

**MEMORANDUM OF UNDERSTANDING
BETWEEN
CITY OF OAKDALE, CALIFORNIA, HEREINAFTER KNOWN AS "CITY",
AND
OAKDALE MISCELLANEOUS EMPLOYEE BARGAINING UNIT
(OMEBU), HEREINAFTER KNOWN AS "BARGAINING UNIT"**

ARTICLE I - GENERAL

Section 1.00 Term of Agreement

This Memorandum of Understanding (MOU) shall be in force and effect for a one (1) year period commencing July 1, 2026, through June 30, 2027.

Section 1.01 Intent and Purpose

It is the intent and purpose of this Memorandum of Understanding to set forth the understanding of the parties regarding, but not limited to, matters relating to wages, hours, and terms and conditions of employment between employees represented by the Miscellaneous Employee Bargaining Unit and the City.

Section 1.02 Recognition

For the purpose of meeting and conferring in accordance with the Meyers-Milias-Brown Act, Oakdale Miscellaneous Employee Bargaining Unit is formally recognized as the duly authorized representative of all job classifications with the exception of management/confidential employees, police, and contract employees.

Section 1.03 Scope of Meeting and Conferring

The scope of representation shall include, but not be limited to, wages, hours, and other items and conditions of employment. Notwithstanding the foregoing, nothing is intended to circumscribe or modify the exclusive management rights of the City of Oakdale in accordance with applicable laws and the Merit System Rules and Regulations.

Section 1.04 Continuation

The purpose of this MOU is to describe the salary and benefits offered to employees of this bargaining unit. This MOU supersedes and replaces all previous MOU's and side-letters.

Section 1.05 Constitutionality

If any section, subsection, subdivision, sentence, clause, or phrase of this Memorandum of Understanding is for any reason held to be illegal or unconstitutional, such decision shall not affect the validity of the remaining portions of this Memorandum of Understanding.

OAKDALE MISCELLANEOUS EMPLOYEES BARGAINING UNIT
MEMORANDUM OF UNDERSTANDING FY2026-2027

Section 1.06 Dues Deduction

Employees represented by the Bargaining Unit may authorize Bargaining Unit or Union dues deduction or cancellation upon written notice to the Finance Department of the City.

Dues withheld by the City shall be transmitted to the officer designated in writing by the Bargaining Unit or Union as the person authorized to receive such funds at the address specified.

The Bargaining Unit or Union, upon receipt of the dues deducted, shall indemnify, defend, and hold the City of Oakdale harmless against any claims made and against any suit instituted against the City of Oakdale on account of check-off or employee Bargaining Unit or Union dues. In addition, the Bargaining Unit or Union shall refund to the City of Oakdale any amounts paid to it in error upon presentation of supporting evidence.

The City shall continue the "Fair Share Fee" program described in the 2006-2007 MOU.

Section 1.07 No Strike Clause

Employees represented by the Bargaining Unit or Union shall not engage in any strike, sit-down, slowdown, or work stoppage during the life of this Memorandum of Understanding.

OAKDALE MISCELLANEOUS EMPLOYEES BARGAINING UNIT
MEMORANDUM OF UNDERSTANDING FY2026-2027

ARTICLE II - BENEFITS AND LEAVES

Section 2.01 Salary

All members of the bargaining unit will receive a salary increase the first pay period of July 1, 2026, of 6.5%.

Section 2.02 Health Insurance

The City will pay the cost of medical, dental, vision, and prescription insurance for employees and dependents to a maximum of one thousand two-hundred dollars (\$1,200) per month, plus fifty percent (50%) of any amount in excess.

Section 2.03 Health Insurance Opt-Out

Employees who opt out of the City-provided health plans shall be entitled to up to 50% of the monthly one thousand two-hundred dollars (\$1,200) city contribution. Employees who opt-out will be reimbursed the week following the first full pay period day in December. Reimbursements will be for the previous twelve (12) calendar months. Employees will receive reimbursement via a separate check.

Section 2.04 Life Insurance

The City shall provide and pay for a \$50,000 group-term life insurance policy for members of this bargaining unit.

