

**MEMORANDUM OF UNDERSTANDING
BETWEEN
MONTEREY-SALINAS TRANSIT
AND
MONTEREY-SALINAS TRANSIT EMPLOYEES ASSOCIATION**

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ARTICLE 1. PURPOSE AND PREAMBLE

- a. This Agreement is made and entered into by and between Monterey-Salinas Transit Employee Association (MSTEA), its successors and assigns, and Monterey-Salinas Transit, a public agency ("MST"), its successors and assigns. This Agreement is intended to comply with all provisions of the Meyers-Milias-Brown Act pertaining to public agencies.
- b. The parties hereto have met and conferred in good faith on matters of wages, benefits, and working conditions. This Agreement represents mutually acceptable terms and conditions; and items, proposals, offers, counter-offers, or other matters discussed during the meet-and-confer process that are not specifically written in this contract are rejected.
- c. All rights of MST as a public entity and employer, except as specifically limited by the provisions of this Agreement, are retained by MST. These rights include but are not limited to MST's right to direct the workforce, establish work rules, select business methods, determine employee duties, relocate business operations, and adopt technological change. MST shall nonetheless comply with all required provisions of the Meyers-Milias-Brown Act in the exercise of its retained rights.

ARTICLE 2. WAGES AND BENEFITS

- a. **Base Pay:** For purposes of this agreement, “base pay” means the salary established for each eligible member of MSTEA as of July 1, 2024. Eligibility is based on a minimum number of months of regular employment as defined under b. 5. Part-time employees, interns, temporaries and any employee under contract by MST are excluded from this wage agreement.
- b. **Wage Increase:**
1. Effective the first full pay period following January 1, 2025, each eligible employee shall receive a wage increase, equal to 4%. This increase shall modify the employee’s base pay each full year of subsequent employment up to the maximum allowed in the new Salary Range Wage Table.
 2. Effective the first full pay period following January 1, 2026, each eligible employee shall receive a wage increase, equal to 3.5%. This increase shall modify the employee’s base pay each full year of subsequent employment up to the maximum allowed in the new Salary Range Wage Table.
 3. Effective the first full pay period following January 1, 2027, each eligible employee shall receive a wage increase equal to 3%. This increase shall modify the employee’s base pay each full year of subsequent employment up to the maximum allowed in the new Salary Range Wage Table.
 4. Each MSTEA employed on the date of ratification shall receive a \$250.00 bonus, to be paid at the first full pay period following final MSTEA and MST ratification of the Memorandum of Understanding.
 5. Wage increase shall be pro-rated for employees who do not work a complete year. Pro-ration of COLA will occur in the following manner:

0-3 months- 0%
3-9 months- Pro-rates
9-12 months- 100%
- c. **Wage Cap:** Wages that reach the maximum of the salary range will cease to receive any increase in base pay until the individual’s base pay falls below the maximum for that position.
- d. **Compensation Ranges:** It is MST’s policy to pay competitively based on market conditions and on periodic salary surveys. Upon ratification, MST’s compensation salary range scale will be increased by 4% as a one-time adjustment. Subject to the direction of the MST Board, a salary survey will be

conducted and finalized prior to the expiration of this Memorandum of Understanding.

e. Incentive Pay Program:

1. An incentive pay pool equal to 2-3% of the total base pay of all MSTEA and Confidential Unit members shall be established by the Board for each contract year.
2. Incentive pay shall be based upon meeting the Board's adopted annual performance goals and award percentages.
 - 1) The annual performance goals shall be established by MST in consultation with MSTEA and are subject to adoption by the Board. Performance goals must be quantifiable and easily measurable.
 - 2) The amount distributed depends on achievement of the Board's goals and percentages:
 - If all goals are met, 100% of the incentive pool is distributed;
 - If no goals are met, no funds are distributed;
 - If some goals are met, then the pool monies are based on the award percentages for those goals.
 - Funds not distributed shall be re-allocated into MST's Operating Funds.
3. The incentive payment shall be a one-time payment to the employee and shall not increase the employee's base pay.
4. To be eligible, an employee must be receiving pay from MST for work performed and be on the payroll as of the payout date.
5. A formal employee performance evaluation will be completed annually for those individuals who did not meet the expectations of their position. All employees deemed to have met performance expectations will be eligible to participate in the incentive pay program. Those employees shall meet with their supervisor or manager to discuss their performance and set goals for the upcoming performance evaluation period.
6. The CEO has the discretion to designate, approve and recommend individual incentive award payouts. The incentive pay shall be paid to each eligible employee in the first full pay period in October.
7. The incentive pay pool will use the total base pay of all MSTEA and Confidential Unit members as of *June 30 of that year*.
8. Achievement of performance goals will be evaluated by the CEO on a quarterly basis.

