CITY OF PACIFIC GROVE

MEMORANDUM OF UNDERSTANDING MANAGEMENT EMPLOYEES ASSOCIATION

January 1, 2020 – June 30, 2023
# Table of Contents

**ARTICLE 1  ADMINISTRATIVE**

1.1 Parties .......................................................... 3  
1.2 Recognition .................................................... 3  
1.3 Unit Description ............................................... 3  
1.4 Coverage .......................................................... 3  
1.5 Duration and Scope of MOU ............................................. 3  
1.6 Nondiscrimination .................................................. 4  
1.7 Association Dues ................................................... 4  
1.8 Contracting Out/Bidding .............................................. 4  
1.9 Safety .............................................................. 4  
1.10 Safety Committee .................................................. 4  

**ARTICLE 2  COMPENSATION**

2.1 Salary ............................................................ 4  
2.2 Management Time Compensation ......................................... 5  
2.3 Additional Salary Schedule Steps ......................................... 5  

**ARTICLE 3  INSURANCE BENEFITS**

3.1 Employee Health Plan Eligibility ........................................ 6  
3.2 City Paid Health Premiums ................................................ 6  
3.3 Rate of Contribution Cash in Lieu (Grandfathered Employees) ............... 6  
3.4 Rate of Contribution Cash in Lieu (New Employees) ........................... 7  
3.5 Proof of Other Coverage ................................................. 7  
3.6 Section 125 Plan ....................................................... 7  
3.7 457 Deferred compensation Plan ........................................... 7  
3.8 Group Life Insurance .................................................... 7  
3.9 Short Term/ Long Term Disability Plan (STD/ LTD) ............................... 7  
3.10 State Disability Income Protection Plan ....................................... 8  
3.11 Medical, Dental, and Vision Insurance ........................................ 8  
3.12 Medicare ............................................................ 8  
3.13 Workers Compensation Salary Continuation ...................................... 8  

**ARTICLE 4  FITNESS INCENTIVE**

4.1 Fitness Incentive Program Overview. ........................................... 8  
4.2 Fitness Assessment Procedure ............................................. 8  
4.3 Fitness Testing Components .............................................. 9  
4.4 Incentive Plan Compensation ............................................... 9  

**ARTICLE 5  RETIREMENT** .................................................. 9
5.1 Definition .................................................................................................................. 9
5.2 Service Pension for Classic Members ................................................................. 10
5.3 Cost Sharing - Service Pension for Classic Members ........................................... 10
5.4 Final Compensation for Classic Members ............................................................ 10
5.5 Credit for Unused Sick Leave for Classic Members .............................................. 10
5.6 New CalPERS Members Benefit Rate, Contribution and Final Compensation .... 11
5.7 1959 Survivor’s Allowance .................................................................................... 11
5.8 Military Service Credit ......................................................................................... 11
5.9 Continued Application ......................................................................................... 11

ARTICLE 6 LEAVE PROVISIONS ............................................................................... 11

6.1 Sick Leave ............................................................................................................. 11
6.2 Sick Leave Buyout .............................................................................................. 11
6.3 Personal Necessity Leave ................................................................................... 11
6.4 Bereavement Leave ............................................................................................ 11
6.5 Paid Time Off (PTO) .......................................................................................... 12
6.6 Paid Holidays ....................................................................................................... 13

ARTICLE 7 WORKING CONDITIONS ....................................................................... 14

7.1 Uniform Allowance ............................................................................................ 14
7.2 Alternate Work Schedule .................................................................................. 14
7.3 Step Advancement ............................................................................................. 14
7.4 Work Outside Business Hours .......................................................................... 15

ARTICLE 8 CONTINUING EDUCATION AND PROFESSIONAL DEVELOPMENT .... 15

8.1 Tuition Reimbursement ..................................................................................... 15
8.2 Professional Development Program ................................................................ 15
8.3 City Training Day .............................................................................................. 15

ARTICLE 9 MISC ....................................................................................................... 16

9.1 MOU Negotiations Timing ................................................................................ 16
9.2 Future Negotiations ........................................................................................... 16

ARTICLE 10 SAVINGS CLAUSE ............................................................................ 16
Memorandum of Understanding Between
City of Pacific Grove and
Management Employees’ Association

January 1, 2020 – June 30, 2023

In accordance with State requirements, the City of Pacific Grove, through its negotiating team, and the Pacific Grove Management Employees’ Association, through its negotiating team, have met and conferred in good faith on matters within the scope of representation. As a result of these meetings, the parties make the following Memorandum of Understanding as required and subject to the conditions of Government Code Section 3503.1.