Section 2.05 Flexible Spending

Members of this bargaining unit shall be eligible for a flexible spending option,

Section 2.06 Safety Boots

Members of this unit required to wear safety boots shall be granted a three-hundred-dollar (\$300) per year reimbursement allowance for the purchase of safety boots.

Section 2.07 Compensatory Time

Maximum accrual of compensatory time shall be 150 hours.

Section 2.08 Retirement

Bargaining Unit members will pay the full amount of the PERS employee share contribution. The contribution for existing employees in the Classic 2.5% at 55 PERS formula is 8%. City will continue to report employee retirement contributions as additional compensation to the effect of increasing employee final compensation for retirement.

All new hires will have a retirement formula based on the provisions found in the Public Employees' Pension Reform Act of 2013 (PEPRA)

OAKDALE MISCELLANEOUS EMPLOYEES BARGAINING UNIT
MEMORANDUM OF UNDERSTANDING FY2026-2027

In the FY 2018-2019 — FY 2021-2022 MOU, members received a 3% raise on January 1, 2019, and a 3% raise on January 1, 2020. In exchange for these raises, the members agreed to contribute 2% toward the Employer's PERS contributions. These are not new contributions and will continue in this agreement and future agreements unless removed through the collective bargaining process.

Section 2.09 Sick Leave

Sick leave shall not be considered as a privilege, which an employee may use at his own discretion, but shall be granted only upon the recommendation of the Department Head. Sick leave shall be allowed and used only in the case of necessity, actual personal sickness or disability, medical, or dental treatment.

Section 2.10 Kin Care

In accordance with the California Labor Code, Section 233, employees may use up to half of their annually accrued sick leave benefits to care for a sick family member, including a child, parent, spouse, or registered domestic partner.

Section 2.11 Sick Leave Accumulation

Sick leave shall be accrued at the rate of eight (8) hours per month for City employees. There shall be no limit to the amount of sick leave that may be accrued. Time off and time accrued shall be based on 2080 hours worked for the year.

Section 2.12 Annual Sick Leave Conversion Plan

An employee who has not taken more than 36 hours of sick leave during a fiscal year and has a balance of 80 hours on the books shall be entitled to convert up to 40 hours of unused sick leave to pay.

Section 2.13 Injury Leave

An employee placed on injury leave status shall continue to receive full pay for a period based on the following schedule:

0-5 years of service:	30 working days excluding holidays
5-10 years of service:	60 working days excluding holidays
10+ years of service:	90 working days excluding holidays

Section 2.14 Vacation Accrual

Vacation accrual in excess of the maximum accrual of two years' annual leave shall be removed from the employee's vacation leave balance. Thereafter, vacation accrual will cease for the employee upon attainment of the two-year accumulation limit. Once the balance has been reduced below the two-year accumulation limit, accruals shall be reinstated. Employees on industrial leave shall continue to accrue vacation in excess of

OAKDALE MISCELLANEOUS EMPLOYEES BARGAINING UNIT
MEMORANDUM OF UNDERSTANDING FY2026-2027

the two-year limit during the period of their disability. The City will grant a 30-day extension if the employee is unable to take his vacation due to City needs.

Section 2.15 Cash Payment Option for Vacation

An employee who has reached their maximum balance for vacation time may elect to receive payment for up to a maximum of forty (40) hours of accumulated vacation hours annually, except during a fiscal emergency declared by City Council resolution.

OMEBU employees will be allowed to sell back, at each employee's discretion, up to forty hours (40) of vacation time in December of each fiscal year. Employees must have a minimum of eighty (80) hours of vacation time to utilize this option. Following the cash out of vacation time, Employees must retain a minimum of forty (40)

hours of vacation time. Employees must notify the Finance Department of their decision two (2) weeks prior to check issuance. Payment will be made by separate checks.

Section 2.16 Vacation Leave

Full-time employees employed by the City of Oakdale for one year or more shall earn paid vacation as follows:

1 through 3 years:	80 hours per year
4 through 8 years:	120 hours per year
9 through 15 years:	144 hours per year
16 or more years:	160 hours per year plus 8 hours for every year of service past 20 years to a maximum of 200 hours

Section 2.17 Bereavement Leave

Up to three (3) days of paid bereavement leave may be granted to a regular employee by the head of his or her department in the event of the death of a family member. For the purposes of this section only, the employee's family shall mean the spouse, parent, child, brother, sister, father-in-law, mother-in-law, brother-in-law, sister-in-law, or a close relative residing in the household of the employee.