9. Incentive pay shall be paid to an eligible employee based upon their relative earnings and achievement of performance goals.

$$\begin{array}{ccccc} \text{\% of total base pay} & \times & \text{employee} & \times & \text{\% of performance} \\ \text{set by the Board} & & \text{base pay} & & \text{goals achieved} \end{array}$$

10. Eligibility will be based upon satisfactory performance evaluations. To be eligible, a new hire must have completed their introductory period by June 30 of that year. Pro-ration of the incentive will occur in the following manner:

0-3 months- 0%

3-9 months- Pro-rates

9-12 months- 100%

f. **Longevity Pay:** In the first full pay period following an employee's employment anniversary date, each employee who has been employed by MST for 5 consecutive years shall receive a lump sum payment equal to 1% of their base pay. The employee will be eligible for lump sum payment of 1% on the successive five-year anniversary date of 10 and 15 years. On the 20-year anniversary date, and on each subsequent anniversary date, the employee shall be eligible for a lump sum payment equal to 1% of their base pay. The lump sum payments paid under this subsection shall not affect the employee's base pay. Consecutive years of employment will include part-time employment provided there is no break in service of 90 days or more.

ARTICLE 3. HEALTH AND LIFE INSURANCE

a. **IRS Section 125 Plan:** During the term of the Agreement MST shall maintain an IRS Section 125 plan for employee medical, dental, vision, life insurance, and additional voluntary benefits. This plan shall be available to eligible MST employees covered by this Agreement, as provided in subparagraph h below and in accordance with the Healthcare Reform Act.

b. **Benefit Options** - The IRS Section 125 employee benefit plan shall offer the following choice of benefits to each eligible MST employee covered by this Agreement during the term of this Agreement:

- group life insurance coverage for each eligible employee who qualifies in the amount of (\$30,000).
- group dependent life insurance in the amount of five thousand dollars (\$5,000) for each eligible employee whose dependents qualify and who elects this coverage.
- group employee medical coverage for each employee or their dependent (s) who elects this coverage.
- dental plan coverage for each eligible employee or their dependent(s) who elect this coverage.
- vision plan coverage for each eligible employee or their dependent(s) who elect this coverage.
- short term disability coverage for each eligible employee who elects this coverage.
- additional term life insurance coverage for each eligible employee or each dependent who elects this coverage.
- cancer care coverage for each eligible employee who elects this coverage.
- other applicable benefits as agreed to.

Dependent upon group coverage requirements and plan design, selection of some options may be mandatory (e.g., dental, life or vision coverage), and others may be voluntary, and others may (from time to time) not be available. Eligibility may depend upon underwriting or plan considerations.

c. **In Lieu Payout:** For the term of this Agreement MST shall fix its in lieu contribution at \$450/mo. for each employee electing not to receive medical coverage. In order to be

eligible for the in lieu payout employees must provide proof of insurance to MST. Employees receiving in lieu shall complete all required state and federal documentation along with proof of qualifying coverage.

d. **Additional Payroll Deduction:** For each month when the benefit options selected by the employee under this plan exceed the full MST contribution for that employee, that employee shall pay by payroll deduction the full cost (100%) which exceeds MST's contribution for that employee.

e. **Section 125 Administration:** If IRS Rule changes threaten the tax exempt status of the Section 125 Plan, the parties will meet and confer regarding modifications to the Plan to allow it to retain its tax exempt status. To ensure this Section 125 plan shall not incur unreasonable costs, special coverage limits or exclusions may apply.

If benefit options in effect as of ratification of this Agreement are no longer offered by the carrier during the term of this Agreement, MST shall notify MSTEA of changes in available benefits, and the parties shall meet and confer regarding this impact of the change, including alternate benefits or plan design. MST may also meet and confer with MSTEA as to the need or advantage to add, remove or modify benefit options (including, but not limited to, coverage levels and limits, deductible, and co-pay requirements) to this during the term of this Agreement without mutual agreement of the parties.

f. **Monthly MST Contribution:** MST shall contribute to the IRS Section 125 employee benefit plan, for each eligible MST employee covered by this Agreement (eligibility is defined in subparagraph h below). MST shall make the following monthly contribution depending on the coverage selected by the employee.

Effective upon the first full pay period following ratification MST and the employee shall share the cost of the medical coverage of the employee as follows:

MST shall pay 92% of the cost of medical coverage for the Employee Only plan, as selected by the Employee, and the Employee shall pay the remaining cost of any such coverage.

MST shall pay 90% for costs of medical coverage for the Employee plus 1, of the Employee plus Family Only plan, as selected by the Employee, and the Employee shall pay the remaining cost of any such coverage.

Effective upon the first full pay period ratification, MST and the employee shall share the cost of the dental and vision coverage of the employee as follows:

MST shall pay 25% of the cost of dental and vision coverage, and the Employee shall pay the remaining cost of any such coverage. The employee shall pay 100% of the

cost of supplemental cancer care coverage selected, as well as 100% of any life of disability insurance as the employee may select.

g. Retired Employee Eligibility: Retired employees, dependent upon group coverage conditions, limitations and exclusions, may be eligible for group health care coverage. If a retired employee meets all eligibility requirements and requests health coverage, MST shall contribute on behalf of that retiree the minimum amount allowable for the employer portion of cost under that health plan, and the retiree shall be responsible for all remaining monthly costs.

h. Eligible Employees: This paragraph defines MST employees covered by this Agreement and eligible to receive funding from MST under its IRS Section 125 plan.

