8.333 hours)	25 days (200 hours) of vacation per year
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Vacation accrues from the first month of employment during non-overtime periods of work, sick time, and vacation. As noted in this section, a new employee shall not use the vacation time accrued until completion of six months of continuous employment. Vacation does not accrue during period of leave with or without pay, including, but not limited to, periods of short-term disability, long-term disability, and Workers' Compensation.

Holidays which occur during a scheduled vacation period shall be counted as a holiday. Employees may request in advance that they extend their vacation leave by the number of holidays occurring within their scheduled leave, or they may request fewer vacation hours which, together with the holiday(s), will comprise the total time period of their scheduled leave.

Employees shall not be allowed to accrue vacation in excess of their maximum annual vacation accrual rate set forth in the above chart. Once an employee reaches the annual accumulation rate, his/her vacation accrual ceases until the employee's vacation balance falls under his/her maximum vacation accrual amount.

Employees are requested to use vacation in the year in which it is earned. However, 10 days (80 hours, or prorated equivalent) may be carried forward to the next fiscal year. This carryover may occur only once; it is not cumulative.

With the approval of the Port Director, employees may elect to receive payment for one-half of the unused time accrued. Payment will be at the employee's regular rate of pay.

Terminated employees shall be entitled to a lump sum payment for all earned and unused vacation at the date of termination.

17.3 SICK LEAVE

All full-time regular employees earn a total of one (1) 8-hour day of paid sick leave per month (or the equivalent proration). Paid sick leave is accrued and may accumulate indefinitely.

Sick leave accrual and use shall be monitored by the Administrative Services Department. It is the responsibility of the employee to note sick leave time used on his or her time card.

Employees become eligible to use paid sick leave beginning on their 90th day of employment with the District.

Employees may use paid sick leave per fiscal year for any of the following purposes:

1. Diagnosis, care, or treatment of an existing health condition of the employee or his or her family member. For the purposes of paid sick leave, family member includes the unit member's child, parent, spouse, domestic partner, parent-in-law, grandparent, grandchild, or sibling;
2. Preventative care for the employee or the employee's family member;
3. Other purposes authorized by Labor Code Section 246.5 (leave for victims of domestic violence, sexual assault, or stalking).

In order to receive compensation while absent on sick leave, the employee must notify their appropriate supervisor of their absence as soon as reasonably possible.

In the event an employee is out on sick leave for seven (7) consecutive work days, the Port District may require that the employee provide the District with a certificate issued by a health care professional of illness, injury, medical condition, or other health-related reason specified in Subsections 1. and 2. Above. If the sick leave is being used for purposes authorized by Subsection 3, the employee may be required to certify that the absence was necessary for the purposes specified in Labor Code Section 246.5(a)(2). This verification will be kept on file in the employee's medical records file.

Any unused sick leave credit is not paid out to employees upon retirement or termination of employment. However, as required by Labor Code Section 246(f)(2), if the employee returns to work for the District within one (1) year of separation, his or her previously accrued but unused paid sick leave hours shall be available for use. Any unused sick leave credit with the Port District will be converted to CalPERS service credit at time of retirement per CalPERS' contract terms.

17.4 COURT LEAVE

Jury Duty

Any regular employee who is called to jury duty will be required to show proof of such by turning in the pay received by the judicial system. The employee's regular rate of pay will not be affected by the absence of work for jury duty.

In the event an employee is requested to call the judicial system for their status for jury duty, the employee is required to report for work as usual. If required to report to the court, the employee will be allowed to leave work and report to jury duty as requested.

While serving on a jury, he/she will be given a paid leave of absence for the duration of said jury duty. Such paid leave of absence is conditional upon the employee returning to work upon dismissal. It is also conditional upon the employee's conveyance to the Port District of any compensation received as a juror, not including any travel allowance received.

Court Appearances

In the event an employee is served a subpoena to appear in court for a non-work related incident, the employee must take this time off using vacation time, accrued compensatory time, personal necessity time, or have the option of taking the time at no pay.

Only when the employee's appearance is needed for a work related incident will the employee's pay/time not be affected.

In the event an employee is served a subpoena to appear in court for a work-related incident, the provisions of "Minimum Call Back Time" as outlined in Article 16 shall prevail.

17.5 OTHER LEAVE

Under certain conditions, leaves of absence are available to employees. These leaves may or may not be associated with the Family and Medical Leave Act (FMLA).

