MEMORANDUM OF UNDERSTANDING

between the

CITY OF MONTEREY

and the

GENERAL EMPLOYEES OF MONTEREY (GEM) /
LABORERS INTERNATIONAL UNION OF NORTH AMERICA (LIUNA) /
UNITED PUBLIC EMPLOYEES OF CALIFORNIA (UPEC), LOCAL 792,
AFL-CIO

July 1, 2016 through June 30, 2019
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July 1, 2016 through June 30, 2019

This Memorandum of Understanding 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 General Employees of Monterey (hereinafter referred to as "Union").

SECTION 1 RECOGNITION AND IMPLEMENTATION

The City hereby recognizes the Union as the exclusive bargaining agent for all employees within the bargaining unit.

This Memorandum of Understanding constitutes a mutual recommendation to be jointly submitted to the City Council. 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 Union's membership, and unless and until the City Council acts, by a four-fifths vote, to formally approve this Memorandum of Understanding. It is understood by the parties that the City Council must, as a part of the implementation, appropriate the necessary funds required to implement the provisions of this Memorandum of Understanding which require funding; and take any other action required.

SECTION 2 TERM AND EFFECT OF MEMORANDUM OF UNDERSTANDING

This Memorandum of Understanding shall be effective on July 1, 2016 and shall remain in full force and effect through June 30, 2019. It is understood and agreed that the terms, conditions, wages, and all provisions of this Memorandum of Understanding shall continue in effect after June 30, 2019 until a new Memorandum of Understanding is negotiated and subsequently ratified by the Union and the City Council, or until this Memorandum of Understanding is superseded by action of the City Council.
SECTION 3   SALARY

3.1 Salary Adjustments

During the term of this agreement, base salary shall be adjusted in accordance with the following schedule.

3.1.1 Effective July 1, 2016, the pay rates for employees in this representation unit shall be increased by Three Percent (3.0%).

3.1.2 Effective July 1, 2017, the pay rates for employees in this representation unit shall be increased by Two Percent (2.0%).

3.1.3 Effective July 1, 2018, the pay rates for employees in this representation unit shall be increased by Three Percent (3.0%).

3.2 Wage Reopener

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

SECTION 4   LONGEVITY PAY

Employees hired into City employment on or after December 6, 2016, the date of ratification of this Agreement by the membership and approval by the City Council, shall not be eligible for Longevity Pay.

For those employees hired before December 6, 2016, with at least twenty (20) years of continuous full time City of Monterey service or more, a 5.0% longevity pay will be provided.

For those employees hired December 6, 2016, with at least twenty-five (25) years of continuous full time City of Monterey service or more, an additional 5.0% longevity pay will be provided.

For those employees hired before December 6, 2016, with at least thirty (30) years of continuous full time City of Monterey service or more, an additional 5.0% longevity pay will be provided.

SECTION 5   TOTAL COMPENSATION

This is not a total compensation agreement. The City and the Union agree that the principles of total compensation as traditionally practiced in prior agreements do not apply to this agreement. All adjustments to salary and benefits during the term of this agreement shall only be as set forth herein.
SECTION 6  STEP ADVANCEMENTS

Step advancements are merit increases and are not automatic. An employee must perform the duties of the position in a manner satisfactory to the department head to receive a step advancement.

Eligibility for such step advance shall be upon completion of twelve months satisfactory service in the employee's prior step. The step system shall consist of five (5) steps and an employee's initial placement on the step system shall be determined by Sections 25-5.04 or 25-5.06 of the Monterey City Code (Personnel Rules and Regulations). Step advancements shall be made on the Anniversary Date. No advancement shall be made without a performance evaluation with a written recommendation by the department head and approval of the City Manager or designated representative.

SECTION 7  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 Union. 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.

7.1 Dental/Orthodontia Insurance

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.

7.2 Vision Care

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.

7.3 Life Insurance

The City will continue to provide a $20,000 Term Life Insurance and Accidental Death and Dismemberment Policy for each employee covered by this agreement.
Additional Term Life Insurance may be purchased by each employee through payroll deductions in increments of $10,000, subject to the City's life insurance carrier's coverage limitations. At least $100,000 of term life insurance will be available to employees for purchase. Only premiums for up to $30,000 of employee purchased term life insurance 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.

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.

7.4 Major Medical Insurance

The provisions of this plan require participation by the Union in the Public Employees Medical and Hospital Care Act (PEMHCA).

Retirees-Retiree Medical Premium

The City will make the mandatory employer medical insurance 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.

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.

7.4.1 The City shall make a direct contribution equal to the minimum employer contribution for agencies participating in the Public Employees Medical and Hospital Care Act (PEMHCA) on behalf of each active employee and qualified retiree.

7.4.2 For the plan year ending December 31, 2016, the City shall make a non-elective employer contribution to the flexible benefits plan on behalf of each active employee in an amount which, together with the minimum PEMHCA contribution (of $125.00), equals the following:

$1,920.00 per month - family coverage  
$1,636.00 per month - two-person coverage  
$875.00 per month - single coverage

[EXAMPLE: If the PEMHCA minimum contribution is $125, then the City shall make a flexible benefits plan contribution of $1,795.00 per month for family coverage, $1,511.00 per month for two person coverage and $750.00 per month for single coverage.]
Employees who opt out of a City Medical Plan, and provide proof of alternate group medical insurance will be entitled to $600.00 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.

7.4.3 For the plan year beginning January 1, 2017, the City shall make a non-elective employer contribution to the flexible benefits plan on behalf of each active employee in an amount which, together with the minimum PEMHCA contribution (of $128.00) equals the following:

$1,988.00 per month - family coverage
$1,689.00 per month - two-person coverage
$878.00 per month - single coverage

[EXAMPLE: If the PEMHCA minimum contribution is $128, then the City shall make a flexible benefits plan contribution of $1,860.00 per month for family coverage, $1,561.00 per month for two person coverage and $750.00 per month for single coverage.]

Employees who opt out of a City Medical Plan, and provide proof of alternate group medical insurance will be entitled to $600.00 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.

7.4.4 For the plan year beginning January 1, 2018, the City shall make a non-elective employer contribution to the flexible benefits plan on behalf of each active employee in an amount which, together with the minimum PEMHCA contribution (of $133.00) equals the following:

(1) For Two-Person Coverage and Family Coverage: the applicable 2017 City flexible benefits contribution increased by (a) any increase in the PEMHCA minimum contribution for the plan year plus (b) the increase in premiums for the PERS Choice plan for the 2018 calendar year. These two tiers will be increased by the necessary amount to keep employees in these tiers at the same out-of-pocket contribution levels, so long as the PERS Choice calendar year increase does not exceed 9.0%.

