

RESOLUTION NO. 2016-13

A RESOLUTION APPROVING A THREE-YEAR MEMORANDUM OF UNDERSTANDING BETWEEN MRWPCA AND THE MID-MANAGEMENT EMPLOYEES' GROUP

WHEREAS, the present two-year agreement with the Monterey Regional Water Pollution Control Agency (MRWPCA) Mid-Management Employees' Group (MMEG), Resolution No. 2014-06, is scheduled to expire on June 30, 2016, and the MRWPCA Mid-Management Employees' Group has been meeting with the General Manager to discuss employee wages and benefits in an attempt to reach a new agreement; and

WHEREAS, the MRWPCA MMEG has been exclusively recognized as the mid-management employee organization during the preceding two years through resolutions covering salaries and benefits, and the MMEG wishes to have a specific Memorandum of Understanding (MOU); and

WHEREAS, based on mutual agreement, the parties now desire to formalize a new three-year agreement between the mid-management employees of the MRWPCA and its Board of Directors;

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the MRWPCA that it does hereby approve the attached MOU with the MMEG, along with the employee benefits schedule attached as EXHIBIT A to said MOU, and authorizes the General Manager to execute the same on behalf of the MRWPCA.

PASSED AND ADOPTED by the Board of Directors of the MRWPCA at a Regular Meeting duly held on June 27, 2016 by the following vote:

AYES: **De La Rosa, Fischer, Stefani, Phillips, Allion, Lee, Pendergrass, Rubio**

NOES: **None**

ABSENT: **Grier, Downey**



Paul A. Sciuto
General Manager/Secretary



Gloria De la Rosa, Chair
MRWPCA Board of Directors

**MEMORANDUM OF UNDERSTANDING
BETWEEN
MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY
AND
MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY
MID-MANAGEMENT EMPLOYEES' GROUP**

STATEMENT OF FACT

1. The Mid-Mid-Management Employees' Group (MMEG) has been meeting with the General Manager, discussing employee wages and benefits in an attempt to reach a three-year agreement, since the present agreement with the Monterey Regional Water Pollution Control Agency (MRWPCA) MMEG expires June 30, 2016.
2. The MRWPCA MMEG has been exclusively recognized as the mid-management employees' organization through resolutions covering salaries and benefits. The MMEG now wishes to have a new Memorandum of Understanding (MOU) and MRWPCA and MMEG have negotiated terms to be included in this MOU.
3. MRWPCA administration of employer-employee relations shall be conducted in accordance with MRWPCA Resolution 92-04, "A Resolution of the Monterey Regional Water Pollution Control Agency Establishing Rules and Regulations for the Administration of Employer-Employee Relationship between the Agency and its Employee Organizations."
4. Based on mutual agreement, the parties now desire to formalize a new three-year agreement between the MMEG and the MRWPCA.

NOW, THEREFORE, the parties agree as follows:

1. The length of this agreement will be three (3) years, beginning July 1, 2016 and ending June 30, 2019.
2. The revised MMEG benefits are outlined in EXHIBIT A, which is attached hereto and incorporated herein by this reference.
3. MRWPCA may periodically review position salaries to take into account expanded duties and responsibilities and use information such as the CASA Salary Survey to make adjustments, as appropriate.
4. In the event of future salary and/or benefit surveys, the following comparison agencies will be used:
 - a. Central Contra Costa Sanitary District
 - b. Central Marin Sanitation Agency
 - c. Delta Diablo Sanitary District

MEMORANDUM OF UNDERSTANDING

Mid-Management Employees' Group

- d. Dublin San Ramon Sanitary District
 - e. Encina Wastewater Authority
 - f. Inland Empire Utilities
 - g. Irvine Ranch Water District
 - h. Las Virgenes Municipal Water District
 - i. Napa Sanitation District
 - j. Silicon Valley Clean Water
 - k. Union Sanitary District
5. In accordance with the prior written agreements between the parties and except as noted above or attached, all parts and provisions of this agreement become effective on the approval date noted below.
6. The MRWPCA Board of Directors may, in its sole discretion, elect to add employee benefits without negotiating or amending this MOU.
7. The Agency and Association agree to amend the existing contract scheduled to expire June 30, 2016. The amended contract termination date will be June 30, 2019. In the event agreement is not made for a new MOU prior to June 30, 2019, the provisions of the amended MOU shall remain in force until the successor MOU is approved.