ARTICLE 1 ADMINISTRATIVE

1.1 Parties
This agreement is made and entered into between the City of Pacific Grove (herein called the “City”) and the Pacific Grove Management Employees’ Association, (herein called the “Association”).

1.2 Recognition
The City recognizes the Pacific Grove Management Employees’ Association as the exclusive representative of the employees of the City in the Management Unit.

1.3 Unit Description
The Management Unit consists of all regular employees of the City occupying positions in the following non-confidential designated job classes:

   Community & Economic Development Program Manager  
   Construction Project Manager  
   Environmental Programs Manager  
   Librarian  
   Management Analyst  
   Planner, Principal  
   Program Manager  
   Public Works Superintendent  
   Senior Librarian  
   Senior Recreation Coordinator

1.4 Coverage
This Memorandum of Understanding applies only to full-time positions in the Management Association.

1.5 Duration and Scope of MOU
The MOU shall govern the period January 1, 2020 through June 30, 2023. It is understood that as to any terms not covered by this MOU, Section 4.20 of the Pacific Grove Municipal Code and Policy & Procedures Manual is applicable.
1.6. Nondiscrimination
The provisions of this Memorandum of Understanding shall be applied equally to all employees covered hereby without discrimination because of Association membership.

Employees may elect to exercise their right to join and participate in the activities of the Association for the purpose of representation in all matters of their working conditions and employer-employee relations.

1.7 Association Dues
While this agreement remains in effect the City will, upon verification that a City employee is a member of the Association, deduct from the employee’s paycheck and forward to the Association, his or her membership dues. All other legal and required deductions notwithstanding, the employee shall have the right to cancel membership per association policy and by giving written notice to the association. The City shall transmit to the Association, as soon as reasonably possible, the aggregate of such deductions, along with an itemized statement of the deductions taken. Dues deducted and paid to the Association in error shall be refunded to City upon presentation of proof of such error. Membership dues will cease automatically upon the effective date of promoting or demoting out of the association.

1.8 Contracting Out/Bidding
The City has the right to contract out bargaining unit services, when feasible, the City may perform cost analysis to meet the best interest of the City. In the event that the City exercises it’s right to contract out bargaining unit work, the City shall provide at least 60 days’ notice to Association and an opportunity for the Association to meet and confer on the impacts and effects of this decision and comply with current law.

1.9 Safety
The City recognizes its obligation and is committed to providing a safe place of employment for its employees. To assist in accomplishing this goal, it is agreed that the City reserves the right to adopt reasonable City rules and regulations, which become effective when posted. City agrees to meet and discuss with the Association proposed changes prior to implementation.

The Association agrees that it is the duty of all employees to comply with all reasonable rules and regulations and to be alert to all unsafe places, equipment and conditions and to report any such unsafe practices or conditions to their immediate supervisor.

Association representatives shall have reasonable access to work locations of unit employees to inspect worksites to ensure a safe work place.

1.10 Safety Committee
The City shall convene a Safety Committee to discuss the provision of safety equipment appropriate to specific job classifications.

---

ARTICLE 2 COMPENSATION

2.1 Salary
A salary survey was conducted in 2019 and identified classifications under 95% of market median for total compensation. Classifications identified as being under 95% of market median
for total compensation are: Construction Project Manager, Management Analyst, and Principal Planner.

A. Effective the first full pay as soon as administratively possible following City Council approval of the MOU, and City Ordinance to change the salary classification schedule, classifications under 95% of total compensation for the market median as indicated by the 2019 salary survey will increase by 50% towards 95% of market median total compensation.
   a. Construction Project Manager will increase from $44.65 to $46.85 hourly at the top step.
   b. Management Analyst will increase from $41.03 to $42.62 hourly at the top step
   c. Principal Planner will increase from $54.03 to $55.52 hourly at the top step.

