

# MEMO



**Discussion/Action  
Item #: 8.d**

Meeting Date: June 21, 2024

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

**Subject: Approval of Management Unit Memorandum of Understanding**

## Recommendation

That the Board approve the Memorandum of Understanding (MOU) with the Management Unit for the period of July 1, 2024 to June 30, 2029.

## Background and Discussion

At the March 2024 Board meeting, the board provided staff direction for negotiating successor labor agreements with the following bargaining units:

Bargaining Units	Total Classifications	Total FTEs	Contract expires
<b>OE3 Support Unit</b> (Professional, Administrative Staff)	12	11	June 30, 2024
<b>OE3 Operations Unit</b> (heavy equip operators, mechanics, technicians)	30	59	June 30, 2024
<b>Management Unit</b> (Department Managers)	7	6	June 30, 2024
	49	76	

We are pleased to report that a tentative agreement was reached with the Management Unit in early June and the enclosed Memorandum of Understanding (MOU) was ratified on June 10, 2024, pending the Board's final approval. The most significant new terms include:

- 5 Year Term (2024 to 2029)
- A Cost-of-Living Adjustment (COLA) based on the Consumer Price Index (CPI) of the San Francisco Area of April of each year, with minimum of 1.5% and a maximum of 4.5%, for all classification found to be within the market median in the Total Compensation Study of April 26, 2024.
- 1% COLA each year of term for classification found to be above market median.
- Health insurance premium cost-share split to be 85% (employer) 15% (employee).
- Increase in short-term and long-term disability weekly and monthly maximum benefits.
- No changes to paid time off accruals, holidays, deferred compensation or all other benefits.

Enclosed as Attachment A is the new Management Unit MOU, for the period of July 1, 2024, through June 30, 2029, for the Board of Director's review and approval.

Negotiations with the Operating Engineers Local 3, Support Unit and Operations Unit are ongoing.

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*Let's not waste this.*

**Financial Impact**

The first year total compensation increase for five (5) positions amounts to \$27,000, based on the CPI of April 2024 (3.8%), and is included in the FY 2024/25 Final Budget.

**Conclusion**

Board approval is requested of the Management Unit Memorandum of Understanding (MOU) for the period of July 1, 2024, through June 30, 2029, based on the Board of Directors' direction to staff. The agreement reflects ReGen's commitment to provide fair market wages and a comprehensive benefits package that support recruitment and retention, foster fairness and equity and ensures financial stewardship and sustainability.

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AGREEMENT BETWEEN MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT, dba REGEN MONTEREY

**MANAGEMENT UNIT  
For Memorandum of Understanding**

**July 1, 2024 – June 30, 2029**

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This Agreement is made and entered into between the Monterey Regional Waste Management District, dba ReGen Monterey, hereinafter referred to as the “ReGen” and the Manager Unit of ReGen, 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 ReGen as the recommendation of the undersigned parties for salary and employee benefit adjustments for the period commencing July 1, 2024, and ending June 30, 2029. Upon approval by the Board of Directors of the ReGen, this Memorandum shall become binding between the District and the Management Unit.

**1. TERM**

Five (5) Years – July 1, 2024, to June 30, 2029, with two one-year renewals, with wage-only reopeners. Either the District or the Union may re-open the agreement pursuant to Section 16, Re-Opener below.

The negotiations for a successor Memorandum of Understanding shall commence ninety days prior to the expiration of this Memorandum of Understanding.

**2. RECOGNITION**

2.1. **District:** The General Manager of the Monterey Regional Waste Management District (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, as amended on November 18, 2022.

2.2. **Management Unit:** The bargaining unit includes all employees who are who are employed by the District in a full-time status in any of the following classifications:

Assistant Director of Operations	MRF Manager
Assistant MRF Manager	Safety Manager
Communications Manager	Senior Engineer
Equipment Maintenance Manager	

**3. MEMBERSHIP IN THE MANAGEMENT UNIT**

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

**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, membership status in bargaining unit or legitimate bargaining unit activities, or any other category identified by state or federal law against any employee or applicant for employment by any member of the Management Unit, ReGen or by anyone employed by the ReGen.

