



MEMORANDUM OF UNDERSTANDING

BETWEEN

THE CITY OF MONROVIA

AND

MANAGEMENT EMPLOYEES

JULY 1, 2022 – JUNE 30, 2027

**MANAGEMENT EMPLOYEES
FISCAL YEARS 2022 – 2027**

APPENDIX C

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APPENDIX C

Within the City of Monrovia organization, the City Council recognizes the benefit and need to foster and maintain a strong, professional Management Group. The salary and benefit levels provided herein recognize that members of the Management Group are compensated for successful performance and completion of goals and objectives to meet community needs regardless of the length of the workday.

This Memorandum of Understanding (Agreement) outlines matters relating to the wages, hours, and terms and conditions of employment for Management Group members for a five-year period (Fiscal Years 2017 – 2022), to remain in effect through June 30, 2027, and subject to the provisions contained herein. Furthermore, this Agreement is subject to an automatic re-opener if the City experiences any severe financial hardship through reductions in the operating budget and / or increases in employer costs during the term of this Agreement.

The City Council ratified and approved the terms and conditions of employment set forth in this Agreement on June 21, 2022.

SECTION I. MANAGEMENT DESIGNATIONS

The following positions shall be considered Management and subject to the compensation and supplemental benefit levels provided herein:

- Administrative Services Director
- Assistant City Manager
- Director of Community Development
- Director of Community Services
- Director of Public Works
- Fire Chief
- Police Chief

SECTION II. COMPENSATION

A. Salary Range.

The Salary Range for those Management employee positions covered by this agreement is set forth in Exhibit A and incorporated herein. Furthermore, the Citywide Classification / Compensation Program, which includes the classifications designated as Management positions, is set forth in Exhibit B and incorporated herein.

Effective July 1, 2022, the new Citywide Classification / Compensation Program will be implemented. The City will adjust employees' salaries by moving them to the new range and placing them on the step that is closest to their current pay, without losing any compensation.

The City will institute a biennial salary survey of salary and medical benefit costs, and will make corresponding salary range adjustments to maintain competitive market based compensation levels, pursuant to the following provisions:

- The City will coordinate the salary survey according to a timeline which will allow for the implementation of salary range adjustments on January 1, 2024 and January 1, 2026.
 - In order to facilitate the timelines associated with the biennial salary range adjustments, the salary survey process will be initiated no later than July 1, 2023, and July 1, 2025.
 - The City will guarantee a minimum of a five percent adjustment to the Citywide Classification / Compensation Program on January 1, 2024 and January 1, 2026.
 - The City will adjust employees' salaries by moving them to the new range and placing them on the step that is closest to their current pay, without losing any compensation.
 - The implementation of the salary survey data will take into the following prioritized factors: 1.) Account for horizontal and vertical internal organizational salary relationships. 2.) Account for the median salary for each surveyed position. 3.) Implement a new compensation structure that maintains salaries at no less than the median salary survey average in a manner that takes into account horizontal and vertical internal organizational salary relationships.

No Management employee shall have any right or vested interest in any salary level above the minimum provided. Furthermore, the placement of an individual at a salary level or advancement or reduction of an individual within the salary range shall be determined only after a thorough review by the City Manager to determine the extent to which the Management employee has met the expectations of his / her department and the expected objectives for performance. In addition, the City Manager shall consider the degree to which the Department Director has been of positive value to the overall effectiveness of the department and the Management Team. Current salary standing or salary advancement shall be neither automatic nor a matter of right but shall be based upon the principles of merit as described herein.

B. Prohibition of Overtime and Compensatory Time Accrual.

Except as otherwise provided herein, an officer or employee covered by this Appendix C shall not be eligible to receive any other form of salaried compensation above the level provided by the City Manager and shall not be eligible to receive overtime or to accumulate compensatory time off with the exception of compensatory time earned for holidays. The maximum accrual of compensatory time for this purpose is eighty (80) hours per calendar year.