h-1. Each employee (except as provided in section h-2 below) shall be eligible to enroll in the IRS Section 125 plan on the first (1st) day of the first (1st) full month following the day the employee first reports to work. Insurance coverage selected by that employee shall then begin in accord with underwriting criteria applicable to each carrier and each policy. The monthly MST contribution set forth in subparagraph f shall apply to the date that coverage begins.

h-2. The following groups of employees shall not be eligible for any MST contribution to this IRS Section 125 Plan: any limited duty employee; any employee on a leave of absence of thirty (30) days or longer not covered by FMLA/CFRA, any employee on unpaid personal leave not covered by FMLA/CFRA.

i. Employees on a Leave of Absence: For each employee on a leave of absence of less than thirty (30) days, MST shall continue its contribution in accord with paragraph d. above. During any leave of absence of thirty (30) days or longer, or for any unpaid personal leave not covered by FMLA/CFRA, MST shall cease all contributions to the IRS Section 125 employee benefits plan on behalf of that employee. At the conclusion of two (2) full pay periods during which an employee has not received any monies from MST, MST shall cease all contributions to the IRS Section 125 benefits plan on behalf of that employee. Paragraph d. shall not apply to any employee on a leave of absence of thirty (30) days or longer. Each employee taking any leave of absence of thirty (30) days or longer shall bear full responsibility for all costs (100%) of benefits under the IRS Section 125 employee benefit.

ARTICLE 4. HOLIDAYS

a. **Regular Holidays:** Each employee covered by this agreement shall be entitled to the following holidays: New Year's Day, Martin Luther King Day President's Day, Memorial Day, Juneteenth, Fourth of July, Labor Day, Veteran's Day, Thanksgiving Day, Friday following Thanksgiving, Christmas Eve, Christmas Day, New Years Eve.

b. **Floating Holiday:** On July 1st of each year, employees shall accrue a floating holiday in addition to those stated in subparagraph a. above.

c. **Holiday Accruals:** Holiday credits may be accumulated up to 120 hours. Employees who work an alternative work schedule and who work on a holiday shall accrue the number of hours assigned for the day, e.g.; employees on 9/80 schedule will accrue nine (9) hours on a worked holiday, and employees assigned 4/10 schedule will accrue ten (10) hours for the worked holiday.

d. **Holiday Pay Out:** Accrued holiday pay may be paid on payroll upon request by the employee. The request for Holiday pay out may be made directly on the employee's time sheet. The monies will be paid to the employee in the next payroll following the request.

e. **Mandatory Office Closure:** During a mandatory office closure, an employee may, with the written approval of its Department Head, come in to work to perform pre-approved work assignments.

ARTICLE 5. PERSONAL LEAVE

a. **Personal Leave:** All MST employees covered by this Agreement shall be entitled to and take time off (personal leave) with pay in accordance with the provisions in this Article. Non-exempt/hourly employees covered under this agreement will earn an additional day of Personal Time off each year in addition to the time listed below. Personal leave shall accrue as follows:

Initially	fourteen (14) days (Exempt); fifteen (15) days (Non-exempt)
After 1 year	nineteen (19) days (Exempt); twenty (20) days (Non-exempt)
After 5 years	twenty-four (24) days (Exempt); twenty-five (25) days (Non-exempt)
After 10 years	twenty-nine (29) days (Exempt); thirty (30) days (Non-exempt)
After 15 years	thirty-four (34) days after fifteen years (Exempt); thirty-five (35) days (Non-exempt)
After 20 years	thirty-nine (39) days after 20 years (Exempt); forty (40) days (Non-exempt)

b. All employees covered by this Agreement shall accrue personal leave credits at the following rates per payroll period. A payroll period is two (2) work-weeks. Personal leave time shall be considered time worked for personal leave accrual.

Initially	4.31 hours per pay period (Exempt); 4.62 hours per pay period (Non-exempt)
After 1 year	5.85 hours per pay period (Exempt); 6.15 hours per pay period (Non-exempt)
After 5 years	7.38 hours per pay period (Exempt); 7.69 hours per pay period (Non-exempt)
After 10 years	8.92 hours per pay period (Exempt); 9.23 hours per pay period (Non-exempt)
After 15 years	10.46 hours per pay period (Exempt); 10.77 hours per pay period (Non-exempt)
After 20 years	12 hours per pay period (Exempt); 12.31 hours per pay period (Non-exempt)

c. Personal leave credits may be accumulated to a maximum of 1040 hours.

d. The personal leave pay shall be the current rate of pay at the time the employee takes such leave and/or terminates employment with MST.

e. Employees may receive twenty-four (24) hours or more personal leave pay and/or holiday accrual pay provided the employee makes a written request at least fourteen (14) days in advance of the payday on which they wish to receive said pay. Requests for this pay must be submitted on an Employee Transaction Form (ETF) with the employee's signature. These forms are available in Human Resources. An employee may request a

pay-out of Paid Time Off accruals providing that the employee has taken a minimum of five (5) days in the previous twelve (12) months.

f. An employee leaving the service of MST shall be paid all accrued personal leave and holiday hours in the pay period following the employee's termination date.

g. Employees on paid personal leave during a holiday specified in Article 4 shall be entitled to holiday pay.

h. Personal leave and holiday accruals for each employee shall be posted on their paycheck stub.

