

"Placerville, a unique historical past forging into a golden future."



City Manager's Report
March 22, 2016 City Council Meeting
Prepared by: Cleve Morris, City Manager
Item #: 8.6

Subject: Adopt A Resolution amending the salary and benefit provisions for employees in the Executive Management Unit

Discussion: Attached is a report outlining the salary and benefit provisions of the recent update to the MOU with the International Union of Operating Engineers, Stationary Engineers, Local 39, which is also on this agenda, under a separate cover, for adoption. Tonight, the Council is asked to adopt resolutions providing for similar salary and benefits for the unrepresented Executive Management Unit. The Council has approved the Tentative Agreement which has been also approved by the Union. The Resolution is attached for your review, but is subject to change based on Council direction. The MOU with Local 39 expires on December 31, 2018. The proposed resolution is for the term from January 1, 2016 to June 30, 2017.

Options:

1. Adopt the resolution as recommended.
2. Amend the resolution and adopt it.
3. Request further information prior to adoption.

Cost:

The cost of the \$1,750 one-time distribution for all active non-sworn regular full-time employees is addressed in the staff report discussing the Local 39 MOU.

Budget Impact: Budget appropriations required by this resolution is included in the resolution for the Local 39 MOU. Other budget provisions will be included in the 2016-2017 Fiscal Year budget.

Recommendation: Adopt a Resolution amending the salary and benefit provisions for employees in the Executive Management Unit.

M. Cleve Morris, City Manager

Dave Warren, Director of Finance

Attachment: Tentative Agreement Points with Local 39
 Resolution

Memorandum of Understanding Deal Points with Local 39

The latest MOU with Local 39 expired on December 31, 2015. The proposed MOU encompasses the period of January 1, 2016 to December 31, 2018 (subject to item four below) and includes the following deal points:

1. The City shall issue a one-time distribution of \$1,750 to each active non-sworn regular full-time employee hired before January 1, 2016, effective the first full pay period following MOU ratification by the union and approval by the City Council.
2. Effective the first full pay period in July 2016, the City shall increase base salaries by 1.00%.
3. Effective the first full pay period in January 2017, the City shall increase base salaries by 1.50%.
4. If the adopted Fiscal Year 2017/2018 budget includes a 2.50% salary increase effective the first full pay period in January 2018, the MOU shall expire December 31, 2018. If the adopted 2017/2018 budget does not include a 2.50% salary increase effective the first full pay period in January 2018, the MOU shall expire on December 31, 2017.
5. The City and Local 39 agree to eliminate Sections 6.1 through 6.6 (old COLA and salary study adjustment language) from the MOU (Union Proposal No. 4).
6. The City and Local 39 agree to eliminate Sections 7.4 and 7.5 (old Friday Furlough and MTO language) from the MOU (Union Proposal No. 5).
7. The City and Local 39 agree to add the addendum and side letter to the MOU except as where items are proposed to be removed (Union Proposal No. 6).
8. The On-Call pay for Corporation Yard employees shall be increased from \$100.00 to \$150.00 for weekends and \$50 to \$75 for holidays. The on-call pay rate for Water Reclamation Facility Operators who log onto the computer to perform necessary work on the SCADA system shall be increased from a flat \$15.00 to the employee's hourly overtime rate in fifteen (15) minute increments (Union Proposal No. 7).
9. The annual uniform allowance for Maintenance Workers and Water Reclamation Facility (WRF) employees shall be increased from \$650 to \$750 effective July 1, 2016. Payments shall be made on a separate check the first pay period in July and the first pay period in January each year. The annual uniform allowance for Police Department employees shall be increased from \$600 to \$700 effective July 1, 2016 (Union Proposal No. 8). The City and Local 39 agree to negotiate new uniform allowance policy.
10. A change in an employee's work schedule shall be deemed overtime unless the City provides the employee with at least five (5) calendar days advanced written notice of the change (Union Proposal No. 9).
11. The City and Local 39 agree to incorporate FLSA language in the MOU regarding meal and rest periods currently practiced by the City (Union Proposal No. 11).

