

MEMO



Discussion/Action Item #: 6

Meeting Date: April 21, 2023

To: Board of Directors
From: Berta R. Torres, Director of Human Resources
Approved by: General Manager, Felipe Melchor

Subject: Approval of OE3 Allies Unit Memorandum of Understanding

Recommendation

That the Board approve the Memorandum of Understanding (MOU) with the Operating Engineers Local 3 (OE3) Allies Unit.

Background and Discussion

The OE3 Laborers & Salesclerks Unit MOU expires on June 30, 2023, and the Board provided staff direction for negotiating a successor labor agreement at the February 2023 Board meeting. The bargaining unit includes 46 full-time positions. After two negotiation meeting sessions, that began in early March 2023, a tentative agreement was reached and the details of the same were reported to the Board in closed session on March 23, 2023. The tentative agreement has since been ratified and is enclosed as Attachment A.

The District and the bargaining unit also agreed to change the name of the bargaining unit from Laborers & Salesclerks Unit to the Allies Unit. Enclosed as Attachment B is the new MOU for the OE3 Allies Unit, effective July 1, 2023, through June 20, 2026.

The new pay schedule will be presented to the Board at the same time as all other District pay schedules in June 2023.

Financial Impact

The first year total compensation increase of 10% amounts to \$170,000 and is included in the FY 2023/24 Budget.

Strategic Plan

The new Allies Unit MOU reflects our desire to be good stewards of District resources while continuing to fulfill our commitment to District employees and ensuring all parties remain focused on fulfilling the District's mission of "Doing more to waste less."

Conclusion

Board approval is requested of the three-year Memorandum of Understanding (MOU) with the Operating Engineers Local 3 (OE3) Allies Unit effective July 1, 2023, through June 30, 2026.

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Let's not waste this.

ReGen Monterey Package Proposal to OE3 Laborers and Salesclerks Unit

Date: March 22, 2023

No. 2

GENERAL STATEMENT:

ReGen Monterey's Board of Directors and Management recognize the valuable contributions of its workforce to the District and local community, and in that spirit present the following proposal.

PRINCIPLES:

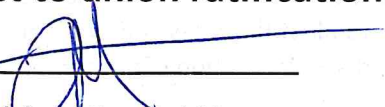
1. Provide market-competitive wages and health and welfare benefits that support employee recruitment and retention.
2. Establish workplace policies that support best-practices, operational efficiencies, fair distribution of work, and a safe work environment for all employees.
3. Provide educational benefits that encourage learning and development to foster job satisfaction and employee success.
4. Strive for equity and fairness to foster a culture of respect and inclusion.
5. Improving overall standard of living for our lowest wage earners with a "living wage" adjustment.
6. Manage financial risks to maintain financial stability and long-term sustainability.

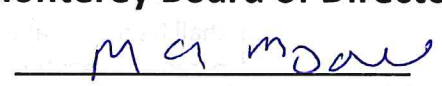
No.	Item Description	Proposal
1	Term	Three years
2	Cost of Living Adjustment	SF CPI of April 2023, with maximum of 5%, effective July 1, 2023 FY 2024/25: 1.5% - 4.0% based on SF CPI of April 2024 FY 2025/26: 1.5% - 4.0% based on SF CPI of April 2025
3	Living Wage Adjustment	5% as a one-time, non-precedent-setting basis, effective July 1, 2023
4	Retiree Health Reimbursement	Retiree Health Insurance Reimbursement: The District shall contribute toward health insurance premiums for employees who retire from the District at the age of 55 or older with at least five (5) years of continuous employment with the District. In order to be considered "retired" and eligible for the benefits under this section, an employee must retire from the District at time of his/her separation and from CalPERS. Additionally, in order to be eligible to receive benefits under this section, verification of CalPERS retirement and the application for benefits under this section must be received by the District Human Resources Manager no later than three months from the date of separation from employment. Eligible retirees shall be reimbursed at the rate of \$29.36 (beginning July 2023) for each full year of District service. Payments shall be made until the retiree reaches the age of 65. The monthly rate shall increase by 2% each calendar year.
5	Sick Leave Conversion	Sick Leave Conversion: In December of each year, an employee who has an accrued sick leave balance of 350 hours or more as of November 30th, can elect to convert up to three (3) days of sick leave to vacation leave. Such conversion shall be irrevocable and shall be subject to all of the rules and procedures regarding vacation accrual, eligibility, and administration of vacation leave.