William Ragsdale-Cronin, President
MRWPCA Mid-Management Employees' Group



Paul A. Sciuto
General Manager

6/30/16

Date Approved

EXHIBIT A

**MONTEREY REGIONAL WATER POLLUTION CONTROL AGENCY
MID-MANAGEMENT EMPLOYEES' GROUP BENEFITS**

1. RETIREMENT

A. Tier I Employees

For employees hired prior to May 13, 2012, the Agency will continue to provide the 3% @ 60 Public Employees' Retirement System (PERS) Miscellaneous Members Retirement for each employee covered by this agreement. The same 3% @ 60 will be provided to new employees who were previously employed by the Agency and covered by this formula. Employees will pay 100% of the employee PERS contribution. The Agency's contract with PERS for the 3% @60 plan contains the following:

1. Sick Leave Conversion
2. 1959 Survivor Benefit, third level
3. Highest twelve (12) consecutive months for purposes of determining final compensation
4. Military Service credit as Prior Service
5. Employees Sharing cost of Additional Benefits
 - Employees currently pay an additional .211% of their salary for a total of 8.211%.
6. Uniform allowance included as special compensation for employees in Tier I (3% @60) and Tier II (2% @55)
 - The Agency shall provide employees with uniforms to promote a clean and neat attire amongst our employees. Said uniforms will be the property of the Agency and/or the contractor from which such uniforms are acquired.
 - The Agency shall provide for laundering of the uniforms provided to employees at no cost to the employees.
 - The Agency will report to CalPERS the cost of the benefit in the amount not to exceed \$200.00 per pay period, to each affected employee.

B. Tier II Employees

For employees hired on or after May 13, 2012 that are considered "classic members" in the CalPERS system, the Agency will continue to provide the 2% @ 55 Public Employees' Retirement System (PERS) Miscellaneous Members Retirement for each employee covered by this agreement. The same 2% @ 55 will be provided to new employees who were previously employed by the Agency with this formula or who were previously employed by another PERS (or reciprocal) agency. Employees will pay 100% of the employee PERS contribution. The Agency's contract with PERS for the 2% @55 plan contains the following:

1. Sick Leave Conversion
2. 1959 Survivor Benefit, third level

MEMORANDUM OF UNDERSTANDING

Mid-Management Employees' Group

3. Highest thirty-six (36) consecutive months for purposes of determining final compensation
4. Military Service credit as Prior Service
5. Employees Sharing cost of Additional Benefits
 - Employees currently pay an additional .211% of their salary for a total of 7.211%.
6. Uniform allowance included as special compensation for employees in Tier I (3%@60) and Tier II (2%@55)
 - The Agency shall provide employees with uniforms to promote a clean and neat attire amongst our employees. Said uniforms will be the property of the Agency and/or the contractor from which such uniforms are acquired.
 - The Agency shall provide for laundering of the uniforms provided to employees at no cost to the employees.
 - The Agency will report to CalPERS the cost of the benefit in the amount not to exceed \$200.00 per pay period, to each affected employee.

C. Tier III Employees

New employees hired on or after January 1, 2013 who have not previously been enrolled in another PERS (or reciprocal) agency will be placed in Tier III. Tier III for these employees is the 2% @ 62 PERS formula. Employees will pay 100% of the employee PERS contribution. The Agency's contract with PERS for the 2% @62 plan contains the following:

1. Sick Leave Conversion
2. 1959 Survivor Benefit, third level
3. Highest thirty-six (36) consecutive months for purposes of determining final compensation
4. Military Service credit as Prior Service
5. Employees Sharing cost of Additional Benefits
 - Employees currently pay an additional .211% of their salary

2. FISCAL YEAR SALARY ADJUSTMENT

Beginning July 1, 2016, the Agency will provide a cost-of-living wage increase that is based on the Consumer Price Index-U (CPI-U) for the prior year. The applicable CPI-U shall be the San Francisco/Bay Area (December to December).

The projected implementation is as follows:

Effective the first pay period in FY16/17, a wage increase of 3.2% will be implemented.

Effective the first pay period in FY17/18, a wage increase based on the CPI-U listed above will be implemented. If the applicable CPI-U is greater than 5%, the wage increase will be 5%. If the applicable CPI-U is lower than 3.9%, the wage increase will be 3.9%.

MEMORANDUM OF UNDERSTANDING

Mid-Management Employees' Group

Effective the first pay period in FY18/19, a wage increase based on the CPI-U listed above will be implemented. If the applicable CPI-U is greater than 5%, the wage increase will be 5%. If the applicable CPI-U is lower than 2%, the wage increase will be 2%.

