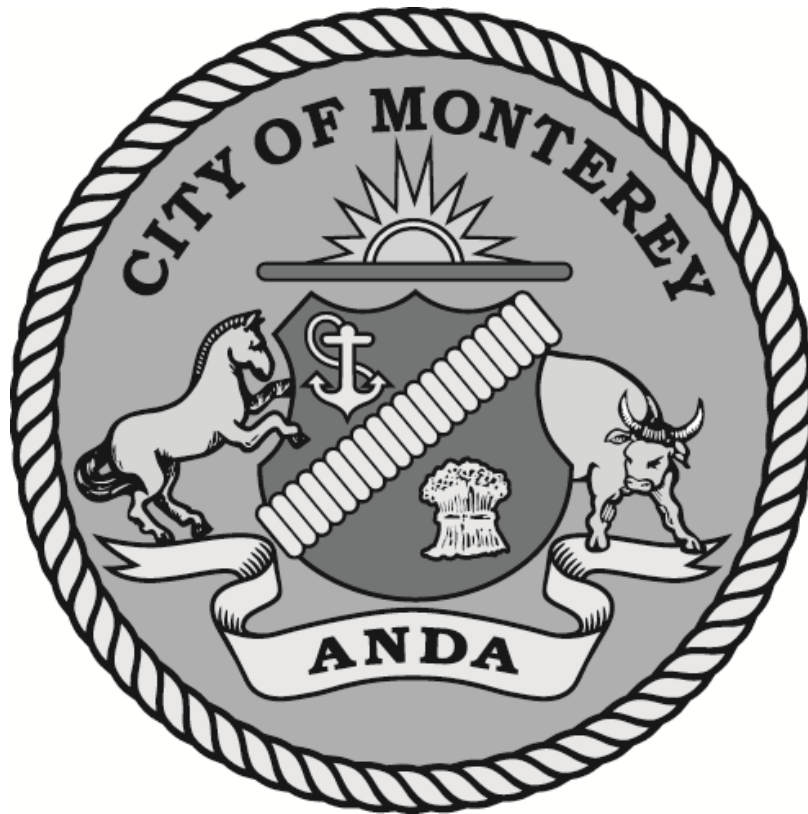


MEMORANDUM OF UNDERSTANDING
between the
CITY OF MONTEREY
and the
MANAGEMENT EMPLOYEES' ASSOCIATION



July 1, 2022 through June 30, 2024

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MEMORANDUM OF UNDERSTANDING

between the

CITY OF MONTEREY

and the

MANAGEMENT EMPLOYEES' ASSOCIATION**July 1, 2022 through June 30, 2024**

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, 2022 and shall remain in full force and effective through June 30, 2024. 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until a new MOU is negotiated and subsequently ratified by the Association and the City Council, or until this MOU is superseded in accordance with City Code Section 25-16.12 (e) (Impasse Procedure), as may be amended, or until the Association dissolves pursuant to City Code Section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 2022-2023 fiscal year:
 - 3.1.1. Effective either July 1, 2022 or following Union and Council ratification (whichever is later) salary schedules shall increase by 4.0%. If an agreement is signed and ratified by July 11, 2022 the pay increase will be effective July 1, 2022.
- 3.2. For 2023-2024 fiscal year:
 - 3.2.1. Effective the first full pay period following July 1, 2023, salary schedules shall increase by 4.0%.

3.3. Reopener

- 3.3.1. The City reserves the right to reopen this MOU on the issue of wages for any classification that becomes vacant during the term of this Agreement.

SECTION 4 DEFERRED COMPENSATION – MATCH PROGRAM

Effective as soon as administratively possible upon ratification, the City will match up to \$50.00 per pay period (\$100.00 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 5 RETIREMENT HEALTH SAVINGS PLAN

- 5.1. 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:

5.1.1. 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.

5.1.2. 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 his/her accrued vacation, holiday and compensatory time off separation payoffs.

- 5.2. 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 his/her irrevocable election within thirty (30) days of hire as a full-time employee, and/or during the City's annual open enrollment period.

- 5.3. 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 6 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 7 LONGEVITY PAY

- 7.1. 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:
- 7.1.1. For those with at least twenty (20) years of continuous full-time City of Monterey service and less than twenty-five (25) years, a 5.0% longevity pay, calculated from the base rate of pay set forth in the adopted salary schedule, will be provided.
 - 7.1.2. 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 10.0% longevity pay, calculated from the base rate of pay set forth in the adopted salary schedule, will be provided.
 - 7.1.3. For those with at least thirty (30) years of continuous full-time City of Monterey service or more, a total of 15.0% longevity pay, calculated from the base rate of pay set forth in the adopted salary schedule, will be provided.
- 7.2. Employees hired on or after December 6, 2016, shall not be eligible for Longevity Pay.
- 7.3. Employees receiving stacked longevity pay in effect at the time of ratification will continue receiving such compounded 10.00% and 15.00% 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 10.00% and 15.00% as described above will apply.