6	Vacation Accrual: Increase accrual by 4 days for employees with 4+ years of service with new schedule:	CURRENT VACATION ACCRUAL		NEW VACATION ACCRUAL	
		Service Years	Annual Accrual	Service Years	Annual Accrual
		First 4 years	10 days	Years 1-3	10 days
		5-9	15 days	After 4	15 days
		10	16 days	After 6	16 days
		11	17 days	After 7	17 days
		12	18 days	After 8	18 days
		13	19 days	After 9	19 days
		14	20 days	After 10	20 days
				After 15	22 days
7	Bereavement Leave	Expand list to include in-laws.			
8	Non-Productive Hours and Overtime	Exclude non-productive hours towards count of total weekly hours for overtime purposes (VACATION, SICK, COMP, HOLIDAY). Exception: Employees who work on a holiday, receive 1.5 regular rate for all hours worked on the holiday.			
9	Holidays	To be eligible for holiday pay, employee must have worked their last shift before the holiday and their first shift after the holiday. The exception is if the employee has a pre-approved paid time off and utilizing scheduled VACATION, SICK or Comp time immediately before and after the holiday.			
10	Attendance Policy: Decrease Unscheduled Time Off Allowance	Decrease threshold of allowable unscheduled time off to six (6) days per rolling 12-month period. A written warning may be issued at the 7 th unscheduled day with progressive discipline to follow if attendance is not corrected. <i>(Intended to eliminate abuse of unscheduled time off as this has negative impact on operations, safety and employees who manage their time off responsibly and are left to carry the weight of the workload when others regularly call off.)</i>			
11	Sick Leave Policy:	An employee may be required to provide a physician's or licensed practitioner's verification of sick leave when: <ol style="list-style-type: none"> Employee has a demonstrable pattern of sick leave abuse; or The manager has good reason to believe the absence was for an unauthorized reason. A manager has good reason if a prudent person would also believe the absence was for an unauthorized reason. 			
12	MOU clean-up	<ol style="list-style-type: none"> Change name of bargaining unit. Update reference to "Amended" Resolution 2000-02. Delete positions that no longer exist from LSC Unit list. Insert Side Letters re: Union Membership and Out-of-Class pay. Other minor clean-up 			

Tentative Agreement* March 23, 2023.

***Subject to union ratification and ReGen Monterey Board of Directors approval.**


 Felipe Melchor, General Manager


 Michael Moore, OE3 Business Representative

**AGREEMENT BETWEEN MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT, dba REGEN MONTEREY
AND OPERATING ENGINEERS LOCAL UNION NO. 3**

**ALLIES UNIT
For Memorandum of Understanding
July 1, 2023 to June 30, 2026**

This Agreement is made and entered into between the Monterey Regional Waste Management District dba ReGen Monterey, hereinafter referred to as the “District” and Operating Engineers Local Union No. 3, hereinafter referred to as the “Union” for and on behalf of the employees hereinafter identified and pursuant to Government Code Section 3500 et seq. of the State of California.

This Memorandum of Understanding shall be presented to the Board of Directors of the District as the recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2023, and ending June 30, 2026. Upon approval by the Board of Directors of the District, this Memorandum shall become binding between the District and the Union.

1. TERM

Three (3) Years – July 1, 2023 to June 30, 2026. The negotiations for a successor Memorandum of Understanding shall commence within 60-90 days prior to the expiration of this Memorandum of Understanding.

2. RECOGNITION

2.1 District Recognition:

The General Manager of the Monterey Regional Waste Management District dba ReGen Monterey (District), or any person or organization duly authorized by the General Manager, is the representative of the District in employer-employee relations, as provided in Resolution No. 2000-02 Amended on November 18, 2022.

2.2 Union Recognition:

Operating Engineers Local Union No. 3 (Union), is the recognized employee organization for the classifications listed in Section 2.3 below. The District recognizes the Union as the only organization entitled to meet and confer on matters within the scope of representation for the member employees, as provided in the Myers-Milias Brown Act.