ARTICLE 6. MANAGEMENT LEAVE

a. **Management Leave Accrual:** In addition to personal leave and holiday, employees exempt from the Fair Labor Standards Act shall accrue eight (8) days (64 hours) of personal leave to be considered as Management leave. Management leave shall accrue at the rate of 2.46 hours per pay period.

ARTICLE 7. DONATION OF PERSONAL LEAVE

a. **Donation:** From time to time an employee may not have a personal leave balance necessary to meet their need to care for themselves or their immediate family by reason of a catastrophic or life threatening illness or injury. This Article enables MST employees to donate one or more hours of their accrued personal leave for the benefit of that employee. Donated personal leave hours shall only be made in whole hour increments.

Each donated hour of personal leave shall be deducted from the donor employee's accrued personal leave balance, and added to the recipient employee's personal leave balance.

b. **Donation List:** MSTEА shall prepare and transmit to MST's payroll department a single list that shows the name of the recipient employee, the names of each donor employee (not to exceed forty (40) donor employees for any single donation list), and the hours donated under this article. So long as MST accurately adjusts personal leave balances in accord with the list provided by MSTEА, no dispute shall arise by reason of this article. Further, MSTEА shall hold MST harmless for any claim that an employee did not authorize the donation.

C. ARTICLE 8. FUNERAL LEAVE

a. **Eligibility:** In the event of the recent death of an employee's spouse, Principal Domestic Partner (defined in Article 13 (b)), children of the employee, children of the employee's spouse, parents of the employee, parents of the employee's spouse, brother or sister of the employee, brother or sister of the employee's spouse, adopted children or legal guardians of the employee, employee's grandparents, grandparents of the employee's spouse, grandchildren or any person who is a member of the employee's immediate household, said employee shall be permitted to take five consecutive days bereavement leave, excluding the employee's regular day off (RDO). Where a funeral takes place outside of California, the employee may use an additional three (3) days of personal leave from their accrued balance.

b. Any or all of the five days falling upon the employee's regular scheduled work day shall be charged against the employee's accumulated personal leave and the employee shall be paid personal leave benefits for said days. As an exception for use of leave taken for bereavement purposes for a relative listed above, however, an employee may request time off with pay (without debiting their personal leave bank) not to exceed three (3) days in a calendar year. In the event the employee has accumulated insufficient personal leave, the employee shall be permitted to use accumulated holiday time for the absence. Should all of the above be or become exhausted, the employee shall be considered on unpaid leave of absence for the remainder of the funeral leave.

ARTICLE 9. RETIREMENT - PERS

a. MST shall make sufficient contributions to maintain the benefits provided under the pre-existing PERS contract during the life of this Agreement:

- 2% @ 55, with single year compensation
- Military Service Credit
- Section 21571, 1959 Survivor Allowance-First Level
- Section 21548, Pre Retirement Optional Settlement 2 Death Benefit

b. MST shall make sufficient contributions to maintain the benefits provided under the pre-existing PERS contract for “new members” during the life of this Agreement. “New members” are defined as any member who does not meet the CalPERS definition as a CalPERS “classic member”:

- 2% @ 62, with three year average of compensation
- Military Service Credit
- Section 21571, 1959 Survivor Allowance-First Level
- Section 21548, Pre Retirement Optional Settlement 2 Death Benefit

c. MST shall pay 100% of the PERS contribution for the employer. The employee shall fund 100% of the employee share of PERS actuarial contributions, provided the employee share of PERS actuarial contributions are capped at 8%.

d. MST and MSTEА shall meet and confer on the addition of other possible PERS enhancements during the term of this contract, but the decision to add one or more of these shall be made at the sole discretion of the MST board.

e. Article 28 shall apply in the event California or federal law requires modification of pension benefits for any active MSTEА employee.

ARTICLE 10. OVERTIME

- a. The positions represented by MSTE A that are entitled to overtime pay under the Fair Labor Standards Act are all hourly, (non-exempt) classified positions. Time and one-half will be paid for all hours of work in excess of forty (40) hours per week for all non-exempt employees.
- b. Within operational and administrative constraints, MST shall use its best efforts to ensure that each employee receives two consecutive regular days off each week.
- c. Any non-exempt employee required to work in any given week on their day off shall receive either time and one-half for the additional time worked or an equal amount of time off. Exempt employees shall not be eligible for overtime pay or for compensatory time. However, within the Agency's operational and administrative constraints, as determined by MST, an exempt employee required to work on their day off may receive another day off in lieu of the day worked, to be taken at the discretion of the employee and their supervisor/manager.
- d. For all exempt employees, time off must be approved in advance. Time off requests for 4 hours or more must be approved in writing. Time off of 4 hours or more will be charged to Personal Leave. Time off less than 4 hours must also be approved in advance, verbally or in writing. Time off of less than 4 hours may or may not be charged to Personal Leave. Depending on the circumstances it could be charged to Administration regular time, Maintenance regular time, or Transportation regular time.