SECTION 8 VACATION SCHEDULE AND MAXIMUM ACCRUAL

- 8.1. Vacation leave shall accrue and be subject to the rules and regulations in effect at the time of the request for leave.
- 8.2. 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).

- 8.3. 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 at the end of the calendar year in accordance with a procedure set by the Finance Director. Vacation accruals may be cashed out upon separation from City employment.

SECTION 9 MANAGEMENT LEAVE

- 9.1. Employees shall be provided with forty (40) 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.
- 9.2. 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 40 hours of Management Leave
 - If hired April 1 to June 30 30 hours of Management Leave
 - If hired July 1 to September 30 20 hours of Management Leave
 - If hired October 1 to November 30 10 hours of Management Leave
 - If hired December 1 to December 31 0 hours of Management Leave

SECTION 10 SICK LEAVE

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

- 10.1. Sick Leave Accrual
- 10.1.1. Full-time employees shall accrue sick leave credits at the rate of eight (8) hours per month or major portion thereof.
- 10.1.2. All full-time personnel may accrue sick leave not subject to a maximum accrual.
- 10.1.3. 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.

10.2. Sick Leave Usage for Employee and Family Members

- 10.2.1. 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.
- 10.2.2. Accrued sick leave may also be used in accordance with Monterey City Code Section 25-12.11 (Catastrophic Leave), as may be amended.
- 10.2.3. When utilizing the sick leave benefit, the employee shall notify the City Manager or his/her designee, in accordance with departmental regulations and Monterey City Code Section 25-11.01(b) (Attendance), as may be amended.
- 10.2.4. 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 his/her designee, on a daily basis if deemed necessary by the City Manager or his/her designee.
- 10.2.5. 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.

10.3. Sick Leave usage for Death of a Family Member (Bereavement)

- 10.3.1. All employees may be authorized to use up to forty (40) hours of accrued sick leave per calendar year for the death of a family member. The maximum combined allowable use of sick leave for the above purposes shall not exceed eighty (80) hours in any calendar year.
- 10.3.2. At the Department Head or his/her designee's discretion, the employee may be required to provide evidence that the leave was used for the purposes intended by this section.

10.4. Sick Leave Abuse

- 10.4.1. 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.
- 10.4.2. When the Department Head or his/her designee has reason to suspect that an employee has abused sick leave benefits, the Department Head or his/her 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 his/her 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.

- 10.4.3. 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.

10.5. Sick Leave Usage as Personal Leave

- 10.5.1. 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 his/her designee's approval.

10.6. Exhaustion of Sick Leave

- 10.6.1. An employee anticipating exhaustion of sick leave may request advance approval from the Department Head or his/her 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 his/her designee having discretion to either deny or approve the request.

10.7. Maternity and Parental Leave

- 10.7.1. 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.
- 10.7.2. 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 11 INSURANCE PLAN

The following is a brief summary of insurance benefits. 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. If, during the term of this Agreement, a change in insurance plans or coverage is necessary, the City shall use its best efforts to provide thirty (30) days' notice, and, upon request, meet with representatives of the

Association. The City contribution towards the Insurance Plan premium(s) is defined in Section 11.4.

11.1. Dental/Orthodontia Insurance

11.1.1. The City shall pay the full cost for employee dental insurance administered by Coastal or an equivalent third party administrator up to the annual maximums described in the plan description.

11.1.2. The City will afford eligible employee dependents the opportunity to participate in an open enrollment every three (3) years. An employee electing coverage for dependent(s) shall pay the full cost for dependent dental premiums rounded up to the nearest dollar.

11.2. Vision Care

11.2.1. The City will continue to provide vision care insurance, and pay the full cost of premiums, for employees and dependents. The plan will provide for expenses incurred up to the annual maximums described in the plan description.

11.3. Life Insurance

11.3.1. 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.

11.3.2. Additional Term Life Insurance (supplemental) may be purchased by each employee through payroll deductions in increments of \$10,000.00 up to a maximum of \$100,000.00, subject to the conditions of the life insurance carrier. In accordance with IRS regulations, only premiums for up to \$50,000.00 of combined basic and supplemental coverage may be paid on a pre-tax basis. 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.

11.4. Cafeteria Plan and Major Medical Insurance

11.4.1. The provisions of this Agreement require participation by the Association in the Public Employees Medical and Hospital Care Act (PEMHCA). The City shall continue the existing flexible benefits plan for employees through the term of this Agreement.

11.4.2. The City provides health insurance through CalPERS. The City shall make a direct contribution equal to the minimum employer contribution for agencies participating in the PEMHCA on behalf of each active employee and qualified retiree.

a. For the plan year beginning January 1, 2023, the City shall make a nonelective employer contribution to the flexible

benefits plan on behalf of each active employee in an amount which, inclusive of the minimum PEMHCA contribution, up to the following amounts:

- \$2,540.00 per month – family coverage
 - \$2,040.00 per month – employee + 1
 - \$899.00 per month – employee only
- b. [EXAMPLE: For 2023, the PEMHCA minimum contribution is \$151.00; the City shall make a flexible benefits plan contribution of \$2,389.00 per month for family coverage, \$1,889.00 per month for two (2)-person coverage and \$748.00 per month for single coverage.]
- c. This contribution is known as the Health Plan Spending Fund “HPSF”. In no event will employees be credited with cash for any remaining HPSF balance.
- d. For the plan year January 1, 2024 only, if the amounts in subsection a. above are less than the total premiums for PERS Gold, the City shall increase its contributions, not to exceed 9.0%, to the new PERS Gold premiums.

