

MEMORANDUM OF UNDERSTANDING
between the
CITY OF MONTEREY
and the
MANAGEMENT EMPLOYEES' ASSOCIATION



July 1, 2024 through June 30, 2027

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MEMORANDUM OF UNDERSTANDING

between the

CITY OF MONTEREY

and the

MANAGEMENT EMPLOYEES' ASSOCIATION

July 1, 2024 through June 30, 2027

This Memorandum of Understanding (MOU or Agreement) is entered into pursuant to the Meyers-Milias-Brown Act (Government Code Sections 3500-3510) and the Employer-Employee Relations Resolution of the City of Monterey and is made by and between authorized representatives of the City of Monterey (hereinafter referred to as "City"), and the Management Employees' Association (hereinafter referred to as "Association" or "MEA").

SECTION 1 IMPLEMENTATION

It is agreed that this MOU shall not be binding upon the parties either in whole or in part unless and until ratified by the Association's membership, and by the City Council by a four-fifths (4/5) vote.

SECTION 2 TERM AND EFFECT OF MEMORANDUM OF UNDERSTANDING

This MOU is effective on July 1, 2024 and shall remain in full force and effective through June 30, 2027. The terms, conditions, wages and all provisions of this MOU shall continue in effect until a new MOU is negotiated and subsequently ratified by the Association and the City Council, or until this MOU is superseded in accordance with City Code Section 25-16.12 (e) (Impasse Procedure), as may be amended, or until the Association dissolves pursuant to City Code Section 15-16.10 (Decertification of Recognized Employee Organizations), as may be amended.

SECTION 3 SALARY

3.1. For 2024-2025 fiscal year:

3.1.1. Effective July 1, 2024, and as soon as administratively possible, the pay rates for the below identified classifications shall be increased as follows:

CLASSIFICATION	WAGE STUDY INCREASE
ASSISTANT CITY ATTORNEY	4.16%
ASSOCIATE CIVIL ENGINEER	1.64%

CHIEF INFORMATION OFFICER	1.90%
COMMUNICATIONS MANAGER	0.32%
HOUSING MANAGER	8.48%
PLANNING MANAGER	3.65%
PRINCIPAL PLANNER	3.65%
RISK MANAGER	3.97%
SUSTAINABILITY MANAGER	9.86%

3.1.2. After the market adjustments identified above, effective July 1, 2024, and as soon as administratively possible, the pay rates for members of MEA shall be increased by four percent (4.0%).

3.2. For 2025-26 fiscal year:

3.2.1. Effective July 1, 2025, and as soon as administratively possible, the pay rates for members of MEA shall be increased by four percent (4.0%).

3.3. For 2026-27 fiscal year:

3.3.1. Effective July 1, 2026, and as soon as administratively possible, the pay rates for members of MEA shall be increased by four percent (4.0%).

SECTION 4 WAGE STUDY

The City conducted a city-wide wage study in 2023. The parties agree to meet and jointly develop the parameters for a wage study for MEA classifications.

SECTION 5 DEFERRED COMPENSATION – MATCH PROGRAM

Effective as soon as administratively possible upon ratification, the City will match up to \$75.00 per pay period (\$150.00 per month) of an employee’s contribution to a City Authorized Deferred Compensation Plan authorized under Internal Revenue Code Section 457. The combined contribution between the City's and the employee's contribution to the City's Deferred Compensation Plan(s) cannot exceed the maximum permitted by law.

SECTION 6 RETIREMENT HEALTH SAVINGS PLAN

6.1. The Retirement Health Savings Plan (RHSP) is an employer-sponsored health benefit savings program that allows employees to contribute and accumulate assets to pay for medical premiums and allowable health expenses at retirement (or upon meeting eligibility criteria) on a tax-free basis. This plan is not currently in effect. Once employees’ agree to a mandatory contribution amount, it is the City’s intent to implement. The RHSP has the following components:

6.1.1. Eligibility:

- a. Employee must retire or separate from City service and have reached a minimum of age fifty (50). Under certain circumstances, the age requirement may be waived if the employee qualifies as disabled from work under the California Public Employee’s Retirement System (CalPERS) retirement plan, the City’s Short-Term/Long-Term Disability Plan or under Workers’ Compensation.

6.1.2. Contributions:

- a. An employee may make a one-time irrevocable election to have an on-going pre-tax salary deduction of 1–20% (whole percentages) of the employee’s base rate of pay, and
- b. An employee may also elect on an annual basis, in a year preceding retirement or separation, to make an irrevocable pre-tax deduction up to 100% (whole percentages) of their accrued vacation, holiday and compensatory time off separation payoffs.

6.2. Contributions into the RHSP are made only by the employee; there are no employer contributions. The employee will pay all administrative fees. The employee will be allowed to make their irrevocable election within thirty (30) days of hire as a full-time employee, and/or during the City’s annual open enrollment period.