C. Survey Cities.

The City and the Management Group also agree that for classification, compensation, and other related survey purposes, the following seven cities shall serve as the representative survey cities for Monrovia:

1. Arcadia
2. Azusa

3. Burbank
4. Glendale
5. Monterey Park
6. Pasadena
7. Beverly Hills

SECTION III. OTHER COMPENSATION

A. Pay for Performance / Performance Evaluations.

The salary ranges provided herein are intended to recognize individual differences among positions allocated to the same class, the purpose of which is to provide employee incentives and reward employees for meritorious service and continued improvement within a particular position. All increases in salary within any range shall be made only on the basis of fully satisfactory performance and continued improvement. Increases in salary within any range shall be neither automatic nor a matter of right and shall be effected only upon the recommendation and approval of the City Manager after completion of a thorough employee performance evaluation.

The following general provisions shall govern the granting of salary step increases within the established salary range for each Management position based upon the principles of merit:

1. The initial compensation to be paid for employment in any position shall normally be Step A of the Salary Range. Where it is found to be difficult to obtain qualified personnel for a position or if a person of unusual qualifications is to be employed in a position, the City Manager may authorize hiring at a higher initial step.
2. After the first twelve (12) months of employment, employees appointed at Step A shall be eligible to be considered for advancement to the second step of the applicable range.
3. After advancement to the second salary step, an employee shall be eligible to be considered for advancement to the next higher step of the salary range only after completion of twelve (12) months of service.
4. Consideration of advancement of an eligible employee from one step of the salary range to the next shall be done by the City Manager. Advancement shall be effected only after the City Manager has completed a thorough evaluation of the employee's performance in the position and has determined that the employee has improved his / her performance within the position resulting in increased value to the City. Advancement shall be made only upon such recommendation and approval of the City Manager.
5. If in the opinion of the City Manager, the employee has not performed in a

manner so as to merit step advancement, the City Manager is authorized to retain the employee at his / her present salary step. The reasons cited for retention shall also be made in writing to the employee involved. The employee shall not be entitled to an appeal of the City Manager's decision to retain the employee at their present salary step, and the City Manager's decision shall be final and binding.

6. If the City Manager determines, subsequent to completion of a thorough employee evaluation, that an employee has not performed in a manner so as to merit retention or advancement, the City Manager is authorized to implement disciplinary action, including a reduction of an employee's salary step. The reasons cited for reduction shall also be made in writing to the employee. The employee shall not be entitled to an appeal of the City Manager's decision to reduce the employee's salary step, and the City Manager's decision shall be final and binding.
7. The City Manager may further improve the step advancement of any employee, provided the following:
 - a. The City Manager, in his / her written justification for further step advancement for the employee, certifies that the employee has performed his / her work in an outstanding and exceptionally meritorious manner.
 - b. The employee has successfully completed the probationary period in his / her current classification.
 - c. The employee is recommended for advancement by not more than two (2) salary steps.
 - d. In the case of a double step, the employee has had no previous double step advancement during his / her employment in the particular classification.
 - e. In the case of an acceleration, the employee has had no previous step advancement acceleration during his / her employment in the particular classification.
 - f. At least six (6) months have elapsed since the employee has received a step advancement for outstanding and exceptionally meritorious performance.
8. Once a Management employee has reached the top step of his / her salary range, the employee shall be eligible annually to earn up to a 3% performance bonus as part of their normal performance evaluation process. The amount of the performance bonus shall be recommended and authorized by the City Manager.

- Performance Bonus Rating Scale:
 - 3.00 – 3.49 – 1% bonus
 - 3.50 – 4.00 – 2% bonus
 - 4.01 – 5.00 – 3% bonus

9. The annual performance evaluation process shall be administered pursuant to the following general guidelines:
 - a. Annual evaluations must be completed and forwarded to the Human Resources Division, including any written responses provided by the employee.
 - b. A new employee's minimum initial probationary period is twelve months. Any subsequent probationary period due to promotion, reclassification, or transfer into a Management role shall result in a probationary period of a minimum of twelve months.
 - c. Any employee receiving an overall Performance Appraisal rating of Below Expectations or Unacceptable shall be placed on a Performance Improvement Plan (PIP). PIP's will be due in accordance with the evaluation schedule cited in the PIP.