2.3 Bargaining Unit:

The bargaining unit includes all employees who are members of the Union and who are employed by the District in a full-time status in any of the following classifications:

Maintenance Shop Assistant I, II
MRF Maintenance Assistant I, II
Site & Facilities Assistant I, II
Sorter I-II

3. UNION MEMBERSHIP

3.1. Union Membership

The parties hereto recognize that membership in the Union is not compulsory, that employees have the right to join, not join, maintain, or drop their membership in the Union and that neither party shall exert any pressure on or discriminate against an employee regarding such matters.

3.2 New Employees Orientation

The parties acknowledge that the District provides a new employee orientation meeting ("orientation") to all new employees hired by the District. The Union will be provided as much notice in advance as possible of the time, date and location of the orientation. The Union will be given thirty (30) minutes as part of and at the end of the new employee orientation meeting for a Union representative to present Union membership information. Management representatives will excuse themselves during the Union portion of the orientation and the Union agrees in its portion of the orientation not to engage in speech that could cause substantial disruption or material interference with District activities.

3.3.1 District employee representatives or stewards may attend the orientation during off hours provided the Union provides the Human Resources Representative with the employee's name at least 24 hours prior to the orientation.

3.3.2 The District will direct all employees who inquire about dues deductions or union membership to the Union.

3.3.3 Disclosure of Employee Information: The District will provide the Union the following information for all new hires via email to the OE3 Business Representative:

- a. Name of New Employee
- b. Job Title
- c. Department
- d. Start Date

3.3 **Dues Deduction:** The District will commence payroll deductions for union dues effective the first payroll following receipt of written notice from the Union that it has written authorization for the deduction. The Union will provide the District such written notice via email to hr@mrwmd.org.

3.4 Business Representative:

Business Representative of the Union shall have reasonable access to any Employee or Employees within the Units presenting a grievance and employees have the right to have the Union Business Representative represent them at all stages of disciplinary action. Access for other Union business not related to employee discipline and grievances shall be given upon approval by the General Manager.

3.5 **Union Stewards:** The Union may select two (2) employees as Union Stewards. The Union Stewards shall be given reasonable time off with pay to attend meetings with management representatives, or to be present at hearings where matters within the scope of representation or grievances are being considered. The use of official time for this purpose shall be reasonable and shall not interfere with the performance of District business as determined by the District.

- a. One Union Steward shall be permitted time during working hours to attend District Board Meetings.

- b. Employees are permitted a reasonable amount of time to contact a Union Steward during working hours to report a grievance or violation of this Memorandum in a manner that shall not interfere with the performance of their duties.

4. NON-DISCRIMINATION

Consistent with state and federal law, there shall be no discrimination or harassment of any kind based on any statutorily (federal, state, or local) protected class, including but not limited to: race, religious creed, color, national origin, ancestry, physical disability (including HIV and AIDS), mental disability, medical condition (ex.: cancer), genetic information, marital status, sex, gender identity, gender expression, age, sexual orientation, pregnancy, political affiliation, military and veteran status or legitimate union activities, (as set forth in Section 3.5 herein), against any employee or applicant for employment by the Union, the District or by anyone employed by the District.

5. EMPLOYEE RIGHTS

Pursuant to the Myers-Milias-Brown Act, employees of the District shall have the right to form, join and participate in the activities of employee organizations of their own choosing for the purposes of representation on all matters of employer-employee relations including wages, hours and other terms and conditions of employment. Employees of the District also shall have the right to refuse to join or participate in the activities of employee organizations and shall have the right to represent themselves individually in their employment relations with the District. No employee shall be interfered with, intimidated, restrained, coerced or discriminated against by the District or any employee organization because of their exercise of these rights.

6. DISTRICT RIGHTS

The rights of the District include, but are not limited to, the exclusive right to determine the method of accomplishing its mission of disposing of the region's solid waste; set standards of services; determine the procedures and standards of selection for employment and promotion; direct its employees; take disciplinary action; relieve its employees from duty because of lack of work or for other legitimate reasons; maintain the efficiency of governmental operations; determine the methods, means and personnel by which government operations are to be conducted; determine the content of job classification; take all necessary actions to carry out its mission in emergencies; and exercise complete control and discretion over its organization and the technology of performing its work.

7. COMPLIANCE WITH MEMORANDUM

In the event of any violation of the terms of this Memorandum, responsible and authorized representatives of the Union or the District, shall promptly take such affirmative action as is within its power to correct and terminate such violation for the purpose of bringing such unauthorized persons into compliance with the terms of this Memorandum. Individuals acting or conducting themselves in violation of the terms of this Memorandum shall be subject to discipline, up to and including discharge.

