

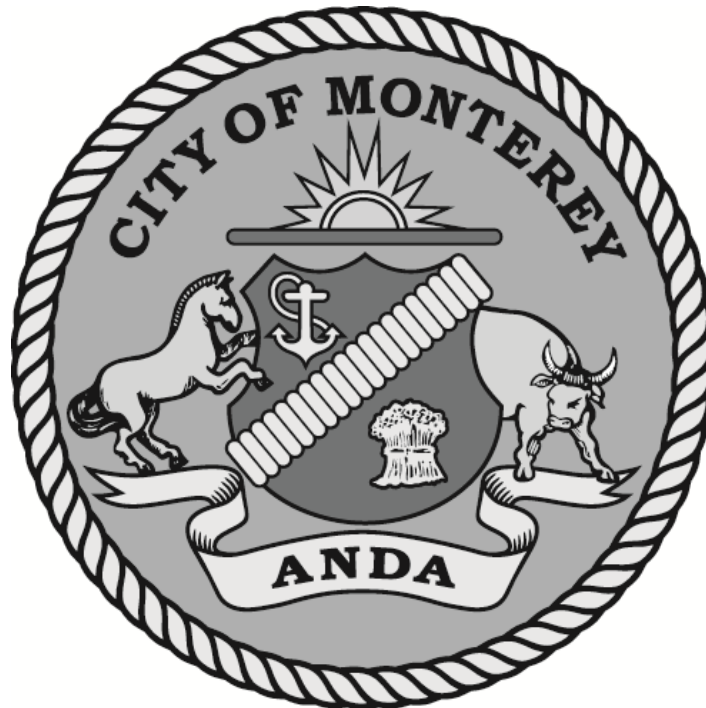
**MEMORANDUM OF UNDERSTANDING**

between the

**CITY OF MONTEREY**

and the

**MONTEREY EXECUTIVE MANAGEMENT EMPLOYEES' ASSOCIATION**



**JULY 1, 2022 – JUNE 30, 2024**

## Table of Contents

<b>SECTION 1</b>	<b>IMPLEMENTATION .....</b>	<b>3</b>
<b>SECTION 2</b>	<b>TERM AND EFFECT OF MEMORANDUM OF UNDERSTANDING .....</b>	<b>3</b>
<b>SECTION 3</b>	<b>REOPENER .....</b>	<b>3</b>
<b>SECTION 4</b>	<b>COVERED CLASSIFICATIONS .....</b>	<b>3</b>
<b>SECTION 5</b>	<b>SALARY .....</b>	<b>4</b>
<b>SECTION 6</b>	<b>DEFERRED COMPENSATION – MATCH PROGRAM.....</b>	<b>4</b>
<b>SECTION 7</b>	<b>LONGEVITY PAY .....</b>	<b>4</b>
<b>SECTION 8</b>	<b>VACATION SCHEDULE AND MAXIMUM ACCRUAL .....</b>	<b>4</b>
<b>SECTION 9</b>	<b>MANAGEMENT LEAVE .....</b>	<b>5</b>
<b>SECTION 10</b>	<b>SICK LEAVE .....</b>	<b>5</b>
<b>SECTION 11</b>	<b>MATERNITY AND PARENTAL LEAVE .....</b>	<b>7</b>
<b>SECTION 12</b>	<b>INSURANCE PLAN .....</b>	<b>7</b>
<b>SECTION 13</b>	<b>RETIREMENT .....</b>	<b>10</b>
<b>SECTION 14</b>	<b>BENEFITS DURING WORKERS COMPENSATION LEAVE AND SHORT TERM / LONG TERM DISABILITY PLAN (STD/LTD).....</b>	<b>12</b>
<b>SECTION 15</b>	<b>GROUP LEGAL SERVICES .....</b>	<b>12</b>
<b>SECTION 16</b>	<b>SPECIAL ASSIGNMENT PAY.....</b>	<b>12</b>
<b>SECTION 17</b>	<b>FLOATING HOLIDAY .....</b>	<b>12</b>
<b>SECTION 18</b>	<b>MINIMUM LEAVE EVENTS .....</b>	<b>12</b>
<b>SECTION 19</b>	<b>VOLUNTARY UNPAID LEAVE .....</b>	<b>13</b>
<b>SECTION 20</b>	<b>TUITION REIMBURSEMENT PROGRAM.....</b>	<b>13</b>
<b>SECTION 21</b>	<b>WELLNESS PROGRAM.....</b>	<b>13</b>
<b>SECTION 22</b>	<b>FITNESS ACTIVITY PLAN .....</b>	<b>14</b>
<b>SECTION 23</b>	<b>EMPLOYEE PARKING .....</b>	<b>14</b>
<b>SECTION 24</b>	<b>CALL-BACK VEHICLES .....</b>	<b>14</b>
<b>SECTION 25</b>	<b>UNIFORM ALLOWANCE .....</b>	<b>14</b>
<b>SECTION 26</b>	<b>CITY RECREATION PROGRAM FEES .....</b>	<b>14</b>
<b>SECTION 27</b>	<b>SEVERANCE .....</b>	<b>15</b>
<b>SECTION 28</b>	<b>PROVISIONS OF LAW .....</b>	<b>15</b>
<b>SECTION 29</b>	<b>FULL UNDERSTANDING, MODIFICATION AND WAIVER .....</b>	<b>15</b>