B. Chief Officer Certification Pay.

Provided that the Fire Chief possesses a valid Chief Officer Certificate issued by the California State Board of Fire Services, he / she shall receive \$700 per month, in addition to his / her base pay.

C. USAR Rescue System Certification Pay.

Provided that the Fire Chief possesses a valid USAR Rescue Systems 1 and 2 Certificate issued by the California State Board of Fire Services or equivalent certification, he / she shall receive \$100 per month in addition to his / her base pay.

D. EMT Certification Pay.

Provided that the Fire Chief possesses a valid Emergency Medical Technician (EMT) Certification, he / she shall receive the following EMT Certification Pay in addition to his / her base pay for each corresponding fiscal year:

1. Effective July 1, 2022 – \$400 / month
2. Effective July 1, 2024 - \$450 / month

E. Tiller Truck Certification Pay.

Any Fire Chief who possess a valid Tiller Truck Certification shall receive the following Certification Pay in addition to their base pay for each corresponding fiscal year:

1. Effective July 1, 2022 – \$50 / month
2. Effective July 1, 2024 – \$100 / month

F. Paramedic Certification Pay.

Provided that the Fire Chief possesses a valid California State paramedic license with Los Angeles County accreditation, and is capable of performing Paramedic duties from time to time, he / she shall receive:

1. Effective July 1, 2022 – \$200 / month
2. Effective July 1, 2024 – \$250 / month

G. POST Premium Pay.

A Police Chief who qualifies for Management POST Certificate issued by the Police Officers' Standards and Training Commission shall receive the following monthly POST Premium Pay:

<u>POST CERTIFICATE</u>	<u>MONTHLY PAY AMOUNT</u>
Management	\$1,250

H. Educational Incentive Pay.

Managers shall be eligible to receive educational incentive pay in the following amounts:

- AA / AS Degree – \$275 / year
- BA / BS Degree – \$425 / year
- MA / JD / CPA Degree – \$575 / year
- PhD Degree – \$725 / year

The educational incentive pay benefit provided herein shall be paid annually during Pay Period #24. Furthermore, eligible employees shall only receive educational incentive pay in the amount equivalent to the single highest educational level attained.

In order to participate in the educational incentive pay benefit, employees must provide the Human Resources Division with proof of educational obtainment level before October 31 in order to receive the incentive payment during Pay Period #24 of that same year. Once the educational attainment level has been established, the payment shall be made to the employee annually thereafter during Pay Period #24.

If an employee should obtain either a new degree or a higher degree after October 31, the employee must provide the Human Resources Division with proof of the educational degree obtained before the ensuing October 31 in order to receive the educational incentive pay benefit during Pay Period #24 in the following fiscal year.

SECTION IV. VACATION

Employees or officers in positions covered hereunder shall be entitled to annual vacation leave with pay as follows:

Vacation Accrual

<u>Years of Service</u>	<u>Vacation Accrual</u>
1 through 7	200 hours per year
8 and above	280 hours per year

Positions covered hereunder shall be able to accumulate an unlimited amount of vacation leave, however, unless a special finding is made by the City Manager, upon separating from service with the City, employees will be eligible to be paid out for no more than the vacation payout caps outlined below:

Maximum Vacation Accumulation Pay Out Schedule

<u>Years of Service</u>	<u>Vacation Payout Cap</u>
1 through 7	400 hours
8 and above	560 hours

Management Members will be eligible to buyout or rollover into deferred compensation to the max annual allowable in accordance with IRS regulations, once in a calendar year. The employee must retain a minimum of 40 hours of vacation leave in their vacation accrual bank after the buyout or rollover is processed.