B. Effective the first full pay period in January 2022, classifications under 95% of total compensation for the market median as indicated by the 2019 salary survey will increase by the remaining 50% towards 95% of market median total compensation.
   a. Construction Project Manager will increase from $46.85 to 49.05 hourly at the top step.
   b. Management Analyst will increase from $42.62 to $44.20 hourly at the top step
   c. Principal Planner will increase from $55.52 to $57.01 hourly at the top step.

C. The parties agree to an economic re-opener of the agreement if the City requests to re-open.

2.2 Management Time Compensation
Due to the unique aspects of their normal job duties, employees shall receive Management Time Compensation is lieu of paid management leave, overtime, or compensatory time in the amount of 3% of base salary.

It is understood Association members are required to work flexible hours and will adjust their schedules as they feel appropriate to meet their responsibilities.

2.3 Additional Salary Schedule Steps
Any employee who has served in Step 5E for three (3) or more years shall be placed in Step 6F (3.75%). Any employee who has served four (4) years in Step 6F shall be placed in Step 7G (3.75%). These additional salary step increases shall continue so long as an employee remains in the same job classification or is placed in a new class as part of a reclassification of his/her position without an increase in compensation. This provision sunsets December 31, 2020. Thereafter, steps 6F and 7G will be administered as outlined in Section 7.4, Step Advancement.

The salary of an employee who is promoted or reclassified to a class having a higher salary range shall be adjusted to the first step of the new salary range or to the next higher step that provides a minimum of five percent (5%) salary increase.
ARTICLE 3 INSURANCE BENEFITS

3.1 Employee Health Plan Eligibility
Association employees shall be entitled to participate in the City-sponsored group health plans including medical, dental, and vision as well as optional benefits.

Eligible employees enrolling in the group health plans within 60 days following their appointment will be covered subject to the contract limitation with the group health plan carrier. Coverage shall commence when the employee is eligible for coverage under CalPERS rules and the group health plan carriers’ rules.

Human Resources will notify employees of annual open enrollment periods to change group health plans or enroll in additional benefits; unless the employee can certify a qualifying loss of coverage. (an eligible spouse, domestic partner, or minor child requiring health coverage because of a court order; new children by birth or adoption, or placement of adoption; new family members due to marriage or domestic partnership registration; or those whose health plan was cancelled due to an involuntary loss of coverage).

3.2 City Paid Health Premiums
(a) City shall pay the employer required statutory minimum contribution for employees enrolled in the PERS health plans as required by the Public Employee Medical and Hospital Care Act (PEMHCA).
(b) Health care premiums include medical, dental and vision.
(c) For employees participating in all three health plans: medical, dental and vision:
   (1) The City will contribute up to $1,200 per month towards health care premiums in 2020.
       For 2020 only, employees participating in all three health plans (at any participation level, employee only, employee + one, employee + family) are eligible to receive the balance of their City health contributions placed in a medical Flexible Spending Account (FSA) with a 10% administrative fee deducted. Maximum allowable FSA contributions per IRS rules.
   (2) Effective the first full pay period in December 2020 for January 2021 premiums, the City will contribute according to the below plan enrollment levels:

<table>
<thead>
<tr>
<th>Plan Enrollment Level</th>
<th>Monthly Employer Contribution (amount excludes PEMCHA)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employee Only</td>
<td>$950</td>
</tr>
<tr>
<td>Employee + 1 Dependent</td>
<td>$1,300</td>
</tr>
<tr>
<td>Employee + 2 or More Dependents</td>
<td>$1,700</td>
</tr>
</tbody>
</table>

3.3 Rate of Contribution Cash in Lieu (Grandfathered Employees)
The City shall contribute $368.75 per month ($171.20 for each of twenty-six pay periods) for current employees who are not participating in medical health plan coverage at the time of MOU ratification. This option is not available to new hires or current employees participating in the City’s medical health plan coverage. There is no opt-in for this program and employees who opt...
out will no longer be allowed to receive this benefit but may be able to participate in the New program outlined in Section 3.4. This contribution terminates 6/30/23.