(2) For Single Coverage: $883 per month

Employees who opt out of a City Medical Plan, and provide proof of alternate group medical insurance will be entitled to $600.00 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.
7.4.5 For the plan year beginning January 1, 2019, the City shall make a non-elective employer contribution to the flexible benefits plan on behalf of each active employee in an amount which, together with the 2019 minimum PEMHCA contribution equals the following:

(1) For Two-Person Coverage and Family Coverage: the applicable 2018 City flexible benefits contribution increased by (a) any increase in the PEMHCA minimum contribution for the plan year plus (b) the increase in premiums for the PERS Choice plan for the 2019 calendar year. In the event of a rate increase in the premiums for these tiers, the City shall increase these two tiers by the necessary amount to keep employees in these tiers at the same out-of-pocket contribution levels, up to a maximum increase of 9.0%. Employees shall be responsible for any increases above this 9%.

(2) For Single Coverage: The 2018 Single premium contribution increased by any increase in the minimum PEMHCA contribution for the plan year.

Employees who opt out of a City Medical Plan, and provide proof of alternate group medical insurance will be entitled to $600.00 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.

7.4.6 Consistent with applicable laws and regulations, each employee may use his/her allocated amount for any benefits permitted by law and provided for in the flexible benefit plan document. As of the execution of this agreement, 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);
- Flexible Spending Account (FSA);
- To take any unused cash value after selecting from the above options as taxable cash-in-lieu.

SECTION 8 RETIREMENT

For employees 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 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 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:

1. Highest twelve (12) consecutive months for purposes of determining final compensation (Section 20042).
2. Sick leave credit/conversion to service time (Section 20965).
3. 1959 Survivor Benefit Level 4 (Section 21574).
4. Exclusion of hourly rated employees (Section 20305).
5. Military Service Credit (Section 21024).
6. Partial Service Retirement (Section 21118).
7. Employees Sharing Cost of Additional Benefits (Section 21354.5)

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.

New 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 from date of hire by the City of Monterey, will be placed on a 2nd PERS Plan tier. The 2nd 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 36-month average of annual pensionable compensation earned (rather than a 12-month average), and employees on the 2nd tier are not required to participate in cost-sharing of the Employers’ Contribution to PERS.

Effective July 1, 2011, GEM-represented employees received their previously negotiated 3.0% COLA; effective July 1, 2011, the City deducted 3.0% (over and above the normal 8.0% employee contribution) from GEM-represented employees on a pre-tax basis in order to offset the City’s employer contribution to CalPERS. The 3.0% pretax deduction from GEM-represented members shall be forwarded directly to CalPERS in order to offset the Employer’s share of CalPERS retirement costs. This additional contribution will help offset/share the cost of the City’s employer contribution to CalPERS. Please note the contribution to CalPERS is pre-tax, yet one’s base pay would increase, for retirement purposes.
The employer's cost for the 1959 Survivor Benefit Level 4 (Section 21574) will be paid by the employees through payroll deduction. This amount is set by CalPERS each fiscal year.

**Survivor Benefits, Pre-Retirement**
The City agrees to request an actuarial valuation to determine the cost of Government Code Section 21548 Pre-Retirement Option 2W Death Benefit. In addition, the City needs to discuss this benefit with the other Miscellaneous Groups, since this benefit must be implemented for all Miscellaneous employees, and not just one specific group or class. The City will come back to GEM/UPEC with the cost/actuarial, and information regarding interest from the other Miscellaneous Groups. The City is agreeable to implementing this optional benefit if the cost for such benefit is agreed to and paid for by all affected employee groups.

**Survivor Benefits, Post-Retirement**
The City agrees to request an actuarial valuation to determine the cost of Government Code Sections 21624, 21626, and 21628 Post-Retirement Survivor Allowance. The City will discuss the impacts of this retirement benefit with GEM/UPEC once the cost/actuarial information has been received from CalPERS.

**SECTION 9 SECTION 125 PLAN**

Employees may elect to participate in three Section 125 programs offered by the City. The available programs are Premium Conversion, Dependent Care, and Flexible Spending Account. Each of these programs will be administered in accordance with the IRS Code. Employees will pay any administration fee for this service through payroll deductions. The Flexible Spending Account carries a maximum participation of $5,000 per employee for dependent care, and $2,500 for Health Expense Reimbursement per calendar year.

For purposes of information, the following is a description of premium conversion, dependent coverage and flexible spending account.

- **Premium Conversion:** Permits payment of health insurance premiums subject to salary deduction with pre-tax income.

- **Dependent Care:** Permits payment of eligible dependent care expenses (minor and/or adult) with pre-tax income.

- **Flexible Spending Account:** Permits payment of eligible health care expenses not reimbursed by health insurance with pre-tax income.
The above descriptions are not intended to supersede current Internal Revenue definitions or how these definitions may change from time to time. The descriptions are for informational purposes only.

SECTION 10  UNIFORM ALLOWANCE

All full-time non-sworn employees of the Police Department and employees of the Parking Division who are required to wear a standard uniform shall receive an allowance of $60.00 per month. Employees in the classifications of Operations Supervisor, Operations Coordinator, Senior Facility Attendant and Facility Attendant shall receive a uniform allowance of $10.00 per month. Each full-time Facility Attendant shall be reimbursed up to $230.00 per fiscal year upon submission of receipt(s) for the cost of purchasing City uniform pants.

In those divisions where uniforms are provided and laundered, eleven uniforms will be made available to each employee.

SECTION 11  SHOE REIMBURSEMENT

All full-time employees required to wear safety shoes as a condition of employment shall, at the employee's request, receive up to $130.00 per calendar year in reimbursement for the purchase or repair of safety shoes (so long as after the repair the shoes continue to meet the California OSHA requirements for safety).

The City may authorize direct bill payment for shoes required at a vendor of the City's choice. The employee may continue with the current reimbursement method, or utilize the direct billing method. If the employee purchases shoes for an amount (including tax) greater than the annual limits described in this section, the employee shall pay the difference to the vendor at the time of purchase.

SECTION 12  TOOL ALLOWANCE

Full-time employees in the classifications of Lead Mechanic and Automotive Mechanic, who are required to provide their own tools, shall receive a tool allowance of $40.00 per month per employee.

SECTION 13  STAND-BY AND ASSOCIATED CALL-OUT COMPENSATION

Employees shall be paid $25.00 per week day, or portion thereof, and $70.00 per weekend day or official holiday, or portion thereof, when assigned to stand-by in accordance with established departmental procedures.

