Exhibit A

Rule 2: Classification & Compensation

Section 203: Additional Compensation – B. Overtime-Compensatory Time

B. Overtime-Compensatory Time

The City may substitute compensatory time in lieu of paid overtime for non-exempt employees in accordance with criteria established under the FLSA.

Acceptance of this compensatory time policy is a condition of employment for all employees hired on or after April 15, 1986. Newly hired employees are required to sign a Memorandum of Understanding and Acceptance. Failure to do so is grounds for non-hire.

Employees working 40 hours per week may accrue up to 240 hours of compensatory time, which equates to 160 hours of actual overtime worked.

With supervisory approval and in accordance with current FLSA provisions, employees may use accrued compensatory time at their discretion.

An employee who transfers or promotes from a non-exempt to an exempt position shall have any remaining accrued compensatory time paid out at his or her current rate of pay immediately prior to the transfer or promotion.

Rule 3: Employment

Section 303: Selection – C. Selection Process

C. Selection Processes

The City of Tempe Charter in Article IV, Section 4.02(a) states:

All appointments and promotions of City officers and employees shall be made solely on the basis of merit and fitness demonstrated by examination or other evidence of competence.

Selection processes will be job-related and may include interviews, written exercises, performance reviews, physical/mental fitness testing, background reviews and any other appropriate method of evaluation.

Alternate job-related selection processes will be used where possible and appropriate to accommodate disabled applicants.

Veteran preferences shall be as provided per Arizona Revised Statute § 38-492.

Post offer, pre-employment medical examinations may be required for some positions. Examinations are given by a medical provider designated and paid for by the City. The applicant may be required to pay the cost of any additional tests, analyses or examinations not required by the City and/or required for further clarification of any medical condition. The City will review reasonable accommodations under the ADA if necessary.
Internal applicants who are regular employees and are participating in a selection process scheduled during their usual work shift shall be provided time off to participate in interviews without being required to utilize paid leave time.

Section 303: Selection – D. Orientation & Probation

D. Orientation & Probation

All new employees shall attend a mandatory City orientation program. Departments and divisions also may provide additional orientation sessions for employees.

New employees hired into a classified position remain in an unclassified status during a probationary period with no rights to an administrative review or appeal to the Merit System Board. They become classified employees only after satisfactory completion of probation.

The minimum and usual probationary period is six months. Some classifications, as noted in their job descriptions, require a longer probationary period. Police Officers and Firefighters shall complete a probationary period of 12 months following graduation from recruit training academy.

Excused absences, including industrial leave, of up to 20 working days, or ten working days for 56-hour Fire employees, are credited toward completion of probation. Absences in excess of those days are not credited towards completion of probation.

Probation may be extended by the supervisor with Department Director approval, not to exceed an additional six months. When performance issues warrant extension of an employee’s probation, the employee shall be placed on a Performance Improvement Plan.

Employees who are Administratively transferred or demoted and employees who are demoted through a disciplinary process may be placed in probationary status, not to exceed 6 months, with the Department Director and Internal Services Director approval. The employee will maintain the classified or unclassified status of the classification he or she was in prior to the demotion or transfer during the probationary period. Performance issues during the probationary period will be addressed consistent with these Personnel Rules.

Section 304: Employment Changes – A. Administrative Transfer

A. Administrative Transfer

Employees may be administratively transferred from one position to another within the same classification and to a different department* or from one classification to another classification at the same organizational level and with the same salary range either within the same department or to another department. The employee shall meet the minimum qualifications for that classification. The transfer must be in the best interest of the City and/or the betterment of the employee. The impacted department director(s) and the Internal Services Director shall approve the transfer.

Employees who are administratively transferred retain the rate of pay and all benefits of the original position if the new position is governed under the same MOU or personnel rule as the previous position. The employee may be placed in probationary status as detailed in Section 303.D.
*Transfers within the same classification within a department are considered a change of assignment only and may occur at the discretion of the department director.

Section 304: Employment Changes – C. Administrative Demotion

C. Administrative Demotion

Employees may be administratively demoted from a position in one classification to a position in another classification with a lower salary range maximum. The employee shall meet the minimum qualifications for the classification. The demotion must be in the best interest of the City and/or for the betterment of the employee. The impacted department director(s) and the Internal Services Director shall approve the transfer. Administrative demotions are not disciplinary in nature. The employee may be placed in probationary status as detailed in Section 303.D.