3.4 Rate of Contribution Cash in Lieu (New Employees)
Beginning January 2021, employees who are not currently grandfathered in the cash-in-lieu program may opt out of health (medical, dental and vision) during open enrollment and receive $250 per month taxable cash in lieu ($115.38 for each twenty-six pay periods). Employees who receive the cash-in-lieu, must provide proof of other coverage for medical.

3.5 Proof of Other Coverage
Employees who opt out of the medical plan and receive cash in lieu must provide the following:

(a) proof the employee and all individuals for whom the employee intends to claim a personal exemption deduction (“tax family”), have or will have minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year to which the opt out arrangement applies (“opt out period”);

and

(b) the employee must sign an attestation that the employee and his/her tax family have or will have such minimum essential coverage for the opt out period. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year. The City will not make an in lieu payment if the City knows the employee or tax family member doesn’t have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied.

3.6 Section 125 Plan
Employees may elect to participate in three Section 125 programs offered by the City. The available programs are Pre-Tax Premium Option, Dependent Care, and Flexible Spending Account. Each of these programs shall be administered in accordance to the IRS Code. For purposes of information, the following provides a description of the programs.

- Pre-Tax Premium Option- Permits payment of health insurance premiums subject to salary deduction with pre-tax income.
- Dependent Care- Permits payment of eligible dependent care with pre-tax income.
- Flexible Spending Account- Permits payment of eligible health care expenses not reimbursed by health insurance with pre-tax income.
- Optional Insurance Programs (e.g. AFLAC or other pre-tax offerings sponsored by the City.

3.7 457 Deferred compensation Plan
The City will match up to $50.00 per pay period of any MEA member’s contribution to the City’s Deferred Compensation Plan authorized under the Internal Revenue Code Section 457.

3.8 Group Life Insurance
The City shall provide at its cost Group Life Insurance with Accidental Death and Dismemberment at a minimum benefit of $50,000.

3.9 Short Term/ Long Term Disability Plan (STD/ LTD)
The City shall provide at its cost supplemental Short Term and Long Term Disability Insurance.
3.10 State Disability Income Protection Plan
Association employees are covered by the State Disability Income (SDI) Protection Plan at their expense. The SDI benefit will be integrated with City PTO leave benefits.

3.11 Medical, Dental, and Vision Insurance
The City and Association agree to periodically review health insurance policies currently in place to provide the most favorable insurance coverage available.

3.12 Medicare
Medicare is withheld for employees.

3.13 Workers Compensation Salary Continuation
Association members who suffer a bona fide on the job injury, as determined under the provisions of the California Workers’ Compensation laws, and who, as a result of such injury, are unable to work in their regularly assigned position or other position as determined by the City will be entitled to receive full salary and benefits for the first 90 days of such absence from the date of the incurred injury. No charge to the member’s sick leave, vacation, compensatory time off or other leave will be made during the 90 days from the date of the incurred injury. It is noted that the City offers a Disability Insurance policy which establishes additional benefits for absences due to disabilities.

ARTICLE 4 FITNESS INCENTIVE

4.1 Fitness Incentive Program Overview.
The Fitness Incentive Program is administered through Monterey Sports Center (MSC). Employee may contact MSC to make an appointment to conduct their fitness assessment.

Benefits to the City
- Lower rate of absenteeism of employees
- Higher employee morale
- Testing available for all ages and abilities
- Potential for decreased health care costs
- Potential for lowered health insurance costs

Benefits to the Employees
- All testing is confidential
- Increased morale
- Increased fitness/health
- Employer pays fitness assessment fee
- Incentives for fitness improvements (provided by employer)
- Potential for decreased health risks
- Potential for decreased absenteeism

4.2 Fitness Assessment Procedure
Employee may contact MSC to make an appointment to conduct their fitness incentive. Employees may schedule two fitness-assessments times per calendar year (January through June and July through December). Employees volunteering to be assessed twice a year, who
improve their rating, will receive the difference in the incentive between their first and second rating. The maximum incentive to be received by an employee during a calendar year is $500.

