

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

**City Manager's Report**  
**June 23, 2015 City Council Meeting**  
**Prepared by: Cleve Morris, City Manager**  
**Item #: 8.9**



**Subject:** Adopt the following:

1. A Resolution amending the salary and benefit provisions for employees in the Confidential Unit;
2. A Resolution amending the salary and benefit provisions for employees in the Executive Management Unit; and
3. A Resolution amending the salary and benefit provisions for employees in the Supervisory Unit.

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**Discussion:** Attached are reports from the City's labor representative, Patrick Clark, which outline the salary and benefit provisions of the recent addendum to the MOU with the International Union of Operating Engineers, Stationary Engineers, Local 39, adopted on April 8, 2014, and the MOU with the Placerville Police Officers Association adopted on May 12, 2015. Tonight, the Council is asked to adopt resolutions providing for similar salary and benefits for the unrepresented Confidential, Supervisory, and Executive Management Units. The Council will review these as well as other possible provisions in Closed Session. The Resolutions are attached for your review, but are subject to change based on Council direction. The MOU with Local 39 expires on December 31, 2015, therefore additional provisions may be considered at that time.

**Budget Impact:** Provisions of these Resolutions have been incorporated into the proposed Fiscal Year 2015-2016 budget, which is scheduled for adoption at this meeting.

**Recommendation:** Adopt the following:

1. A Resolution amending the salary and benefit provisions for employees in the Confidential Unit;
2. A Resolution amending the salary and benefit provisions for employees in the Executive Management Unit; and
3. A Resolution amending the salary and benefit provisions for employees in the Supervisory Unit.

  
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**M. Cleve Morris, City Manager**

  
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**Dave Warren, Director of Finance**

DATE: April 8, 2014

TO: Placerville City Council

FROM: Patrick Clark  
Patrick Clark Consulting

Subject: Addendum to Memorandum of Understanding (MOU) between City of Placerville and the International Union of Operating Engineers, Stationary Engineers, Local 39 (Local 39).

Attached for Council consideration and approval is a proposed MOU Addendum and side letter that extends the term of the current MOU between City of Placerville and Local 39 to January 1, 2014 – December 31, 2015.

The City's operating budget is entirely dependent upon the economic conditions that prevail in the community and legislative actions of the State of California. The City has seen a modest recovery following a protracted recession. While revenues are still well short of pre-recessionary levels, the current recovery has enabled the parties to reach an agreement including the following key elements:

1. Compensation increases
  - July 2014 – Sixth salary step created
  - July 2015 – 2% salary increase
  - July 2015 – Longevity Pay Program
2. Hours or Work
  - July 2014 – Mandatory Time Off Cost Savings Plan Terminated
  - July 2015 – Furlough Eliminated, restoration of 40 hour work week
3. Pension
  - July 2014 – Classic Member employees to pay 6% of PERS contribution.
  - July 2015 – Classic Member employees to pay full 8% of PERS contribution.

The implementation of the provisions above is subject to the availability of funds. For details of all negotiated provisions see attached Addendum to Memorandum of Understanding.

**RECOMMENDATION:**

Approve Addendum to Memorandum of Understanding

**DATE:** May 12, 2015

**TO:** Placerville City Council

**FROM:** Patrick Clark  
Patrick Clark Consulting

**Subject:** Adoption of Memorandum of Understanding, Placerville Police Officers Association (PPOA)

Attached for Council consideration and approval is the Memorandum of Understanding (MOU) between the City of Placerville and the PPOA. The MOU has a 2 ½ -year term beginning upon execution of this agreement and concluding June 30, 2017. Note the existing MOU is currently scheduled to expire June 30, 2015.

Key elements of the agreement include:

Fiscal year 2014/2015

1. Vacation cash out provision intended to reduce unfunded liability.
2. City to issue a \$1,000.00 one-time distribution to each PPOA employee, funded by Measure J Fund.
3. Effective January 17, 2015, City to pay Senior Officer pay in the amount of \$150.20 per month for PPOA employees with ten (10) or more years of continuous service with the City of Placerville.