ARTICLE 11. DEFERRED COMPENSATION

MST shall make available to employees covered by this MOU a deferred compensation plan at no cost to MSTEA.

ARTICLE 12. JURY DUTY

Employees shall be compensated for time lost by reason of required jury duty, not to exceed a total of six (6) weeks in any calendar year.

ARTICLE 13. FREE TRANSPORTATION

- a. MST shall grant free transportation over its lines to all employees, spouses, principal domestic partners living full time within the employee's permanent residence, dependent children, parents of all employees, retirees and spouses, widows, widowers and minor children of deceased employees.
- b. The term "Principal Domestic Partner" is defined as an unmarried equivalent of spouse who shares the same residence with an employee. The employee shall sign each application for free transportation for their spouse or principal domestic partner. Only one person shall qualify as a spouse or principal domestic partner as the same time, and only one such application may be made each year.
- c. This Article shall not apply to transportation provided by the MST RIDES Program.
- d. MST shall determine whether this Article shall apply to other Contract Service, upon consultation with MSTEA, at the time that Contract Service begins.

ARTICLE 14. WORKPLACE ACCOMMODATIONS

a. **Eligibility:** Exempt and Non-Exempt Employees, with their Department Manager/Director's authorization, to work flexible/ alternative schedules or telework. The approval of such accommodation shall be dependent upon the essential functions of the position and the business needs of MST. Approval or denial must be in writing setting forth the grounds for the decision. The form and process for such a request can be provided by the Human Resourced Department upon request.

Employees who have requested and been approved for workplace accommodations will be required to take a lunch period of no less than 30 minutes is required each day. Two 10-minute break periods are allowed each day. Breaks and lunch periods may not be combined in any day to shorten the workday. MST may modify workplace accommodations from time to time.

b. **Alternative/Flexible Work Schedules:** Alternative Work Schedules (AWS) refer to a variety of schedule options that provide an alternative to the standard 8:00 a.m. to 5:00 p.m. workweek. Adjustable work hours can assist employees in balancing the demands of the workplace with their personal responsibilities and as well as help alleviate commuting frustrations. AWS encompasses Flexible Work Schedules (FWS).

For example:

- 9/80 Shift – On a 9/80 work schedule, the regular workweek begins at 1:00pm on a designated day. The employee will work 44 hours one week, Monday through Friday and 36 hours Monday through Thursday the following week. Each pay period will total 80 hours. Overtime for Non-Exempt is calculated after 44 and 36 hours respectively.
- 4/10-hour shifts – On a 4/10 work schedule, the employee will work 10 hours a day in a four-day period for a total of 40 hours each work week. Each pay period will total 80 hours.
- 3/12-hour shifts- On a 3/12 and 1/4 work schedule, the employee will work three 12- hour shifts and one-four-hour shift.

c. **Telework Schedule:** Telework refers to a schedule where an employee works from home or from another location away from the usual workplace, on a regular basis, at least one day a week, pursuant to an approved agreement. Exempt and non-exempt employees may request a telework schedule at the approval of MST's General Manager/CEO.

Telework shall not be granted without MST first receiving and approving a written request to telework outlines a proposed work schedule and necessary

accommodations. The employee shall be required to enter into a Telework Agreement with MST as well as an IT Equipment Agreement.

ARTICLE 15. UNIFORMS

- a. Transportation Employees required to wear uniforms shall receive compensation for the purchase of approved uniform garments to the extent uniform garments are needed.
- b. Each MSTE A Employee required to wear uniforms shall receive a “cleaning allowance” of one hundred and seventy-five dollars (\$175.00) in the first full pay period in December. Employees who are on unpaid leave, SDI disability leave, occupational illness or injury on the date the cleaning is paid shall not receive the cleaning allowance until the first pay period after they report to work; employees that do not return to work, or who have not worked any hours during the prior year, shall be deemed to not have earned the cleaning allowance.
- c. The Facilities Manager, Maintenance Manager, Fleet Superintendent and Fleet Supervisor(s) shall be furnished with safety equipment and appropriate work clothing. These uniforms will be cleaned at MST expense.
- d. Employees shall obtain uniforms on off-duty (non-paid) time.

ARTICLE 16. EMPLOYEE HANDBOOK

This MOU shall prevail over any contrary provisions set forth in the Monterey-Salinas Transit's Employee Handbook.

ARTICLE 17. TOOLS

MST shall provide tools that are reasonable and necessary for the performance of any job responsibility.

ARTICLE 18. MILEAGE REIMBURSEMENT

- a. MST shall pay mileage reimbursement at the rate for non-taxable mileage compensation allowable under the federal income tax law.

- b. When MST requires an employee to report to a location other than their regular place of work for any purpose other than light or modified duty assignments, the employee shall be paid additional mileage beyond the miles the employee would ordinarily travel going to and from work. The mileage shall be calculated by taking the mileage from the employee's home to the work location, and deducting the mileage from the employee's home to the regular work location.

