

December 16, 2019

Heather Hoekstra  
President  
Sacramento City Exempt Employees Association  
1017 L Street #503  
Sacramento, CA 95814

Jason H. Jasmine  
Attorney  
Messing Adam & Jasmine LLP  
980 9<sup>th</sup> Street, Suite 380  
Sacramento, CA 95814

**Re: Letter of Understanding – Fair Labor Standards Act White Collar  
Exemption Audit**

Dear Mrs. Hoekstra, and Mr. Jasmine:

This letter confirms the agreement reached between the City of Sacramento (City) and the Sacramento City Exempt Employees Association (SCXEA) regarding the Fair Labor Standards Act (FLSA) White Collar Exemption Audit. Effective December 21, 2019, the City shall change the below listed classifications from exempt to non-exempt status under the FLSA:

Accountant Auditor	Senior Accountant Auditor
Administrative Analyst	Senior Budget Analyst
Budget Analyst	Senior Deputy City Clerk
Personnel Analyst	Special Assistant to the City Attorney
Program Analyst	Treasury Analyst

Current employees in the above classifications shall remain in or be placed in Representation Unit 14 (Unit 14). The employees in these classifications on December 20, 2019, shall be known as “Legacy Employees” and continue to receive the benefits received by Unit 14 employees pursuant to the operative Memorandum of Understanding between the City and SCXEA (MOU).

Any Legacy Employee who promotes or transfers into a classification outside of Unit 14, and subsequently returns to a classification in Unit 14 within one (1) year of leaving the classification in Unit 14, shall return to their status as a Legacy Employee. Any Legacy Employee who promotes or transfers into a classification outside of Unit 14, and subsequently returns to a classification in Unit 14 more than one (1) year of leaving the previously held classification within Unit 14 shall lose their status as a Legacy Employee.

All current employees in the above listed classifications who have completed one (1) or more years of service in their current classification, shall immediately obtain permanent status, as defined in the Rules and Regulations of the Civil Service Board, unless exempted from that status by the City Charter. Employees who have less than one (1)

year of service in the above listed classifications shall first serve a one-year probationary period from date of appointment to that classification.

Employees hired into a classification listed above on or after December 21, 2019, shall be placed in Representation Unit 10 and shall receive the benefits received by employees in Unit 10 pursuant to the operative MOU.

Further, the classifications of Investigator, Stores Administrator, Workers' Compensation Claims Representative, and Workers' Compensation Claims Supervisor, which are currently in Representation Unit 14 and are FLSA exempt, shall be placed in Representation Unit 01.

In addition, section 11.1 (Overtime Compensation for FLSA Covered Employees) of the MOU will be amended to read as follows:

This section applies only to those employees who are non-exempt from the overtime provisions of the Fair Labor Standards Act:

- a. Employees required to work in excess of forty (40) hours in a single workweek, or on a recognized holiday, shall be compensated at one and one-half (1.5) times their regular rate of pay in cash payment or compensatory time off (CTO) as determined by the department head or designee. All paid time, with the exception of sick leave, shall count as time worked for the purposes of calculating overtime.
- b. Employees may accrue up to one hundred and twenty (120) hours of CTO. The City may cash out CTO hours accumulated in excess of eighty (80) hours at any time provided that the use of such time off has not been previously approved.
- c. The use of accrued CTO shall be at the discretion of the Department Head or designee. Employees who request use of accrued CTO shall be permitted to use such time within a reasonable period after making the request if the use of CTO does not unduly disrupt the operations of the work unit.
- d. Upon termination from City service, employees shall be paid for any unused CTO hours at the applicable rate of pay.
- e. If the City and at least half of its recognized bargaining units amend their operative memoranda of understanding to limit the receipt of overtime to the provisions of the Fair Labor Standards Act, this section will immediately terminate without additional negotiation and overtime eligible employees overtime will be paid in accordance with the Fair Labor Standards Act.

This Agreement does not establish a precedent, nor does it interpret any employee rights under the language of the Labor Agreements, the Rules and Regulations of the Civil Service Board or any applicable policies and procedures of City departments or the City of Sacramento except as expressly stated herein.

The Agreement memorializes and constitutes the entire understanding between the parties as to all matters referred to or included herein, and supersedes and replaces all prior negotiations, proposed discussions, whether written or oral.

If this is your understanding of the agreement reached, please sign and date as indicated below and return one (1) original to Labor Relations. I have enclosed an additional original for your files.

Sincerely,



Dawud Brewer  
Labor Relations Officer

FOR THE CITY

AGREED TO:



Howard Chan  
City Manager



Aaron Donato  
Labor Relations Manager

AGREED TO:



Shelley Banks-Robinson  
Human Resources Director

FOR THE ASSOCIATION

AGREED TO:




Heather Hoekstra  
SCXEA President

AGREED TO:



Jason H. Jasmine  
Attorney

APPROVED AS TO FORM:



Brett M. Witter  
Supervising Deputy City Attorney