6.3. If a participating employee dies without designating a beneficiary, the distribution of any assets contained in the employee’s account shall be distributed equally among City-wide participants in the plan.

Current Internal Revenue Service (IRS) regulations governing RHSPs, as may be amended, are controlling over this Section and may affect whether and how the City provides this program.

SECTION 7 MANAGEMENT COMPENSATION PAY

Effective July 1, 2016, 1.92% Management Compensation Pay ceased, and the value was rolled into the base salary for employees in this representation unit.

SECTION 8 LONGEVITY PAY

8.1. Employees will receive longevity pay the first full pay period following the anniversary date that meets the following required years of continuous full-time service:

8.1.1. For those with at least twenty (20) years of continuous full-time City of Monterey service and less than twenty-five (25) years, a five percent (5.0%) longevity pay, calculated from the base rate of pay set forth in the adopted salary schedule, will be provided.

8.1.2. For those with at least twenty-five (25) years of continuous full-time City of Monterey service and less than thirty (30) years, a total of ten percent (10.0%) longevity pay, calculated from the base rate of pay set forth in the adopted salary schedule, will be provided.

- 8.1.3. For those with at least thirty (30) years of continuous full-time City of Monterey service or more, a total of fifteen percent (15.0%) longevity pay, calculated from the base rate of pay set forth in the adopted salary schedule, will be provided.
- 8.2. Employees hired on or after December 6, 2016, shall not be eligible for Longevity Pay.
- 8.3. Employees receiving stacked longevity pay in effect at the time of ratification will continue receiving such compounded ten percent (10.0%) and fifteen percent (15.0%) pay. For example, an employee currently receiving longevity for twenty-five (25) years will continue to receive 10.25% and those currently receiving longevity for thirty (30) years will continue to receive 15.763%. If an employee becomes eligible for longevity pay, or additional longevity pay, the flat rates of ten percent (10.0%) and fifteen percent (15.0%) as described above will apply.

SECTION 9 VACATION SCHEDULE AND MAXIMUM ACCRUAL

- 9.1. Vacation leave shall accrue and be subject to the rules and regulations in effect at the time of the request for leave.
- 9.2. Employees with more than twenty (20) years of service shall accrue annual vacation leave at the rate of twenty-three (23) days per year (184 hours per year).
- 9.3. Vacation shall not accrue in excess of 320 hours. Once an employee reaches this accrual limit, the employee shall not accrue additional vacation. Vacation accrual based on the employees' accrual rates shall commence only after an employee has utilized vacation and accrual banks are below the 320 maximum allowed. Employees may cash-out vacation accrual in excess of 280 hours once per year, either at the end of the fiscal year or at the end of the calendar year. Exact cash out dates to be determined by Finance. Vacation accruals may be cashed out upon separation from City employment.

SECTION 10 MANAGEMENT LEAVE

- 10.1. Employees shall be provided with eighty (80) hours of "use it or lose it" management leave at the beginning of each calendar year. Unused time may not rollover to the next year, and there shall be no cash value for management leave time.
- 10.2. For those employees who are new to the Association (promotion from another employee group, or one who is hired to an Association classification from another agency), the amount of provided management leave in the initial calendar year of appointment shall be prorated based on the following schedule according to hire date:
- If hired January 1 to March 31 80 hours of Management Leave
 - If hired April 1 to June 30 60 hours of Management Leave

- If hired July 1 to September 30 40 hours of Management Leave
- If hired October 1 to November 30 20 hours of Management Leave
- If hired December 1 to December 31 0 hours of Management Leave

10.3. Effective July 1, 2024, current association members will be credited 40 hours of management leave to their bank.

SECTION 11 BEREAVEMENT LEAVE

Leave Usage for Death of a Family Member (Bereavement)

- 11.1. All employees may be authorized to use up to eighty (80) hours of accrued leave per calendar year for the death of a family member. The maximum combined allowable use of leave for the above purposes shall not exceed eighty (80) hours in any calendar year.
- 11.2. For purposes of determining the use of leave for death of a family member, the following definition shall be used: The employee's spouse, principal domestic partner, child, parent, brother, sister, grandparents, parents-in-law, brother-in-law, sister-in-law, son-in-law, daughter-in-law, stepparents, step-siblings, step-children, step grandparents or grandparents-in-law.
- 11.3. At the Department Head or their designee's discretion, the employee may be required to provide evidence that the leave was used for the purposes intended by this section.

SECTION 12 SICK LEAVE

Sick leave shall continue to be accrued and subject to the rules and regulations which existed at the time of application.