Bereavement Leave

All Employees are permitted 5 days of Unpaid Bereavement Leave upon the death any family member listed in Section 12945.2 of the Government Code. Employees shall be granted a maximum of three (3) days bereavement leave (not necessarily consecutive days) for the death of any member of his/her immediate family. With approval from the Port Director, an employee may request an additional two (2) paid days bereavement leave. Any unpaid leave days shall run concurrently with paid leave days.

Immediate family members include -- mother, father, husband, wife, spouse, domestic partner, son, daughter, brother, sister, grandmother, grandfather, grandchild and all in-laws within the above categories, as well as any relative living in the immediate household of the employee. Other members/friends may be accepted and approved by the Port Director for bereavement leave.

Personal Necessity Leave

Employees may elect to use personal necessity leave and this time is deducted from the employee's earned sick leave. Personal necessity leave shall not be used for any type of recreational purposes or days which would normally be vacation days. Personal necessity leave will generally be limited to one week in duration except as noted below.

The following is a listing of typical personal necessity days:

- death of a relative/friend when additional leave is required beyond bereavement leave; or the death of a friend/relative not covered by the bereavement leave;
- an accident involving an employee's person or property;
- marriage in immediate family, including employee him/herself (maximum of three (3) days);
- court appearances for non-work related incidents;
- illness of dependent.

The employee must obtain advance approval from the Port Director for use of personal necessity time.

Paternity Leave

Expectant fathers are eligible to take 3 days paid time off upon the delivery of the child. This time shall be deducted from the accrued sick leave.

Unauthorized Voluntary Absence

Voluntary absence from work without permission for 5 consecutive working days shall be considered an automatic resignation.

Family and Medical Leave

Each eligible employee is entitled to family care and medical leave as provided by the Family and Medical Leave Act (FMLA) and the California Family Rights Act (CFRA), as amended. The leaves under FMLA and CFRA will run concurrently to the extent permitted by law.

A. Eligibility

To be eligible for leave under the FMLA, an employee must have:

- on the date on which leave is to begin, been employed in a regular position by the Port District for at least 12 months, which need not be consecutive;
- worked a minimum of 1,250 hours during the 12 months immediately preceding the commencement of leave;

B. Leave Benefit

1. Leave Entitlement

Eligible employees are entitled to twelve workweeks of unpaid leave during any 12-month period for any one or more of the following:

- the birth of a child and to care for the newborn child (FMLA and CFRA);
- the placement with the employee of a child for adoption or foster care and to care for the newly placed child (FMLA and CFRA);
- to care for the employee's spouse, child, parent, or domestic partner (CFRA only) who has a serious health condition. (Child is defined as biological, adopted, or foster child, stepchild, legal ward, or child of a person standing in loco parentis who is under 18 years of age or an adult dependent child. Parent is defined as biological, foster or adoptive parent, stepparent, or legal guardian. Parent does not include a parent-in-law.);
- the employee's own serious health condition that makes the employee unable to perform the essential functions of his or her job, except for disability on account of pregnancy, childbirth, or related medical conditions, which is covered by pregnancy disability leave. (Pregnancy disability counts toward only California Pregnancy Disability Leave (PDL) and FMLA leave.);
- any qualifying exigency arising out of the fact that the employee's spouse, son, daughter, or parent is a U.S. National Guard or Reserve member on active duty (or has been notified of an impending call or order to active duty status) in support of a contingency operation (FMLA only).

2. Military Caregiver Leave

Subject to the provisions of this MOU, Port District Policy and state and federal law, including FMLA, an eligible employee may take FMLA leave to care for a covered servicemember with a serious injury or illness if the eligible employee is the servicemember's spouse, son, daughter, parent, or next of kin.

- An eligible employee's entitlement under this section is limited to a total of twenty-six (26) workweeks of leave during a single 12-month period to care for a covered servicemember with a serious injury or illness. The "single 12-month period" in which the 26-weeks-of-leave-entitlement described in this begins on the first day an employee takes leave to care for the covered servicemember.
- During the "single 12-month period" described above, an eligible employee's FMLA leave entitlement is limited to a combined total of twenty-six (26) workweeks of FMLA leave for any qualifying reason.