**MEMORANDUM OF UNDERSTANDING**

between

**City of Monterey**

and

**Monterey Executive Management Employees' Association****July 1, 2022 through June 30, 2024**

This Memorandum of Understanding (MOU or Agreement) is entered into pursuant to the Meyers-Millias-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 Monterey Executive Management Employees' Association (hereinafter referred to as "Association").

**SECTION 1 IMPLEMENTATION**

It is agreed that this Memorandum of Understanding 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 July 1, 2022 and shall remain in full force and effect 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, 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 REOPENER**

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 COVERED CLASSIFICATIONS**

The classifications represented by this bargaining unit are as follows:

- Community Development Director
- Fire Chief
- Library Director
- Parks & Recreation Director
- Police Chief
- Public Works Director

**SECTION 5 SALARY**

- 5.1. For 2022-2023 fiscal year:
  - 5.1.1. Effective either July 1, 2022 or following Council ratification (whichever is later), salary schedules shall increase by 4.0%.
    - a. If an agreement is signed and ratified by July 11, 2022 the pay increases will be effective July 1, 2022.
- 5.2. For 2023-2024 fiscal year:
  - 5.2.1. First full pay period following July 1, 2023, salary schedules increase by 4.0%.
  - 5.2.2. Effective July 1, 2023, the base salary for the Fire Chief shall increase by one percent (1%).
  - 5.2.3. Effective July 1, 2023 the base salary for the Police Chief shall increase by seven and one half percent (7.5).

**SECTION 6 DEFERRED COMPENSATION – MATCH PROGRAM**

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.

**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 or more, 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 or more, a total of ten 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 July 1, 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% and 15% 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% and 15% as described above will apply.

**SECTION 8 VACATION SCHEDULE AND MAXIMUM ACCRUAL**

- 8.1. The vacation accrual shall be as follows:
  - 8.1.1. All employees who have been employed continuously for less than five (5) years shall receive eighty (80) hours vacation accrual per year whether

assigned to a forty (40) hour work week or other duty schedule.