- 12.1. Sick Leave Accrual
 - 12.1.1. Full-time employees shall accrue sick leave credits at the rate of eight (8) hours per month or a major portion thereof.
 - 12.1.2. All full-time personnel may accrue sick leave not subject to a maximum accrual.
 - 12.1.3. For purposes of this section, Family Member means Children (biological, stepchildren, adopted, foster, legal wards, or a child to whom the employee stands in loco parentis), Parents (biological, adopted, step, foster, guardian, wards, or in-laws), Spouse, Domestic Partner registered with the State and submitted to Human Resources, Grandparent, Grandchild, Brother, and Sister.
- 12.2. Sick Leave Usage for Employee and Family Members
 - 12.2.1. Accrued sick leave may be utilized if the employee is required to be absent from work on account of non-job related illness or

injury; routine medical or dental appointments; or for the care related to the illness or injury of the employee's Family Member.

- 12.2.2. Accrued sick leave may also be used in accordance with Monterey City Code Section 25-12.11 (Catastrophic Leave), as may be amended.
- 12.2.3. When utilizing the sick leave benefit, the employee shall notify the City Manager or their designee, in accordance with departmental regulations and Monterey City Code Section 25-11.01(b) (Attendance), as may be amended.
- 12.2.4. Where the period of absence due to illness or injury is not known at the outset, it shall be the responsibility of the employee to remain in contact with the City Manager or their designee, on a daily basis if deemed necessary by the City Manager or their designee.
- 12.2.5. Usage of sick leave shall be charged to the employee's balance on an hour-for-hour basis in one-fourth (1/4) hour increments or in accordance with current law.

12.3. Sick Leave Abuse

- 12.3.1. Sick leave abuse shall mean: "Any use of sick leave, for purposes other than those identified in this section." Sick leave abuse may subject the employee to disciplinary actions.
- 12.3.2. When the Department Head or their designee has reason to suspect that an employee has abused sick leave benefits, the Department Head or their designee may require that employee to file a personal affidavit or physician's affidavit excusing the absence due to illness or injury. The Department Head or their designee, at their discretion, may establish methods of verification as deemed appropriate. These means may include, but are not limited to, examination by a physician selected by and paid for by the City. If an employee is required to be examined by a physician selected by the City, the employee will be paid for the time, if off duty, and will be given reimbursement for mileage to attend the examination.
- 12.3.3. Employees may be subject to discipline when the City substantiates that absences taken and sick leave accruals used on a given day or days are the result of a concerted action on the part of two (2) or more employees which is related to a labor dispute with the City directly, or one (1) in which the City is involved as a third party.

12.4. Sick Leave Usage as Personal Leave

- 12.4.1. Up to twenty-four (24) hours of accrued sick leave may be taken as Personal Leave during the calendar year so long as the

employee has a minimum of 160 hours of accrued sick leave on the books at the time the Personal Leave is taken. Approval for the use of Personal Leave shall otherwise be subject to the same use rules as vacation and requires advance Department Head or their designee's approval.

12.5. Exhaustion of Sick Leave

12.5.1. An employee anticipating exhaustion of sick leave may request advance approval from the Department Head or their designee for the use of discretionary leaves (i.e., vacation, holiday and compensatory time off) in the event of illness or injury, with the Department Head or their designee having discretion to either deny or approve the request.

12.6. Maternity and Parental Leave

12.6.1. Employees are entitled to leaves of absence for maternity, parental bonding, and pregnancy-related disability. All such leaves of absence shall be granted and compensated in accordance with state and federal laws covering these topics, including the Pregnancy Disability Leave, Family Medical Leave Act, California Family Rights Act (CFRA) and the Fair Employment and Housing Act.

12.6.2. Employees taking an approved unpaid leave of absence for CFRA eligible baby-bonding are entitled to utilize accrued leave, including use of sick leave.

SECTION 13 INSURANCE PLAN

The City will make available a Flexible Benefits Plan (Cafeteria Plan) to eligible employees. The following is a brief summary of insurance benefits available as a part of the Flexible Benefits Plan. To the extent that the insurance programs detailed below continue to be available, the City will continue to offer these programs. Employees should refer to the plan documents for a complete description of benefits, coverage and limitations.

Changes may be required from time to time to maintain the integrity of this flexible benefits plan as a lawful IRS Section 125 plan. The City and the Association agree that the City shall have the discretion to make such changes to ensure this plan is eligible for favorable treatment under the Internal Revenue Code. The City may add or remove benefit options to or from this plan during the term of this Agreement.

Removal of a benefit shall occur only if the benefit is deemed contrary to public law or regulation governing IRS Section 125 Benefit Plans, is no longer available by vendor, or becomes insolvent. If, during the term of this Agreement, a change in insurance plans or coverage is necessary, the City shall provide notice thirty (30) days in advance, and, upon request, meet with representatives of the Association. If, during the term of this Agreement, the premium for an insurance plan changes, the City will attempt to provide a thirty (30) day notice in advance of the rate change.