Eligibility, employer and employee responsibilities, and other provisions shall be as defined by the U.S. Department of Labor, Wage and Hour Division, Family Medical Leave Act.

D. Relationship of Family and Medical Leave to Other Leaves

Any leave of absence that qualifies as family care and medical leave and is designated by the Port District as family care and medical leave will be counted as running concurrently with any other paid or unpaid leave to which the employee may be entitled for the same qualifying reason.

If a husband and wife are both employed by the Port District, the total number of workweeks of leave to which both may be entitled shall be limited to 12 workweeks of leave in a 12 month period between the two employees, if taken for the birth, adoption, or foster placement of a child or for the purpose of caring for a seriously ill parent.

Additionally, the family care and medical leave provided under this section is in addition to any leave taken on account of disability due to pregnancy, childbirth, or related medical conditions for which an employee may be qualified under state law.

E. Pay Status and Benefits While on Family Care and Medical Leave

Except as provided in this section, the family care and medical leave will be unpaid. The Port District will, however, continue to provide Port District contributions toward the health plan premium during the period of family care and medical leave for up to twelve (12) work weeks on the same basis as coverage would have been provided had the employee not taken family care and medical leave. The employee will be required to continue to pay the employee's share of premiums payments, if any.

Except as provided by law, on return from family care and medical leave, an employee is entitled to be returned to the same or equivalent position the employee held when leave commenced, or to an equivalent position with equivalent benefits, pay, and other terms and conditions of employment. Use of family care and medical leave will not result in the loss of any employment benefit that accrued prior to the start of an eligible employee's FMLA/CFRA leave.

F. Employee Obligations – Notice to the Port District

The employee must provide written notice to the Port District as far in advance of the leave as possible and as soon as the employee reasonably knows of the need for the leave. If the need

for the leave is foreseeable based on an expected birth, placement of a child for adoption or foster care or planned medical treatment, the notice must be provided at least 30 calendar days in advance of the leave, or if not reasonably known 30 calendar days before the leave, then as soon as reasonably practicable.

The written notice must inform the Port District of the reasons for the leave, the anticipated duration of the leave and the anticipated start of the leave.

An employee's request for family care and medical leave because of employee's own serious health condition shall be supported by a certification issued by the employee's health care provider. The Port District may also require the employee to obtain medical certification that they are able to return to work.

An employee's request for family care and medical leave to care for a child, a spouse, or a parent who has a serious health condition shall be supported by a certification issued by the health care provider of the individual requiring care. If additional leave is required after the expiration of the time originally estimated by the health care provider, the employee shall provide the Port District with recertification by the health care provider.

Leave for Active Military

The purpose of this policy is to establish compensation and benefits for regular employees called to extended military active duty.

A. Duration

This policy shall be effective for the first six (6) calendar months of active duty.

B. Salary Compensation

First Calendar Month (0-30 Days):

The District shall pay full salary for the employee for the first 30 days after the effective date of call-up.

Second through Sixth Calendar Month (31-180 Days):

From the 31st day of call-up to the 180th day of call-up, the District shall pay the difference between the base military pay of the employee and the pay that he/she would have received if employment continued at the Port District.

C. Benefits

Health:

The employee's current status with regard to all health benefits shall remain unchanged, subject to insurance policy exclusions which may be in effect relating to war, continuous employment, or other circumstances.

Life Insurance:

Employees who are covered by health benefits at the time of call-up shall remain eligible for life insurance, subject to insurance policy exclusions which may be in effect relating to war, continuous employment, or other circumstances.

D. Seniority

Pursuant to federal and state laws, employees called to active duty are guaranteed that they be reinstated at the level they would have had, had they continued uninterrupted employment with the District.

ARTICLE 18: LEAVE WITHOUT PAY

With approval of the Port Director, an employee may opt to take time off at no pay. If the time off results in a work reduction of 5% or more over a 6-month period, then the employee's benefits may be reduced accordingly, to a level commensurate with the new FTE (full-time equivalent) level. The reduced benefit level will remain in effect for the next 6-month period, at which time the FTE level will be reviewed and re-adjusted.

ARTICLE 19: LAYOFF PROVISIONS

Whenever, in the judgment of the Port District, it becomes necessary, due to the lack of work, lack of funds, or other economic reason, or because the necessity for a position no longer exists, the Port Commission may layoff any employee from a position.