## **5. EMPLOYEE RIGHTS**

- 5.1 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 bargaining unit 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 bargaining unit 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 bargaining unit because of their exercise of these rights.
- 5.2 The Management Unit may select two (2) employees as Union Representatives and shall notify the District who the Representatives are.

## **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. 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.

## **8. WAGE INCREASES AND OTHER COMPENSATION**

- 8.1. The following Rate Increase(s) shall be made to the Management Unit Pay Schedule, with the exception of the Equipment Maintenance Manager:
- a. 3.8%, effective 7/1/2024.
  - b. 100% of CPI of San Francisco Area - April 2025 (within 1.5% – 4.5%), effective 7/1/2025.
  - c. 100% of CPI of San Francisco Area - April 2026 (within 1.5% – 4.5%), effective 7/1/2026.
  - d. 100% of CPI of San Francisco Area - April 2027 (within 1.5% – 4.5%), effective 7/1/2027.
  - e. 100% of CPI of San Francisco Area - April 2028 (within 1.5% – 4.5%), effective 7/1/2028.
- 8.2 **Market-Based Wage Adjustments:** The Equipment Maintenance Manager classification, shall receive a 1% pay rate increase on July 1 of each contract year, based on the Total Compensation Study of April 26, 2024.



8.2 **Bilingual Pay:** An employee designated by the General Manager to provide bilingual services shall receive up to five (5) percent of their monthly salary as a premium.

8.3 **Shift Differential:** 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

8.4 **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. Group 1: Employees who were grandfathered into the Longevity Pay Program AND Deferred Compensation 457(b) Employer Match Program existing on June 30, 2019, remain eligible for both programs:
  - i. A Longevity Pay stipend based on length of continuous, full-time employment as follows:
    - 10 years: A longevity adjustment of 2.5% of base hourly rate
    - 15 years: A longevity adjustment of 5.0% of base hourly rate
  - ii. Deferred Compensation (457(b)) Employer Match: Up to 4%
- b. Group 2: Employees hired prior to June 30, 2019 and who opted to participate in the existing Longevity Pay Program in lieu of the existing 457(b) Deferred Compensation Employer-Match Program, remain eligible for Longevity Pay as described in Section 13.8.i, when they meet continuous, full-time employment of 10 years and 15 years of service.
- c. Group 3: Employees hired after July 1, 2019, may participate in the 457(b) Deferred Compensation Employer-Match Program, as noted below. Longevity Pay is NOT available to employees hired after July 1, 2019.

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

## 9. HEALTH & WELFARE

9.1 **Health Insurance Premiums:** ReGen shall contribute towards health insurance premiums (medical, dental, vision) as follows:

- a. The District will pay 85% toward healthcare insurance premiums and the Employee will pay 15% of premium rate.

9.2 **Short-Term and Long-Term Disability Insurance:** ReGen 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, up to the maximum of \$2,500, less deductible sources of income. ReGen shall provide employees with a Long-Term disability insurance benefit at the rate of 66.7% of the

employees' regular monthly earnings, up to a maximum of \$12,000, less deductible sources of income, following a 360-day waiting period. Employees may use accrued paid time off to make up the difference in salary, up to 100%.

- 9.3 **Life Insurance:** ReGen shall provide employees life insurance coverage equal to the employee's annual regular wages, up to a maximum of \$275,000.

## 10. HOLIDAYS

- 10.1 The following holidays shall be paid days off or, if worked, employee may take another day off the same week as the holiday:

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

- 10.2 **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 Director 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.
- 10.3 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.
- 10.4 Holiday pay shall only be paid on the day the holiday is observed.
- 10.5 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.

## 11. VACATION ACCRUAL

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

Years 1-3	10 days per year	After 8 years	18 days per year
After 4 years	15 days per year	After 9 years	19 days per year
After 6 years	16 days per year	After 10 years	20 days per year
After 7 years	17 days per year	After 15 years	22 days per year

- 11.2 **Vacation Cash-Out:** The total number of vacation hours which may be accrued at any time during the calendar year shall not be limited; however, the total number of vacation hours which the employee shall be entitled to carry over from one calendar year to the next shall be limited to two hundred eighty (280) hours. This limitation shall be imposed, and any hours in excess of two hundred eighty 280 hours shall be paid out, on the first paycheck of November.

