

RESOLUTION NO. _____

**RESOLUTION ADOPTING SALARY AND BENEFIT
PROVISIONS FOR EMPLOYEES IN UNREPRESENTED
CONFIDENTIAL UNIT CLASSIFICATIONS**

WHEREAS, the City of Placerville (the "City") is currently in negotiations with the represented bargaining units regarding salary and benefits; and

WHEREAS, the Confidential Unit consists of the following employee classifications: Executive Assistant to the Police Chief, Secretary to the City Manager/City Attorney, Administrative Specialist, Information Technology Analyst, Archive Technician, and City Clerk/Human Resource Officer; and

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

WHEREAS, the City desires to provide salary increases and benefit changes for the employee classifications in the Confidential Unit.

NOW, THEREFORE, IT IS HEREBY RESOLVED, that the City of Placerville hereby adopts the following salary and benefit changes for the employee classifications in the Confidential Unit:

A. Employee Compensation

Effective the first full pay period of July 2007, all classifications in the General Unit shall receive a three-percent (3%) salary increase.

B. Classification and Salary Study

Pursuant to the City's Classification and Compensation Study ("Study") performed in 2004 and pursuant to the Resolution 7183 adopted by the City Council on October 26, 2004, the City, effective the first full pay period in July 2007, will continue to implement the Study by an amount equal to 2% of the salary for this Unit to be solely used and apportioned to each affected classification within the Unit to the extent practical, based on percentages derived from Fiscal Year 2006/2007 salary and medical insurance benefit survey acquired from the comparable agencies as outlined in the original 2004 Study. Such implementation shall continue for the periods of July 2008, and July 2009 and shall then come to an end.

C. Financial Ability to Meet Future MOU Commitments

It is mutually agreed that the City of Placerville may have limited financial ability to fund the implementation of the Classification and Compensation Study recommendations; such ability is entirely dependent upon the economic conditions that prevail in the community, and legislative actions of the State of California. The City Manager and representatives of the PGUEA will meet

each year, after the adoption of the state budget, to review the status of revenue forecasts associated with property taxes estimates developed by the El Dorado County Auditor-Controller, sales taxes forecast information generated by the State Board of Equalization, and Motor Vehicle In-lieu reimbursement allocations issued by the State Controller.

Any legislative changes in the allocation formulas used for distributing property taxes, sales taxes or motor vehicle in-lieu fees to the City, that decreases the amount of such revenues received by the City, shall result in the suspension of any salary adjustments associated with the classification and salary study addressed herein. Further, in the event sales tax receipts received are less than the amount set forth in the adopted budget, such event shall also result in the suspension of any salary adjustments associated with the classification and salary study referenced in this Memorandum of Understanding. The City will meet with the PGUEA as soon as practical to discuss any such suspension. If such suspension lasts throughout the applicable fiscal year, the City agrees to add an additional year to the implementation plan described in 6.2 above. Such additions shall remain in full force and effect in successor MOUs until the three (3) year implementation period contemplated by City and Association is concluded. In the event that there are delays in the adoption of the State Budget, any scheduled salary adjustments resulting from the classification and salary study referenced in this Memorandum of Understanding may be implemented retroactively to the first full pay period in July, except as otherwise provided here

D. 2008/2009 and 2009/2010 Salary Adjustments

The City agrees to increase employees' salaries effective the first full pay period in July 2008, by an amount equal to 100% of the percentage increase in the all items Consumers Price Index of the Cost of Living Index published by the Department of Labor, Bureau of Statistics of the San Francisco-Oakland-San Jose index of the "All Urban Consumers" category of the California Consumers Price Index (CPPI) from April 2007 to April 2008, with a minimum increase of two percent (2%) and a maximum salary increase of four percent (4%). This salary adjustment is subject to the limitations outlined in Section 6.5 below, and such salary adjustment may be suspended as a result thereof.