8. EMPLOYEE HANDBOOK

The District's personnel policies are included in the Employee Handbook. Included in the policies are items relating to employment, promotion, discipline and grievance, overtime, vacation, holidays, sick leave, emergency leave, leave of absence, and District Policies on harassment, substance abuse, outside employment and work environment. All District personnel policies not in conflict with the terms of this Memorandum shall apply to all employees. Employees are responsible for familiarizing themselves with the contents of the Employee Handbook.

9. SCHEDULING

- 9.1 The District shall endeavor to approve requests for vacation leave, work schedules, including Holidays, shift assignments and training assignments in accordance with seniority; however, selections shall be made on seniority only after employee performance and/or operational effectiveness are considered. The District shall endeavor to provide two consecutive days off when scheduling shift assignments.
- 9.2 Flexible work schedule: Management will consider alternate work schedules such as 4-10 hour shifts or 9 day-80 hours with employees on an individual and departmental basis. An employee working 9 or more hours per day may be required to take two formal breaks during the longer shifts.

10. POSTING OF POSITIONS

The District shall post all Allies Unit open positions internally before external recruitment begins.

11. PROMOTIONS

The District shall make every reasonable effort to qualify and hire internal candidates.

12. SAFETY

The District shall provide a safe and healthy working environment in accordance with applicable state and federal laws and regulations. The Union agrees that where safety devices or protective equipment is required or furnished, its use shall be mandatory and that, in appropriate circumstances, a medical exam may be required to establish an employee's physical ability to perform the duties of the job.

- 12.1 Safety issues are grievable.
- 12.2 The District shall inform the Union as soon as possible prior to commencing jobs that may affect the health or working conditions of employees.
- 12.3 The District shall provide safety boots to members of the bargaining unit who work outside the office as needed, with supervisor's approval. If the employee wishes to pay more than the District allows, for more expensive shoes meeting our standards, the employee may do so at their own expense for the excess amount. All such employees, so designated, shall not be permitted to work without safety shoes.

13. WAGES

- 13.1 **Pay Schedule:** All Employees covered by this agreement shall be paid a payrate established for their applicable classification as set forth in the MRWMD Allies Unit Pay Schedule as approved by the Board of Directors during the term of this agreement.
- 13.2 **Rate Increases:** The following Rate Increase(s) shall be made to the Allies Unit Pay Schedule:
- Effective July 1, 2023, a cost-of-living adjustment (COLA) of up to 5%, based on the San Francisco Area - April 2023 CPI and an additional one-time living wage increase of 5%, on a non-precedent-setting basis, for a total pay rate increase of up to 10%.

- a. Effective July 1, 2024, a cost-of-living adjustment (COLA), based on the San Francisco Area-April 2024 CPI, with a minimum of 1.5% and a maximum of 4.0%.
 - b. Effective July 1, 2025, a cost-of-living adjustment (COLA), based on the San Francisco Area-April 2025 CPI, with a minimum of 1.5% and a maximum of 4.0%.
- 13.3 **Call Back Pay:** Any employee who is called back to work after they have worked their scheduled shift and has departed from their place of employment shall be compensated for a minimum of 2 hours pay at 1 1/2 times their regular base hourly rate.
- 13.4 **Bilingual Pay:** An employee designated by the General Manager to provide bilingual services, shall receive up to 2.5% of base rate or twenty-five cents per hour (\$0.25/hr.) above base rate, whichever is greater.
- 13.5 **Out of Class Pay:** Out-of-Class Pay will be paid for work that is performed outside the employee's regular department or other areas that require extensive, non-incident training, or the operation of equipment that is not part and parcel to their existing duties. An employee temporarily assigned the duties in a higher classification for a minimum of one hour shall be paid at Step 1 of the higher class or at 5% more than their present rate, whichever is higher, while working in the higher class. To qualify for Out-of-Class Pay, the employee must complete a minimum of 80 hours of training and be deemed qualified/certified to operate the equipment by the Site Operations Manager or MRF Manager as described here:
- 13.5.1 Heavy Equipment Operator: Bulldozer, Scraper or Compactor.
 - 13.5.2 MRF Equipment Operator or Maintenance Worker: Loader, Excavator, Roll-Off Truck, Semi-Tractor and Trailer, End Dump or Ejection Truck (740), Backhoe, Motor Grader or Water Truck.
 - 13.5.3 Associate Operator: Forklift.
 - 13.5.4 Household Hazardous Waste (HHW) Technician: Required HAZWOPPER Certification(s).
 - 13.5.5 Individual assignments shall be at the sole discretion of Management, based on business need, as determined by Management, and that will result in least disruption to other District operations. Shift differential pay and bilingual pay shall not be used to calculate the pay increase unless they are applicable in the higher class.
- 13.6 **Shift Differential Pay:** A shift differential shall be paid to employees scheduled to work the following shift:
- a. 2.5% differential pay for shift start time of 11:00 AM to 1:59 PM
 - b. 5.0% differential pay for shift start time of 2:00 PM to 4:59 PM
 - c. 7.5% differential pay for shift start time of 5:00 PM to 7:59 PM
 - d. 10% differential pay for shift start time of 8:00 PM or later
- 13.7 **Longevity Pay/457(b) Deferred Compensation Employer-Match Program:** Eligibility for Longevity Pay and 457(b) Deferred Compensation Employer-Match shall be as follows:

- a. The Longevity Pay Program existing on June 30, 2019 is as follows: Regular, full-time employees of the District hired before June 30, 2019, shall be eligible for Longevity Pay as follows:
 - A longevity adjustment of 2.5% of base hourly rate shall be provided to employees with more than ten (10) years of continuous, full-time employment with the District.
 - A longevity adjustment of 5.0% of base hourly rate shall be provided to employees with more than fifteen (15) years of continuous, full-time employment with the District.
- b. The 457(b) Employer Match Program existing on June 30, 2019, is as follows: None
- c. Employees who are participants in the Longevity Pay Program existing on June 30, 2019 and 457(b) employer match program existing on June 30, 2019 shall be grandfathered in both programs.
- d. Prior to and effective January 1, 2020, all other Employees hired prior to June 30, 2019 will have the one-time option to elect to participate in either the existing Longevity Pay Program or the 457(b) Deferred Compensation Employer-Match Program, as follows:

After 1 year up to 2% Match
After 5 years up to 3% Match
After 10 years up to 4% Match
After 15 years up to 4% Match plus 1% automatic District contribution
After 20 years up to 4% Match plus 2% automatic District contribution
After 25 years up to 4% Match plus 3% automatic District contribution
- e. Employees hired after July 1, 2019, will have the option to participate in the 457(b) Deferred Compensation Employer-Match Program, as noted above. Longevity Pay will NOT be available to employees hired after July 1, 2019.

13.8 **On-Call Pay:** An employee on On-Call status as directed by their supervisor shall receive credit in the form of compensatory time at the rate of one (1) hour of comp time for each day of On-Call status during the work week Monday through Friday and at the rate of one and one-half (1.5) hours of comp. time for each day over the weekend, Saturday and Sunday.

- 13.9 **Compensatory Time Off (Comp Time):** All overtime must be authorized by the Department Director or his or her designated designee in advance of being worked.
- a. **Comp Time:** The Fair Labor Standards Act (Section 207) provides public employers an alternative way to compensate non-exempt employees for hours worked in excess of 40 hours in a work week in the form of compensatory time off. The District will allow employees the option of either receiving overtime pay or banking his/her overtime hours into Comp Time.
 - b. **Comp Time Maximum Accrual:** 140 hours
 - c. Time off taken with Comp Time Hours do not count towards overtime.
 - d. The District retains its right under the Fair Labor Standards Act, which permits the employer at any time to cancel or "cash out" accrued compensatory time hours by paying the employee cash compensation for unused compensatory time. 29 CFR §553.26(a) (1999). The District will provide at least 60 days advance notice of its intent to cash-out compensatory time hours.

13.10 **Travel Time:** Time spent traveling during normal work hours is considered compensable work time. Time spent in home-to-work travel by an employee in an employer-provided vehicle, or in activities performed by an employee that are incidental to the use of the vehicle for commuting, generally is not "hours worked" and, therefore, does not have to be paid. Travel time outside the "normal" work hours will be compensated at ½ the (non-exempt) employee's hourly rate or state of California minimum wage whichever is higher.