## 12. RETIREMENT

12.1 Employees shall participate in the California Public Employees Retirement System (CalPERS) and ReGen shall pay the employees' contribution at the following rates:

- a. **Classic Members:** Employees hired by ReGen 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 ReGen'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).

ReGen 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), ReGen 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.

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

12.2 **Health Insurance Premium Reimbursement for Retirees:** ReGen shall contribute toward health insurance premiums for employees retired from ReGen at the age of 55 or older with at least five (5) years of continuous employment with the District. To be considered "retired" and eligible for the benefits under this section, an employee must:

- a. Retire from ReGen and from CalPERS;
- b. Submit to Human Resources verification of CalPERS retirement and the application for benefits under this section no later than three months from the date of separation from employment.
- c. Eligible retirees shall be reimbursed at the rate of \$29.94 (beginning July 1, 2024) 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.

## 13. EDUCATIONAL BENEFITS

With prior supervisor recommendation and the General Manager's approval, the District shall reimburse an employee for books and tuition for a job-related course of study. The employee shall receive reimbursement upon successful completion of the course with a pass or grade of "C" or better.



## 14. MANAGEMENT LEAVE

- 14.1 Effective January 1 of each year, management employees shall be credited with one-hundred seventeen (117) hours of Management Leave at the beginning of the calendar year to be used by the end of the calendar year. Employment less than a full calendar year shall reduce the credit proportionate to the time actually worked.
- 14.2 Management leave may be accumulated to a maximum of 234 hours at the end of each calendar year. Leave in excess of the permitted maximum shall be liquidated by pay in December or, if the employee so elects, converted to a deferred compensation rollover of equal value or vacation leave to the extent the maximum vacation accumulation has not been reached. Management leave that has been credited at the beginning of the year may be used during that year or converted in December. Leave that has been rolled over from the prior year can be converted at any time during the subsequent year(s).

## 15. MISCELLANEOUS

- 15.2 **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 or up to 5 days unpaid leave. 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, child, parent, grandparents, brother, sister, or spouse's parents. 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. This article shall be administered in a manner consistent with the requirements of AB 1949 (2021-2022).
- 15.2 **Shoe Allowance:** The District shall provide up to \$250 per fiscal year for safety shoes to employees who regularly work outside the office.
16. **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.
- 16.1 **Section 3.H. of Attendance Policy is Amended as follows:** An employee who exceeds 56 hours (7 days) of unscheduled time off in a rolling 12-month period is subject to progressive discipline.
- 16.2 **Section 5 of Attendance Policy is Amended as follows:** A Written Warning may be issued after 56 hours of unscheduled time off, followed by Step 2 of the progressive disciplinary process as noted in the Attendance Policy Section 5.

## 16. RE-OPENER

Either the District or the Management Unit may re-open the agreement (MOU) pursuant to Section 8.1 and 8.2 Rate Increases only, provided that prior to May 20, 2027, the party requesting the reopener provides written notice to the other party reopening the Memorandum of Understanding. In the event of a reopener, the Rate Increases effective July 1, 2027, will not be implemented.

## 17. RATIFICATION



Nothing in this Memorandum shall be deemed binding on either the District or Management Unit until it has been adopted by the District's Board of Directors and ratified by the Unit's members.

**MONTEREY REGIONAL WASTE MANAGEMENT DISTRICT**

  
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Felipe Melchor, General Manager

Date: 6-7-2024

**MANAGEMENT UNIT REPRESENTATIVES**

  
\_\_\_\_\_  
Efrain Lopez, Equipment Maintenance Manager

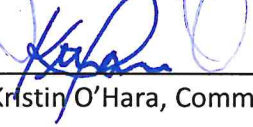
Date: 6/6/24

  
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David Saucedo, MRF Manager

Date: 06/06/2024

  
\_\_\_\_\_  
Jamison Pfister, Assistant Director of Operations

Date: 6/6/24

  
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Kristin O'Hara, Communications Manager

Date: 6/6/24