SECTION V. HOLIDAYS

A. Basic Holiday Leave.

1. With the exceptions provided herein, holidays for employees covered under this agreement shall be as follows:
 - a. New Year's Eve Day
 - b. New Year's Day
 - c. Martin Luther King, Jr. Birthday
 - d. President's Day
 - e. Memorial Day
 - f. Fourth of July
 - g. Labor Day
 - h. Veteran's Day
 - i. Thanksgiving Day
 - j. The Friday after Thanksgiving Day
 - k. December 24th
 - l. December 25th

Unless otherwise determined by the City, the actual dates for each of the foregoing holidays shall be the dates adopted by the State of California for its employees.

2. For employees working a 5/40 workweek schedule whose work schedule would include working on Friday and not working Saturday and Sunday, if any of the foregoing holidays falls on a Saturday or Sunday, the preceding Friday or following Monday respectively shall be a holiday. Employees regularly scheduled to work on a holiday shall be eligible to receive compensating time off for the holiday if the holiday is worked based on the employee's normal work hours on the day the holiday occurs.
3. For employees on a 9/80, 4/10 or 5/40 work schedule, if any of the preceding holidays fall on the employee's regular day off, the employee will receive hours of holiday credit or holiday pay based on their normal schedule as deemed appropriate by the Department Head. If any of the preceding holidays fall on a Sunday, the following Monday shall be observed as a holiday.
4. For the purposes of this section, a holiday shall be considered as ten (10) hours for employees working a 4/10 work schedule and eight (8) hours for employees working a 5/40 work schedule. For employees working a 9/80 work schedule, a holiday shall be considered as eight (8) or nine (9) hours based on the employee's normal work hours on the day the holiday occurs.

B. Floating Holidays

All Management Members will have a new Floating Holiday Leave Bank created, and on an annual basis, each employee will receive two (2) floating holidays in recognition of the employee's birthday and the employee's employment anniversary.

The two (2) floating holidays will be accrued effective the first payroll period following the last full payroll period of the previous fiscal year, and must be used by the last full pay period of each fiscal year. Any floating holiday leave time that is unused during the course of the fiscal year will be forfeited.

In terms of accruals, each employee's Floating Holiday Leave Bank shall be credited with the following hours based on each employee's established work schedule:

- 20 hours

Furthermore, for each newly hired employees, during their first year of employment with the City, each such new employee shall have their Floating Holiday Leave Bank credited with the following hours, based on each employee's established work schedule:

- Hire date between July 1 and December 31
 - 20 hours

- Hire date between January 1 and June 30
 - 10 hours

SECTION VI. SICK LEAVE

Employees in positions designated as Management shall be eligible for the following sick leave provisions:

- A.** For all employees designed as Management and who started employment with the City on or before July 1, 2017, sick leave accrual and cash-out provisions shall be as follows:
- Employees shall accrue sick leave at the rate of 8 hours per month of service. There shall be no accrual limit for sick leave.
 - Any eligible employee who separates from the City of Monrovia or retires from the City of Monrovia with a minimum of five (5) years of service will be paid for twenty-five percent (25%) of accrued sick leave upon separation or retirement.
 - Any eligible employee who retires from the City of Monrovia with a minimum of ten years of service will be paid for fifty percent (50%) of accrued sick leave upon retirement.
- B.** For all employees designated as Management and who started employment with the City after July 1, 2017, sick leave accrual and cash-out provisions shall be as follows:
- Employees shall accrue sick leave at the rate of 8 hours per month of service. There shall be no accrual limit for sick leave.
 - Upon a bona fide retirement from the City through CalPERS, employees who opt to convert an equivalent number of unused sick leave hours to achieve at least one year's worth of service time credit for retirement purposes (based on program details as defined by CalPERS) will be eligible to cash out any remaining accrued sick leave time pursuant to the following program provisions:
 - Employees must first convert the equivalent number of sick leave hours needed to achieve one year's worth of service credit through the CalPERS sick leave conversion program.
 - Those employees who, pursuant to CalPERS rules and retirement program plan provisions, have restrictions which limit the employee to less than one year of additional service credit that can be earned through the sick leave conversion program, will be required to convert the maximum number of sick leave hours possible into service credit.