An employee who is administratively demoted shall retain his or her rate of pay, if it is no higher than the maximum of the range of the classification into which he or she is demoted. If the employee’s rate of pay is higher than the maximum, it will be reduced to the maximum. City Manager approval is required for any rate of pay higher than the maximum. If that occurs, the employee shall receive no salary increases until the salary range maximum of the new classification is higher than his or her “red-lined” salary. All other benefits remain the same unless governed under a different MOU than the previous position.

Section 304: Employment Changes – New subsection D

D. Administrative Demotion as ADA Accommodation

An employee who is being accommodated under the provisions of the ADA by being offered a position in another classification with a lower salary range maximum, shall be administratively demoted to that position. If an employee’s current salary falls within the range of the new classification, no change in salary shall occur. If an employee’s current salary is above the maximum of the range of the new classification, his or her salary shall be reduced to the maximum of the range of the new classification. If that is a flex classification, the salary shall be reduced to the maximum of the higher, level II classification with the provision that the employee shall meet any minimum requirements of the level II classification they do not meet at the time of the demotion within a reasonable timeframe as determined by Human Resources. Once all level II requirements are met the employee may receive an additional flex promotion increase up to 10%, but in no circumstances shall his or her pay exceed the maximum of the level II salary range. For ADA accommodation administrative demotions, any request to “red-line” a current salary that is above a new classification maximum shall be reviewed by Human Resources and approved by the Internal Services Director and the City Manager.

Section 304: Employment Changes – E. Disciplinary Demotion

E. Disciplinary Demotion

An employee demoted as the result of a disciplinary action cannot be paid at a higher salary than the maximum of the range of the classification into which he or she is demoted and shall receive a minimum 5% reduction in
salary from the position held prior to the demotion. The employee shall meet the minimum qualifications for the classification into which he or she is demoted. The employee may be placed in probationary status as detailed in Section 303.D. Disciplinary demotions can be appealed.

**Rule 4: Code of Conduct**

**Section 404: Safety – C. Drug-Free Workplace**

C. Drug-Free Workplace

2. Drug and Alcohol Testing

For purposes of this policy, “under the influence of drugs” shall mean the presence of a controlled substance as reflected by a positive drug test. “Under the influence of alcohol” shall mean either observable impairment due to alcohol consumption or a test result reflecting blood alcohol content of 0.04 or greater.

a) All applicants, including temporary employees, offered a position in a job classification that requires a Commercial Driver’s License (CDL) or in a designated safety-sensitive classification or position, shall be subject to a post-offer, pre-employment drug and alcohol test that must be taken within 24 hours of notification. Any applicant refusing to test, or testing positive for controlled substances, shall not be hired.

b) All employees in job classifications that require a Commercial Driver’s License (CDL) shall be subject to random, post-accident and reasonable suspicion drug and alcohol testing based on the requirements of federal and state law and the provisions of the City of Tempe CDL program.

c) All employees may be subject to post-accident drug testing through an intoximeter breath test, blood, urinalysis, hair, saliva or any other appropriate test to detect and substantiate the presence of drugs and/or alcohol, within 32 hours and/or alcohol testing within eight hours of being involved in a motor vehicle accident while on duty and/or conducting City business under one or more of the following conditions:

i. there is a loss of life.
ii. the employee is issued a citation.
iii. there is an injury.
iv. a vehicle is required to be towed from the scene.
v. it appears the employee may have been at fault.

A drug and alcohol test may be conducted on sworn employees who drive Police and Fire Medical Rescue vehicles at the Police or Fire Medical Rescue Chief’s discretion.

d) All employees may be subject to reasonable suspicion drug and alcohol testing through breath, blood, urinalysis, hair, saliva or any other appropriate test to detect and substantiate the presence of drugs and/or alcohol.

i. The decision to require a test for reasonable suspicion will be based upon objective observation, by one or more supervisors who have received reasonable suspicion training to determine if reasonable suspicion exists. For supervisors of employees with CDL’s, the reasonable suspicion training taken by them must adhere to all current DOT requirements.

ii. Supervisors also may take into account statements from others. The supervisors shall complete a “Drug and/or Alcohol Reasonable Suspicion Checklist.”
iii. The supervisor shall obtain the approval of his or her department director and the Internal Services Director, before referring any employee for reasonable suspicion drug and/or alcohol testing.