Employees laid off shall be given at least fourteen (14) calendar days' notice.

Whenever there is a reduction in the work force, the Port Director shall first transfer the employee to a vacancy, if any, in any position for which the laid-off employee is qualified. In order for the employee to retreat to a lesser position, the employee must request displacement action in writing, explaining the employee's qualifications, to the Port Director within five (5) working days of receipt of the layoff notice. Employees retreating to a lesser position shall be placed at the salary step representing the least loss of pay. In no case shall the salary be increased above that received in the position from which the employee was laid off.

Temporary, seasonal, and regular employees shall be laid off according to the needs of the service as determined by the Port Director.

In cases when there are two or more regular positions with the same job description from which the layoff is to be made, it shall be the Port Director's responsibility to consider the following criteria:

1. Overall tenor of past evaluations (evaluations in the most recent 60 days prior to layoff are excluded);
2. Seniority;
3. Input from the affected department supervisor.

ARTICLE 20: UNIFORMS

20.1 Uniforms

Employees in the classifications of Harbor Maintenance Worker I, Harbor Maintenance Worker II, Harbor Maintenance Worker III, and Supervising Harbor Maintenance Worker are required to wear a uniform while on duty, or when otherwise representing the Port District. The required uniform, along with any required uniform accessory items, shall be provided by the Port District. The Port District shall also provide for the cleaning, laundering and maintenance of said

uniforms. The value of cleaning, laundering and maintenance of uniforms is \$140.00 per quarter. All uniforms and uniform accessory items provided by the Port District shall remain the property of the District and shall be returned upon separation of employment with the District.

The Port District shall report uniform expenses under this section in accordance with CalPERS regulations.

The employee shall be required to wear safety shoes whenever performing work in an industrial area of the Port District. Upon prior approval, the Port District shall reimburse the employee for said shoes at time of initial purchase and when replacement is required.

20.2 On Duty Appearance

The appearance and cleanliness of unit employees shall be maintained in keeping with Port District standards. Employees must comply with Port District standards in regards to appearance and cleanliness and must maintain a clothing standard that would be consistent with appropriate representation of the Port District.

ARTICLE 21: GRIEVANCE PROCEDURE

The Port District and Union agree that problems should be settled as promptly as possible and at the lowest supervisory level. This policy is to provide a procedure by which employees may formally claim that he/she has been affected by a violation, misapplication, or misinterpretation of a law, or Port District policy, rule, or regulation, or of the provisions of this MOU related to compensation.

Specifically excluded from the grievance procedure are:

- a. Subjects involving amendment or change of a Port Commission resolution, ordinance, or minute order;
- b. Dismissals, suspension, or reduction in rank or classification;
- c. Probationary dismissals upon original appointment;
- d. Content of performance evaluations, unless such content results in the denial of a salary increase under Section 11.1(b) or (c) of this MOU;
- e. Violation, misinterpretation, or misapplication of the Port District Ordinance code.
- f. Discrimination, retaliation, harassment or any other complaints under Equal Employment Opportunity law.
- g. Complaints under the jurisdiction of Workers' Compensation law or Occupational Injury law or the applicable procedures for such complaints.

Grievance Steps:

Step 1: Responsibility of Employee / Informal Resolution:

It shall be the employee's responsibility to initiate the grievance as promptly as possible. Any employee who believes he/she has a grievance shall present the evidence thereof orally to his/her immediate supervisor within five (5) working days after the employee knew, or reasonably should have known, of the circumstances which form the basis for the alleged grievance. The immediate supervisor shall hold discussions and attempt to resolve the matter within three (3) working days after the presentation of such evidence. It is the intent of this informal meeting that at least one personal conference be held between the employee and the immediate supervisor.

Step 2: Responsibility of Port Director:

If the grievance has not been resolved at Step 1, the grievant must present his/her grievance in writing on a form provided by the Port District (attached) to the Port Director within ten (10) working days after the occurrence of the act or omission giving rise to the grievance. The statement must include the following:

- a) A concise statement of the grievance including specific reference to any law, policy, rule, regulation and/or instruction deemed to be violated, misapplied or misinterpreted;
- b) A full explanation of the circumstances involved;
- c) The decision rendered by the immediate supervisor at Step 1;
- d) The specific remedy sought by the employee.