- After completing the requisite CalPERS sick leave conversion program requirements outlined above, employees will then be eligible to cash out any remaining sick leave time at the rate of \$0.30 for every \$1.00 worth of sick leave remaining, based on the employee's rate of pay at the time of retirement.
- C. Additionally, all new employees hired by the City shall be eligible to bring with them up to 250 hours of sick leave from their prior employer, so long as a new employee's prior employer did not compensate the employee for their sick leave bank.

SECTION VII. MANAGEMENT LEAVE:

- A. Positions covered hereunder shall be credited on July 1 of each fiscal year with eighty (80) hours of management leave. Credited leave days may be used at any time during the year with approval of the City Manager and given due consideration to the needs of the City.
- B. In the last payroll of each fiscal year, Management employees shall be paid in cash for all management leave days credited but unused during the preceding year.
- C. Management employees hired or separating from employment during the fiscal year shall be credited with a prorata of management leave days based on the number of months of the fiscal year for which the individual is employed.

SECTION VIII. RETIREMENT BENEFITS

- A. The City is a participating agency in the California Public Employees' Retirement System (PERS) and provides retirement benefits under PERS to the City's eligible employees. Generally, under the laws governing PERS, two types of contributions are required to fund the City's PERS benefits: member contributions and employer contributions.
- B. The City shall pay the entire member contribution required by PERS for all employees in positions designated as Management. These City payments are known as "employer paid member contributions," or EPMCs. All EPMCs for employees will be reported by the City to PERS as PERS Compensation in accordance with section 20636(c)(4) of the California Government Code, as amended. Accordingly, the EPMCs will be included in each such employee's PERS Compensation for purposes of determining the employee's retirement benefits under PERS.
- C. All employees in positions designated as Management, as well as the City Manager and all City elected officials, shall, in accordance with section 20156(f) of the California Government Code, contribute a percentage of their PERS Compensation for the City's cost of optional benefits under PERS.

- i. For non-safety Management employees, designated as miscellaneous employees for PERS purposes, the contribution percentage will be 9.946%.
- ii. For Management employees designated as safety employees for PERS purposes, the contribution percentage will be 12.811%.
- iii. Contributions under this paragraph will offset the City's required employer contributions under PERS, and will not be treated by PERS as "member contributions" for any purpose.
- iv. In addition, the contributions will be deducted from each such employee's City pay, and no employee may elect to receive cash in lieu of the contribution. The City will take formal action characterizing these contributions as pre-tax "pick up" contributions in accordance with section 414(h) of the Internal Revenue Code.

D. All current employees serving in positions designated as Management as of the July 1, 2017 shall be enrolled in the City's Pre-Funded Retiree Medical Trust Program for Management Group employees (as further defined in Section VIII.A of this Agreement) and furthermore, shall also be eligible to receive the following defined benefit retiree health program insurance premium reimbursement:

- i. Once retired, the retiree must provide evidence of a monthly premium to be paid directly by the retiree, to receive reimbursement. Otherwise, such reimbursement will not be provided.
- ii. Retiree medical premiums will be paid for the employee and spouse for the lifetime of both parties provided they remain married until death. Should they divorce, the spouse will not be entitled to such reimbursement.
- iii. The retiree / spouse must submit evidence of their monthly medical premium to the Human Resources Division to receive the monthly reimbursement.
- iv. Employees retiring with a minimum of ten (10) years of service shall receive a monthly reimbursement of fifty percent (50%) of the monthly health insurance premium paid for retiring employee and his / her spouse for the remainder of their lives.
- v. Employees retiring with a minimum of fifteen (15) years of service shall receive a monthly reimbursement of seventy-five percent (75%) of the monthly health insurance premium paid for retiring employee and his / her spouse for the remainder of their lives.
- vi. Employees retiring with a minimum of twenty (20) years of service shall receive a monthly reimbursement of one hundred percent (100%) of the

monthly health insurance premium paid for retiring employee and his/her spouse for the remainder of their lives.