ARTICLE 19. TUITION/STUDENT LOAN REIMBURSEMENT

To enhance MST efforts to recruit and retain highly qualified personnel, this provision shall assist employee efforts to repay portions of their qualifying student debts.

a. Employees covered by this agreement shall be eligible for tuition reimbursement subject to the following:

1. Job Related. Employee may receive up to \$1,500.00 per semester reimbursement for tuition, books, and materials for job related courses. To be eligible, an employee must submit a written request and receive approval prior to commencement of the course and must receive a letter grade of C (or the equivalent) or better. Reimbursement shall be upon successful completion of the course and proof of the expenditure. Job related means any course of study, which in MST's opinion will improve the employee's proficiency or efficiency in the employee's present or potential future position.

2. Non-Job Related. Employees shall receive up to \$300.00 annually to reimburse the employee for tuition and books for non-job-related courses. Payment shall be made upon proof of successful completion of each course and proof of expenditure.

b. MST's Student Loan Repayment Program (SLRP) is subject to the available budget and appropriate considerations which shall be determined solely at MST's discretion. Employees eligible to receive loan repayment benefits will be approved by MST. In determining eligible employees, MST will:

1. Evaluate the Employee's qualifications; and
2. Ensure that benefits are awarded in a fair and equitable fashion, without regard to political affiliation, race, color, religion, national origin, sex, sexual orientation, marital status, parental status, age, or disability status.

ARTICLE 20. REDUCTION IN FORCE

MST shall provide employees a minimum notice of sixty (60) days prior to the effective date of any reduction in force. Any employee not given a 60-day notice shall continue to receive full salary and health insurance benefits for sixty (60) days after he or she is given the notice.

ARTICLE 21. DEMOTIONS

When an employee is demoted or transferred to a new position where the position duties and/or responsibilities are assigned a lower base pay than those of the previous position, that employee's base pay will be decreased accordingly to an amount not less than the new position's base pay. If the transfer is a case of organizational change that requires the transfer to a position with a lesser base pay (i.e. the former position no longer exists), the employee's base pay shall be adjusted downward to the highest base pay permitted in the base pay of the new position.

ARTICLE 22. MSTEA DUES

a. Payroll deduction of MSTEA dues shall be made monthly at no cost to the employee or MSTEA. MST shall make payroll deductions of dues levied by MSTEA from the paychecks of its member employees, under the following conditions:

1. Deductions shall be for a uniform and specified amount for all employees;
2. Deductions shall be made only upon the voluntary written authorization of the employee and may be revoked at any time by the employee upon voluntary written notice to MST;
3. MST shall provide written notice to MSTEA if an employee revokes the deduction authorization;
4. After revocation of authorization, any reimbursement of dues by that employee shall be limited to a 6-month period; and
5. The employee is liable for any costs of functions attended after revocation of authorization.

b. Neither MSTEA nor the member employees shall be charged a service fee for the deduction of dues. Dues withheld by MST shall be transmitted to MSTEA promptly upon completion of deductions for the present pay period. MSTEA shall hold MST harmless against any claim made on account of check-off dues.

ARTICLE 23. INTRODUCTORY PERIOD

a. All employees who are "Executive Leadership Team" members shall be on an introductory evaluation period for one (1) year from the date of hire. All employees who are "exempt employees" as defined by the Fair Labor Standards Act shall be on an introductory evaluation period for nine (9) months from the date of hire. All employees who are "non-exempt" as defined by the Fair Labor Standard Act shall be on an introductory period for six (6) months from their date of hire.

b. Each such introductory evaluation period is the last part of the selection process and allows MST to judge the ability, competency, fitness and all other qualifications of an employee to do the work for which he or she is employed. If the employee is absent from work during their introductory period, the period may be extended to meet the full introductory evaluation period. An employee may be disqualified for further employment during the Introductory Period for any reason not prohibited by law, at the discretion of MST and such other actions shall not be subject to review under any provision of this Agreement.

c. Upon completion of said Introductory Period (including new hire, promotion, or transfer), MST shall provide the employee with an end of introductory review. During the review, MST shall evaluate performance and may review compensation. Nothing in this review shall preclude MST from dismissing an employee who provides false information materially affecting the acceptance of the employee's application.

d. Employees promoted, transferred, or reassigned to a different position shall be on an introductory evaluation period for six (6) months.

ARTICLE 24. MST RULES

MST, before establishing or changing existing rules, policies or regulations, will meet and confer in good faith with a representative of MSTEА (as designated by the MSTEА chairperson) on rules and regulations which are subject to meet and confer under the Meyers-Milias-Brown Act.

ARTICLE 25. MSTEA RECOGNITION

a. MST recognizes MSTEA as the sole collective bargaining agent for all non-union employees, except as defined in the Employer-Employee Relations Policy, covered by this MOU, and agrees to meet and confer in good faith with representatives of MSTEA (as designated by the MSTEA Chairperson) upon interpretations, questions, and disputes concerning this Agreement which may arise concerning wages, hours and working conditions of employment, or any other provision of this Agreement in accord with all provisions of the Meyers-Milias-Brown Act.

b. MST retains the management right to exclude from the MSTEA representational unit the following: Executive Management and Confidential Unit as defined in the Employer-Employee Relations Policy. This representational unit shall not include any position that is covered under any other collective bargaining agreement.