- 8.1.2. All employees who have been employed continuously for more than five (5) years but less than ten (10) years shall receive 120 hours vacation accrual per year whether assigned to a forty (40) hour work week or other duty schedule.
  - 8.1.3. All employees who have been employed continuously for more than ten (10) years but less than fifteen (15) years shall receive 136 hours vacation accrual per year whether assigned to a forty (40) hour work week or other duty schedule.
  - 8.1.4. All employees who have been employed continuously for more than fifteen (15) years but less than twenty (20) years shall receive 160 vacation accrual per year whether assigned to a forty (40) hour work week or other duty schedule.
  - 8.1.5. All employees who have been employed continuously for more than twenty (20) years shall receive 184 hours vacation accrual per year whether assigned to a forty (40) hour work week or other duty schedule.
- 8.2. Vacation scheduling shall be subject to the current City Rules and Regulations in effect at the time of application.
  - 8.3. Vacation shall not accrue in excess of 320 hours. Once an employee reaches this accrual limit of 320 hours, the employee shall not accrue additional vacation. Vacation accrual based on the employee's 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.
  - 8.4. The City Manager shall provide executive managers with vacation accrual based on the years of public service that is relevant to their current position, as determined by the City Manager. If provided by the City Manager, this prior service will count as years of service with the City of Monterey for determination of Vacation accrual.

## **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 Association (for example—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**

All full-time personnel shall be provided paid sick leave as set forth below.

## 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 without limitation.
- 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, 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.

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 or close relation. 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 City Manager 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 City Manager or his/her designee has reason to suspect that an employee has abused sick leave benefits, the City Manager 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 City Manager 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 in which the City is involved as a third party.

#### 10.5. Sick Leave Used 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 approval by the employee's supervisor.

#### 10.6. Exhaustion of Sick Leave

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

#### 10.7. Cash Out of Unused Sick Leave

- 10.7.1. A sworn employee with at least twenty (20) years of Monterey Fire Department or Monterey Police Department service who retires on a regular, non-disability retirement may "sell back" up to 50% of the employee's unused accumulated sick leave. The City shall pay for the sick leave at the base rate of pay on the day of retirement.
- 10.7.2. Any sick leave days an employee "sells back" under this section shall not be converted to additional service credit with CalPERS.

## **SECTION 11 MATERNITY AND PARENTAL LEAVE**

- 11.1. 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.

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 12 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 provide notice thirty (30) days in advance, and, upon request, meet with representatives

of the Association. The City contribution towards the Insurance Plan premium(s) is defined in Section 12.4.1 of this Agreement.

12.1. Dental / Orthodontia Insurance

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

12.2. Vision Care

12.2.1. 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.

12.3. Life Insurance

12.3.1. The City will provide a basic \$65,000 Term Life Insurance and Accidental Death and Dismemberment Policy for each employee covered by this Agreement.

12.3.2. 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 at least \$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.

12.3.3. Subject to the conditions of the City's life insurance carrier, the City shall offer to employees at the time of their retirement the option to convert their life insurance policy (both City-paid and employee-purchased supplemental insurance) to individual coverage at the employees' expense.

12.4. Health Insurance – Cafeteria Plan

12.4.1. 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.

12.5. CalPERS Medical Benefits

12.5.1. The City provides health insurance through the California Public Employee's Retirement System (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 non-elective 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
- i. 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.
- ii. This contribution is known as the Health Plan Spending Fund (“HPSF”). In no event will employees be credited with cash from any remainder of the HPSF.
- b. For the plan year January 1, 2024 only, if amounts in subsection a. above are less than the total premiums for PERS Gold, the City shall increase its contribution, not to exceed 9.0% to the new PERS Gold premiums.
- c. Medical Waiver
  - i. 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.

## 12.6. Cafeteria Plan and Optional Benefits

- 12.6.1. 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).
- 12.6.2. Each of these programs will be administered in accordance with the IRS Code.
- 12.6.3. 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. Those benefits include:
- Health insurance in accordance with CalPERS 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 (DCAP), Employees will pay any administration fee for this service through payroll deductions; and
  - Flexible Spending Account (FSA), Employees will pay any administration fee for this service through payroll deductions.