The Port Director shall communicate his/her decision within five (5) days after receiving the grievance. Decisions will be in writing setting forth the decision and the reasons therefore and will be transmitted promptly to all parties in interest. If the Hearing Officer does not respond within the time limits, the grievant may appeal to the next level. Time limits for appeal shall begin the day following receipt of written decision. Within the above time limits, either party may request a personal conference with the other.

Step 3: Port Commission:

In the event the grievant is not satisfied with the decision at Step 2, the grievant may appeal the decision in writing on the District form (attached) to the Port Commission within five (5) days. The statement shall include a copy of the original grievance; a copy of the written decision by the Port Director; and a clear and concise statement of the reasons for the appeal to Step 3. The Port Commission may refer the appeal to an ad hoc committee for review and recommendation.

Step 4: Public Hearing:

The Port Commission, as soon as possible at a regular monthly meeting of the Port Commission, shall schedule a hearing to formally receive the written grievance and the response thereto at each step and to hear evidence regarding the issue or issues. The Port Commission shall thereafter issue a written decision.

Basic Rules:

If an employee does not present the grievance, or does not appeal the decision rendered regarding the grievance within the time limits specified above, the grievance shall be considered

resolved. Further, by agreement in writing, the parties may extend any and all time limitations of the grievance procedure.

ARTICLE 22: MANAGEMENT RIGHTS

The Port District hereby retains and reserves unto itself, without limitation, all powers, rights, authority, duties and responsibilities conferred upon and vested in it by the laws of the Constitution of the State of California, and of the United States, including, but not limiting the generality of the foregoing, the right:

1. To set standards and levels of service;
2. To determine the procedures and standards of selection for employment and promotions;
3. To assign workers, including bargaining unit members, to do station maintenance, repair, painting and similar work;
4. To direct its workers;
5. To determine the methods and means to relieve its workers from duty because lack of funds or other lawful reasons;
6. To determine the methods, means and numbers and kinds of personnel by which Port District operations are to be conducted, including the right to contract or subcontract;
7. To determine methods of financing;
8. To determine the content of job descriptions;
9. To determine size and composition of the work force and allocate and assign work by which the Port District operations are to be conducted;
10. To determine and change the number of locations, relocations and types of operations, processes and materials to be used in carrying out all Port District functions;
11. To make all decision relating to merit, necessity or organization of Port District service;
12. To discharge, suspend, demote, reprimand, withhold salary increases and benefits, or otherwise discipline workers in accordance with applicable laws;
13. To establish employee performance standards including, but not limited to, quality and standards, and to require compliance therewith;
14. To take necessary actions to carry out its mission in emergencies; and to exercise complete control and discretion over its organization and the technology of performing its work;
15. To take any and all steps necessary to discharge the Port District's responsibilities to provide for the safety of the public it serves and to

provide employees with a safe working environment; provided, however, nothing herein shall preclude the Union from providing input, consulting and/or meeting and conferring with the Port District as required by law on such safety issues so long as such actions do not prevent the Port District from discharging these responsibilities.

The exercise of the foregoing powers, rights, authority, duties, and responsibilities by the Port District, the adoption of policies, rules, regulations and practices in furtherance thereof, and the use of judgment and discretion in connection therewith shall be limited only by the specific and express terms of this MOU and then only to the extent such specific and express terms hereof are in conformance with the Constitution and laws of the United States and the Constitution and laws of the State of California.

The exercise by the Port District through its Board of Port Commissioners and management representatives of its rights hereunder shall not in any way, directly or indirectly, be subject to any grievance procedure nor subject to meeting and conferring.

22.2 REOPENER ON PERSONNEL POLICIES

Without waiving any of the rights reserved to the Port District, the Port District and the Union agree to reopen negotiations, upon request by the Port District, over revisions and updates to the Port District's Personnel Policies Handbook.

[The District reserves the right to conduct/sponsor any Salary Survey/Compensation Study. District agrees to provide OE3 advance notice of draft findings at least 10 working days prior to the finalization of any Survey/Study. District will consider OE3 feedback on comparable agencies, job descriptions, and any other data points. The District will also evaluate any Salary Survey/Compensation Study sponsored by OE3 during negotiations on a successor MOU.](#)

ARTICLE 23: SEVERABILITY

In the event that any provision of this MOU be declared by a court of competent jurisdiction to be illegal or unenforceable, that provision of the MOU shall be null and void, but such nullification shall not affect any other provisions of this MOU, all of which other provisions shall remain in full force and effect.