3. TOTAL COMPENSATION STUDY IMPLEMENTATION

- A. The Agency will implement the 2015/16 Total Compensation Study (TCS) using the Salary median +/- 5%.
- B. Employees that are under the Salary median by more than 5% will be brought to 5% **under** the median. If the employee is under by more than 5%, they will receive 5% in Year one, up to 5% in Year two, and the remaining amount in Year three. For example, if an employee is under the median by 14%, they will receive 5% in Year one, and the final 4% in Year two.
- C. Employees more than 5% over the Salary median will have their COLA calculated as the following:
 1. CPI minus percent over the salary median or ½ a COLA, whichever is greater
 2. Ex. If an EE is 6.7% over the Salary median, they will receive 1.6% of a COLA because ½ a COLA is greater than 3.2-1.7 which equals 1.5%.
- D. This will be reevaluated each year using the 2015/16 TCS.

4. HEALTH INSURANCE

The MRWPCA Health Insurance Program includes insurance coverage for health, dental and vision.

- A. If an employee was employed prior to April 1, 1986, in lieu of Medicare coverage, the MRWPCA pays the following:
 1. \$103 per pay period as base compensation if only employee is covered.
 2. \$31 per pay period as base compensation if employee and one (1) dependent are covered.
- B. In order to fairly share the potential issue of rising health insurance costs, an "Insurance Index" (Index) of 5% will be applied to the MRWPCA's current health care costs to establish the amount of the health insurance budget that is to be provided by the MRWPCA for the following year. The amounts are as follows:
 1. January 1, 2016 = \$1,499,400
 2. January 1, 2017 = \$1,574,370
 3. January 1, 2018 = \$1,653,089
 4. January 1, 2019 = \$1,735,743

MEMORANDUM OF UNDERSTANDING

Mid-Management Employees' Group

- C. The MRWPCA employees and management will continue to monitor and evaluate MRWPCA's health insurance coverage and costs through the Employee Insurance Committee. The Committee will act as an advisory body to the employees and the General Manager to apprise them of any significant changes in health insurance costs or coverage and to provide the necessary research as conditions warrant. The Committee shall be made up of one to two members from each Bargaining Unit and an Agency representative.
- D. Employee contributions are the total amount that employees contribute toward health insurance costs during the fiscal year. Employees will make contributions per pay period for the family, employee-plus child(ren), and employee-plus spouse insurance plans. Employees with dependent coverage will pay 12% of the total cost to cover their *dependents only*. The Agency will continue to cover 100% of the employee cost of coverage.
- E. Each year the MRWPCA employees and management will structure an insurance plan that will not exceed the baseline as shown in Paragraph B. This structuring may include, but not be limited to, changes to carriers and/or benefits. All qualified and cost effective plans vetted by the Insurance Committee shall be presented to employees for a vote.
- F. In the event the employees are unable, by making reasonable changes to carriers and/or benefits, to structure an insurance plan that provides coverage levels acceptable to the employees, while not exceeding the baseline amount, the employees and the MRWPCA will share the additional health insurance costs above the baseline as shown in Paragraph B. ***50% of this additional amount will be divided equally amongst all MRWPCA employees with dependents and the MRWPCA will pay the remaining 50% of this additional amount.*** The employee's contribution will not increase due to an increase in staff positions. The staffing threshold established for the term of this MOU is eighty (80) benefitted employees.
- G. The MRWPCA is committed to promoting healthy employees and associated reduction in health insurance claims. The MRWPCA will fund the Wellness Program that will raise the standard of health and fitness of all MRWPCA employees. The Wellness Program will be funded by the Agency with oversight from the Wellness Committee.
- H. If modifications to the type or allocation of benefits, eligibility for coverage, employer or employee contribution to the cost of insurance or any other provisions of the benefit plans covered by this MOU will be modified or may be affected by the Affordable Care Act (ACA) during the term of this agreement, it is agreed that the Agency and MMEG will reopen the contract to meet and confer and determine how such mandated changes will be implemented, and to include addressing other health plan options. It is understood that reopening of the MOU only applies to these limited circumstances and if either party is of the opinion that the subject matter is beyond the scope of the circumstances raised in this paragraph, either party may unilaterally bar the reopening of the MOU.

5. DISABILITY AND TERM LIFE INSURANCE

The MRWPCA pays the full premium for the life, accidental death and dismemberment insurance. The employee is covered for term life insurance in the amount of gross annual income, rounded to the nearest \$1,000, plus an additional \$15,000.

MEMORANDUM OF UNDERSTANDING

Mid-Management Employees' Group

Short-term and long-term disability insurance for non-occupational injuries is provided with 100% of the premium paid by MRWPCA. If an employee has a non-occupational injury, after a 30-day waiting period, an employee may apply for this insurance at the rate of 66 2/3% of an employee's monthly salary.