Employees are also entitled to up to five (5) days of job-protected bereavement leave in accordance with California law. Any bereavement leave exceeding three (3) days, up to a total of five (5) days, may be taken as unpaid leave or charged against the employee's accrued sick leave, vacation, or other available paid time off balances, and does not require approval by the City Manager. Requests for bereavement leave beyond five (5) days shall be subject to approval by the department head, and any such approved additional time shall be unpaid by the City.

Section 2.18 Holidays

The City agrees to provide employees covered by this agreement fourteen paid holidays per year, to include the following:

OAKDALE MISCELLANEOUS EMPLOYEES BARGAINING UNIT
MEMORANDUM OF UNDERSTANDING FY2026-2027

1. New Year's Day, January 1st
2. Martin Luther King, Jr. Day, Third Monday in January
3. Presidents' Day, Third Monday in February
4. Good Friday
5. Memorial Day, Last Monday in May
6. Independence Day, July 4th
7. Labor Day, First Monday in September
8. Veterans Day, November 11th
9. Thanksgiving Day, Fourth Thursday in November
10. Friday after Thanksgiving
11. Christmas Eve, December 24th
12. Christmas Day, December 25th
13. New Year's Eve, December 31st
14. A "floating" holiday

It is the intent of this agreement that employees covered shall receive fourteen paid holidays regardless of their assigned work week. When a holiday falls on a Saturday, the preceding Friday shall be deemed a holiday. When a holiday falls on a Sunday, the following Monday shall be deemed a holiday. When an employee is required to work on a holiday, another day may be selected in lieu of the holiday, with the City Manager's consent.

For each recognized paid holiday, employees shall be compensated for the hours they were regularly scheduled to work on that day had the holiday not occurred.

Section 2.19 Modified Work Schedule

Members of this unit will be able to work a 9/80 alternative work schedule. Employees will work 80 hours over nine days instead of 80 hours over ten days. The hours of operation and the details of the 9/80 schedule will be determined by the Department Head. In the event of economic distress or other operational needs that require the City to eliminate the 9/80 schedule, the City will meet and confer with OMEBU.

Section 2.20 Performance Incentive Pay Plan

Employees in this bargaining unit shall be eligible for pay increases in addition to the normal step ranges and/or negotiated increases. Such increases shall not exceed five percent (5%) and shall be made in increments of two and one-half percent (2.5%), with eligibility limited to those employees who have completed seven (7) years of City service or more, and subject to evaluation of the employee's performance by the employee's Department Head, subject to the following:

- A. The employee's Performance Incentive Pay evaluation will take place during the employee's regularly scheduled Annual Evaluation. If, for some reason, the employee's Annual Evaluation is not completed by their anniversary date, the employee shall be paid retroactively to their Annual Evaluation due date. The Department Head shall discuss the evaluation report with the employee and obtain

OAKDALE MISCELLANEOUS EMPLOYEES BARGAINING UNIT
MEMORANDUM OF UNDERSTANDING FY2026-2027

the employee's acknowledgment of such discussion. The report shall include a recommendation concerning the employee's merit or performance pay increase. The employee must receive "Meets expectations" overall rating on the evaluation. Should the Department Head deny a performance pay increase to an eligible employee, the employee shall have a right of appeal to the City Manager as follows:

Appeal Within five (5) days after receiving the report of performance, an employee may request, in writing, a review of the report with the City Manager. Within five (5) days after said review, the City Manager shall either accept the original report, a modified report, or cause a new report to be prepared, which shall be entered into the personnel file as the official report. The official report shall bear the City Manager's signature. The decision of the City Manager shall be final.

- B. Performance pay increases are subject to annual review, and if the employee's performance no longer warrants such an increase, it may be discontinued, subject to the right of appeal in accordance with procedures found in the City of Oakdale Merit System Rules and Regulations.