Rule 5: Leave Programs & Benefits
Section 501: Paid Leave – A.1. Vacation Leave

Personal Leaves

Employees shall request supervisory approval for all leave under this section, and pre-approval must be received for the leave to be authorized and paid. All personal leave shall be scheduled and taken in accordance with the best interest of the City. The City reserves the right to postpone or cancel personal leave in the event of any emergency. This includes the right to recall an employee from personal leave. Requests to utilize any personal leaves that are not pre-scheduled may be denied.

1. Vacation Leave

   Regular, full-time employees accrue annual vacation leave as outlined in the following table when in an active pay status.

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>40 hours/week Monthly Accrual</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 5</td>
<td>9.33</td>
</tr>
<tr>
<td>5-9</td>
<td>11.33</td>
</tr>
<tr>
<td>10-14</td>
<td>13.33</td>
</tr>
<tr>
<td>15-19</td>
<td>16.67</td>
</tr>
<tr>
<td>20+</td>
<td>18</td>
</tr>
</tbody>
</table>

   Maximum vacation leave use at any one time is 6 weeks (240 hours) except for employees working 56-hour schedules who may take a maximum of 14 working days.

   Employees may carry over a maximum of 450 hours of accrued vacation. Any employee with excess vacation hours over the allowable maximums shall have until the last pay date paid in December to utilize the excess hours or have qualifying hours paid out under the annual vacation payout program if eligible, or excess hours shall be forfeited.

   The City Manager shall review any request for an extension of the forfeiture date for excess vacation. The City Manager may approve an extension to allow use of excess vacation until March 31 of the next year for dire circumstances where organizational need precluded the employee from utilizing excess hours. In that case excess vacation hours not used by April 1 will be forfeited.

Section 501: Paid Leave – A.5. Wellness Leave

A.5. Wellness Leave
Regular employees who are not covered under one of the negotiated MOU’s and who have sufficient sick leave accruals may make an irrevocable election during the first pay period paid in January of each year to convert either 16 hours or 32 hours of sick leave at a conversion rate of .5 to either 8 hours or 16 hours, respectively, of wellness leave. Employees must maintain a minimum of 480 hours of sick leave after the conversion. The wellness leave will be available for use as of January 1 of the following year and shall be utilized under the same guidelines as vacation leave. Wellness leave shall not be converted to any other type of leave and shall not be cashed out. Any unused wellness leave remaining after December 31 in the same calendar year will be forfeited. Employees will be responsible for making the election for wellness leave.

Section 501: Paid Leave – B.1. Sick Leave

B.1. Sick Leave

Regular, full-time employees in an active pay status accrue eight hours of sick leave monthly. There is no maximum accrual for sick leave and all accrued hours shall carry over at the end of each calendar year unless the employee has elected the sick leave payout option (Section 502.B.1).

Use of sick leave for medical, dental, vision or mental health appointments also is permissible but whenever possible, the employee shall request pre-approval from his or her supervisor. An employee who has exhausted accrued sick leave may be approved by his or her supervisor to utilize accrued vacation leave for personal medical situations only if he or she provides appropriate documentation from a licensed medical professional.

Sick leave may also be approved for an employee to care for ill family members, or to accompany them to medical, dental, vision, or mental health appointments if that is reasonably required. Documentation may be requested when permitted under State or Federal law.

“Family Members” include all of the following:

<table>
<thead>
<tr>
<th>Spouse</th>
<th>Grandparent (in-law &amp; step)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Domestic Partner</td>
<td>Grandchild (in-law &amp; step)</td>
</tr>
<tr>
<td>Child (foster &amp; step)</td>
<td>Aunt</td>
</tr>
<tr>
<td>Parent (in-law &amp; step)</td>
<td>Uncle</td>
</tr>
<tr>
<td>Sister (in-law &amp; step)</td>
<td>Nephew</td>
</tr>
<tr>
<td>Brother (in-law &amp; step)</td>
<td>Niece</td>
</tr>
<tr>
<td>Son/Daughter in-law</td>
<td></td>
</tr>
</tbody>
</table>

Use of sick leave is permissible for all pregnancy or childbirth-related examinations, hospitalization, surgeries, illnesses, and recovery. Sick leave is also permissible before delivery at such point as an attending physician certifies that the employee is unable to adequately perform the duties of her job. Use of sick leave for other purposes is only allowable if required by State or Federal law.