13.11 **Non-Productive Time:** Non-productive time, defined as SICK, VACATION, COMP TIME, FLOATING HOLIDAY (Scheduled and Unscheduled), are excluded from total weekly hours for calculation of overtime. Employees receive premium pay (1.5 X regular rate) for all hours worked on a holiday, plus an additional 8 hours of Holiday pay.

14. **HEALTH AND WELFARE**

14.1 **Health Insurance Premiums:** The District shall contribute towards health insurance premiums (medical, dental, vision) as follows:

- a. The District will pay 88% toward healthcare insurance premiums and the Employee will pay 12% of premium rate.
- b. The District will cover any healthcare insurance premium increase up to 7.5% per year.
- c. Employees are responsible for any healthcare insurance premium increase above 7.5% and up to 10% per year.
- d. Any healthcare insurance premium increase over 10% per year, shall be split 50/50 between the District and the Employee.

14.2 **Short-Term and Long-Term Disability Insurance:** The District shall provide employees with a Short-Term Disability insurance benefit (with benefits beginning on the 8th day of disability) at the rate of 66.7% of the employee's weekly regular earnings. The District shall provide employees with a Long-Term disability insurance benefit at the rate of 66.7% of the employees' regular monthly earnings following a 360-day waiting period.

14.3 **Life Insurance:** The District shall provide life insurance coverage to employees, equal to the employee's regular annual compensation.

15. **HOLIDAYS**

15.1 The following holidays shall be paid days off or, if worked, shall be paid at two and one-half (2.5) times a regular day's pay.

New Year's Day	Labor Day
Martin Luther King's Birthday	Columbus Day
President's Day	Veteran's Day
Cesar Chavez Day	Thanksgiving Day
Memorial Day	Day after Thanksgiving
Independence Day	Christmas Day

15.2 **Floating Holidays:** Each contract year, employees shall earn two floating holidays, which they can use at their discretion, subject to scheduling approval of the Department Manager or designee. Floating Holidays will be earned on July 1 and December 15 of each year. New employees are eligible for this credit after six months of employment.

- 15.3 Any holidays specified herein for which full-time employees are entitled to holiday leave, which fall on a Sunday shall be observed the following Monday. Such holidays which fall on a Saturday, shall be observed on the preceding Friday.
- 15.4 Holiday pay (cash or compensatory time) shall only be paid on the day the holiday is observed.
- 15.5 To be eligible for Holiday pay, an employee must have worked their last shift before the holiday and their first shift after the holiday. The exception is if the employee has pre-approved paid time off and utilizing Scheduled paid time off (VACATION, COMP, SICK, Floating Holiday) time immediately before and after the holiday.
- 15.6 The District shall establish a 30-day preliminary notice to employees who are scheduled to work on an observed holiday and shall provide a final notice, subject to change due to unforeseen events, 14 days prior to the holiday. Employees shall endeavor to provide advanced notice for scheduling days off to minimize changes and understand that late requests for time off may be denied if it alters the holiday schedule.

16. VACATION ACCRUAL

- 16.1 Employees shall accrue vacation hours based on the years of service as described below:

Service Years	Annual Accrual
Years 1-3	10 days
After 4	15 days
After 6	16 days
After 7	17 days
After 8	18 days
After 9	19 days
After 10	20 days
After 15	22 days

- 16.2 Vacation Cash-Out: Employees may cash-out up to 50% of accrued vacation hours at any time.

17. RETIREMENT

- 17.1 Employees shall participate in the California Public Employees Retirement System (CalPERS) and the District shall pay the employees’ contribution at the following rates:

- a. **Classic Members:** Employees hired by the District prior to January 1, 2013 or those who are eligible for reciprocity in the CalPERS or public retirement system (as defined in the California Public Employees' Pension Reform Act of 2013 (PEPRA) and CalPERS guidance) and who are classified as “classic” members by CalPERS will be eligible for the Miscellaneous Plan of the District’s contract with CalPERS for the 2% @ 55 Retirement Benefit Formula. This plan also provides: One-year Final Compensation (Section 20042); Credit for Unused Sick Leave (Section 20985); Improved Non-Industrial Disability Allowance (Section 21427); Third Level of 1959 Survivor Benefits (Section 21573); 2% @ 55 Full and Modified Formula (Section 21354); and Military Service Credit as Public Service (Section 21024).

The District is responsible for the Employer contribution and employee is responsible for the Employee contribution as defined by CalPERS.