The City agrees to increase employees' salaries effective the first full pay period in July 2009, by an amount equal to 100% of the percentage increase in the all items Consumers Price Index of the Cost of Living Index published by the Department of Labor, Bureau of Statistics of the San Francisco-Oakland-San Jose index of the "All Urban Consumers" category of the California Consumers Price Index (CPPI) from April 2008 to April 2009, with a minimum increase of two percent (2%) and a maximum salary increase of four percent (4%). This salary adjustment is subject to the limitations outlined in Section 6.5 below, and such salary adjustment may be suspended as a result thereof.

E. Ability to Meet Future MOU Commitments

It is mutually agreed that the City of Placerville may have limited financial ability to fund the implementation of the classification and salary study recommendations; such ability is entirely dependent upon the economic conditions that prevail in the community, and legislative

actions of the State of California. The City Manager and representatives of the PGUEA will meet each year, after the adoption of the state budget, to review the status of revenue forecasts associated with property taxes estimates developed by the El Dorado County Auditor-Controller, sales taxes forecast information generated by the State Board of Equalization, and Motor Vehicle In-lieu reimbursement allocations issued by the State Controller.

Any legislative changes in the allocation formulas used for distributing property taxes, sales taxes or motor vehicle in-lieu fees to the City, that decreases the amount of such revenues received by the City, shall result in the suspension of any salary adjustments associated with the classification and salary study addressed herein. Further, in the event sales tax receipts received are less than the amount set forth in the adopted budget, such event shall also result in the suspension of any salary adjustments associated with the classification and salary study referenced in this Memorandum of Understanding. The City will meet with the PGUEA as soon as practical to discuss any such suspension. In the event that there are delays in the adoption of the State Budget, any scheduled salary adjustments resulting from the classification and salary study referenced in this Memorandum of Understanding may be implemented retroactively to the first full pay period in July, except as otherwise provided here

F. Hours of Work and Overtime

1. Normal Work Day

The City retains the right to establish the hours of operation for the City and the work hours of City employees. Generally, "normal work hours" will be 8:00 a.m. to 5:00 p.m., subject to Section 7.3, below, and a "normal work week" is generally five (5) days a week.

2. Overtime/Compensatory Time and Limits on Accruals

Any employee authorized to work in excess of 40 hours in a work week (which work week includes the 2-hour furlough described in paragraph 7.3.1 below) shall be paid at the overtime rate in compensatory time off, or cash, at the overtime rate, at the option of the employee. Employees' shall not accrue more than fifty-four hours of compensatory time, but shall be paid cash for any eligible overtime over fifty-four hours. Employees shall use compensatory hours prior to utilizing vacation time.

3. Furlough

(a) City offices will close at 3 p.m. every Friday, at which time each employee in a represented class, except for the Police Dispatch/Records Technician and Senior Dispatch/Records Technician, shall be given a 2-hour furlough. If an employee uses sick leave or vacation on a Friday, it is calculated as a six-hour day. Sick leave and vacation will continue to be earned based on a 40-hour week. Special circumstances for specific jobs may cause the 2-hour furlough time on Friday to be changed by department heads after approval from the City Manager. If a legal holiday falls on a Friday, the furlough day is changed to Thursday. If Thursday is a legal holiday, the furlough day is Wednesday. Example: Thanksgiving and the Friday following are legal and City holidays, and Wednesday would then become a 3:00 p.m.

closure day. The two-hour furlough set forth in this paragraph shall not apply to the Police Dispatch/Records Technician and Senior Police Dispatch/Records Technician classifications.

(b) Furlough Removal: The City may remove the above furlough at anytime, provided it adjusts salaries for all classes the full value for the two hours, which is equivalent to 5%. The City has previously received a 3.5% “salary credit” toward the 5% salary adjustment, as a result a previous retroactive salary adjustment. Any future salary increase in any fiscal year of 1.50% or more shall remove the two hour (2 hours) furlough at the City’s 1.50% discretion, provided the City pays the remaining, above and beyond any negotiated general salary increase. The 1.50% “furlough buyout” shall be calculated to be above any negotiated cost-of-living (COLA) increase.