ARTICLE 24: TERM OF AGREEMENT

This Agreement shall remain in full force and effect up to and including December 31, 2024, and thereafter shall continue in effect year by year unless one of the parties notifies the other in writing no earlier than ninety (90) days prior to the expiration or subsequent contract anniversary and no later than sixty (60) days prior to the expiration or subsequent contract anniversary, of its request to modify, amend, or terminate the Agreement. If the parties enter into subsequent meeting and conferring regarding a successor agreement, the terms and conditions of this Agreement shall remain in effect until a successor Agreement is reached, or until meeting and conferring is concluded.

The terms of this Agreement shall be effective upon the adoption of this Agreement by the Board of Port Commissioners except as otherwise provided by specific sections of this Agreement.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands and seals by their respective officers duly authorized to do so this _____ day of _____, 2021.

EMPLOYER:

SANTA CRUZ PORT DISTRICT

Mark Wilson, Lead Negotiator

Holland MacLaurie, Port Director

UNION:

OPERATING ENGINEERS LOCAL UNION
NO. 3 of the International Union of
Operating Engineers, AFL-CIO

Michael Moore, OE3 Representative

Rory Stipanovich, OE3

Josh Wagoner, OE3

APPENDIX 1

SALARIES JANUARY 1, 2025, THROUGH DECEMBER 31, 2025

Santa Cruz Port District
Salary Ranges Per Job Class
January 1, 2025 through December 31, 2025

Position	2025		
	Salary Grade	Minimum Step 1	Maximum Step 7
Supervising Harbor Dredge Worker	25	\$6,405	\$8,584
Harbor Dredge Worker III	23	\$5,810	\$7,786
Harbor Dredge Worker II	20	\$5,019	\$6,726
Harbor Dredge Worker I	17	\$4,335	\$5,810

Santa Cruz Port District
OE3 Proposed Grade and Step Pay Plan
Monthly
(January 1, 2025 - December 31, 2025)

<u>Step</u>	1	2	3	4	5	6	7
<u>Grade</u>							
16	4,129	4,335	4,553	4,780	5,019	5,269	5,533
17	4,335	4,553	4,780	5,019	5,269	5,533	5,810
18	4,553	4,780	5,019	5,269	5,533	5,810	6,100
19	4,780	5,019	5,269	5,533	5,810	6,100	6,405
20	5,019	5,269	5,533	5,810	6,100	6,405	6,726
21	5,269	5,533	5,810	6,100	6,405	6,726	7,062
22	5,533	5,810	6,100	6,405	6,726	7,062	7,415
23	5,810	6,100	6,405	6,726	7,062	7,415	7,786
24	6,100	6,405	6,726	7,062	7,415	7,786	8,175
25	6,405	6,726	7,062	7,415	7,786	8,175	8,584
26	6,726	7,062	7,415	7,786	8,175	8,584	9,013
27	7,062	7,415	7,786	8,175	8,584	9,013	9,464
28	7,415	7,786	8,175	8,584	9,013	9,464	9,937
29	7,786	8,175	8,584	9,013	9,464	9,937	10,434
30	8,175	8,584	9,013	9,464	9,937	10,434	10,955
31	8,584	9,013	9,464	9,937	10,434	10,955	11,503
32	9,013	9,464	9,937	10,434	10,955	11,503	12,078
33	9,464	9,937	10,434	10,955	11,503	12,078	12,682
34	9,937	10,434	10,955	11,503	12,078	12,682	13,316
35	10,434	10,955	11,503	12,078	12,682	13,316	13,982

Grade Width	Step Increment	Grade Separation
34.01%	5.00%	5.00%

Steps 1-15 not shown

APPENDIX 2

SALARIES JANUARY 1, 2026, THROUGH DECEMBER 31, 2026

Santa Cruz Port District
Salary Ranges Per Job Class
January 1, 2026 through December 31, 2026

Position	2026		
	Salary Grade	Minimum Step 1	Maximum Step 7
Supervising Harbor Dredge Worker	25	\$6,597	\$8,841
Harbor Dredge Worker III	23	\$5,984	\$8,019
Harbor Dredge Worker II	20	\$5,170	\$6,927
Harbor Dredge Worker I	17	\$4,465	\$5,984