Fitness assessments are scheduled and coordinated with the Monterey Sports Center. Assessments should take no more than one hour for each participant. Results will be generated and a Fitness report and analysis will be given to each participant. Monterey Sport Center will relay overall fitness assessment rating to Human Resources to process incentive pay-out.

Employees participating in the fitness testing may do so on or off duty, providing there is adequate staffing. No overtime will be paid for off-duty participation.

4.3 Fitness Testing Components
   a) Testing includes measurement of:
      - Blood Pressure
      - Resting Heart Rate
      - Cardiovascular Function
      - Strength
      - Flexibility
   b) Testing can be adapted for persons with special needs

4.4 Incentive Plan Compensation
The incentive for employees would be determined by the rating given to the employee after they complete the Fitness Profile. The Fitness Profile evaluates personal fitness test results based on the national norms for specific age and gender categories. Compensation would be determined as follows:

<table>
<thead>
<tr>
<th>Overall Rating</th>
<th>Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excellent</td>
<td>$500.00</td>
</tr>
<tr>
<td>Fit</td>
<td>$250.00</td>
</tr>
<tr>
<td>Fair</td>
<td>$125.00</td>
</tr>
<tr>
<td>Needs Work</td>
<td>$0</td>
</tr>
</tbody>
</table>

ARTICLE 5 RETIREMENT

This MOU shall incorporate the two tiered retirement system to address Classic Members and New CalPERS Members required for Miscellaneous Employees by the California Public Employees' Pension Reform Act (PEPRA) of 2013.

5.1 Definition
The terms Classic Member and New CalPERS members are defined by PERS law and regulations, but in general these are construed to have the following meanings:

A. Classic CalPERS Member
   “Classic Member” is typically defined as an employee who was hired on or before December 31, 2012, or is a member of a reciprocal retirement system.
B. New Employee
"New Employee" means an employee of a public employer who is employed for the first time by any public employer on or after January 1, 2013, and who was either:
- Not employed by any other public employer prior to that date; or
- Employed by another public employer prior to that date, but who was not subject to reciprocity between his new employer's plan and another public retirement system.

C. New CalPERS Member
"New Member" means an individual who either:
- Becomes a member of the plan for the first time on or after January 1, 2013 and either (i) was not a member of any other public retirement system prior to that date or (ii) was a member of another public retirement system prior to that date but was not subject to reciprocity between his new employer's plan and another public retirement system; or
- Was an active member in the plan and, after a break in service of more than six months, returned to active membership in that plan with a new employer.

5.2 Service Pension for Classic Members
The retirement formula expressed in Government Code Section 21354 commonly known as 2% at 55 local miscellaneous members shall apply to covered Classic Members.

5.3 Cost Sharing - Service Pension for Classic Members
The parties shall engage in sharing the City’s employer contribution towards retirement benefits in accordance with Government Code Section 20516. Cost-sharing shall be in effect and will require the employee to pay the portion of the employer contribution.

A. For the duration of the MOU, the employee shall pay a total of 12% of the employee and employer share (7% of the employee share and 5% of the employer share).

B. The City completed a contract amendment with CalPERS under Section 20516 that allows for employee cost sharing of the employer rate and provides member’s contribution to be credited to each member’s account. Following the expiration of the current MOU, the City will initiate a contract amendment with CalPERS to end the Section 20516 amendment if not re-negotiated at that time. The Association recognizes that the CalPERS amendment process may take up to 90 days or longer for the amendment to become effective.

5.4 Final Compensation for Classic Members
"Final Compensation" shall be applied for retirement purposes as specified in Government Code Section 20042, as one year’s highest compensation.

5.5 Credit for Unused Sick Leave for Classic Members
Employees shall be given service credit upon retirement for unused sick leave as specified in Government Code Section 20965.
5.6 New CalPERS Members Benefit Rate, Contribution and Final Compensation
New CalPERS Members shall receive and make contributions for PERS benefits in compliance with PEPRA.