G. Insurance

1. Health Insurance Plan Equal Contribution

The City will continue its contract with the California Public Employees Retirement System (PERS) for medical insurance under its Public Employees Medical and Hospital Care Program, and will pay \$80.80 per month for each employee enrolling himself/herself, and where applicable, his/her eligible dependents in one of the medical plans offered by PERS.

2. Additional City Contribution for Active Employees

(a) The City will pay the following health insurance benefit amounts for each active employee enrolling himself or herself and his or her eligible dependents in any of the available PERS medical plans during the term of this MOU. These amounts are currently as follows:

Employee Enrolling as 1 Party	\$ 361.83
Employee Enrolling as 2 Party	\$ 804.45
Employee Enrolling as Family	\$1,070.05

(b) Active full-time employees may select any medical insurance plan offered by PERS, provided the employee pays the difference in the premium and the benefit amounts listed above. An employee not participating in the PERS medical insurance plan is not eligible for this payment.

3. Health Insurance Premium Increases/Re-opener

Employees participating in the PERS medical plan shall pay twenty percent (20%) of any new health insurance premium increases.

City and Association agree, in case of significant increases in health insurance premiums or potential impacts to the City for implementing GASB 43 and 45, discontinuation of PERS medical plan offerings, and/or related issues to reopen negotiations on health insurance

benefits. The City agrees to maintain the current 80%/20% premium increase allocation formula during the 2007-2010 MOU.

4. In Lieu Medical Benefit

An eligible employee, who submits proof of medical coverage under another medical plan not provided by the City, shall be eligible to receive three hundred and fifty dollars (\$350.00) per month in lieu of the above City contribution. Such employee shall fill out the appropriate forms provided by the City during a specified eligible period as determined by the City.

5. Retiree Benefits

(a) The City shall offer the medical insurance plans available from PERS to employees who retire from City service, and to current retirees who are otherwise eligible to participate in PERS health plans as determined by PERS, subject to the following conditions:

(1) The retiree and his/her dependents must be eligible to enroll in a PERS medical plan based on employment with the City, as determined by PERS.

(2) Continuing eligibility for PERS medical plan coverage of retirees and their dependents shall be determined by PERS.

(3) The City shall make required contributions to PERS on behalf of each eligible retiree based on the equal contribution method. The initial contribution by the City to PERS on behalf of each enrolled retiree shall be \$80.80 per month.

(4) Each enrolled retiree shall pay the full balance of the medical premium in such manner as prescribed by PERS.

6. City Service Stipend for Retirees

(a) An employee who retires from the City of Placerville with at least twenty (20) years of service with the City of Placerville at age 53, and participates in the PERS medical insurance program will be eligible to receive a stipend equivalent to the cost of the single medical insurance employee benefit (as of July 2007, \$442.63 (per month) less the \$80.80 "Equal Contribution", at the time the employee retires from City service until they reach age sixty-five (65). After age sixty-five (65), such stipend shall terminate the first day of a new pay period following such employee's birthday.

(b) In the event that an employee retires from the City of Placerville and has at least ten (10) years of service with the City of Placerville, but less than twenty (20) years of such service, and is participating in the City's medical insurance program, he or she, at age 53, will be entitled to a proportionate stipend amount, paid to retirees as set forth in the preceding paragraph. The proportionate amount to be paid by the City shall be equivalent to a

fraction whose numerator is equal to the years of service with the City of Placerville and whose denominator is twenty (20).

7. Medical Insurance Plan Changes

The City shall not pay the premium for any other medical plan, which is not sponsored and administered by PERS, nor shall the City make any payroll deductions for such other plan. Nothing herein precludes the City from offering a similar alternative medical insurance plan for the current plan. An Employee Benefits Advisory Committee will advise the City Manager and City Council on medical insurance issues. This Committee will be comprised of representatives from each of the bargaining units and/or the following work sites, City Hall, Town Hall, Corporation Yard, Police Department, and Water Reclamation Facility.