13.1. Eligibility

12.1.1. Regular, Full-Time employees will be eligible to participate in any of the City's health insurance programs.

13.2. Health Insurance

13.2.1. CalPERS Medical Insurance Contribution

a. The City provides health insurance through California Public Employee's Retirement System ("CalPERS"). The employee contribution may vary depending on which plan the employee is enrolled in and in which CalPERS region they reside. The City shall make a nonelective employer contribution to the Flexible Benefits Plan on behalf of each active, full-time employee in an amount which includes the Public Employees' Medical and Hospital Act (PEMHCA) contribution.

i. At the time of this Agreement, the current Health Plan Spending Fund (HPSF) rates are:

- \$2,540.00 per month – family coverage
- \$2,040.00 per month – employee + 1
- \$914.82 per month – employee only

ii. For the plan year effective January 1, 2025, if the CalPERS Gold health plan premiums increase above the City's current HPSF contribution (\$2,540.00 per month/family coverage, \$2,040.00 per month/ employee plus one, \$914.82 per month/ employee only), the City shall increase its contributions to the premium commensurate with the increase, not to exceed nine percent (9.0%)

iii. For the plan year effective January 1, 2026, if the CalPERS Gold health plan premiums increase above the City's 2025 HPSF contributions, the City shall increase its contributions to the premium commensurate with the increase, not to exceed nine percent (9.0%)

iv. For the plan year effective January 1, 2027, if the CalPERS Gold health plan premiums increase above the City's 2026 HPSF contributions, the City shall increase its contributions to the premium commensurate with the increase, not to exceed nine percent (9.0%)

b. In 2027, the Association and the City agree to reopen the Insurance Benefits section of this Agreement to discuss future employer and employee contributions.

13.2.2. Medical Insurance Opt-Out

a. Employees who opt out of the City-sponsored CalPERS plan for health insurance and provide proof of alternate group medical insurance will be entitled to \$300.00 per month. To qualify, an employee must provide proof of alternate group coverage to

Human Resources. Alternate coverage must be acceptable by the City and compliant with the Affordable Care Act.

13.3. Retiree Medical Premium

13.3.1. Covered employees who retire under the provisions of the City's contract with CalPERS are currently eligible to continue CalPERS medical coverage. The City will make the mandatory minimum employer health premium contribution for City retirees participating in the PEMHCA. The mandatory monthly rate is established by CalPERS annually and is effective on January 1 of each calendar year pursuant to Government Code Section 22892.

12.4. Cafeteria Plan and Optional Benefits

13.4.1. In accordance with IRS Code Section 125, the City will provide a Flexible Benefits Plan ("Cafeteria Plan") to all eligible employees. Employees may elect to participate in the following three (3) Section 125 programs offered by the City:

- Premium Conversion
- Dependent Care (IRS contribution limits apply), and
- Flexible Spending Account (IRS contribution limits apply).

13.4.2. Each of these programs will be administered in accordance with the IRS Code.

13.4.3. Consistent with applicable laws and regulations, each employee may use their HPSF for any benefits permitted by law and provided for in the Cafeteria Plan document but will not receive any remaining HPSF balance as cash. Those benefits include:

- Health insurance in accordance with PERS regulations and federal law,
- Dependent dental coverage,
- Additional life insurance, provided by the City's insurance carrier, up to the maximum allowed by the City's carrier,
- Dependent Care Assistance Plan, employees will pay any administration fee for this service through payroll deductions,
- Flexible Spending Account, employees will pay any administration fee for this service through payroll deductions.

13.4.4. For each month when the benefit options selected by the employee under this plan exceed the appropriate City contributions (Health Plan Spending Fund), that employee shall pay by pre or post-tax payroll deductions the full cost (100%) which exceeds the City's contributions for that employee.

13.5. Dental/Orthodontia Insurance

13.5.1. The City provides a self-insured dental benefit. As such, the City

shall pay the full cost of the employee-only dental premiums. The City shall pay the cost for employee dental insurance administered by a third-party administrator up to the annual maximums as detailed in the plan description. Employees are responsible for adhering to the claims process outlined in the dental plan provisions.

- 13.5.2. The City will provide eligible employee dependents with the opportunity to participate in an open enrollment every year. An employee electing coverage for dependent(s) shall pay the full cost for dependent dental premiums rounded up to the nearest dollar.

13.6. Vision Care

- 13.6.1. The City provides vision care insurance and pays the full cost of premiums for employees and dependents. The plan will provide for expenses based on usual and customary rates as incurred up to the annual maximums described in the plan description.