An employee who is on approved vacation leave shall not normally be allowed to request substitution of sick leave for previously approved hours of vacation leave. Department directors may approve an exception for extraordinary, unusual medical situations specific to the employee or his or her immediate family, which is defined as follows: spouse, domestic partner, child (including step), mother, father, brother, or sister. Documentation shall be required.
Section 501: Paid Leave – B.2. Compassionate Leave

B.2. Compassionate Leave

Regular employees who have completed at least 6 months of employment may participate in the compassionate leave program which allows employees to voluntarily donate their own accrued sick and/or vacation leave to another qualified employee who has exhausted all paid leave, including all accrued compensatory time, and has requested compassionate leave donations through Human Resources.

Any requesting employee who solicits leave donations from another employee shall forfeit eligibility for this program.

Vacation and sick leave may be donated to eligible employees on approved FMLA leave (see Section 503.F.) for the employee’s own non-job related serious health condition, to care for a spouse, domestic partner, child or parent with a serious health condition, or for other extenuating circumstances as approved by the City Manager.

New employees who have completed probation but are not yet eligible for FMLA protection may qualify for compassionate leave if their leave mirrors that defined under the FMLA. Vacation or sick leave hours that will be or are being forfeited due to requirements of those leave programs cannot be donated. The value of donated leave is based on the donor’s hourly rate of pay as it relates to the recipient’s hourly rate of pay.

While receiving compassionate leave employees are ineligible to earn vacation or sick leave and may have accruals adjusted. Program guidelines shall be provided on the compassionate leave request form.

Section 501: Paid Leave – C. Holidays

C. Holidays

The following are official City Holidays:

- New Year’s Day
- Martin Luther King’s Birthday
- Presidents’ Day
- Cesar Chavez Recognition Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Friday Following Thanksgiving Day
- Christmas Day

**NOTE:** When a holiday falls on Sunday, it will be observed the following Monday. When a holiday is on Saturday, it will be observed the preceding Friday

Regular and probationary employees shall receive the previously listed holidays off with pay unless required to work due to organizational need. Employees on extended unpaid leave may not receive holiday pay as an employee must be in an active status, with paid hours (including approved paid leave, except for compassionate and catastrophic leave) either the day before or the day after a holiday in order to receive pay for the holiday.
Employees who are retiring after a minimum of 10 years of continuous service shall be paid for a holiday if it is the day after their last day worked. Refer to sub-section 203.F. for information on additional compensation paid for work required on a City holiday.

Regular and probationary part-time employees shall receive pro-rated holiday pay – 4 hours for 20-29-hour schedules and 6 hours for 30-39-hour schedules. A part-time employee whose regular shift for a holiday is more than the 4 or 6 hours of holiday pay shall request approval from his or her supervisor for one of the following options:

- Utilize accrued vacation hours together with the 4 or 6 hours of holiday pay to receive pay for all hours of his or her regular shift
- If the employee is non-exempt, utilize unpaid holiday leave hours for the additional hours
- Request to adjust his or her regular schedule for the week of the holiday only so that the additional hours are worked on another day during that same week.


D.3. Military Leave of Absence

As specified in A.R.S. § 26-168 & § 38-610, employees who are members of the National Guard or the United States armed forces reserves shall be entitled to take leaves of absence to comply with orders of the state or United States for training or active duty. Taking a military leave of absence shall not result in loss of seniority, pay increases, vacation accrual rates or other employment rights. Employees shall submit a copy of their military orders within 7 business days of receiving them to their supervisors and Human Resources prior to commencement of any military leave of absence to establish eligibility for military leave benefits. For any military leave of absence that is 30 days or longer, employees shall meet with Human Resources to provide a copy of their military orders and review leave benefits and requirements. Employees shall submit a DD214 form or equivalent on their return from a military leave of absence. The City complies with all requirements of the Uniformed Services Employment and Re-Employment Rights Act of 1994 (USERRA).

a) **Paid Military Leave**: Regular employees shall be entitled to paid military leave not to exceed 30 workdays, as defined under Arizona statutes, in any two consecutive calendar years.

b) **Using Accrued Leave**: Employees may, at their discretion, elect to use accrued vacation, sick leave, or compensatory time, but only after exhausting all available paid military leave during the first 30 workdays of a military leave of absence prior to potential eligibility for military supplemental pay. Employees also may elect to use accrued leave during any applicable end of service leave of absence prior to returning to work. For employees utilizing any paid leave, deductions for medical, dental and/or vision benefits will continue to be taken at the same rate as if the employee were actively working.

c) **Unpaid Military Leave**: If the employee has used all available paid military leave and chooses not to utilize accrued leave during the initial 30 workdays, the time shall be unpaid military leave. After the initial 30 workdays and through the end of the military leave of absence, unpaid military leave will be recorded for all employees. Employees on unpaid military leave do not receive holiday pay, accrue paid leave or any other type of compensation (except for military supplemental pay if eligible).
Employees on unpaid military leave may elect to continue medical, dental, and/or vision benefits for up to 24 months, by submitting monthly premiums to the City equal to the rate(s) they would pay if actively working.