## 12.7. Retiree Medical Premiums

- 12.7.1. 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 Public Employees Medical and Hospital Care Act (PEMHCA). The mandatory monthly rate is established by CalPERS

annually, and is effective on January 1st of each calendar year pursuant to Government Code Section 22892.

## **SECTION 13 RETIREMENT**

### **13.1. Non-Sworn Miscellaneous Classic Members**

- 13.1.1. For all non-sworn miscellaneous members hired prior to January 1, 2013, the City will continue to provide the 2.7% @ 55 Public Employees' Retirement System (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):
- a. Highest twelve (12) consecutive months for purposes of determining final compensation (PERL Section 20042).
  - b. Sick leave credit/conversion to service time (PERL Section 20965).
  - c. 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.
  - d. Exclusion of hourly rated employees (Perl Section 20305).
  - e. Military Service Credit (Perl Section 21024).
  - f. Partial Service Retirement (Perl Section 21118).
  - g. Employees Sharing Cost of Additional Benefits (Perl Section 21354.5)
- 13.1.2. 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.
- 13.1.3. Classic employees contribute on a pre-tax basis the 8% employee contribution amount established by CalPERS. Effective July 1, 2011, Classic employees contribute on a pre-tax basis a 3% costshare towards the Employer Contribution to CalPERS. The total contribution, which is memorialized by a 2018 contract amendment with CalPERS, is 11%. The City shall maintain the IRS 414(h)(2) provision allowing employees to defer State and Federal Income taxes on their CalPERS contributions.

### **13.2. Non-Sworn Miscellaneous PEPRA Members**

- 13.2.1. For 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 (6) months from date of hire by the City of Monterey, subject to CalPERS determination, 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% 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.

### 13.3. Sworn Fire and Police Safety Classic Members

13.3.1. For all sworn safety members hired prior to January 1, 2013, that are defined as "Classic" members by PEPRA, the City will provide the 3.0% @ 50 retirement formula. The same 3% @ 50 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 3% @ 50 plan contains the following plan amendments:

- a. Highest twelve (12) consecutive months for purposes of determining final compensation (Section 20042).
- b. Sick leave credit/conversion to service time (Section 20965).
- c. 1959 Survivor Benefit Level 4(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.
- d. Exclusion of hourly rated employees (Section 20305).
- e. Military Service Credit (Section 21024).
- f. Partial Service Retirement (Section 21118).
- g. Employees Sharing Cost of Additional Benefits (Section 21354.5)

13.3.2. The Fire Chief and Police Chief contribute on a pre-tax basis the 9% employee contribution amount established by CalPERS. Effective July 1, 2011, Classic employees contribute on a pre-tax basis a 3% costshare towards the Employer Contribution to CalPERS. The total contribution, which is memorialized by a 2018 contract amendment with CalPERS, is 12%. The City shall maintain the IRS 414(h)(2) provision allowing employees to defer State and Federal Income taxes on their CalPERS contributions.

13.3.3. The employer's cost for the Indexed Level of 1959 Survivor Benefit Level 4 (Section 21574.5) will be paid by the employees through payroll deduction.

### 13.4. Sworn Fire and Police Safety PEPRA Members

13.4.1. Employees hired on or after January 1, 2013 who do not meet the definition of a "Classic" member as referenced above, will be placed in Option Plan 2 and considered a new member of the retirement system. Option Plan 2 for these employees is the 2.7% @ 57 formula. PEPRA requires the member 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 in Option Plan 2 are not required to participate in cost-sharing of the employers' contribution to CalPERS. Employees are responsible for paying 50% of the total "normal cost" rate. The "normal cost" rate is subject to change on a fiscal year basis as determined by CalPERS.

## **SECTION 14            BENEFITS DURING WORKERS COMPENSATION LEAVE AND SHORT TERM / LONG TERM DISABILITY PLAN (STD/LTD)**

The City shall provide a City-paid combined insured Short Term Disability / Long Term Disability Plan (STD/LTD). 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.