Fiscal year 2015/2016

1. Effective July 2015 the City to create a sixth salary step of 5%. All Classic members shall advance one salary step in exchange for paying an additional 4% (5% total) employee pension contribution.
2. The last day of the fiscal year the first salary step shall be abolished restoring a five step salary range.

Fiscal year 2016/2017

1. Effective July 2016 the City to create a sixth salary step of 5%. All Classic members shall advance one salary step in exchange for paying an additional 4% (9% total) employee pension contribution.
2. The last day of the fiscal year the first salary step shall be abolished restoring a five step salary range.

Recommendation:

Approve the attached Memorandum of Understanding.

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 CONFIDENTIAL UNIT  
CLASSIFICATIONS**

**WHEREAS**, the City has completed negotiations with the Placerville Police Officers Association for the 2015-2016 fiscal year and the International Union of Operating Engineers Stationary Engineers, Local 39 through December of 2015; and

**WHEREAS**, the Confidential Unit consists of the following employee classifications: Accountant, Executive Assistant to the Chief of Police, Secretary to the City Manager, Administrative Specialist, Information Technology Analyst, Archive Technician, and the 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 salaries and benefits; and

**WHEREAS**, the City Council desires to amend the salary and benefit provisions for the Confidential 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 Confidential Unit.

Employee Compensation

A. Salaries

- 1) Effective the first full pay period in July 2015, all classifications in the Confidential Unit shall receive a two-percent (2.00%) salary increase.
- 2) Effective the first full pay period in July 2015, the first salary step for all classifications in the Confidential Unit shall be eliminated to restore a 5 step salary range. Any employee in the first salary step on the first full pay period in July 2015 shall automatically advance one step.

B. Longevity Pay

Effective the first full pay period in July 2015, the City shall implement a longevity pay plan for all classifications in the Confidential 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%

## Hours of Work and Overtime

### A. Work Hours

Effective the first full pay period in July 2015, the City will reestablish a 40 hour work week with the modified nine day work schedule.

### B. Furlough

Effective the first full pay period in July 2015, all classifications in the Confidential Unit shall receive a one and one half percent (1.50%) salary restoration for the elimination of the two (2.00) hour Friday furlough.

## 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) Effective the first full pay period in July 2015, conditioned upon the implementation of Employee Compensation, Subsection A1 above, the employee shall pay an additional 2% for a total member contribution rate of 8%.

### 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).

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on June 23, 2015, 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, Patricia Borelli

**ATTEST:**

\_\_\_\_\_  
City Clerk, Susan Zito

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 Placerville Police Officers Association for the 2015-2016 fiscal year and the International Union of Operating Engineers Stationary Engineers, Local 39 through December of 2015; 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, 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.

Employee Compensation

A. Non-Sworn Employee Salaries

- 1) Effective the first full pay period in July 2015, all classifications in the Executive Management Unit shall receive a two-percent (2.00%) salary increase.
- 2) Effective the first full pay period in July 2015, the first salary step for all classifications in the Executive Management Unit shall be eliminated to restore a 5 step salary range. Any employee in the first salary step on the first full pay period in July 2015 shall automatically advance one step.

B. Sworn Employee Salaries

Effective the first full pay period in July 2015, City will create a sixth step (5%) on the salary schedule. "Classic" CalPERS members shall advance one salary step.

C. Longevity Pay

Effective the first full pay period in July 2015, the City shall implement 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%

#### Hours of Work and Overtime

##### A. Work Hours

Effective the first full pay period in July 2015, the City will reestablish a 40 hour work week with the modified nine day work schedule.

##### B. Furlough

Effective the first full pay period in July 2015, all classifications in the Executive Management Unit shall receive a one and one half percent (1.50%) salary restoration for the elimination of the two (2.00) hour Friday furlough.

#### CALPERS RETIREMENT

##### A. Non-Sworn 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) Effective the first full pay period in July 2015, conditioned upon the implementation of Employee Compensation, Subsection A1 above, the employee shall pay an additional 2% for a total member contribution rate of 8%.