13.7. Life Insurance

- 13.7.1. The City will provide a basic \$50,000.00 Term Life Insurance and Accidental Death and Dismemberment Policy for each employee covered by this Agreement.
- 13.7.2. Additional Term Life Insurance may be purchased by each employee through payroll deductions in increments of \$10,000.00, subject to the City's life insurance carrier's coverage limitations. An employee may purchase additional term life insurance up to the lesser \$350,000 or five (5) times their basic annual earnings. The purchase of additional insurance shall be in accordance with payroll deduction procedures established by the Finance Director and the underwriting requirements of the insurance carrier.
- 13.7.3. Subject to the conditions of the City's life insurance carrier, the City shall offer to employees at the time of their retirement or separation the option to convert their life insurance policy (both City-paid and employee-purchased supplemental insurance) to individual coverage at the employee's expense.

SECTION 14 RETIREMENT

14.1. Miscellaneous Classic Members

- 14.1.1. For all miscellaneous members hired prior to January 1, 2013, the City will continue to provide the 2.7% @ 55 PERS Miscellaneous Members Retirement for each employee covered by this Agreement. The same 2.7% @ 55 will be provided to new employees, subject to CalPERS determination, who were previously employed by the City of Monterey as a full-time

employee, or who were employed full-time by another PERS (or reciprocal) agency within six (6) months from date of hire by the City of Monterey. This policy is in keeping with the California Public Employees' Pension Reform Act (PEPRA). As of July 1, 2013, the City's contract with PERS for the 2.7% @ 55 plan contains the following plan amendments allowed by the Public Employees' Retirement Law (PERL):

- Highest twelve (12) consecutive months for purposes of determining final compensation (PERL Section 20042);
- Sick leave credit/conversion to service time (PERL Section 20965);
- 1959 Survivor Benefit Level 4 (PERL Section 21574). The employer's cost for this benefit will be paid by the employees through payroll deduction. This amount is set by CalPERS each fiscal year;
- Exclusion of hourly rated employees (PERL Section 20305).
- Military Service Credit (PERL Section 21024);
- Partial Service Retirement (PERL Section 21118); and
- Employees Sharing Cost of Additional Benefits (PERL Section 21354.5).

14.1.2. The City shall pay for any increase in the employer rate and shall retain any savings from a decrease in the employer rate and/or contribution credits (rebates) from PERS.

14.1.3. Classic employees contribute on a pre-tax basis the eight percent (8.0%) employee contribution amount established by CalPERS. Effective July 1, 2011, Classic employees contribute on a pre-tax basis a three percent (3.0%) cost share towards the Employer Contribution to CalPERS. The total contribution, which is memorialized by a 2018 contract amendment with CalPERS, is eleven percent (11.0%). The City shall maintain the IRS 414(h)(2) provision allowing employees to defer state and federal Income taxes on their CalPERS contributions.

14.1.4. The employer's cost for the 1959 Survivor Benefit Level 4 (Section 21574) will be paid by the employees through payroll deduction.

14.2. Miscellaneous PEPRA Members

14.2.1. PEPRA employees are those employees hired on or after January 1, 2013 who have not been previously employed by the City of Monterey as a full-time employee, or who were employed full-time by another PERS (or reciprocal) agency and had a break in service greater than six months (6) from date of hire by the City of Monterey, will be placed on a second PERS Plan tier. The second tier for these employees is the two percent (2.0%) @ 62 and contains the same plan amendments as the 2.7% @ 55 plan described above, except that PEPRA requires the two percent (2.0%) @ 62 retirement formula to be based on a thirty-

six (36)-month average of annual pensionable compensation earned (rather than a twelve (12)-month average), and employees on the second tier contribute fifty percent (50.0%) of the normal cost of the plan as established by CalPERS and are not required to participate in any cost-sharing of the Employers' Contribution to CalPERS. The City shall maintain the IRS 414(h)(2) provision allowing employees to defer state and federal Income taxes on their CalPERS contributions.

SECTION 15 BENEFITS DURING WORKERS COMPENSATION LEAVE AND SHORT TERM / LONG TERM DISABILITY PLAN

The City shall provide a City-paid combined insured Short Term Disability / Long Term Disability Plan. During the term of this Agreement, the City will pay any increase in costs and will retain any savings resulting from a decrease in cost for this plan.

15.1. Maintenance of Benefits

15.1.1. The City will provide the employee on an industrial or non-industrial disability protected leave of absence with benefits for up to a maximum of one year (1) per incident in accordance with state and federal law.

15.1.2. Employees out on leave in excess of twelve (12) months will resume benefits in the first month after returning to work in a full-time status.

15.2. The City will continue to provide the employee HPSF, dental, vision, life, Employee Assistance Plan and participation in the medical plan for up to a maximum of one (1) year per incident, subject to the following:

- The person is an active employee; and
- The employee has at least one (1) full day in a pay status during the month (either City pay or Disability payment).

15.3. Leave Accrual

15.3.1. If, due to an industrial injury or illness, an employee is in a pay status (either City pay or Worker's Compensation payment) for the majority of the month, leave accruals (sick leave, vacation, and holidays) shall continue for the first six (6) months of the disability.