8. General Rules for PERS Medical Coverage

(a) New employees shall be eligible for medical plan coverage on the first day of the month following completion of the eligibility period as established by PERS.

(b) Effective with the first date of coverage under the PERS medical plans, all eligibility criteria, including but not limited to the effective dates of coverage, the definition of dependents, and the age of eligible dependent children, shall be in accordance with the rules established by PERS.

9. Chiropractic Care

(a) The City will continue to provide the current Chiropractic care benefits through Landmark (currently \$10.22 per month) during the term of this MOU for employees and their eligible dependents.

(b) The City shall not pay the premium for any other chiropractic plan, which is not sponsored and administered by the City, nor shall the City make any payroll deductions for such other plan. Nothing herein precludes the City from offering a similar alternative insurance plan. An Employee Benefits Advisory Committee will advise the City Manager and City Council on chiropractic insurance issues. This Committee will be comprised of representatives from each of the bargaining units and/or the following work sites, City Hall, Town Hall, Corporation Yard, Police Department, and Water Reclamation Facility.

10. Dental Plan

The City will continue to pay the entire amount (currently \$96.78 per month) during the term of this MOU for dental insurance coverage through Assurant/Fortis (or equivalent) for employees and their eligible dependents.

11. Dental Insurance Plan Changes

The City shall not pay the premium for any other dental plan, which is not

sponsored and administered by the City, nor shall the City make any payroll deductions for such other plan. Nothing herein precludes the City from offering a similar alternative dental insurance plan. An Employee Benefits Advisory Committee will advise the City Manager and City Council on dental insurance issues. This Committee will be comprised of representatives from each of the bargaining units and/or the following work sites, City Hall, Town Hall, Corporation Yard, Police Department, and Water Reclamation Facility.

12. Vision Plan

(a) The City will continue to pay the entire amount (currently \$13.89 per month) during the term of this MOU for vision insurance coverage through Superior Vision Insurance Company (or equivalent) for employees and their eligible dependents.

(b) The City shall not pay the premium for any other vision plan, which is not sponsored and administered by the City, nor shall the City make any payroll deductions for such other plan. Nothing herein precludes the City from offering a similar alternative vision insurance plan. An Employee Benefits Advisory Committee will advise the City Manager and City Council on dental insurance issues. This Committee will be comprised of representatives from each of the bargaining units and/or the following work sites, City Hall, Town Hall, Corporation Yard, Police Department, and Water Reclamation Facility.

13. Disability Insurance

The City shall continue to contract with CalPERS to provide the following disability coverage:

(a) Non job-related disability retirement allowance, pursuant to Section 21298 of the Government Code; and

(b) Industrial disability retirement allowance for miscellaneous members, pursuant to Sections 21022 and/or 21022.1 of the Government Code.

14. Short-Term Disability

(a) State Disability Insurance. The City will continue to contract with the State of California to provide state disability insurance as soon as feasible. Employees are responsible for their cost portion of the program and commensurate deductions will be taken out of salaries.

15. Term Life Insurance

The City agrees to provide term life insurance in the amount of \$50,000 per represented employee.

16. Auto Liability Insurance

The City agrees to pay \$60.00 annually to employees who are required to utilize their personal vehicles in the pursuit of City business, which shall be a contribution toward the employee's cost of maintaining auto liability insurance coverage in the amount of \$100,000/\$300,000. In order to be eligible for this payment, employees must:

(a) obtain written approval by their supervisor, department head, and the City Manager, utilizing standard employee action forms which, under the remarks section, shall set forth the nature of the need for personal car usage; and

(b) submit evidence of insurance coverage.

Employees not so authorized shall not, under any circumstances, use their personal vehicles for City business. This payment shall not apply to any employees who drive City vehicles in the pursuit of their employment.