##### B. Non-Sworn 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. Non-Sworn 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.

##### D. The employee shall pay 50.00% of the PERS “normal costs” (as defined in PEPR A). Sworn “Classic” Employees: All employees hired Prior to October 15, 2011:

- 1) Full time employees - the City will maintain the current PERS 3% at 50 modified plan.
  - 2) Employee Contributions:  
  
Upon implementation of Employee Compensation Paragraph B above, "Classic" CalPERS members will begin paying an employee pension contribution of 5.00% of payroll effective the first full pay period in July 2015.
  - 3) The pension shall be calculated based on the employee's highest salary for thirty-six (36) consecutive months.
- E. All sworn employees hired between October 15, 2011 and December 31, 2012, and employees hired on or after January 1, 2013, who have prior membership with CalPERS as prescribed by the Public Employees' Pension Reform Act of 2013:
- 1) Full time employees - the City agrees to implement the PERS 3% at 55 pension plan.
  - 2) The Employee shall pay the entire 9% employee contribution.
  - 3) The pension shall be calculated based on the employee's highest salary for thirty-six (36) consecutive month.
  - 4) The City will ensure compliance with IRS Code 414(h)(2) relative to the pre-taxation of the 9% employee contribution.
- F. PEPRA Employees: All sworn employees hired on or after January 1, 2013, who don't have prior membership with CalPERS as prescribed by the Public Employees' Pension Reform Act of 2013:
1. The retirement formula shall be the PERS 2.7% @ 57 retirement formula.
  2. The employee shall contribute one-half (1/2) of the "normal cost" of the benefit, based on the annual valuation report prepared by PERS, rounded to the nearest 1/4. Employee contributions will be paid on a pre-tax basis.

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on June 23, 2015, by Councilmember \_\_\_\_\_ who moved its adoption. The motion was seconded by Councilmember \_\_\_\_\_. The motion was passed by the following vote:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

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Mayor, Patricia Borelli

**ATTEST:**

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City Clerk, Susan Zito

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 SUPERVISORY UNIT  
CLASSIFICATIONS**

**WHEREAS**, the City has completed negotiations with the Placerville Police Officers Association for the 2015-2016 fiscal year and the International Union of Operating Engineers Stationary Engineers, Local 39 through December of 2015; and

**WHEREAS**, the Supervisory Unit consists of the following employee classifications: Accounting Supervisor, Assistant Engineer, Associate Engineer, Building Official, Director of Information Technology, Lab Director, Police Support Services Supervisor, Parks and Facilities Maintenance Superintendent, Public Works Operations Manager, Recreation Supervisor, Recreation Coordinator, Water Reclamation Facility Supervisor; and

**WHEREAS**, the Supervisory 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 Supervisory 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 Supervisory Unit.

Employee Compensation

A. Salaries

- 1) Effective the first full pay period in July 2015, all classifications in the Supervisory Unit shall receive a two-percent (2.00%) salary increase.
- 2) Effective the first full pay period in July 2015, the first salary step for all classifications in the Supervisory Unit shall be eliminated to restore a 5 step salary range. Any employee in the first salary step on the first full pay period in July 2015 shall automatically advance one step.

B. Longevity Pay

Effective the first full pay period in July 2015, the City shall implement a longevity pay plan for all classifications in the Supervisory 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%

## Hours of Work and Overtime

### A. Work Hours

Effective the first full pay period in July 2015, the City will reestablish a 40 hour work week with the modified nine day work schedule.

### B. Furlough

Effective the first full pay period in July 2015, all classifications in the Supervisory Unit shall receive a one and one half percent (1.50%) salary restoration for the elimination of the two (2.00) hour Friday furlough.

## 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) Effective the first full pay period in July 2015, conditioned upon the implementation of Employee Compensation, Subsection A1 above, the employee shall pay an additional 2% for a total member contribution rate of 8%.

### 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).

The foregoing Resolution was introduced at a regular meeting of the City Council of the City of Placerville held on June 23, 2015, 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, Patricia Borelli

**ATTEST:**

\_\_\_\_\_  
City Clerk, Susan Zito