15.3.2. If, due to a non-industrial injury or illness, an employee receives disability payments for what constitutes the majority of the month, the employee shall not accrue leave.

SECTION 16 GROUP LEGAL

Subject to provider limitations, the City will continue to provide a Group Legal Services Plan for employees represented by the Association through an employee-paid

premium. Participation in the program shall be voluntary and consistent with the provider's requirements that the potential pool of participants must include a minimum of 200 employees.

SECTION 17 WORKING OUT OF CLASS PAY

In lieu of the provisions of Section 25-5.11 (a)(2) of the Monterey City Code, effective with the adoption of this Agreement the following will apply:

- "Work at a higher level, when assigned, must be performed on a continuous basis for a period in excess of three (3) consecutive work weeks, for employees represented by Association, in order to be eligible for additional compensation, which will be applied to the excess period of time."

SECTION 18 SPECIAL ASSIGNMENT PAY

City Code Section 25-5.12 addresses Special Assignment Pay, with the range for the City Manager or designee to authorize not less than two percent (2.0%) and not more than five percent (5.0%) in a temporary pay adjustment. This section modifies that range as addressed in City Code section 25-5.12 to be not less than two percent (2.0%) and not more than twenty percent (20.0%).

SECTION 19 HOLIDAY TIME

Except as otherwise provided, each full-time employee who is on paid status before and after the holidays specified below shall be eligible for paid holiday leave on each of the following specified holidays, and on no other day, during the term of this Agreement:

- **New Year's Day** January 1
- **Martin Luther King, Jr. Birthday** 3rd Monday in January
- **President's Day** 3rd Monday in February
- **Memorial Day** Last Monday in May
- **Juneteenth** June 19
- **Independence Day** July 4
- **Labor Day** 1st Monday in September
- **Admission Day** 9th day of September
- **Veterans' Day** November 1
- **Thanksgiving Day** 4th Thursday in November
- **The day after Thanksgiving Day**
- **The working day immediately preceding Christmas Day**
- **Christmas Day** December 25
- **The working day immediately following Christmas Day**

SECTION 20 FLOATING HOLIDAY

20.1. The Association's holiday schedule shall include one (1) floating holiday

per fiscal year, per employee. This floating holiday may be carried over into the following year, but in no case shall an employee be allowed to accrue more than forty (40) hours of accrued floating holiday time. There shall be no cash value to the accrued floating holiday hours. The scheduling is at the discretion of the employee subject to approval by the Department Head.

- 20.2. If an employee is at the forty (40)-hour maximum accrual, in a pay period when an additional holiday is accrued, the employee may utilize accrued holiday hours in the same pay period in order to obtain the holiday accrual. Otherwise, the employee forfeits that floating holiday.

SECTION 21 MINIMUM LEAVE EVENTS

The minimum leave that can be taken by an employee for all leave events shall be fifteen (15) minutes.

SECTION 22 VOLUNTARY UNPAID LEAVE

- 22.1. With advance Department Head approval, an employee may take up to forty (40) hours of management unpaid leave per calendar year. Such leave may be taken in fifteen (15) minute minimum increments. Further, so long as the employee is in a paid status at least half of the month, such unpaid leave shall not result in a loss of benefits or leave accruals.
- 22.2. Employees exceeding this amount of unpaid leave may be disciplined for excessive leave of absence. Excluded from discipline are absences certified as protected leave of absence under state or federal law or leave approved as a reasonable accommodation for a disability under state or federal law.

SECTION 23 TUITION REIMBURSEMENT PROGRAM

The Tuition Reimbursement allowance shall be \$2,000.00 per fiscal year per employee, subject to Department Head approval. The program shall include reimbursement for seminars, conferences and other accredited courses that are job related and for course textbooks.

SECTION 24 WELLNESS PROGRAM

- 24.1. The Association and the City agree that employee health and fitness are important factors in maintaining an optimal work environment. In addition to the existing Employee Assistance Program, employees may receive passes to the Monterey Sports Center, valued at the current rates, and subject to rate increases, in order to implement their personal fitness programs. The IRS views the employee membership as taxable income.
- 24.2. Upon complying with membership, employees shall receive annual, renewable and nontransferable employee-only passes to the Monterey

Sports Center in order to implement their personal fitness programs.

- 24.3. Employees may apply the dollar value of the employee-only pass to the Monterey Sports Center towards the purchase of a family pass to this facility. The employee shall be responsible for the cost differential between the credit value of the employee-only pass and the family pass. During open enrollment, the employee shall be afforded the opportunity to make an election to continue crediting the value of the employee-only pass towards the family pass which shall be irrevocable for the next twelve (12) months.
- 24.4. Employees electing to receive a family pass under this program shall have a payroll deduction for the cost of maintaining the family pass active from month to month based on the difference between the cost of the family pass and the employee-only pass. Upon separation from the City, the family pass shall be cancelled unless the separated employee elects to maintain the pass under the same conditions available to the general public.
- 24.5. New hires can enroll in the Fitness Program upon hire, and then during open enrollment thereafter. Employees can cancel enrollment in the Fitness Program during open enrollment.