Stand-by shall be defined as that circumstance which requires an employee who is not on duty and assigned by the department to:

A. Be ready to respond immediately to a call for service; and
B. Be readily available at all hours by telephone or other agreed upon communica-
tion equipment; and

C. Refrain from activities which might impair their ability to perform their
assigned duties when called upon.

Where an employee is on stand-by and called out to respond, the employee shall
receive a minimum of two (2) hours compensation at time-and-one-half.

The City will compensate those employees on stand-by $10 per incident, if not required
to report to work, for incident notifications received between the hours of 11:00 p.m. and
6:00 a.m. Incident, for purposes of this section, shall be defined as those calls initiating
service, and to exclude follow-up calls relating to the initial service call.

Those employees who are on standby and are called to respond to duty, shall contact
the City designated answering service at the time the employee leaves the designated
work site following completion of the called-out duty request. After 30 minutes have
expired following the employee contacting the City designated answering service
following completion of the called out duty request, if the employee receives a new call
to respond to duty while on standby, that employee shall receive a new two-hour
minimum compensation for such call.

SECTION 14 CALL BACK - ROLL DOWN LIST

Those employees who are assigned to a roll down call back list for emergencies shall
receive a minimum of two (2) hours compensation at time-and-one-half when called
back to respond to such an emergency. Employees assigned to such a roll down call
back list shall not be subject to the stand-by provisions of Section 13. Roll down call
back lists are composed of employees who may be called during an emergency and are
called in sequence until a person whose name is on the list is contacted.

SECTION 15 COMPENSATORY TIME OFF

Employees who earn overtime may, at the option of the employee, elect to be paid cash
or accrue compensatory time off except as stated below. Compensatory time-off may
be accrued to a maximum of 40 hours. During the month of November each year,
except as stated below, the compensatory time off balance as of October 31 for each
employee will be paid off at the employee’s prevailing rate in October and the balance
reduced to zero. Compensatory time off will be scheduled in the same manner as
vacation time.

On October 31 of each year, employees may either receive pay for unused CTO or
maintain unused CTO as CTO leave, in accordance with procedures to be developed by
the Finance Director. If an employee does not make a selection, the entire CTO
balance as of October 31 will be paid. Payments will be made the second payday in
November. In no case may an employee maintain more than 40 hours of accrued CTO in their leave bank.

SECTION 16  HOLIDAY TIME

The Holiday schedule for the term of this agreement will be:

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

SECTION 17  OVERTIME

For purposes of determining when overtime compensation is owed under both City Overtime Policy as defined in City Code Section 25-11.05 and the F.L.S.A., only hours actually worked shall be counted. Excluded from this provision is paid time off on City Holidays.

The intent of this section is to bring the City's overtime policy into alignment with what is mandated under F.L.S.A. It is not the intent of this section to alter the way in which overtime is assigned.

The City will monitor and respond to overtime complaints to ensure overtime is assigned and compensated in an appropriate manner. The Union will work cooperatively with the City to ensure the appropriate application of this policy.

SECTION 18  FLOATING HOLIDAY

The Union's holiday schedule shall include (1) floating holiday per fiscal year, per employee. The scheduling is at the discretion of the employee subject to approval by their department head.

The floating holiday may be rolled over to the next fiscal year. In no case shall an employee be allowed to accrue more than 40 hours of accrued floating holiday time, and there shall be no cash value for floating holidays.

SECTION 19  NIGHT SHIFT DIFFERENTIAL

An employee who is required and authorized to work a regularly scheduled shift at least part of which falls between six (6:00) p.m. and six (6:00) a.m. shall be paid a shift differential of $1.00 per hour for each hour worked between six (6:00) p.m. and six
(6:00) a.m. This differential shall not apply to hours worked between six (6:00) p.m. and six (6:00) a.m. which result from a call-back, stand-by, overtime or mutually agreeable flexible schedules. For payroll reporting purposes, night shift differential will be paid in that pay period where the sum of previously worked qualified time equals at least one (1) hour.

SECTION 20 AUTOMOTIVE SERVICE EXCELLENCE CERTIFICATION and GENERAL BUILDING CONTRACTORS LICENSE INCENTIVE PAY

The following Incentive Pays shall be effective based on the demonstration and active continuation of the appropriate certifications or licensing:

Employees in the classifications of Fleet Coordinator, Lead Mechanic, and Automotive Mechanic shall receive 1.0% incentive pay for each Automotive Service Excellence (ASE) certification, up to a maximum of 5.0% total from the list of 8 certifications listed below:

- A1 Engine Repair
- A2 Automatic Transmission/Transaxle
- A3 Manual Drive Train and Axles
- A4 Suspension and Steering
- A5 Brakes
- A6 Electrical/Electronic Systems
- A7 Heating and Air Conditioning
- A8 Engine Performance

Employees in the classifications of Senior Craftsworker and Building Maintenance Craftsworker shall receive a 5.0% incentive pay for maintaining an active California Class B General Building Contractors License.

In order to receive the incentive pay described above, the employee must present proof of the applicable current certification(s) or licensing to the Public Works Administration Division. The incentive pay will begin on the first day of the pay period following the department’s receipt of the proof of certification(s) or licensing. Failure to maintain the active certification(s) or licensing will result in the loss of incentive pay effective on the first day of the pay period following the date of the certification(s) or licensing expiration. It is the employee’s responsibility to inform the department if any of the certifications or the licensing expires or becomes invalid.
SECTION 21    BILINGUAL PAY

The City recognizes that there is merit to having employees who are bilingual.

The City will provide a $100 per month stipend ($1,200 per year), for up to five (5) GEM represented employees who meet the testing criteria (same testing process as used in the Police Department) for being bilingual in Spanish. The employees designated to receive this stipend should be recommended for bilingual pay by their Department Head (benefit to department and City), and approved by the Human Resources Director. These employees, if available during their work schedule, may be called upon by other departments on an as needed basis.

SECTION 22    EDUCATION INCENTIVE PLANS

22.1 Education Incentive Plan (EIP)

All current employees hired prior to July 1, 1990, will continue to be eligible to participate in the Education Incentive Plan (EIP) as outlined in Monterey City Code Section 25 – 11.07. Employees hired by the City on or after July 1, 1990, will not be eligible to participate in the Education Incentive Plan as outlined in Monterey City Code Section 25 – 11.07. The terms of EIP are outlined below consistent with Monterey City Code Section 25 – 11.07.

A. Coverage

This Section shall apply to all full-time positions in the Classified Service except:

1. Those classes of employment requiring a post-secondary degree as an entrance requirement for employment; and

2. Employees hired by the City after July 1, 1990.

B. Compensation

Covered employees who comply with the eligibility provisions of this Section shall, upon application, receive compensation equal to:

1. 2.5% of their base monthly salary upon satisfactory completion of thirty (30) units of college level, job-related courses.