ARTICLE 26. WAIVER PROVISIONS

- a. No MSTEAs member shall be permitted to waive any of the benefits of this MOU. No waiver or consent to employment under conditions other than specified in this agreement may be asserted by any party unless there is a signed written supplement to this MOU, executed by the MSTEAs chairperson, in advance of any deviation from the terms contained herein.

- b. No Business Representative or official of MSTEAs has authority to orally modify any of the terms of this MOU. Any modifications to this MOU shall be in writing, and shall be signed by each party.

ARTICLE 27. ABSENCE FOR MSTEА BUSINESS

Officers of MSTEА shall be granted four (4) hours of paid absence per month. Any absence in excess of four (4) hours per month shall be without pay, or the employee may use accrued vacation or holiday time for MSTEА business when so requested, provided the duration and the frequency of leave is reasonable. To calculate the increment of leave without pay, MST shall first determine the total hours due to that employee and then deduct the actual time for which that employee was absent on MSTEА business, or at the discretion of MST, the employee may make up that time within the same workweek.

ARTICLE 28. NON-CONTRAVENTION OF LAWS

It is understood and agreed that the provisions of this Agreement shall be subordinate to any present or subsequent federal, state or municipal law, regulation, or order to the extent that any portion hereof is in conflict therewith and nothing herein shall require MST or MSTE A to do anything inconsistent with the charters, franchises, indeterminate permits, certificates of convenience or necessity, laws, judgments or decrees under which it may from time to time operate or exist, nor anything inconsistent with the orders or regulations of any competent governmental authority having jurisdiction to issue the same.

ARTICLE 29. DISCIPLINE AND DISCHARGE

Disciplinary Procedures

No employee will be disciplined, discharged, suspended, nor will adverse entries made in a personnel record, except for just and sufficient cause. "Discipline" shall mean a letter or reprimand, loss of pay, suspensions, demotion, or termination of regular employment. Counseling memos, rule violation notes, or warning shall not constitute as "discipline". Performance evaluations shall not constitute discipline and shall not by itself provide an independent basis for imposition of discipline. No employee or employee organization shall submit, nor shall any Board member accept, consider, or act upon, any oral or written grievance, except in accordance with the procedures contained herein. The employee may request MSTEA representation at any time during this process where discipline could arise from. No employees shall be discipline unless prior thereto such employee has received the following:

"Skelly" Notice of Intended Disciplinary Action to Employee and Response:

1. A written notice of the intended disciplinary action shall be given to the employee by MST. MST shall make every reasonable effort to provide personal notice of proposed discipline and shall rely on mailed notice only if the employee is on APL or on a leave of absence.

MSTEA shall have the exclusive right to request a hearing on the charges within ten (10) working days of receipt of the charges if provided to the grievant in person or fifteen (15) working days if provided by US postal service. Any dispute presented shall be written and submitted to the Director of Human Resources. It shall also contain (i) a complete statement of the dispute and facts upon which it is based; (ii) the section or sections of MST Policy or MSTEA MOU Article claimed to have been violated; and (iii) the remedy or correction requested. It must be dated and signed by both the employee and MSTEA representative presenting it.

Any written decision rendered shall be provided to the employee with a copy to the MSTEA Chairperson and shall be dated and signed by MST's representative at that step.

2. No employee shall be penalized for following this Discipline/Discharge process.

3. Any grievance filed shall systematically follow the procedure as outlined below. A grievance not advanced to the higher step within the time limit provided shall be deemed permanently withdrawn, and as having been settled on the basis of the decision most recently given. Failure on the part of MST's representative to answer within the time limit set forth in any step will entitle the employee to proceed to the next step.

Step 1: Skelly Conference

The employee or their designate representative may request a conference to conduct an informal meeting with MST.

The employee meeting in this step shall constitute a “Skelly Hearing” for which the employee shall be given (1) notice of the proposed action, (2) the reasons for the action, (3) a copy of the charges or materials on which the action is based, and (4) an opportunity to respond orally or in writing to the proposed action.

A Skelly Officer assigned by the General Manager/CEO shall meet with the employee within ten (10) working days after receipt of the dispute, unless such time is mutually extended in writing. The Skelly Officer shall ascertain the facts and forward recommendations to the General Manager/CEO or his designate within five (5) working days after the meeting, unless this period is extended in writing by mutual agreement.

The General Manager/CEO or his designate shall have seven (7) working days to consult with any of the parties involved and render a decision in writing to the employee, unless this period is extended in writing by mutual agreement. The decision of the General Manager or his designate during this step shall be final and binding on the parties if no appeal is made to the Board of Directors within 10 working days.