- vii. No retiree shall receive a reimbursement for more than the actual monthly cost of the medical coverage.
- viii. When the retiree and / or spouse become eligible for Medicare, each individual must elect such coverage as the City will only provide reimbursement based on the supplement to Medicare plan premium.

E. Any person who is designated as Management after July 1, 2017 shall be eligible to select from the following retirement medical benefit plan options:

- i. For those employees promoting from an existing non-Management Group City position into the Management Group, such individuals will have the option of selecting from the following retirement medical benefit plan options:
 - a. Retain the retirement medical plan benefit they qualified for prior to promoting into the Management Group.
 - b. Opt into the City's Pre-Funded Retiree Medical Trust Program for Management Group employees, as further defined in Section VIII.A below.
- ii. For all new City employees who join the Management Group without having previously been employed by the City, such individuals will be provided with membership into Plan A of the City's Pre-Funded Retiree Medical Trust Program for Management Group employees, as further defined in Section VIII.A below.

F. Employee CalPERS Response Giveback Plan

Effective the first pay period on or after January 1, 2018, all employees in positions designated as Management will contribute the equivalent of \$225 per month to offset CalPERS Unfunded Accrued Liability costs. All contributions made pursuant to this Employee CalPERS Response Giveback Plan will be deducted from each employee's paycheck in equal amounts every pay period. Also, the employee contributions made pursuant to this Employee CalPERS Response Giveback Plan will be coordinated as a pre-tax contribution. Finally, the employee contributions made pursuant to this Employee CalPERS Response Giveback Plan will be considered part of the employee contribution towards CalPERS retirement system costs.

SECTION IX. PRE-FUNDED RETIREE MEDICAL TRUST

The City will implement a Management Group Pre-Funded Retiree Medical Trust (PRMT) that provides for employer and employee contributions. The PRMT will establish a Health Reimbursement Savings Trust account that will allow employees to utilize monies in this Trust to pay for IRS-approved medical premiums with pre-tax dollars as long as there are funds in the retiree's account. A complete Plan document describing the PRMT will be provided to each participant.

Prior to the effective date of this Agreement, the City had established two Management Group PRMT plans, including Plan A and Plan B. As of the effective date of this Agreement, any Management Group employee that had funds in either Plan A or Plan B shall retain the account balances accrued in their PRMT account prior to this change. Furthermore, as of the effective date of this Agreement, all Management Group employees will be transitioned into the Management Group PRMT program, as further defined in Section VIII.A below.

A. Management Group PRMT.

Both the employee and the City will be required to contribute monies into the Management Group PRMT each pay period. All contributions made will remain in the PRMT plan for the benefit of the employee regardless of whether he / she retires or otherwise separates from employment with the City. An employee cannot contribute either more or less per pay period than the amount specified in the Table below. The contribution levels for both employee and the City are based on length of service as indicated in the Table below:

City of Monrovia Management Group PRMT		
Years of Service	Employee Contribution/ Pay Period	Employer Contribution/ Pay Period
0-5	\$ 30	\$ 40
6-10	\$ 40	\$ 50
11-15	\$ 50	\$ 60
16-20	\$ 60	\$ 70
21-25	\$ 70	\$ 80
26+	\$ 80	\$ 90

C. Monies in the PRMT for an employee, former employee, and retiree will be available to the surviving beneficiaries in accordance with the provisions of the PRMT program and IRS regulations.

D. The language contained in this Section is subject to review by legal counsel and may be amended to comply with legal and IRS regulations.