2. 5% of their base monthly salary upon satisfactory completion of sixty (60) units of such job-related course work; or by presentation of certification indicating attainment of an Associate of Arts, Bachelor of Arts, Bachelor of Science or higher degree.

C. The total maximum salary increment attainable under the Plan shall be 5%.
D. College-level units earned prior to employment with the City or during the first year of City employment shall be counted toward the attainment of the above unit requirements provided the other requirements of this Rule are satisfied. However, any education required as a condition of employment shall be excluded.

E. Proof of completion of course work requirements shall be submitted to the department head indicating the specific courses and credits completed, together with transcripts or other documentation as may be required by the Human Resources Director. This information shall be submitted on forms provided by the Human Resources Director. The Human Resources Director shall approve or disapprove eligibility for additional compensation and transmit the necessary documentation and recommendations to the Finance Department. Following appropriate processing by the Finance Department, the documentation and recommendations provided by the Department shall be submitted to the Human Resources Director. The Human Resources Director shall be responsible for insuring full compliance with the provisions of this Section and for processing the transaction in the manner provided below.

F. Additional compensation due under this Section shall commence the first pay period following submission and approval of the above documentation, provided said documentation is received and approved by the Human Resources Department on or before the close of the payroll period.

G. Additional compensation shall cease as of the effective date of appointment to a position not covered by the Plan.

H. Qualifying Course Work

1. All course work undertaken in connection with the Plan must have the prior approval of the department head. In addition, all courses must be taken during the employee's off-duty hours for which the employee is not receiving any form of compensation from the City.

2. Qualifying course work must be both job related and at a college level in accordance with the definitions provided below. Plan credits shall not be given for work experience, even though an academic institution may have given credit for such experience, until such time as a qualifying degree is granted by such institution. However, the Human Resources Director may grant approval, for covered general employees, for a course of instruction which does not lead to the accumulation of college units, but which clearly will increase the employee's job-related skills and knowledge. The equivalency of such instructional hours to a college unit shall be in the range of 36 to 54 hours equaling one college unit. Such equivalency values shall be established by the Human Resources Director
in consultation with the department head prior to the commencement of the course work, and the employee shall be so advised.

1. Definitions

1. "Base Pay" shall mean the monthly salary as set forth for the range and step of the eligible person in the salary schedule and shall specifically exclude any form of premium pay, other direct compensation and supplemental benefit.

2. "Satisfactory Completion" shall mean a grade of "C" or better in each course. Not more than one third of the total number of units considered for Educational Incentive pay may be on a "credit only" or "pass/fail" basis (limit of 10 out of 30 units; 20 out of 60 units). Units earned with a "Credit Minus" or "Fail" (D or F) grade will not be eligible under the Educational Incentive Plan. Repeated courses will not be counted except when the course is repeated to earn a satisfactory grade not earned when the course was initially taken.

3. "College Level" shall mean any post-high school educational institution accredited by the California State Department of Education, the Western Association of Schools and Colleges, or equivalent organizations in other states or countries, or which has the prior approval of the Human Resources Director.

4. "Job Related" shall mean any college-level course related to technical or specialized aspects of the employee's position, as well as courses meeting general educational degree requirements which are reasonably job-related. Course work may also be included if it can be reasonably demonstrated that it will prepare the employee for promotional consideration for an existing City classification. The Human Resources Director shall determine the eligibility of all courses. In the case of doubt prior to taking a course, the employee shall request the written determination of the department head in advance of enrollment in the course.

5. "Unit" shall mean a unit as established by the educational institution.

22.2 Education Incentive Premium Pay

Effective January 1, 2001, all employees who have completed their initial probationary period are eligible for the City's Education Incentive Premium as outlined below and further described in the City's Administrative Policy (Attachment A).

1. To qualify for consideration, an employee must have a Baccalaureate or Master's Degree from an accredited college or university.

2. For a Baccalaureate, an employee would receive 5% premium pay on base salary and 7.5% premium pay on base salary for a Master's Degree. An employee cannot receive both of these premium pays.
3. Employees currently in the “Grandfathered” Education Incentive Plan would be afforded a one-time opportunity to select whether or not to move into the Education Incentive Premium or retain their grandfathered status under the grandfathered Education Incentive Plan program. However, no employee may participate in both programs.

4. For classifications that require the equivalent of a Baccalaureate degree or higher, the employee will not be eligible to receive this premium. Further, employees who accept a position which requires the equivalent of a Baccalaureate degree or better, shall cease to be eligible to receive this premium.

5. The City shall consider CEIP as part of base pay.

SECTION 23  TUITION REIMBURSEMENT

The Tuition Reimbursement allowance shall be up to $1,000.00 per fiscal year per employee. The program shall include reimbursement for seminars and accredited courses that are job related and course textbooks.

SECTION 24  MINIMUM LEAVE EVENTS

The minimum leave that can be taken by an employee for all leave events shall be fifteen minutes, except for voluntary unpaid leave.

SECTION 25  VACATION SCHEDULE

The vacation accrual for regular full-time employees shall be as follows:

A. 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.

B. All employees who have been employed continuously for more than five (5) years but less than ten (10) years shall receive one hundred and twenty (120) hours vacation accrual per year whether assigned to a forty (40) hour work week or other duty schedule.

C. All employees who have been employed continuously for more than ten (10) years but less than fifteen (15) years shall receive one hundred and thirty six (136) hours vacation accrual per year whether assigned to a forty (40) hour work week or other duty schedule.

D. All employees who have been employed continuously for more than fifteen (15) years shall receive one hundred and sixty hours (160) vacation accrual per year whether assigned to a forty (40) hour work week or other
E. All employees who have been employed continuously for more than twenty (20) years shall receive one hundred eighty four (184) hours vacation accrual per year whether assigned to a forty (40) hour work week or other duty schedule.

Vacation use shall be subject to the current City Rules and Regulations in effect at the time of application.

SECTION 26 VOLUNTARY UNPAID LEAVE

With advance department head approval, an employee, other than a Police Services Technician, may take up to 40 hours of voluntary unpaid leave annually in one (1) hour minimum increments subject to the following findings by the department head:

A. It will create no overtime due to the absence of the employee, and

B. It will create no adverse operational impact on the department or division.

SECTION 27 SICK LEAVE

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

27.1 Sick Leave Accrual

1. Full-time employees shall accrue sick leave credits at the rate of eight (8) hours per month or major portion thereof.

2. Employees shall accrue sick leave and be permitted to use such accrued leave upon employment for the permitted uses in Monterey City Code Section 12.02.c.