- b. **New or PEPRA Members:** For employees hired on or after January 1, 2013 or for those who are classified as “new” members of CalPERS as defined by Public Employees’ Pension Reform Act

(PEPRA), the District shall maintain a contract with CalPERS for the provision of a 2% @ 62 Retirement Benefit Formula. This plan also provides: 36 Months Final Compensation (Section 20037); Credit for unused sick leave (Section 20985); Improved Non-Industrial Disability Allowance (Section 21427); Third level of 1959 Survivor Benefits (Section 21573); and Military Service Credit as Public Service (Section 21024).

The above method shall apply to Tier II, Classic Members under the 2% @ 60 Full and Modified Formula.

The District is responsible for the Employer contribution and employee is responsible for the Employee contribution as defined by CalPERS.

17.2 Retiree Health Insurance Reimbursement: The District shall contribute toward health insurance premiums for employees retired from the District at the age of 55 or older with at least five (5) years of continuous employment with the District. In order to be considered “retired” and eligible for the benefits under this section, an employee must retire from the District at time of his/her separation and from CalPERS. Additionally, in order to be eligible to receive benefits under this section, verification of CalPERS retirement and the application for benefits under this section must be received by the District Human Resources Manager no later than three months from the date of separation from employment. Eligible retirees shall be reimbursed at the rate of \$29.35 (beginning July 2023) for each year of District service. Payments shall be made until the retiree reaches the age of 65. The monthly rate shall increase by 2% each calendar year.

18. EDUCATIONAL BENEFITS

- 18.1 Upon approval by the Department Director, employees may be eligible for up to \$2,000 reimbursement per fiscal year for educational expenses (books and tuition) that are job related or for completion of a certification program, GED/high school diploma or college degree. Requests for reimbursement may be submitted with copy of grade report showing a course grade of C or better and copies of the receipts.
- 18.2 Job-related courses include coursework related to the employee’s position or intended to prepare the employee for advancement or promotion to a higher classification within the District. The District retains discretion to determine which educational courses are job-related.

19. MISCELLANEOUS

- 19.1 **Bereavement Leave:** Employees may receive up to three (3) days paid bereavement leave per event, in the event of death of an immediate family member. Employees may also use up to 12 days of paid sick leave following the death of an immediate family member. “Immediate family” includes the employee’s spouse (including domestic partner), child, parent, grandparents, brother, sister, parent-in-laws, brother and sister-in-law. It can also include other close persons (subject to the approval of Department Director or General Manager), including a domestic partner, if that person is residing in employee’s household.
- 19.2 **Shoe Allowance:** The District shall provide up to \$250 per fiscal year for safety shoes.
- 19.3 **Sick Leave Conversion:** In December of each year, an employee who has an accrued sick leave balance of 350 hours or more as of November 30th, may elect to convert up to three (3) days of sick time to vacation time. Such conversion shall be irrevocable and shall be subject to all of the rules and procedures regarding vacation accrual, eligibility and administration of vacation leave.
- 19.4 **Section 2.H. of Attendance Policy is Amended to Include:** An employee may be required to provide a physician’s or licensed healthcare practitioner’s verification of sick leave when:
1. Employee has a demonstratable pattern of sick leave abuse; or

2. The manager has good reason to believe the absence was for an unauthorized reason. A manager has good reason if a prudent person would also believe the absence was for an unauthorized reason.

19.5 **Section 3.H. of Attendance Policy is Amended as follows:** An employee who exceeds 48 hours (6 days) of unscheduled time off in a rolling 12-month period is subject to progressive discipline.

19.6 **Section 5 of Attendance Policy is Amended as follows:** Employees who exceed 24 hours of unscheduled time off in a rolling 12-month period may receive a verbal warning. A Written Warning will be issued after 48 hours of unscheduled time off, followed by Step 2 of the progressive disciplinary process as noted in the Attendance Policy Section 5.

20. RE-OPENER

During the term of this agreement, the MOU may only be re-opened by mutual agreement.

21. RATIFICATION

Nothing contained in this Memorandum shall be deemed binding on either the Employer or the Union following signing of this Memorandum by the respective parties until it has been ratified by the union’s membership and adopted by the District’s Board of Directors.

MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT

Felipe Melchor, General Manager

Date: _____

OPERATING ENGINEERS LOCAL UNION NO. 3

Michael Moore, OE3 Business Representative

Date: _____