SECTION X. HEALTH AND WELFARE BENEFITS

A. Cafeteria Style Medical Benefit Plan:

Those employees who elect to acquire medical insurance coverage through the City will receive the following amounts for use towards enrolling in any of the medical, dental, and vision insurance plans offered by the City.

- Effective December 2022 \$1,525 / month
- Effective December 2023 \$1,600 / month
- Effective December 2024 \$1,675 / month
- Effective December 2025 \$1,750 / month
- Effective December 2026 \$1,825 / month

Any unused remainder may be taken as cash, or be used towards any additional City sponsored insurance programs.

It is also important to note that the above referenced contribution amounts will only be provided to employees who elect to acquire medical insurance through the City. Employees who elect to acquire dental and / or vision insurance through the City, but not medical insurance through the City, will be ineligible to receive the above referenced contribution amounts, and will instead have to participate in the City's opt-out program as further defined below.

Association Members Hired on or Before August 28, 2015.

Those Association members who elect not to acquire medical insurance coverage through the City must first provide proof of medical insurance coverage through an alternative source. Upon meeting that requirement, the Association member shall then be eligible to opt-out of the City's medical coverage program and will receive \$750/month.

Association Members Hired after August 28, 2015.

Those employees who can provide proof of medical insurance coverage through an alternative source shall be eligible to opt-out of the City's medical coverage program and will receive 25% of the monthly cafeteria plan contribution, with a maximum cash-out cap of \$500 / month, which can be taken as cash, or be used towards any non-medical City sponsored insurance programs.

B. Long-Term Disability Benefits.

The City shall provide all Association members with a long-term disability program.

C. Prohibition of "Double Coverage."

The City may prohibit employees from adding another City employee as a dependent, or from being added to another City employee's City health plan(s) as a dependent.

D. Tuition Reimbursement.

Employees who complete job-related courses shall be reimbursed for tuition as outlined in Administrative Policy #305. Such policy shall be considered as part of this Agreement by reference and thus subject to the meet and confer process for any future amendments. In addition, upon successful completion of a course(s) employees will be reimbursed up to \$50 per semester/quarter for required books.

E. Deferred Compensation / Credit Union Savings Program.

At any time, employees can voluntarily elect to participate in and contribute towards any City sponsored deferred compensation program, and / or participate in Monrovia Credit Union savings programs.

SECTION XI. LIFE INSURANCE

The City shall pay the cost of the group life insurance program. Such program shall consist of life insurance in an amount equal to annual salary to a maximum of \$200,000, with a double indemnity clause covering accidents while in service of the City.

SECTION XII. DEFERRED COMPENSATION

The City shall contribute \$200 per month into one of the City's participating deferred compensation plans. The employee shall designate the option of his / her choice.

- A. Each calendar year, any employee may convert the hourly rate of any portion of their accrued vacation hours into monies to be included in their contribution to one of the City's deferred compensation providers up to the maximum annual contribution allowed in accordance with IRS regulations.
- B. Any employee who is planning to retire directly from the City of Monrovia may convert their accrued sick leave to monies to be included in one of the City's deferred compensation providers by participating in the following program.
- C. In the final three (3) years prior to an employee's stated retirement date he/she may convert the hourly rate of accrued sick leave to monies into be included in their contribution to one of the City's deferred compensation providers in accordance with IRS regulations and the schedule outlined below:
 - a. Any employee opting to participate in this program must sign a loan agreement indicating their intent to retire directly from the City of Monrovia or otherwise repay all amounts contributed through this program should they not retire directly from the City of Monrovia. Should an employee not retire from the City due to an involuntary separation from service, provided such separation is not for cause, the employee will not be required to repay all amounts contributed.
 - b. All sick leave hours converted will be on a fifty percent basis (e.g., a conversion of 100 hours will result in the salary equivalent to 50 hours being deposited into the employee's deferred compensation account).
 - c. In the third year prior to retirement, the employee may convert a maximum of ten percent (10%) of their sick leave balance.
 - d. In the second year prior to retirement, the employee may convert a maximum of thirty percent (30%) of their sick leave balance.
 - e. In the final year prior to retirement, the employee may convert a maximum of fifty percent (50%) of their sick leave balance.