3. All full-time employees may accrue sick leave without limitation.

27.2 Sick Leave Usage

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 child (biological, adopted, or foster child, stepchild, legal ward, or a child to whom the employee stands in loco parentis); mother, father, spouse or domestic partner registered with the Department of Human Resources.
2. When utilizing the sick leave benefit, the employee shall notify the immediate supervisor, in accordance with departmental regulations and Monterey City Code Section 25-11.01(b).

3. 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 immediate supervisor, on a daily basis if deemed necessary by the supervisor.

4. 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.

27.3 Family Sick Leave

Up to 48 hours of accrued sick leave hours may be used each calendar year to care for the care related to the illness or injury of the employee’s grandparent, grandchild, brother, sister, father-in-law, mother-in-law, stepfather or stepmother.

27.4 Family Member Critical Illness/Death

1. All employees may be authorized to use up to 40 hours of accrued sick leave per calendar year to visit or care for a critically ill family member; and to use up to 40 hours of such 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 for a single family member.

These types of sick leave use are separate and distinct from Family Sick Leave described in Section 27.3.

2. At the department head’s discretion, the employee may be required to provide evidence that the leave was used for the purposes intended by this section.

3. For purposes of determining the use of sick leave for critical illness and 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, step-parents, step-siblings, step-children, step-grandparents or grandparents-in-law.
27.5 Medical/Dental Appointments

Accrued sick leave may, with department head approval, be used for medical and dental appointments of the employee where it is infeasible to schedule them on the employee's own time.

27.6 Sick Leave Abuse

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.

2. When the department head has reason to suspect that an employee has abused sick leave benefits, the department head may require that employee to file a personal affidavit or furnish medical verification or other substantiation for any such absences. The department head, 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.

3. The payment of sick leave may be suspended or curtailed by the City Manager where there is evidence that absences taken on a given day or days are the result of a concerted action on the part of two 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. Sick leave may be restored when proof is provided that the sick leave was taken as provided in these Rules.

27.7 Sick Leave Used as Personal Leave

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.

27.8 Exhaustion of Sick Leave

An employee anticipating exhaustion of sick leave may request advance approval from their department head 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 having discretion to either deny or approve the request.
SECTION 28 MATERNITY AND PARENTAL LEAVE

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 California Family Rights Act.

SECTION 29 SHORT TERM / LONG TERM DISABILITY PLAN (STD/LTD)

The City shall provide a Short Term/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.

1) Maintenance of Benefits: The City will provide the employee HPSF, dental, vision, life, Employee Assistance Plan (EAP) and participation in the medical plan for up to a maximum of two (2) years per incident, subject to the following:

a) The person is an active employee, whose period of disability began on or before December 31, 2017; and

b) The employee has at least one full day in a pay status during the month (either City pay or Disability payment).

2) Maintenance of Benefits: The City will provide the employee HPSF, dental, vision, life, Employee Assistance Plan (EAP) and participation in the medical plan for up to a maximum of eighteen (18) months per incident, subject to the following:

a) The person is an active employee, whose period of disability began on or between January 1, 2018 and December 31, 2018; and

b) The employee has at least one full day in a pay status during the month (either City pay or Disability payment).

3) Maintenance of Benefits: The City will provide the employee HPSF, dental, vision, life, Employee Assistance Plan (EAP) and participation in the medical plan for up to a maximum of twelve (12) months per incident, subject to the following:

a) The person is an active employee, whose period of disability began on or after January 1, 2019; and

b) The employee has at least one full day in a pay status during the month (either City pay or Disability payment).

4) Leave Accrual:
a) If, due to an industrial injury or illness, an employee is in a pay status (either City pay or Disability payment) for the majority of the month, leave accruals (sick leave, vacation, and holidays) shall continue for the first six months of the disability.

b) 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 30 PROBATION PERIOD DURATION

All original appointees to positions in any classification shall serve a continuous probationary period of twelve (12) months. All promotional appointees shall serve a probationary period of six (6) months. Probation shall not apply to employees who are reclassified, re-employed or reinstated.

SECTION 31 RECLASSIFICATION

The City's administrative procedure relating to the annual "Reclassification and Salary Adjustment Process" shall allow the Union to submit up to five requests for reclassification to the Human Resources Department. Such requests must be justified under the same, and applicable, documentation rules followed by departments in submitting reclassification requests at the time the study is conducted. The Human Resources Department will consult with the appropriate department head(s) and, if either concur that there is sufficient cause to study the possibility of reclassification, the reclassification proposal shall be included in the study process for evaluation and a final recommendation to the City Manager and City Council.

SECTION 32 EMPLOYEE ASSISTANCE PROGRAM

The City shall provide an Employee Assistance Program. The Employee Assistance Program is a confidential service designed to help employees and their household members resolve personal and workplace challenges.

SECTION 33 DRUG AND ALCOHOL TESTING

A. Department of Transportation (DOT) Class B Licensing Requirements and Random Drug and Alcohol Testing

The parties acknowledge that, consistent with the United States Department of Transportation Regulations, all employees required to obtain and maintain a California Department of Motor Vehicles Class B license must participate in a random drug and alcohol testing program.

The following conditions shall apply to employees in the classifications of Street Maintenance Leadworker, Senior Street Maintenance Worker, and any employee...
subsequent to the promulgation of this policy required to operate a vehicle of the City of Monterey exceeding 26,000 lbs. gross weight and/or requiring a State of California Department of Motor Vehicle Class B License:

1. The City will provide formal training on duty time concerning the operation of vehicles of at least 26,001 lbs. This will include "walk around" training.

2. City Reimbursements:
   a. The City will pay the difference in fees between a Class B and a Class C license as issued by the California Department of Motor Vehicles. In addition, the City will pay for the DMV test fee to obtain and renew a Class B license.
   b. The City will pay for the necessary medical examination associated with the employee obtaining and renewing a Class B license.

3. Employee Responsibilities:
   a. The employee must obtain and maintain a Class B license from the Department of Motor Vehicles of the State of California.
   b. The employee must obtain airbrake or other applicable certification associated with a Class B license from the Department of Motor Vehicles.
   c. The employee will submit to the Department of Transportation drug testing, as outlined in the City of Monterey Drug and Alcohol Policy pursuant to the Department of Transportation Regulations (Attachment B).
   d. All employee study time, required to obtain and maintain a Class B license, shall be off duty.