6. OVERTIME/COMP TIME

Management employees classified as exempt from overtime per the Fair Labor Standards Act (FLSA) are expected to work some additional hours from time to time as part of their normal job responsibilities. Exempt employees are provided administrative leave and flexible scheduling in lieu of time-and-a-half for overtime to recognize these additional responsibilities and job demands.

Unless specifically authorized in advance by the General Manager for special projects or unusual circumstances that require extra effort and time beyond that reasonably anticipated and expected of exempt management employees, comp time off, overtime, or cash conversion of same, will not accrue.

7. ADMINISTRATIVE LEAVE

Mid-Management employees classified as exempt from overtime will receive forty (40) hours annually of Administrative Leave on July 1 of each year, to be accrued each pay period with vacation. Administrative Leave for new employees shall be prorated to the beginning of the pay period on which their date of hire or transfer to the Mid-Management unit occurs.

8. VACATION

For regular, full-time employees:

| <u>Years of Service</u> | <u>Hours Accrued</u> |
|-------------------------|----------------------|
|-------------------------|----------------------|

A. Less 3 years: 80 hours accrued annually.

B. 3-8 years: 120 hours accrued annually.

C. 8-15 years: 160 hours accrued annually.

D. 15-20 years: 176 hours accrued annually.

E. 20-30 years: 200 hours accrued annually.

F. Greater than 30 years receive 4 additional hours per year of service

G. Maximum vacation accumulation is four hundred forty (440) hours (any exceptions or use restrictions are stated in the Employee Handbook).

9. HOLIDAYS

New Year's Day

Martin Luther King's Birthday

President's Day

Spring Holiday

MEMORANDUM OF UNDERSTANDING

Mid-Management Employees' Group

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| Memorial Day | Independence Day |
| Labor Day | Columbus Day |
| Veterans Day | Thanksgiving Day |
| Day following Thanksgiving | Christmas Day |
| Work day immediately preceding Christmas Day | Floating Holiday (All employees will receive one per fiscal year and if not used during the fiscal year, the day will be lost) |

Sunday Holidays: Take the following Monday

Saturday holidays: Take the preceding Friday

All Holidays are worth nine (9) hours. If an employee is not on the flex schedule and works eight (8) hour days, they will be able to put one (1) hour per holiday into the Holiday Leave bank.

10. SICK LEAVE

Employees accrue 3.70 hours of sick leave per pay period from their date of hire (for a total of 96.2 hours annually). Since the Agency provides for CalPERS sick leave credit and that employees are encouraged to conserve sick leave should it be needed for an unexpected personal disability, there is no limit on the maximum number of hours an employee can accumulate. Refer to the Employee Handbook for additional information.

11. BEREAVEMENT LEAVE

Employees are eligible for up to five (5) days of paid time off to make funeral arrangements and to attend the funeral of an immediate member of their family. Refer to the Employee Handbook for additional information.

12. CERTIFICATION AND LICENSE FEES

The MRWPCA will pay pertinent original certification, license, registration, and renewal fees related to the job. MRWPCA will pay for a vehicle license or certificate, other than a Class C, if the employee is required by a regulatory authority or the Agency to possess such a license to perform work duties as assigned.

13. CERTIFICATION/CAREER INCENTIVES

The current certification & career incentives are listed in Appendix A1 & A2 of the Employee Handbook.

14. CAREER INCENTIVES

Employees will receive a 2.5% salary increase if they receive a four year degree. If they receive a degree beyond a four year, i.e. and MA/MS/MBA, they will receive an additional 3.5% salary increase. If the employee's position requires a high school diploma or equivalent and they have a degree beyond a four year degree, they will receive 6%, which is the cumulative amount for both grades. Refer the Appendix A2 of the Employee Handbook for additional information.

15. TUITION REIMBURSEMENT PROGRAM

MEMORANDUM OF UNDERSTANDING

Mid-Management Employees' Group

Employees are encouraged to advance their job-related skills and education through the Agency's Tuition Reimbursement Program. Reimbursement is limited to the following:

- Community College = \$1,000 per calendar year
- University/State School = \$2,500 per calendar year
- Master's Degree level = \$3,500 per calendar year

Refer to the Employee Training and Development policy for additional information on qualifications

16. EMPLOYEES ASSIGNED MRWPCA VEHICLES

Employees assigned MRWPCA vehicles shall comply with all policies set forth in Appendix B of the Employee Handbook.

17. LONGEVITY PAY

Employees attaining 15 years of service with the Agency will receive a 2.5% longevity pay increase.

Employees attaining 20 years of service will receive an additional 5% longevity pay increase.

18. NEGOTIATION TIME

The mid-management employees and their negotiating teams will be granted a reasonable amount of time during regular work hours to negotiate and meet-and-confer for the preparation of a Memorandum of Understanding and associated benefits.