### **14.1. Maintenance of Benefits**

14.1.1. 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 (1) year per incident in accordance with state and federal law.

### **14.2. Leave Accrual**

14.2.1. If, due to an industrial injury or illness, an employee is in a pay status (either City pay or Workers 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.

14.2.2. 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 (sick leave, vacation, and holiday).

## **SECTION 15            GROUP LEGAL SERVICES**

Subject to provider limitations, the City will continue to provide a Group Legal Services Plan for employees represented by 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 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            FLOATING HOLIDAY**

17.1. 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 City Manager.

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 18            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 19.

## **SECTION 19 VOLUNTARY UNPAID LEAVE**

- 19.1. With advance City Manager approval, an employee may take up to eighty (80) 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.
- 19.2. 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 20 TUITION REIMBURSEMENT PROGRAM**

The Tuition Reimbursement allowance shall be \$1000.00 per year per employee. The program shall include reimbursement for seminars, conferences and other accredited courses that are job related and for course textbooks.

## **SECTION 21 WELLNESS PROGRAM**

- 21.1. 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 Internal Revenue Service views the employee membership as taxable income.
- 21.2. Upon complying with membership requirements, employees shall receive annual, renewable and nontransferable employee-only passes to the Monterey Sports Center in order to implement their personal fitness programs.
- 21.3. 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.
- 21.4. 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.
- 21.5. 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 22 FITNESS ACTIVITY PLAN**

- 22.1. All members will be eligible to participate in a Fitness Plan where they workout off-duty (not considered work time for purposes of Workers' Compensation injury or illness) in exchange for leave time accrued in a fitness bank.
- 22.2. Conditions for Qualifying
- 22.1.1. 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 employee's department for verification 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.
- 22.1.2. 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.
- 22.1.3. Leave time must be coordinated and approved in advance by the employee's supervisor.
- 22.1.4. 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 thirty (30)-minute workout session, is encouraged. Individual results of the physical fitness assessment will be confidential between the Monterey Sports Center and the employee.
- 22.1.5. Submitting a Fitness Plan Waiver form to Human Resources is required to participate in this program.

**SECTION 23 EMPLOYEE PARKING**

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

**SECTION 24 CALL-BACK VEHICLES**

The Fire Chief and Police Chief will each be provided with a vehicle for emergency response during off-duty time.

**SECTION 25 UNIFORM ALLOWANCE**

The City will contribute the following monthly uniform allowance for the following sworn members:

Fire Chief: \$90

Police Chief: \$100

**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 SEVERANCE**

Should the City Charter be amended during the term of this Agreement to reflect that employees covered by this Agreement are “at will” employees subject to termination without cause or appeal rights, then the parties will reopen the contract to discuss severance and release terms.

**SECTION 28 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 29 FULL UNDERSTANDING, MODIFICATION AND WAIVER**

- 29.1. 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.
- 29.2. 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.
- 29.3. 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.
- 29.4. 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.
- 29.5. 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.
- 29.6. 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**

**MONTEREY EXECUTIVE  
MANAGEMENT EMPLOYEES' ASSOCIATION**

**Dated:** 8/22/2023 | 1:49 PM PDT

**Dated:** 8/22/2023 | 12:58 PM PDT

DocuSigned by:  
*Hans Uslar*  
0892AD3E4790433...  
**Hans Uslar, City Manager**

DocuSigned by:  
*Gaudenz Panholzer*  
AA0DA8601EDB455...  
**Gaudenz Panholzer, MEMEA President**

**Dated:** 8/22/2023 | 1:13 PM PDT

**Dated:** 8/22/2023 | 3:14 PM PDT

DocuSigned by:  
*Brette Neal*  
1D80ADE7BE4D44F...  
**Brette Neal, Human Resources Director**

DocuSigned by:  
*Davia D. Hober*  
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**Dave Hober, MEMEA Vice President**