4. All employees in a designated classification or position with the City of Monterey shall be required to obtain a Class B license. Failing to obtain a Class B license when required as a condition of employment may result in the separation of the employee for failing to meet a basic employment requirement. For employees of the City in one of the classifications listed below as of August 6, 1997, failing to obtain a Class B license for medical and/or testing reasons will not be cause for separation from City employment so long as the employee has demonstrated in the view of the City a good faith effort to meet the requirements of obtaining a Class B license. At the time this agreement was promulgated, the City classifications that have, as a condition of employment the obtaining and maintenance of a Class B license, are:
   a. Street Maintenance Leadworker
   b. Senior Street Maintenance Worker
c. Street and Utilities Supervisor

5. Any employee hired into the Lead Mechanic or Automotive Mechanic classifications on or after March 8, 2004 shall also be required to obtain and maintain a California Department of Motor Vehicles Class B license, and must participate in a random drug and alcohol testing program as described in this section. Those employees hired into the Lead Mechanic or Automotive Mechanic classifications prior to March 8, 2004 are not required to obtain or maintain a Class B license, and are not subject to the provisions of this section.

6. Class B License Pay. Employees who are in positions within classifications designated as requiring Class B license as a condition of employment shall be eligible for a $40 per pay period premium pay. Specific positions within a classification that require a Class B license will be determined by the Department Director or designee. Employees shall not be eligible for this premium pay for any full or portion of a City pay period that the Class B License is suspended and/or expired. Employees not in a City pay status for one full pay period or longer shall not be eligible for this premium pay during the time not in pay status.

7. The City, as a means of encouraging employee development for promotional opportunities, will pay on behalf of employees voluntarily obtaining a Class B license the difference in the fee between a Class C and a Class B license. Additionally the City will pay for the necessary medical examination associated with the employee obtaining and renewing a Class B license. This benefit is limited to the employees in the classifications of Street Maintenance Worker, Lead Mechanic, Automotive Mechanic, Green Belt Coordinator, Sign Crafts Worker.

B. Substance Abuse Policy—General Employees of Monterey (GEM)

The following classifications may be subject to random drug and/or alcohol testing, as described in Attachment C:

- Recreation Coordinator
- Sports Coordinator

SECTION 34 WELLNESS PROGRAM

The Union and the City agree that employee health and fitness are important factors in maintaining an optimal work environment. Employees who participate in a physical fitness program shall receive up to $100 per calendar year reimbursement for the cost of a medical physical examination or fitness consultation.

Upon completion of the required physical exam, or fitness consultation, employees shall receive annual, renewable and nontransferable employee-only passes to the Monterey GEM.
Sports Center in order to implement their personal fitness programs. These passes shall be subject to renewal by the City in accordance with a medical examination or fitness consultation schedule based on the employee's age and may be discontinued on an individual basis for failure to comply with the program procedures or upon separation from City employment. The details of the program shall be as outlined in "Fitness Program." (See Attachment D)

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. Every twelve (12) months from the date of the purchase of the family pass, the employee shall be afforded the opportunity to make an election to continue crediting the value of the employee-only pass toward the family pass which shall be irrevocable for the next twelve (12) months.

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.

SECTION 35 FITNESS ACTIVITY PLAN

All GEM-represented members will be eligible to participate in a Fitness Activity 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 (Attachment E).

Conditions for Qualifying (see Attachment E)

- Employees are required to work out a minimum of 26 45-minute sessions or 39 30-minute sessions, or any combination of 30-minute and 45-minute sessions to reach a minimum of 1170 minutes per quarter in order to accrue 10 hours of leave. As of October 1, 2013, in addition to the 30-minute and 45-minute exercise sessions, employees may now record 60-minute sessions toward the minimum 1,170 minutes of exercise each quarter.
- A session is considered to be any moderate or higher intensity physical activity lasting a minimum of 30 minutes or 45 minutes. Any session lasting longer than 45 minutes will be recorded as a 45 minute session. As of October 1, 2013, a session is considered to be any moderate or higher intensity physical activity lasting a minimum of 30 minutes, 45 minutes, or 60 minutes. Any session lasting longer than 60 minutes will be recorded as a 60 minute session.
- Only one workout per calendar day will be counted as a session.
- Participants will complete a Fitness Activity Log demonstrating completion of each workout, which is based on the honor system. At the end of each quarter participants will send the Fitness Activity Log to the Human Resources
Department for verification of qualifying activities. The 10 hours of leave will then 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 40 hours can be accrued in a separate exercise incentive time bank, with a maximum of 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.
- Leave time must be coordinated and approved by the employee's supervisor.
- 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, will be required prior to accruing time. Individual results of the physical fitness assessment will be confidential between the Monterey Sports Center and the employee. Contact Fitness Manager Bill Rothschild at 646-3492 at the Monterey Sports Center to schedule your appointment.
- Submitting a Fitness Plan Waiver form to Human Resources is required to participate in this program.

SECTION 36  BICYCLE COMMUTER PROGRAM

A GEM employee who regularly commutes by bicycle between home and work (or the alternatives described in the Bicycle Commuter Program Policy (Attachment F) may be reimbursed up to $20 per qualifying month for some of their bicycle commuting expenses. Submitting a Bicycle Commuter Waiver form to Human Resources is required to begin participation in this program, and completion of the "Bicycle Commuter Certification and Reimbursement Claim Form" must be submitted as outlined in the Program policy to claim reimbursement.

SECTION 37  BARGAINING UNIT STATUS FOR POSITION CLASSIFICATION(S) – NOTICE PROCEDURE

37.1 Changing Existing Classification Bargaining Unit Status

When a position classification(s) is to be changed from one bargaining unit to another by City action, the following procedure shall apply:

A. The Executive Board members and LIUNA representative of the affected Union(s) shall receive written notice of the proposed change at least ten (10) working days prior to being on the Council agenda. Delivery of said notice shall be made via e-mail.

B. The notification to the Executive Board members and LIUNA representative shall include:

- The position classification title;
• Any changes to the position classification description resulting from the proposed change in bargaining unit status;

• The number of positions and incumbent employees affected, and

• The time frame within which the Union Chair(s) is to respond to the proposed change. The time frame will be at least ten (10) working days from receipt, unless otherwise noted. The Union Chair(s) will, upon request, have an additional ten (10) working days to review and comment upon any proposed change.

C. The Union Chair(s) may comment as appropriate on the proposed change within the comment period. If the Union Chair(s) does not comment within the comment period, the City shall assume that the Union(s) acquiesces to the proposed changes.

37.2 Creating a New Classification and Assigning to a Bargaining Unit

When a position classification(s) is to be created by City action and assigned to a bargaining unit, the following procedures shall apply:

A. The Executive Board members and LIUNA representative of the affected Union(s) shall receive written notice of the proposed addition at least ten (10) working days, prior to being on the Council agenda. Delivery of said writing shall be made via e-mail.

B. The notification to the Executive Board members and LIUNA representative shall include:

• The position classification title;

• The position classification description, upon completion;

• The number of positions, and

• The time frame within which the Union Chair(s) is to respond to the proposed change. The time frame will be at least ten (10) working days from receipt of notice, unless otherwise noted. The Union Chair(s) will, upon request, have an additional ten (10) working days to review and comment upon any new classification.