Section 2.21 Out-of-Class Pay

Employees working out of class in an acting position that would otherwise be filled by a full-time position will be compensated with a 5% pay increase after completing 30 days in the acting position during any 12-month calendar year. The 5% pay increase will be retroactive to the first day of the acting position and continue for as long as the employee fills the acting position.

Section 2.22 Certification Pay Incentive

The following incentives are available to the Maintenance Worker classifications within this Bargaining Unit. Employees who are required by their job description to maintain a listed license, certificate, or degree are not eligible for that incentive.

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|---------------------------------------|----|
| a. Water Distribution Operator I | 1% |
| b. Water Distribution Operator II | 2% |
| c. Water Distribution Operator III | 3% |
| d. Water Treatment Operator I | 1% |
| e. Water Treatment Operator II | 2% |
| f. Collections Systems Maintenance I | 1% |
| g. Collections Systems Maintenance II | 2% |

Maintenance Worker Classifications Defined: Maintenance Worker I, Maintenance Worker II, Senior Maintenance Worker, Equipment Operator, Lead Maintenance Worker, Electricians, or any On-Call Personnel.

OAKDALE MISCELLANEOUS EMPLOYEES BARGAINING UNIT
MEMORANDUM OF UNDERSTANDING FY2026-2027

Maximum Certification Incentive Pay:

The maximum certification incentive pay an employee can receive for qualified certificates is seven (7%) percent.

Proof of certification must be presented to the City Manager for approval. The incentive pay will be included on the payroll following approval by the City Manager. It is the responsibility of the employee to provide proof of the certification.

Employees already receiving Certification Pay incentives as of June 30, 2013, will not be affected by this change. Should any employee in the bargaining unit be required to obtain a certification because of a state or federal requirement, the employee will be granted 1% certification pay incentive, and be allowed to exceed the incentive cap.

Section 2.23 On-call Compensation

Public Works Emergency Duty Employees shall receive twenty (20) hours of time off as compensation for each week of standby duty. All work performed during standby duty shall be compensated for at one and one-half (1.5) times the regular hourly rate for the accumulated total hours of such work or a minimum of two (2) hours at time and one-half (1.5), whichever is greater.

Section 2.24 Deferred Compensation

The City of Oakdale will contribute up to a match of 1% of salary into a deferred compensation account for all OMEBU employees who have passed their probationary period.

Section 2.25 Longevity Pay

In recognition of the dedication of employees who have worked for the city for 10 or more years, the City shall pay the following percentages of base wages as shown below:

10 years = 2.5%

15 years = 5%

20 years = 7.5%

OAKDALE MISCELLANEOUS EMPLOYEES BARGAINING UNIT
MEMORANDUM OF UNDERSTANDING FY2026-2027

ARTICLE III TERMS AND CONDITIONS

Section 3.01 Duration

The term of this Memorandum of Understanding will be July 1, 2026, through June 30, 2027, unless modified, changed, or otherwise altered by force of law or by mutual agreement between the parties of this agreement

Section 3.02 Conflicts

This Memorandum of Understanding shall govern in all conflicts between this agreement and any other related City documents except where demonstrated conflict exists with State or Federal law.

Section 3.03 Matters Affecting Wages, Etc.

It is mutually understood that all matters affecting wages, hours, and other terms and conditions of employment proposed or intended for modification through City ordinance, resolution, or by any similar vehicle causing the same shall be submitted to the Oakdale Miscellaneous Employee Bargaining Unit for their concurrence pursuant to Government Code Sections 3500 through 3511.

OAKDALE MISCELLANEOUS EMPLOYEES BARGAINING UNIT
MEMORANDUM OF UNDERSTANDING FY2026-2027

For the City of Oakdale

Date 4-21-2026

Signature J. RAMAR
Jerry Ramar, City Manager

For Operating Engineers Local Union No. 3
Of the International Union of Operating Engineers,

Date 5/5/26

Signature [Signature]
Shannon Starr, OE3 Business Agent

Date 4-28-26

Signature [Signature]
Clinton Hillis, President OMEBU

Date 4-27-26

Signature Todd Cordoni
Todd Cordoni, Vice President OMEBU

Date 4/21/2026

Signature Christine Sulhoff
Christine Sulhoff, Secretary OMEBU