12. The mileage radius for Corporation Yard employee take home vehicles shall be increased from 16 miles to 20 miles (Union Proposal No. 13).
13. WRF Lead Operators shall be compensated for all hours worked, in increments of 15 minutes, when they are unable to take a duty free meal period during their shift (Union Proposal No. 14).
14. The City and Local 39 agree to establish a new employee attire and grooming policy.
15. The City and Local 39 agree to change the dental insurance plan from Metlife to Assurant effective January 1, 2016.
16. The City and Local 39 agree to revise Section 11 of the MOU to further clarify the existing education incentive program.
17. The City will establish an IRC 457 deferred compensation plan with CalPERS as soon as practicable.
18. The City and Local 39 agree to incorporate the existing vacation cash out policy in Section 17 of the MOU.
19. The City and Local 39 agree to negotiate changes to the Personnel System Rules during the term of the MOU.
20. The City and Local 39 agree to incorporate the Affordable Care Act (ACA) reopener language in Section IX of the latest addendum in Section 8 of the new MOU.
21. The City will provide an enhanced Employee Assistance Program (EAP) to all full-time employee beginning in Fiscal Year 2016/2017.

RESOLUTION NO. _____

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PLACERVILLE
ADOPTING AN AMENDMENT TO SALARY AND BENEFIT PROVISIONS FOR
THE EMPLOYEES IN THE UNREPRESENTED EXECUTIVE MANAGEMENT
UNIT CLASSIFICATIONS**

WHEREAS, the City has completed negotiations with the International Union of Operating Engineers Stationary Engineers, Local 39 through December of 2018; and

WHEREAS, the Executive Management Unit consists of the following employee classifications: Chief of Police, City Engineer, City Manager, City Planner, Director of Community Services, Director of Development Services, Director of Finance, Police Commander, Police Lieutenant, Public Works Operations Manager, and the Recreation Superintendent; and

WHEREAS, the Executive Management Unit is an unrepresented bargaining unit and has not been represented in negotiations with the City regarding salaries and benefits; and

WHEREAS, the City Council desires to amend the salary and benefit provisions for the Executive Management Unit.

NOW, THEREFORE, BE IT HEREBY RESOLVED that the City Council of the City of Placerville hereby adopts the following amendments to the salary and benefit provisions for the Executive Management Unit.

Term

This resolution shall remain in effect through June 30, 2017.

Employee Compensation

A. Non-Sworn Salaries

1. The City shall issue a one-time distribution of \$1,750 to each active non-sworn regular full-time employee hired prior to January 1, 2016, effective the first full pay period following approval of this resolution by the City Council.
2. Effective the first full pay period in July 2016, the City shall increase base salaries by 1.00%.
3. Effective the first full pay period in January 2017, the City shall increase base salaries by 1.50%.

B. Longevity Pay

The City shall maintain a longevity pay plan for all classifications in the Executive Management Unit as follows:

<u>Years of Service</u>	<u>Percentage of Salary</u>
10 – 15	2.5%
15 – 20	5.0%
20 or more	7.5%

CALPERS RETIREMENT

- A. Full-time Employees hired prior to October 15, 2011:
- 1) The City will provide the CalPERS 2.5% at age 55 pension with highest 3-year compensation formula.
 - 2) The employee shall pay 100% of the employee contribution.
- B. Employees hired between October 15, 2011 – December 31, 2012 and “Classic Members” hired on or after January 1, 2013:
- 1) The City will provide the CalPERS 2.00% at age 55 pension plan with highest 3-year compensation formula.
 - 2) The employee shall pay 100% of the employee contribution rate.
- C. Full-time “New Members” hired on or after January 1, 2013:
- 1) The City will provide the CalPERS 2.00% at age 62 pension plan.
 - 2) The employee shall pay 50.00% of the PERS “normal costs” (as defined in PEPRA).

Vacation Cash Out

- A. Employees may cash out a maximum of eighty (80.00) hours of accumulated vacation time each fiscal year subject to the following provisions:
- 1) The City Council approves budget appropriations to fully fund or partially fund the annual vacation cash out program; and
 - (2) The eligible employee must have a vacation bank balance that exceeds two-hundred (200.00) hours before the vacation cash out; and

- (3) The eligible employee must demonstrate a minimum vacation bank balance of two-hundred (200.00) hours upon the cashing out of the said vacation hours; and
- (4) Employees are limited to one vacation cash out per fiscal year; and
- (5) Cash out requests must be submitted to the Finance Department no later than June 15th each year; and
- (6) Cash outs will be processed the next available payroll; and
- (7) For employees who have vacation bank balances of 240 hours or more, the cashing out of vacation time shall not count towards using their annual vacation accruals for vacation capping purposes.

Existing Salary and Benefit Provisions

All other salary and benefit provisions currently in place at the writing of this resolution shall remain in full force and effect throughout the term of this resolution.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on March 22, 2016, by Councilmember _____ who moved its adoption. The motion was seconded by Councilmember _____. The motion was passed by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mayor Trisha Wilkins

ATTEST:

Kelly Witt, City Clerk