C. The Union Chair(s) may comment as appropriate on the proposed change within the comment period. If the Union Chair(s) does not comment within the comment period, the City shall assume that the Union(s) acquiesces to the new classification.
37.3 Changing Existing Job Description or Reclassification of Employees

When an existing job description is to be changed or modified or an employee is reclassified by City action, the following procedures shall apply:

A. The Executive Board members and LIUNA representative of the affected Union(s) shall receive written notice of the proposed changes at least ten (10) working days, prior to being on the Council agenda or ten (10) working days from receipt prior to implementing the modification if action is not required by the Council. Delivery of said writing shall be made via e-mail.

B. The notification to the Executive Board members and LIUNA representative shall include:

- The position classification title;
- The changes to the job description and/or job responsibilities;
- The number of positions and incumbent employees affected, and
- The time frame within which the Union Chair(s) is to respond to the proposed change. The time frame will be at least ten (10) working days from receipt, unless otherwise noted. The Union Chair(s) will, upon request, have an additional ten (10) working days to review and comment upon any proposed change.

C. The Union Chair(s) may comment as appropriate on the proposed change within the comment period. If the Union Chair(s) does not comment within the comment period, the City shall assume that the Union(s) acquiesces to the proposed changes.

37.4 In the event that the bargaining unit does not concur with the new classification and/or changes to an existing classification then this matter shall be addressed in a City/Union meeting where applicable or a Meet and Confer Meeting where applicable for the sole purpose of addressing these concerns. The Meet and Confer process shall be used to resolve any outstanding concerns that fall under the ground rules of Meet and Confer.

The City, after considering the comments of the affected Union(s) regarding non Meet and Confer issues only, may either proceed with the proposed modification, modify the proposed change, or make no change in the status quo. The decision of the City shall be final.

SECTION 38 PERIODIC MEETINGS

The City agrees to meet on a periodic basis at Union's request to discuss items of common concern. Such meetings shall not include any meet and confer items or in any
way open this Memorandum of Understanding.

SECTION 39 BENEFITS COMMITTEE

The Employee Benefits Committee is an educational committee which meets for the purposes of communicating information and facilitating the ability of employee unions to brief their membership regarding the City's benefit plans. Two Union representatives shall be appointed to serve on the Employee Benefits Committee.

Meetings of the Employer Benefits Committee will be held upon the joint concurrence of the City and the Union.

SECTION 40 PERSONNEL RULES AND REGULATIONS

Personnel Rules and Regulations in effect at the time of ratification of this agreement shall prevail unless superseded specifically by this Memorandum of Understanding or by mutual agreement between the City and the Union. This section does not subject those Personnel Rules and Regulations which would otherwise be excluded from the meet and confer process to any need to meet and confer.

SECTION 41 FLEXIBLE SCHEDULING

The City and the Union recognize that the concept of flexible schedules in certain circumstances may benefit and enhance the delivery of City services and operations while affording employees alternative work schedules. Based on this recognition, the City and the Union agree that authority for approving flexible schedules shall be included in the Personnel Rules and Regulations. The elements of this authority will include the following:

A. Where operationally feasible, a department head may authorize flexible schedules on an individual or group basis.

B. When a flexible schedule is approved, the City retains the right to return to the former schedule on a temporary or permanent basis.

C. Employees may, individually or as a group, make a request for a flexible schedule to their immediate supervisor who shall forward said request with their recommendation to the department head. Such a request should address such items as staffing levels, impacts on services and operational needs. The determination of the department head shall be final, provided that a denial of the request shall be accompanied by a written statement setting forth the specific reason(s) for the denial.

The Union and the City agree that this description is a basic outline of the flexible schedule authority.
SECTION 42   MEDICARE OPTION

This section is no longer relevant, but is maintained in the Agreement for historical purposes.

Subject to the provisions of governing law, current employees hired by the City prior to April 1, 1986 will be given the option to be subject to Medicare payroll deductions effective July 1, 2001, or as soon as practical thereafter. Enrollment in Medicare will be at the employee's option with the employee assuming the cost of the required employee contribution/tax and the City assuming the cost of the employer's contribution/tax.

SECTION 43   DEFERRED COMPENSATION

The City will match up to $35.00 per pay period ($70.00 per month) of an employee's contribution to a City authorized Deferred Compensation Plan authorized under Internal Revenue Code Section 457. The employee's contribution does not need to be an increase from any existing contribution to count towards the amount the City will match. The combined contribution between the City's and the employee's contribution to the City's Deferred Compensating Plan (s) cannot exceed the maximum permitted by law.

SECTION 44   RETIREMENT HEALTH SAVINGS PLAN

The City agrees to look for a Retiree Health Savings Plan (RHS) that provides employees the ability to "pre-fund" retiree health premiums and expenses through their own contributions. The City will keep GEM/UPEC informed as to the City's success in finding a plan that meets with Internal Revenue Service requirements. Since all employees within a bargaining unit may be required to contribute an equal amount, the City agrees to enter into discussion with GEM/UPEC before any such program will be implemented.

SECTION 45   WORKING OUT OF CLASS

In lieu of the provisions of Section 25 - 5.11 a.2 of the Monterey City Code 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 in order to be eligible for additional compensation, which will be applied to the excess period of time.

SECTION 46   GROUP LEGAL SERVICES

The City will provide a Group Legal Services Plan for employees represented by GEM 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 47 ALTERNATE STAFFING – ENGINEERING CLASSIFICATIONS

The City will provide an Alternate Staffing Program for the City's professional engineering classes. This program is limited to the classifications in the Public Works Department. Eligible classifications under this section are Associate Civil Engineer, Associate Mechanical Engineer, Engineering Assistant and Engineering Technician. 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.

Definition:

Alternate Staffing: When a superior classification is approved in the Department's Position Allocation list, the direct advancement of an employee in a subordinate related classification to the superior classification without a net gain in the number of personnel assigned to the Department.

In this case, the classifications which are eligible for Alternative Staffing are Associate Civil Engineer, Associate Mechanical Engineer, Engineering Assistant and Engineering Technician, future professional engineer classifications and successor classifications.

Procedure:

Subject to the advance approval of the City Manager, or his/her designee, the Public Works Director may appoint an employee from a subordinate professional engineering classification to a superior professional engineering 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 his/her 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 his/her designee, that the higher level skills of the superior classification are necessary to the City.

8. Subject to City Manager approval or that of his/her designee, employees may be hired into an engineering position 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 professional engineering classification 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 Engineering 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 Professional Engineering Classifications identified under "definition" will be in accordance with the standards established by the Public Works Director in conjunction with the Human Resources Director. These are as follows:

1. Obtaining registration from the State of California as a Profession Engineer is required before an Assistant Engineer may be considered for advancement to an Associate Engineer.