11.5. Waiver of Medical Insurance

- 11.5.1. During the term of this MOU, employees who opt out of a 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, as may be amended.

11.6. Optional Benefits

- 11.6.1. 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).
- 11.6.2. Each of these programs will be administered in accordance with the IRS Code.
- 11.6.3. Consistent with applicable laws and regulations, each employee may use his/her 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, and
- Flexible Spending Account, employees will pay any administration fee for this service through payroll deductions.

11.7. Retiree Medical Premiums

- 11.7.1. 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.

SECTION 12 RETIREMENT

12.1. Miscellaneous Classic Members

- 12.1.1. 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).
- 12.1.2. 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.
- 12.1.3. Classic employees contribute on a pre-tax basis the 8.0% employee contribution amount established by CalPERS. Effective July 1, 2011, Classic employees contribute on a pre-tax basis a 3.0% costshare towards the Employer Contribution to CalPERS. The total contribution, which is memorialized by a 2018 contract amendment with CalPERS, is 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.
- 12.1.4. The employer's cost for the 1959 Survivor Benefit Level 4 (Section 21574) will be paid by the employees through payroll deduction.
- 12.2. Miscellaneous PEPRA Members
- 12.2.1. 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 2.0% @ 62 and contains the same plan amendments as the 2.7% @ 55 plan described above, except that PEPRA requires the 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 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 13 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.

- 13.1. Maintenance of Benefits

- 13.1.1. 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.
- 13.1.2. 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.
- 13.2. 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).
- 13.3. Leave Accrual
- 13.3.1. 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.
- 13.3.2. 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 14 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 15 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 16 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 2.0% and not more than 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 2.0% and not more than 20.0%.

SECTION 17 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
- Martin Luther King, Jr. Birthday
- President's Day
- Memorial Day
- Juneteenth
- Independence Day
- Labor Day
- Admission Day
- Veterans' Day
- Thanksgiving Day
- The day after Thanksgiving Day
- The working day immediately preceding Christmas Day
- Christmas Day
- The working day immediately following Christmas Day

SECTION 18 FLOATING HOLIDAY

- 18.1. 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.
- 18.2. 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 19 MINIMUM LEAVE EVENTS

The minimum leave that can be taken by an employee for all leave events shall be fifteen (15) minutes, except for voluntary unpaid leave pursuant to this Agreement, Section 22.

SECTION 20 VOLUNTARY UNPAID LEAVE

- 20.1. 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 one (1) hour 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.
- 20.2. 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 21 TUITION REIMBURSEMENT PROGRAM

The Tuition Reimbursement allowance shall be \$1000.00 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 22 WELLNESS PROGRAM

- 22.1. 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.
- 22.2. 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.
- 22.3. 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.
- 22.4. 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.
- 22.5. 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 23 FITNESS ACTIVITY PLAN

23.1. 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.

23.2. 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 his/her 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 24 EMPLOYEE PARKING

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

SECTION 25 ALTERNATE STAFFING

The City will provide an Alternate Staffing Program, as described in Attachment A of this MOU, for the City's professional engineering classes. This program is limited to classifications in the Public Works Department. Eligible classifications under this section are Associate Civil Engineer, Assistant Civil Engineer, Junior Civil Engineer, Field Engineer, Associate Engineering Surveyor, and Assistant Engineering Surveyor.

In the event of the creation of future professional engineer classifications or successor classifications, these new positions will be evaluated for inclusion in alternate staffing by the meet and confer process.

SECTION 26 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 27 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 28 FULL UNDERSTANDING, MODIFICATION AND WAIVER

- 28.1. 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.
- 28.2. 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.
- 28.3. 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.
- 28.4. 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.
- 28.5. 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

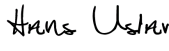
to the safety of persons and property within the City caused by such conditions as air pollution, fire, flood, storm, epidemic, riot or earthquake, or other conditions, including conditions resulting from war or imminent threat of war. However, the City shall notify the Association of such changes as 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:

 6892AD3E4790433...

 Hans Uslar
 City Manager

6/14/2023 | 5:42 PM PDT


 Date

DocuSigned by:

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 Louie Marcuzzo
 MEA President

6/15/2023 | 7:56 AM PDT


 Date

DocuSigned by:

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 Brette Neal
 Human Resources Director

6/16/2023 | 9:42 AM PDT


 Date

DocuSigned by:

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 Cristie Steffy
 MEA Vice President

6/15/2023 | 1:17 PM PDT

 Date

DocuSigned by:

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 Gina Russo
 Assistant Human Resources Director

6/14/2023 | 3:09 PM PDT

 Date