A. Benefit Rate New Members benefit rate shall be MISC 2% @ 62.
B. Contribution New Members shall pay 50% of the normal cost of their pension benefit.
C. Final Compensation Three-year average final compensation period.

5.7 1959 Survivor’s Allowance
The “1959 Survivor’s Allowance Fourth Level” as defined in Government Code Section 21574 shall apply to both Classic and New CalPERS Members.

5.8 Military Service Credit
Military Service Credit as defined in Government Code Section 21024 shall apply to both Classic and New CalPERS Members

5.9 Continued Application
The Parties agree that all elements of the CalPERS article shall have continued application until or unless it is amended by mutual agreement of the parties.

ARTICLE 6 LEAVE PROVISIONS

6.1 Sick Leave
Sick leave is replaced by paid time off (PTO). However, employees who were previously employed by the City in a part-time status, may utilize their accumulated sick leave.

6.2 Sick Leave Buyout
Upon separation of employment, other than retirement, the employee shall be entitled to be paid for 50% of his/her sick leave accumulated at the time of such termination.

Upon retirement the employee shall be entitled to be paid for 50% of any accumulated sick leave in excess of that for which retirement credit is given.

In the event the employee is terminated by virtue of a conviction of a felony or any other illegal act, the City shall have no obligation to provide sick leave buy-out.

6.3 Personal Necessity Leave
Employees may use accrued sick leave and or PTO leave in the event of the personal illness or injury of a family member, including father, mother, brother, sister, spouse, registered domestic partner, child, step-child, grandparent, or in-laws.

6.4 Bereavement Leave
Up to a maximum of five (5) days of paid leave will be granted per occurrence in the case of the death of a family member, including father, mother, brother, sister, spouse, child, step parent, step child, grandparent, in-laws, registered domestic partner, child of registered domestic partner or any other member of the immediate household.
6.5 Paid Time Off (PTO)

July 1, 2015 a Two-Tiered Paid Time Off (PTO) program was implemented. The two-tiers identify the leave accrual rate and policy for Legacy Employees and New Employees.

A. Definitions
   a. Legacy Employees shall be defined as those hired on or before June 30, 2015.
   b. New Employees shall be defined as those hired on or after July 1, 2015.

B. Accrual Rate

PTO Accruals are based upon full years of consecutive employment. New and Legacy employees shall earn PTO according to the rates set out in the following table.

Effective the first full pay period following City Council approval of the MOU, accruals earned will be as follows for all members of the MEA.

<table>
<thead>
<tr>
<th>Years of Service</th>
<th>Hours Earned per Month</th>
<th>Hours Earned Per Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 4</td>
<td>12</td>
<td>144</td>
</tr>
<tr>
<td>5 to 6</td>
<td>14.00</td>
<td>168</td>
</tr>
<tr>
<td>7 to 8</td>
<td>14.667</td>
<td>176</td>
</tr>
<tr>
<td>9 to 10</td>
<td>15.33</td>
<td>184</td>
</tr>
<tr>
<td>11 to 12</td>
<td>16.00</td>
<td>192</td>
</tr>
<tr>
<td>13 to 14</td>
<td>16.667</td>
<td>200</td>
</tr>
<tr>
<td>15</td>
<td>17.333</td>
<td>208</td>
</tr>
<tr>
<td>16 plus</td>
<td>18.00</td>
<td>216</td>
</tr>
<tr>
<td>17</td>
<td>18.667</td>
<td>224</td>
</tr>
<tr>
<td>18</td>
<td>19.333</td>
<td>232</td>
</tr>
<tr>
<td>19</td>
<td>20.00</td>
<td>240</td>
</tr>
<tr>
<td>20 plus</td>
<td>20.667</td>
<td>248</td>
</tr>
</tbody>
</table>

C. PTO Accumulation

For Legacy employees, PTO shall not be accrued any time the employee’s PTO balance exceeds 400 PTO hours. For New employees, PTO shall not be accrued any time the employee’s PTO balance exceeds 320 PTO hours.

D. Sick Leave Balances

Employees with Sick Leave balances may be retained as a sick leave bank.