2. The Public Works Director may have specific technical requirements that must be consistently met by the Engineering Technicians and Assistants and in order to be considered for advancement. These technical requirement expectations will be clearly communicated to the Engineering Technicians and Assistants by the Public Works Director.

3. In addition to the above licensure, experience and educational requirements, progression to a higher level will also be predicated upon acceptable performance in the following areas: Interpersonal skills, communication skills (oral and written), integrity (honesty, forthrightness), capacity (demonstrated ability and interest in continuing to learn), and understanding (compassion, customer service ethic, teamwork). The Public Works Director will review the factors with the employee.
during annual evaluations and at the time the employee is otherwise eligible for progression through Alternate Staffing.

See Below for Minimum Standards for Employee Eligibility for Progression Through Engineering Classifications. These Standards must be met by an employee at the time progression through Alternate Staffing is considered under the above rules.

**ENGINEER TECHNICIAN**

<table>
<thead>
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<th>Experience</th>
<th>4 years experience in Engineering drafting with some survey exp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>High School</td>
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<tr>
<td>Licenses</td>
<td>None</td>
</tr>
<tr>
<td>Performance</td>
<td>Performs basic engineering, complex drafting and related technical work for a wide variety of public works projects, occasionally acts as a member of a survey party, and performs related technical tasks as required.</td>
</tr>
<tr>
<td>Related Skills</td>
<td>Interpersonal skills, ability to communicate clearly, integrity, capacity, understanding.</td>
</tr>
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</table>

**ENGINEER ASSISTANT**

<table>
<thead>
<tr>
<th>Experience</th>
<th>2 years qualifying, equivalent to California BORPELS standards</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Bachelor of Science in Engineering from accredited University or equivalent.</td>
</tr>
<tr>
<td>Licenses</td>
<td>Engineer in Training (CA) Desirable</td>
</tr>
<tr>
<td>Performance</td>
<td>Plans, schedules, conducts or coordinates detailed phases of the engineering work in a part of a major project or in a total project of moderate scope. Performs work which involves conventional engineering practice but may include a variety of complex features such as conflicting design requirements, unsuitability of conventional materials, and difficult coordination requirements. Work requires a broad knowledge of precedents in the civil specialty area and a good knowledge of and practices of related specialties, especially electrical and mechanical engineering.</td>
</tr>
<tr>
<td>Related Skills</td>
<td>Interpersonal skills, ability to communicate clearly, integrity, capacity, understanding.</td>
</tr>
</tbody>
</table>

**ASSOCIATE ENGINEER**

<table>
<thead>
<tr>
<th>Experience</th>
<th>4 years qualifying, equivalent to California BORPELS standards.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>Bachelor of Science in Engineering from accredited University or equivalent.</td>
</tr>
<tr>
<td>Licenses</td>
<td>Professional Engineer (CA), prefer Land surveyor in addition.</td>
</tr>
<tr>
<td>Performance</td>
<td>One or more of the following: 1) In a lead capacity, plans, develops, coordinates, and directs a large and important engineering project or a number of small projects with many complex features. 2) As individual researcher or worker, carries out complex of novel assignments requiring the development of new or improved techniques and procedures. Work is expected to result in the.</td>
</tr>
</tbody>
</table>
SECTION 48  CITY CEMETERY SERVICES

The survivors of an active employee who passes away (either while active or within 30 days of separation from the City) shall have access to the resident rates at Cemeterio El Encinal for cemetery services for the purpose of interring the employee, provided that the employee has had at least 10 years of continuous service with the City in either a full-time or combined full-time/regular part-time capacity.

SECTION 49  ALTERNATE DISPUTE RESOLUTION PROCEDURE

The City and GEM agree to an alternate dispute resolution procedure (grievance and discipline appeals) where GEM may opt for non-binding advisory fact-finding at the appeal step between Department Head and City Manager. The cost of the fact-finder to be paid by GEM. The City Manager will have discretion to implement any or no part of the fact-finder’s recommendation.

SECTION 50  USE OF VOLUNTEERS

The City of Monterey actively supports volunteerism in City departments and in the community. Volunteers make a positive impact on local government, assist in accomplishing tasks and help support new programs. They provide community outreach and augment the level and type of quality services provided by the City of Monterey.

When volunteer assignments are created, volunteers shall be used in a manner which assists unit employees and does not displace nor replace unit employees.

SECTION 51  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 20 years of age and younger) of active City employees.
SECTION 52  MINIMUM SHIFT CHANGE NOTIFICATION FOR NON-EMERGENCY SITUATIONS

The City shall provide a minimum of 72-hour advance notification of any alterations, changes or deviations from an employee's regularly assigned work shift or work schedule. This notification requirement shall not apply in situations where the City faces unforeseen conditions such as damages to infrastructure caused by storms, rainfall, fires, or other natural disasters. Additionally, this notification requirement shall not apply when the City has to respond to unforeseen situations caused by unscheduled or not noticed events including but not limited to epidemics, riots, and assemblies.

SECTION 53  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 regulations, 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 54  FULL UNDERSTANDING, MODIFICATION AND WAIVER

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, rights and privileges, within the scope of representation, not changed herein shall remain in full force. It is not the intent of this section to bar, during the term of this agreement, meeting and conferring between the City and the Union on new issues that arise within the scope of representation. Nor is it the intent of this section to abridge any rights outlined in City Code Sections 25-16.03 through 25-16.05. (Attachment G).

Except as specifically provided herein, it is agreed and understood that each party hereto voluntarily without qualification waives its right, and agrees that the other shall not be required to negotiate with respect to any subject or matter covered herein.

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 both parties.

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, earthquake, or other conditions, including conditions resulting from war or imminent threat of war. However, the City shall notify the Union 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 Memorandum of Agreement 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.

For the City

Michael McCarthy
City Manager

Hans Uslar
Assistant City Manager

Allyson Hauck
Human Resources Director

For GEM

C. Thane Wilson
GEM Chair

Chris Darker
Business Manager
UPEC, Local 792

Steve Allen
Labor Relations Manager
UPEC, Local 792
Attachment (Links)

Attachment A: Education Incentive Premium Pay Plan & Education Incentive Premium Pay Plan Application

Attachment B: Drug and Alcohol Policy

Attachment C: Substance Abuse Policy

Attachment D-1: Fitness Program Policy
Attachment D-2: Things City Employees Should Know about the Fitness Program

Attachment E: Fitness Activity Plan & Fitness Activity Log

Attachment F: Bicycle Commuter Program & Record of Participation & Claim Form

Attachment G: City Code (Section 25-16.03 through 25-16.05)