Step 2: Appeal to the Board of Directors –

If an employee appeals the final notice of decision within the ten (10) days time limit set forth in step 1, above, the Board shall hear the matter as follows:

- a) An appeal filed with the Board shall be forwarded to the General Counsel.
- b) The Chair of the Board shall designate a hearing officer from one of the MST Board Members (MST Board).
- c) The MST Board and the General Counsel shall set a date for the hearing. A hearing on appeal should be set to commence within 90 days following the filing of the appeal, provided the appealing employee may waive said restriction, and the MST Board may set the hearing beyond said period for good cause. The MST Board may grant continuances, in its exercise of discretion.
- d) MST and the appealing employee (sometimes hereafter referred to as “parties”) may each be represented by legal counsel or another representative. MST shall not be responsible for legal or other costs of the appealing employee.

- e) Each party shall make opening remarks; call and examine witnesses; introduce exhibits; cross-examine opposing witnesses on any matter relevant to the appeal even though the matter was not covered in direct examination; impeach any witness regardless of which party first called the witness; rebut evidence introduced against a party; and make final arguments. No party shall have the right to be called as a witness. A party called by the opposing party may be examined as if under cross-examination.
- f) Oral evidence shall be taken on oath administered by the MST Board.
- g) Witnesses to be called by either party shall be excluded from the hearing room unless both parties agree otherwise. In addition to legal counsel, each party may have an investigator or other representative remain throughout the hearing, even if such person is also a witness. The appealing employee may remain throughout.
- h) MST shall proceed first with its evidence, the appealing employee to follow. Rebuttal and surrebuttal shall be allowed by the MST Board upon a finding that same is not repetitive and is offered to rebut evidence not previously rebutted.
- i) The presiding officer of the MST Board shall rule on all procedural matters of the hearing, including rulings that reasonably expedite the hearing. Technical rules of evidence need not apply. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to relying in the conduct of serious affairs, regardless of the existence of any common law or statutory rule which might make evidence admissible over objection in a court of law in California. Hearsay evidence may be used for the purpose of finding unless it would be admissible over objection in a court of law in California. Rules of privilege shall be effective to the extent that they are otherwise required by statute to be recognized at the hearing on appeal. Irrelevant and unduly repetitious evidence shall be excluded.
- j) The MST Board shall determine whether, based on all the evidence, MST has demonstrated by a preponderance of the evidence the truth of the facts upon which the discipline is based. Findings shall be made as to such determination. If the MST Board determines that MST had so demonstrated, the MST Board shall then decide whether those facts support discipline and, if so, the nature of the discipline which should be imposed. If the MST Board determines that MST has not so demonstrated, the hearing shall terminate at such point. The factual findings, determinations, decisions and other recommendations shall be prepared in writing.
- k) Either party may provide for the presence of a court reported to report the proceedings of the hearing on appeal. Cost of the reporter shall be borne

entirely by the party so providing. If no reporter is present, the proceedings will be tape recorded.

- l) The appealing employee shall have the right to determine whether the hearing shall be open to the public or closed. That determination, once made, shall be irrevocable, except for (A) the protection of any witness or any information as provided by the law, and (B) when a change in such determination is made in a timely manner so as reasonably to allow required posting and notice without the need to modify hearing dates.
- m) Copies of all records, recorded testimony, other documents, findings, determinations, decision and recommendations made during the open session of an open hearing shall, without exception, be available to the public under the terms of the California Public Records Act. Request for copies of such items submitted and made at a closed hearing shall be considered under the terms of the California Public Records Act and other applicable law.

Step 3: Action Following Hearing:

- a) In cases where the MST Board determines MST has not demonstrated the truth of the facts upon which discipline is based, the MST Board shall immediately rescind the disciplinary action in the notice of discipline, and steps necessary to adjust the employee's records to reflect such rescission shall be taken.
- b) In cases where the MST Board determines MST has demonstrated the truth of the facts upon which the discipline is based, the employee shall be so notified in writing. Nothing herein shall be construed to preclude the MST Board from imposing a less severe disciplinary action following review.
- c) A report on the action of the MST Board shall be submitted in writing to the whole MST Board, for the information only, unless the appealing employee requests such report not be made. In any event, the MST Board's action shall be final.
- d) The MST Board's decision may be reviewed pursuant to California Code of Civil Procedure Sections 1094.5 and 1094.6 within 90 days following notice of such decision.

ARTICLE 30. MEMORANDUM OF UNDERSTANDING

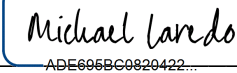
It is agreed that all Memoranda of Understanding or prior Addenda not covered in this Agreement are null and void.

The parties agree that this Agreement contains the full and complete agreement between the Agency and the Employees Association on all bargainable issues. Any prior written or prior oral agreements or any prior practices are superseded by the terms of this Agreement. Any modification, amendment or supplemental agreement shall be of no force and effect unless reduced to writing and approved by the signatories hereto and executed after the effective date of this Agreement.

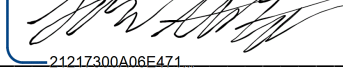
ARTICLE 31. CONTRACT TERM

The term of this agreement shall be for the fiscal year beginning July 1, 2024, and ending June 30, 2027.

Monterey-Salinas Transit

by 
A DE605BC0820422...
Michael Laredo
General Counsel

MSTE A DocuSigned by:


21217300A06E471
Jarred Augusta
MSTE A Chairperson