**Santa Cruz Port District
OE3 Proposed Grade and Step Pay Plan
Monthly
(January 1, 2026 - December 31, 2026)**

<u>Step</u>	1	2	3	4	5	6	7
<u>Grade</u>							
16	4,253	4,465	4,689	4,924	5,170	5,428	5,699
17	4,465	4,689	4,924	5,170	5,428	5,699	5,984
18	4,689	4,924	5,170	5,428	5,699	5,984	6,283
19	4,924	5,170	5,428	5,699	5,984	6,283	6,597
20	5,170	5,428	5,699	5,984	6,283	6,597	6,927
21	5,428	5,699	5,984	6,283	6,597	6,927	7,274
22	5,699	5,984	6,283	6,597	6,927	7,274	7,637
23	5,984	6,283	6,597	6,927	7,274	7,637	8,019
24	6,283	6,597	6,927	7,274	7,637	8,019	8,420
25	6,597	6,927	7,274	7,637	8,019	8,420	8,841
26	6,927	7,274	7,637	8,019	8,420	8,841	9,283
27	7,274	7,637	8,019	8,420	8,841	9,283	9,747
28	7,637	8,019	8,420	8,841	9,283	9,747	10,235
29	8,019	8,420	8,841	9,283	9,747	10,235	10,747
30	8,420	8,841	9,283	9,747	10,235	10,747	11,284
31	8,841	9,283	9,747	10,235	10,747	11,284	11,848
32	9,283	9,747	10,235	10,747	11,284	11,848	12,441
33	9,747	10,235	10,747	11,284	11,848	12,441	13,063
34	10,235	10,747	11,284	11,848	12,441	13,063	13,716
35	10,747	11,284	11,848	12,441	13,063	13,716	14,401

Grade Width	Step Increment	Grade Separation
34.01%	5.00%	5.00%

Steps 1-15 not shown

APPENDIX 3

SALARIES JANUARY 1, 2027, THROUGH DECEMBER 31, 2027

Santa Cruz Port District
Salary Ranges Per Job Class
January 1, 2027 through December 31, 2027

Position	2027		
	Salary Grade	Minimum Step 1	Maximum Step 7
Supervising Harbor Dredge Worker	25	\$6,795	\$9,106
Harbor Dredge Worker III	23	\$6,164	\$8,260
Harbor Dredge Worker II	20	\$5,325	\$7,135
Harbor Dredge Worker I	17	\$4,599	\$6,164

**Santa Cruz Port District
OE3 Proposed Grade and Step Pay Plan
Monthly
(January 1, 2027 - December 31, 2027)**

<u>Step</u>	1	2	3	4	5	6	7
<u>Grade</u>							
16	4,381	4,599	4,830	5,071	5,325	5,590	5,870
17	4,599	4,830	5,071	5,325	5,590	5,870	6,164
18	4,830	5,071	5,325	5,590	5,870	6,164	6,472
19	5,071	5,325	5,590	5,870	6,164	6,472	6,795
20	5,325	5,590	5,870	6,164	6,472	6,795	7,135
21	5,590	5,870	6,164	6,472	6,795	7,135	7,492
22	5,870	6,164	6,472	6,795	7,135	7,492	7,867
23	6,164	6,472	6,795	7,135	7,492	7,867	8,260
24	6,472	6,795	7,135	7,492	7,867	8,260	8,673
25	6,795	7,135	7,492	7,867	8,260	8,673	9,106
26	7,135	7,492	7,867	8,260	8,673	9,106	9,562
27	7,492	7,867	8,260	8,673	9,106	9,562	10,040
28	7,867	8,260	8,673	9,106	9,562	10,040	10,542
29	8,260	8,673	9,106	9,562	10,040	10,542	11,069
30	8,673	9,106	9,562	10,040	10,542	11,069	11,622
31	9,106	9,562	10,040	10,542	11,069	11,622	12,204
32	9,562	10,040	10,542	11,069	11,622	12,204	12,814
33	10,040	10,542	11,069	11,622	12,204	12,814	13,454
34	10,542	11,069	11,622	12,204	12,814	13,454	14,127
35	11,069	11,622	12,204	12,814	13,454	14,127	14,834

Grade Width	Step Increment	Grade Separation
34.01%	5.00%	5.00%

Steps 1-15 not shown