17. IRS Section 125 Plan

The City shall maintain its current IRS Section 125 Plan that will allow employees to offset employee health insurance premiums, and other permitted benefits on a pre-tax basis.

H. Calpers Retirement

1. Full-Time Employees:

The City agrees to amend its contract with CalPERS to provide for the 2.5% at age 55 highest 3-year miscellaneous retirement formula effective with the first full pay period in January 2008.

2. City Payment of a Portion of the Employee Share of Retirement Contribution

The City agrees to begin payment of the employee's share of the CalPERS 2.5% at age 55 retirement formula equal to eight percent (8%) effective the first full pay period in January 2008.

I. Sick Leave Payoff

1. The City agrees to compensate all employees who retire after the age of fifty (50), or earlier as a result of disability, or who resign in good standing, for one-half (1/2) of all unused sick leave accumulated at the time of retirement and/or resignation up to a maximum of \$5,000.00 for any employee.

2. The Sick Leave Incentive Program allows each employee within this unit a 1-day vacation bonus if three (3) or less days of sick leave are used per year. City shall notice the employee when a vacation day has been credited.

K. Deferred Compensation Program

1. Program

The City agrees to continue the deferred compensation program under Section 457 of the Internal Revenue Code, through the ICMA Retirement Corporation. The deferred compensation contribution shall continue with no change, to be calculated as follows:

<u>Pre 7-17-87 Employees</u>		<u>Post 7-17-87 Employees</u>	
<u>Yrs. Of Service</u>	<u>Rate of Contribution</u>	<u>Years Of Service</u>	<u>Rate of Contribution</u>
0 to 10	2%	0 to 5	0
11 to 15	4%	6 to 10	2%
16 to 20	6%	11 to 15	4%
21 plus	8%	16 to 20	6%
		21 plus	8%

2. Vesting of Deferred Compensation

Employees shall have one hundred percent (100%) vesting rights for all contributions previously made by the City and any future contributions that may be made on behalf of the employee. Each employee shall have a maximum of one ICMA account. Multiple accounts existing during the term of the agreement shall be combined into one account. Any contributions by the City and/or the employee shall be made to this single account.

This account has been established in accordance with Internal Revenue Code Section 457 and is subject to federal and state regulation of these types of accounts. Subject to these regulations and any policies established by ICMA, each employee shall have the right to choose from the investment programs offered.

In-lieu of the City providing a new 2.5% at 55 PERS Retirement formula; beginning with the first full pay period in January 2008, the City will not make any further contributions on behalf of any employee in the City's 457 Differed Compensation Plan.

K. Vacation Accrual Schedule

Vacation accrual rates shall be as follows:

0 – 5 years = 2 weeks/year
 5+-10 years = 3 weeks/year

10+ - 20 years = 4 weeks/year
20+ years = 5 weeks/year

Accrued vacation shall be paid to an employee upon separation from employment with the City. Beginning with the first pay period after adoption of the 2007-2010 MOU by the City Council, maximum vacation accruals shall be limited to 240 hours. An employee with a higher balance as of that date shall be allowed to retain such vacation time subject to the following:

1. The City shall have the sole discretion to pay any portion of such vacation balance over 240 hours.

2. An employee with more than two-hundred and forty (240) hours as of the first pay period after August 14, 2007 will have their balances reviewed in the first full pay period in January to determine if they have used all of their accrual from the previous calendar year, if so, they will continue to accrue vacation time beyond the 240-hour accrual limit. If not, such employee shall not accrue additional vacation time during the calendar year.

(a) If such employee is denied the ability to take vacation in any calendar year, the employee shall not be denied additional accruals for the calendar year.

L. Military Reserve and National Guard Pay Credit

The City shall reduce the salary paid to any employee in military leave by the amount of military pay received for the same period.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on June 28, 2005, by Councilmember _____, who moved its adoption. The motion was seconded by Councilmember _____. A poll vote was taken, which stood as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

Mark A. Acuna, Mayor

ATTEST:

Susan Zito, City Clerk