SECTION XIII. AUTO ALLOWANCE

The City shall pay \$450 per month to each employee covered hereunder for use of their personal vehicle in connection with City business. The Fire Chief, Police Chief, and Director of Public Works may be provided with a City vehicle in lieu of receiving an auto allowance.

Additionally, additional language related to reimbursement for travel to conferences / seminars is contained in Administrative Policy #1.04

SECTION XIV. ADMINISTRATION OF BENEFITS

Excepting the salary levels and benefits provided herein, the following positions shall be subject to the provisions of the respective appendix in the areas of uniform, clothing, and safety equipment allowances; certification pay; paramedic training allowance; leave provisions; bilingual pay; health / medical benefits; and retirement benefits.

CLASSIFICATION	APPENDIX
Administrative Services Director	B
Assistant City Manager	B
Director of Community Development	B
Director of Community Services	B
Director of Public Works	B
Fire Chief	A
Police Chief	G

**SIDE LETTER OF AGREEMENT
BETWEEN
THE CITY OF MONROVIA
AND THE
MANAGEMENT EMPLOYEES**

This *Side Letter of Agreement* will modify the following sections of the Management Employees MOU dated July 1, 2022, through June 30, 2027:

- **SECTION II. COMPENSATION**

Effective December 19, 2023, Section II – A, shall be modified to read as follows:

A. Salary Range.

The Salary Range for those Management employee positions covered by this agreement is set forth in Exhibit A and incorporated herein. Furthermore, the Citywide Classification / Compensation Program, which includes the classifications designated as Management positions, is set forth in Exhibit B and incorporated herein.

Effective July 1, 2022, the new Citywide Classification / Compensation Program will be implemented. The City will adjust employees' salaries by moving them to the new range and placing them on the step that is closest to their current pay, without losing any compensation.

The City will institute a biennial salary survey of salary and medical benefit costs, and will make corresponding salary range adjustments to maintain competitive market based compensation levels, pursuant to the following provisions:

- The City will coordinate the salary survey according to a timeline which will allow for the implementation of salary range adjustments on January 1, 2024 and January 1, 2026.
 - In order to facilitate the timelines associated with the biennial salary range adjustments, the salary survey process will be initiated no later than July 1, 2023, and July 1, 2025.
 - The City will guarantee a minimum of a five percent adjustment to the Citywide Classification / Compensation Program on January 1, 2024 and January 1, 2026.
 - The City will adjust employees' salaries by moving them to the new range and placing them on the step that is closest to their current pay, without losing any compensation.
 - Effective the first pay period of calendar year 2024 (December 31, 2023), the City will adjust employees' salaries by moving them to the new range and placing them on their current step.
- The implementation of the salary survey data will take into the following prioritized factors: 1.) Account for horizontal and vertical internal organizational salary relationships. 2.) Account for the average salary for each surveyed position. 3.) Implement a new compensation structure that maintains salaries at no less than the average salary survey in a manner that takes into account horizontal and vertical internal organizational salary relationships.
- No Management employee shall have any right or vested interest in any salary level above the minimum provided. Furthermore, the placement of an individual at a salary level or advancement or reduction of an individual within the salary range shall be determined only after a thorough review by the City Manager to determine the extent to which the Management employee has met the expectations of his / her department and the expected objectives for performance. In addition, the City Manager shall consider the degree to which the Department Director has been of positive value to the overall effectiveness of the department and the Management Team. Current salary standing or salary advancement shall be neither automatic nor a matter of right but shall be based upon the principles of merit as described herein.

CITY OF MONROVIA:

DocuSigned by:

Dylan Feik

8431550F30804DC
Dylan Feik, City Manager

DocuSigned by:

Lauren Vasquez

45BC2A724C0C4DE
Lauren Vasquez, Assistant City Manager