SECTION 25 FITNESS ACTIVITY PLAN

- 25.1. All MEA-represented members will be eligible to participate in a Fitness Plan where they work out off-duty (not considered work time for purposes of Workers' Compensation injury or illness) in exchange for leave time accrued in a fitness bank.
- 25.2. Conditions for Qualifying
 - Employees are required to work out a minimum of 1170 minutes per quarter in order to accrue ten (10) hours of leave. A session is considered to be any moderate or higher intensity physical activity lasting a minimum of fifteen (15) minutes.
 - Participants will sign a form demonstrating completion of each workout, which is based on the honor system. At the end of each quarter the form will be turned into the Human Resources Department and the ten (10) hours of leave will be credited to the exercise incentive time bank as soon as practical and will be available for immediate use by the employee.
 - Each calendar year a maximum of forty (40) hours can be accrued in a separate exercise incentive time bank, with a maximum of eighty (80) hours allowed in the bank. The exercise incentive time bank has no cash value and the time accrued in this bank has no expiration date.
 - Approval for the use of Leave shall otherwise be subject to the same use rules as vacation and requires advance Department Head or their designee's approval.
 - Participation is voluntary and for those electing to participate, an annual physical fitness assessment at the Monterey Sports Center,

which can be used as a 30-minute workout session, is encouraged. Individual results of the physical fitness assessment will be confidential between the Monterey Sports Center and the employee.

- Submitting a Fitness Plan Waiver form to Human Resources is required to participate in this program.

SECTION 26 EMPLOYEE PARKING

The parties acknowledge that the City has not provided free parking for all on duty personnel.

SECTION 27 ALTERNATE STAFFING

The Alternate Staffing Program allows for the direct advancement of an employee to a superior classification within a series without a change to the total allocated positions in the department. The Alternate Staffing Program is outlined in [Attachment A](#) of the MOU.

The creation of future classifications that are eligible for Alternate Staffing will be evaluated through the meet and confer process.

SECTION 28 CITY RECREATION PROGRAM FEES

The Resident Rates for City Recreation classes and programs shall be afforded to employees and immediate family household members (spouse, domestic partner and dependent children twenty (20) years of age and younger) of active City employees.

SECTION 29 REQUEST FOR CLASSIFICATION AND SALARY REVIEW

- 29.1. MEA may submit a request for a classification and/or base wage compensation study on behalf of MEA represented employee(s) between September 1st and September 30th of each calendar year. The Human Resources Director may designate an alternate submission period due to operational considerations and/or to accommodate the City's budget preparation timeline. Requests shall be submitted to the Human Resources Department on the authorized request form.
- 29.2. The maximum number of MEA requests shall be capped at ten (10) for the first fiscal year of this Agreement. The maximum number of MEA requests shall be capped at five (5) per fiscal year thereafter.
- 29.3. After the close of the designated submission window, the Human Resources Department will review the submitted requests and evaluate factors such as: classification levels, compaction concerns, recruitment or retention difficulties, and additional responsibilities that are not within the scope of the existing classification specification. The Human Resources Department will determine which studies are warranted and the type of study to be conducted (i.e., classification study, classification specification review, base wage compensation review, etc.). HR will notify MEA of which studies will move forward within thirty (30) calendar days.

- 29.4. This section shall not be subject to the grievance procedure as set forth in the Monterey City Code Section 25-15.02. If it is recommended that the employee be reclassified, all applicable Monterey City Code Chapter 25 Personnel/Human Resources provisions shall apply.

SECTION 30 PROVISIONS OF LAW

This Agreement is subject to all current and future applicable federal and state laws and regulations. If any part or provision of this Agreement is in conflict or inconsistent with such applicable laws or regulation or is otherwise held to be invalid or unenforceable by any tribunal of competent jurisdiction, such part or provision shall be suspended and superseded by such applicable law or regulation and the remainder of this Agreement shall not be affected thereby.