Sick leave accrued before June 30, 2015 may be used as PTO or may be retained as a sick leave bank.

E. PTO/Vacation Buy-Back Program

Employees may sell back to the City up to 80 hours of their PTO/ vacation in any calendar year if both of the following conditions are met:

1. The employee has used (taken) at least 40 hours of PTO/vacation during the preceding calendar year.
   AND
2. The employee must have at least 40 hours of PTO/vacation remaining after the buy-back of some of the accumulated vacation.

3. On or before the pay period which includes December 15 of each calendar year, an employee may make an irrevocable election to cash out up to forty (40) hours of accrued PTO (in whole hour increments) which will be earned in the following calendar year at the employee’s base rate of pay. On the pay day for the pay period which includes Thanksgiving in the following year, the employee will receive cash for the amount of vacation the employee irrevocably elected to cash out in the prior year. However, if the employee’s PTO leave balance is less than the amount the employee elected to cash out (in the prior calendar year) the employee will receive cash for the amount of leave the employee has accrued at the time of the cash out.

F. PTO/Vacation Pay Out
PTO/Vacation leave balance shall be paid out upon employee’s separation from employment in compliance with CalPERS rules and regulations.

6.6 Paid Holidays
July 1, 2015 a Two-Tiered Holiday Schedule was implemented. The two-tiers identify the holiday schedules for Legacy Employees and New Employees.

A. Definitions
(1) Legacy Employees shall be defined as those employees hired on or before June 30, 2015.
(2) New Employees shall be defined as those hired on or after July 1, 2015.

B. Holiday Schedule
Legacy Employees and New Employee shall receive annually the following nine (9) paid holidays:

<table>
<thead>
<tr>
<th>Paid Holiday Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. New Year’s Day</td>
</tr>
<tr>
<td>2. Memorial Day</td>
</tr>
<tr>
<td>3. Independence Day</td>
</tr>
<tr>
<td>4. Labor Day</td>
</tr>
<tr>
<td>5. Veteran’s Day</td>
</tr>
<tr>
<td>6. Thanksgiving Day</td>
</tr>
<tr>
<td>7. Thanksgiving Holiday/Day after Thanksgiving</td>
</tr>
<tr>
<td>8. Christmas Eve Day</td>
</tr>
<tr>
<td>9. Christmas Day</td>
</tr>
</tbody>
</table>

C. Holiday Schedule Observance
Unless otherwise provided, when a holiday falls on a Sunday, the following Monday shall be observed; a holiday falls on a Saturday, the prior Friday shall be observed. When a holiday falls on an employee’s time off, the working day immediately preceding or immediately following such holiday, at the determination of the
department manager and subject to approval of the personnel officer, shall be observed as a holiday.

D. Floating Holidays
Effective July 1, 2020 and thereafter annually, Legacy Employees shall receive six (6) floating holidays each fiscal year and New Employees shall receive four (4) floating holidays annually each fiscal year.

Legacy and New Employees may select the date upon which they shall use any floating holiday, subject to scheduling needs of the City. If a floating holiday is not used within the fiscal year, the time shall be forfeited.

Floating holidays denied due to staffing shortages or other operational reasons will be paid or accumulated at the employee’s choice at the end of the fiscal year. The employee will have the burden to prove the request was made in a timely manner and then denied.

E. Prorated Allocation for New Employees
Employees who are hired during the Fiscal Year (FY) shall have the number of floating holidays prorated based upon their date of hire as follows:

<table>
<thead>
<tr>
<th>Date of Hire</th>
<th>Number of Floating Days</th>
</tr>
</thead>
<tbody>
<tr>
<td>July 1 to September 30</td>
<td>4 floating holidays</td>
</tr>
<tr>
<td>October 1 to December 31</td>
<td>3 floating holidays</td>
</tr>
<tr>
<td>Jan 1 to March 31</td>
<td>2 floating holidays</td>
</tr>
<tr>
<td>April 1 to June 30</td>
<td>1 floating holiday</td>
</tr>
</tbody>
</table>

ARTICLE 7 WORKING CONDITIONS

7.1 Uniform Allowance
The City may provide field working uniforms and/or safety shoes for Public Works employees working out in the field.