d) **Retirement Contributions:** The City will remit employee and employer contributions to the Arizona State Retirement System (ASRS) or the Public Safety Personnel Retirement System (PSPRS) on the employee’s behalf for up to 48 months. State law specifies that time spent on a military leave of absence will count as credited service for retirement.

e) **Military Leave Supplemental Pay:** Thirty workdays, as defined under Arizona statutes, after commencing an approved military leave of absence for training or active duty, employees may be eligible for military supplemental pay, which will be equal to the difference between an employee’s salary (not including any additional components of pay or premium pay) and all pay and allowances received by the employee for his/her military duty, when that amount is less. The City will pay military supplemental pay for a period of up to 24 months. While receiving military supplemental pay, employees shall not accrue paid leave or receive any other type of compensation. Employees may elect to continue medical, dental and/or vision benefits by requesting deductions from their supplemental pay or by submitting monthly premiums equal to the rate(s) they would pay if actively working.


D.4. Jury Duty & Court Service Leave

Employees shall notify their supervisors immediately of a jury summons or subpoena and shall request pre-approval for jury duty and court services leave.

Regular employees in an active, paid status summoned to perform jury duty or serve as a witness (for any matter that does not involve the personal interest of the employee) receive their usual compensation for jury duty and court services leave if serving during their regularly scheduled work hours.

Employees may request to their supervisors to temporarily adjust their regular schedules to accommodate jury duty and court service during non-work hours if it is reasonably required to meet safety or other considerations. Under no circumstances will overtime rates be paid for jury duty or court services leave.

Employees retain any compensation or reimbursement received from the court from performing jury duty.

Section 502: Payout of Accrued Leave – A. Personal Leaves

A. Personal Leaves

1. Annual Vacation Leave Payout Program

On the first pay date paid in January of each year employees who meet the following criteria shall have up to 40 hours of accrued vacation paid out. Effective July 1, 2018 employees whose leave benefits are not governed under an MOU shall have up to 60 hours of accrued vacation time paid out.
a. The employee must have used a minimum of 120 hours of vacation during the previous 12 months. Vacation usage must occur between the first pay date paid and the last pay date paid in the current year.

b. After the payout, the employee must retain 450 hours.

Section 502: Payout of Accrued Leave – B. Sick Leave

1. Annual Sick Leave Payout Option
   During the first full pay period in December of each year, employees may voluntarily make an irrevocable election for a payout at 25% of any sick leave hours that accrue the following calendar year in excess of 480 hours. If the payout option is elected, it will be in place only for the following calendar year.

   The 25% payout will be included in the last paycheck dated in December following the full calendar year for which the employee elected the payout option. The maximum possible payout is 25% of 96 hours (equivalent to 24 hours of pay at the employee’s current hourly rate of pay).

   Employees who do not make this election will continue to have unused accrued sick leave hours banked.

2. Payout of Sick Leave on Resignation
   Employees resigning from City service with a minimum of ten years of continuous service shall receive a 50% payout of all unused, accrued sick leave hours at their current hourly rates of pay. Effective July 1, 2018 employees whose leave benefits are not governed under an MOU and who are resigning with a minimum of 20 years of continuous service shall receive the payout at 60%.

3. Payout of Sick Leave on Retirement
   An employee retiring from City service with a minimum of ten years of continuous service and who is immediately eligible for retirement benefits under the Arizona State Retirement System (ASRS) or Public Safety Personnel Retirement System (PSPRS) shall receive a 50% payout of all unused, accrued sick leave hours at an hourly rate of pay calculated with the inclusion of his or her current base hourly rate plus any applicable assignment, maximum staffing, special operations, bilingual, shift differential, temporary detail, standby and holiday pay (excluding overtime), paid to the employee during the 12 months preceding retirement. Effective July 1, 2018, employees whose leave benefits are not governed under an MOU and who are retiring with a minimum of twenty years of continuous service shall receive the payout at 60% at an hourly rate calculated as above.

4. Payout of Sick Leave on Death of Active Employee
   100% of a deceased employee’s accrued sick leave shall be paid to the designated beneficiary on the employee’s basic life insurance policy at the employee’s current hourly rate of pay, subject to any applicable deduction and taxes.