SECTION 31 FULL UNDERSTANDING, MODIFICATION AND WAIVER

- 31.1. This Agreement sets forth the full and entire understanding of the parties regarding the matters set forth herein, and any other prior or existing understanding or agreements by the parties, whether formal or informal, regarding any such matters contained herein are hereby superseded or terminated in their entirety. No other understandings or agreements are encompassed in this Agreement. Existing benefits not changed herein shall remain in full force.
- 31.2. Except as specifically provided herein, it is agreed and understood that each party hereto voluntarily and unqualifiedly waives its right, and agrees that the other shall not be required to negotiate with respect to any subject or matter covered herein or with respect to any other matters within the scope of representation during the term of this Agreement.
- 31.3. No agreement, alteration, understanding, variation, waiver or modification of any of the terms or provisions contained herein shall in any manner be binding upon the parties hereto unless made and executed by all parties.
- 31.4. In the event any new practice, subject or matter arises during the term of this Agreement that is within the scope of meet and confer, and an action is proposed by the City, the Association shall be afforded all possible advance notice and shall have the right to meet and confer upon request. In the absence of an agreement on such a proposed action, the City reserves the right to take necessary action by management direction.
- 31.5. Nothing herein shall limit the authority of the City to make necessary and reasonable changes during emergencies. Emergency shall mean the actual or threatened existence of conditions of disaster or of extreme peril to the safety of persons and property within the City caused by such conditions as air pollution, fire, flood, storm, epidemic, riot or earthquake, or other conditions, including conditions resulting from war or imminent threat of war. However, the City shall notify the Association of such changes as soon as practicable. Such emergency assignments shall not extend beyond the period of the emergency.

The waiver of any breach, term or condition of this MOU by either party shall not constitute a precedent in the future enforcement of all its terms and provisions.

The parties hereto have caused their duly authorized representatives to execute this Memorandum of Understanding the day, month and year noted below.

CITY OF MONTEREY

MANAGEMENT EMPLOYEES' ASSOCIATION

DocuSigned by:
Hans Uslar
320BF0C1519DD42C...
Hans Uslar
City Manager
9/13/2024 | 6:55 AM
Date

Signed by:
Louie Marcuzzo
1AF698CA58B6495...
Louie Marcuzzo
MEA President
9/11/2024 | 10:44 AM PDT
Date

DocuSigned by:
Brette Neal
1D80ADE7BE4D44F...
Brette Neal
Human Resources Director
9/11/2024 | 9:58 AM
Date

DocuSigned by:
Cristie Steffy
94BE2C0C610748F...
Cristie Steffy
MEA Vice President
9/13/2024 | 8:44 AM PDT
Date

DocuSigned by:
Rafaela King
1B6FF6F8A4624BF...
Rafaela King
Finance Director
9/13/2024 | 1:13 PM
Date

Signed by:
Reginald Paulding
C3FD86DC43DB48E...
Reginald Paulding
MEA Secretary
9/11/2024 | 10:02 AM PDT
Date

ALTERNATE STAFFING

Definition:

The Alternate Staffing Program allows for the direct advancement of an employee to a superior classification within a series without a change to the total allocated positions in the department. The eligible classifications are listed below:

Class Code	Class
256	Senior Engineer
018	Associate Civil Engineer
364	Engineering Assistant II
343	Engineering Assistant I
090	Engineering Technician
251	Senior Associate Planner
097	Associate Planner

Procedure:

Subject to the advance approval of the City Manager, or their designee, Department Heads may appoint an employee from a subordinate classification to a superior classification as defined above provided the following conditions are met:

1. The superior classification is authorized in the Department's budget and position allocation list.
2. After the employee is appointed to the superior classification there is not a net gain in the number of personnel assigned to the Department.
3. The employee must have completed their original probation as defined in Monterey City Code Section 25-10.0.a.1.
4. The preponderance of the employee's current duties must be those of the superior classification and constitute a continuing and ongoing level of responsibilities.
5. The employee must meet the minimum qualifications of the superior classification and any requirements of applicable State and/or Federal law. Such determination shall be the responsibility of the Department Head and the Human Resources Director.
6. The employee's performance must be evaluated against written performance standards developed by the Department Head and Human Resources Department prior to advancement to the higher class. These standards must specify the duties to be performed, the quality of the performance and level of productivity.

7. There is a demonstrated need acknowledged by the City Manager or their designee, that the higher-level skills of the superior classification are necessary to the City.
8. Subject to City Manager approval or that of their designee, employees may be hired into a classification at any level at or below the Council authorized classification depending upon experience of the candidate, the best interest of the City in competing with the labor market and the type of work to be performed.
9. Some positions within the classifications may remain at a lower level than authorized. This may occur as a result:
 - 9.1. Of the inability of the employee to learn and perform the higher level duties or the needs of the City.
 - 9.2. The City's workload, which may not require the skills of the more advanced levels.

Employees advanced under this section shall serve a probationary period as defined in Monterey City Code Section 25-10.02 herein. The City retains its options for corrective action, including, but not limited to training, reassignment or other actions as authorized under the City's Personnel Rules and Regulations.

Criteria for Progression:

The progression of an employee through the various classifications identified under "definition" will be in accordance with the standards established by the Department Head in conjunction with the Human Resources Director and must adhere to the minimum qualifications of the classification specifications.