7.2 Alternate Work Schedule
Employees may, upon approval of the appropriate Department Head and the City Manager, implement an alternative work schedule providing for 80 hours of work in two consecutive five-day Monday through Friday periods.

The schedule shall allow for adequate coverage of all activities normally and customarily covered during the Monday through Friday workweek. Approval by the appropriate Department Head and the City Manager shall not be unreasonably withheld.

7.3 Step Advancement
Employees are eligible for a salary step increase on their anniversary or new classification date following completion of 2,080 hours of paid service, or whichever is longer. Time spent on
legally protected leaves of absence such as FMLA or CFRA count towards step increase eligibility.

7.4 Work Outside Business Hours
Management employees receive management incentive compensation to recognize the unique aspects of the normal job duties. Management employees are expected to:

1. Regularly attend City Council Meetings and/or a City Advisory Board(s); to include preparation and presentation of agenda items; and
2. Regularly work on special projects, or City initiatives that may require work hours before or after normal business hours as well as be required to work weekends.
3. Be the first to staff the department outside of normal business hours, including weekends, when there is a critical need to complete work and/or during a natural disaster or emergency.

Management employees who do not work outside business hours as listed above or similarly, will forfeit the management incentive compensation. Department heads will monitor.

ARTICLE 8  CONTINUING EDUCATION AND PROFESSIONAL DEVELOPMENT

8.1 Tuition Reimbursement
The City will outline a process and procedure for tuition reimbursement and will work with the association on finalizing the process and procedures by January 1, 2018. Tuition reimbursement will increase up to $3,000 in a fiscal year.

8.2 Professional Development Program
A lump sum payment of $500.00 shall be made by City to an employee represented by the Association who has completed a course of study and/or examination that results in attaining an acknowledged level of professional development – evidenced, for example, by degree, credential or certification – in the employee’s field of work. To qualify for this payment, the achievement must demonstrate, as determined by the City Manager, attainment of a significant achievement based on national, state, or professional department standards.

The City Manager shall determine, prior to employee’s embarking on the work and study required for the desired degree, credential or certification, whether the desired goal qualifies for the payment.

No more than three (3) such payments shall be paid to an individual during his or her tenure with the City.

8.3 City Training Day
Effective 2021, the City will close operations to the public for non-sworn personnel on the second Monday in October and provides a mandatory employee “Training Day”.

DocuSign Envelope ID: 38237CF7-2585-41AF-9BF6-CCA4AEE44E3F
ARTICLE 9 MISC

9.1 MOU Negotiations Timing
At least six (6) months prior to the MOU expiring, management will initiate MOU negotiations with MEA.

9.2 Future Negotiations
The parties hereto acknowledge and agree that they have reached settlement regarding all total compensation and non-compensation items, and that said issues are settled through the period expiring June 30, 2023, provided that either party may request to meet and confer upon written notice given to the other party.

The parties therefore agree to waive any and all rights or obligations to meet and confer on any subject fully covered by this MOU with the exception of the economic re-opener, until a reasonable period prior to June 30, 2023.

ARTICLE 10 SAVINGS CLAUSE

If any Article or Section of this Memorandum of Understanding should be found invalid, unlawful or unenforceable by reason of any existing or subsequent enacted legislation or by judicial authority, all remaining Articles and Sections of this Memorandum of Understanding shall remain in full force and effect for the duration of the MOU. In the event of invalidation of any Article or Section, the City and the Association agree to meet within 30 calendar days of such invalidation for the sole purpose of meeting and conferring upon said Article or Section.
This MOU constitutes a full and complete agreement between the parties on all matters within the scope of representation.

Tori Hannah, Administrative Services Director
City of Pacific Grove

Ben Harvey, City Manager
City of Pacific Grove

Leticia Livian, Human Resources Director
City of Pacific Grove

4/17/2020
Date

Jennifer Pope
Management Employees’ Association (MEA)

Caleb Schneider
Management Employees Association (MEA)

4/17/2020
Date