

COUNCIL AGENDA – DECEMBER 16, 2014

SUBJECT: AMENDMENT TO EMPLOYEE PAY AND BENEFIT PLAN –
UNREPRESENTED SAFETY AND MISCELLANEOUS MANAGEMENT
EMPLOYEES

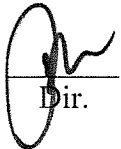
SOURCE: ADMINISTRATIVE SERVICES/ HUMAN RESOURCES

COMMENT: As the Council is aware, staff has been in negotiations for successor agreements with all six of the City's employee bargaining units. With agreements now being reached with three of the six units, staff met with those employees who do not fall within the scope and purview of the Meyers-Milias-Brown Act, i.e., employees not designated for purposes of recognition and representation as an organized group for the purposes of bargaining. Pursuant to Council direction, the unrepresented employees were presented with a proposal consistent with the agreements reached with, and/or proposals made to, the six other employee units.


The unrepresented employees were agreeable to the City's proposal. As such, City Council acceptance and approval of authorized changes in wages, benefits and conditions of employment are commonly made by amendments to those documents necessary to implement such changes. To this end, a draft resolution is herein provided for your consideration.

RECOMMENDATION: That the City Council approve the draft resolution amending the Employee Pay and Benefit Plan.

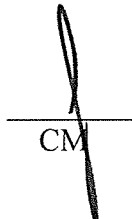
Attachment: Draft Resolution



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Item No. 10

RESOLUTION NO. _____-2014

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
PORTERVILLE AMENDING THE EMPLOYEE PAY AND BENEFIT PLAN
FOR ALL UNREPRESENTED SAFETY AND MISCELLANEOUS
MANAGEMENT EMPLOYEES

WHEREAS, the City Council has determined and reiterated that an Employee Pay and Benefit Plan, Classification Plan, Personnel System Rules and Regulations, Health Plan and Retirement Plan are essential for the proper administration of the City's affairs, including employee recruitment and retention, and for proper supervision of City Employees; and

WHEREAS, the City Council recognizes the necessity of amending and/or changing the contents of such plans and regulations from time to time, and of executing instruments to implement and to keep the provisions thereof current, and to maintain the relevancy of the same; and

WHEREAS, the City Council agrees that unrecognized Executive Management employees, i.e., employees not designated for purposes of recognition and representation as an organized group for purposes of labor relations, should also be acknowledged through such amendments.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Porterville that the Employee Pay and Benefit Plan, for employees holding positions designated in the Executive Management group, including the positions of Deputy City Manager, Director, Police Chief, Fire Chief, Deputy Director, Police Captain, Police Lieutenant, and Fire Battalion Chief, hereinafter ("Unrepresented Employees") are hereby amended as follows:

TERM OF MEMORANDUM OF UNDERSTANDING

Twelve months, from July 1, 2014 through June 30, 2015.

I. SALARIES

Effective the pay-period beginning January 1, 2015, all Unrepresented Employees shall receive a two percent (2%) salary increase.

II. ONE TIME OFF SCHEDULE PAYMENT

Effective January 1, 2015, concurrent with the implementation of Unrepresented Employees' contribution towards healthcare coverage, Unrepresented Employees shall receive a one-time payment equivalent to one-percent (1%) of the employee's annual base salary.

III. EMPLOYEE HEALTH BENEFIT CONTRIBUTIONS

Effective January 1, 2015, Unrepresented Employees shall contribute two percent (2%) of the employees' base salary towards Unrepresented Employees' own medical coverage on the City's health plan.

Effective January 1, 2015, contribution rates for Unrepresented Employees' dental and vision coverage, and contribution rates for Unrepresented dependents' medical, dental and vision coverage shall be increased as set out in the Exhibit A of Attachment 1.

IV. EMPLOYEE HEALTH BENEFIT AMENDMENTS

The City shall implement changes to the healthcare benefit of Unrepresented Employees as set forth in Attachment 1 and Exhibits. Said changes may be subject to minor modification, to the benefit of the employees, as and when all City bargaining units approve them. Further, said changes to the employees' healthcare benefit shall not become effective until such time as all bargaining units approve same.

V. WORKERS COMPENSATION BENEFIT

Effective the pay period after the Memorandum of Understanding is fully executed and officially accepted, or as soon thereafter as possible, the Workers Compensation benefit provided by the City to Unrepresented Employees shall be modified to provide no additional benefits other than those required by applicable state law. This item is separate and apart from any Carve-Out negotiations and/or agreement.

BE IT FURTHER RESOLVED that the Mayor of the City of Porterville is hereby authorized to execute those documents as are necessary to implement the provisions hereof.

PASSED, APPROVED AND ADOPTED this 16th day of December, 2014.

Milt Stowe, Mayor

ATTEST:
John Lollis, City Clerk

By _____
Luisa Herrera, Deputy City Clerk



HEALTHCARE BENEFIT AMENDMENTS

December 11, 2014

Effective January 1, 2015, or as soon thereafter as possible, the City of Porterville ("City") proposes to amend the Employees' Healthcare benefits as follows:

1. An orthodontic benefit shall be added to the City's dental plan. Said benefit shall be for children up to age 19 only, and will have a lifetime maximum benefit of \$1,000 per child.
2. Dental implants shall be added as a covered benefit to the City's dental plan. The plan's current maximum limits shall apply to said covered benefit.
3. Progressive and transitional lenses shall be added as a covered benefit to the City's vision plan. All current maximum limits shall apply to said benefit.
4. Deductible rates for medical coverage (not including dental and vision) will increase from \$150 to \$175 for individual; and from \$300 to \$350 for family.
5. Dependent rate tier structure for medical coverage, and contribution rates for medical, dental and vision coverage shall be amended as set forth in the attached Exhibit A.
6. Co-insurance rates for out-of-network providers shall be increased from 20% to 30%. In-network rates shall remain at 20%.
7. Generic prescriptions shall be mandatory, unless specifically requested otherwise by the treating physician.
8. Mail order for all maintenance medication shall be encouraged.
9. The City shall make available Flexible Spending Accounts ("FSA") including a Healthcare FSA and Dependent Care FSA.
10. The City's Fitness Incentive Program shall be amended to eliminate quarterly fitness incentive testing. Instead, Employees who participate in the voluntary program shall receive incentive pay for verifiable healthy lifestyle choices. Eligible activities shall include verifiable regular physical exercise, completion of a certified weight loss or nutrition program, and completion of a certified smoking cessation program. The Risk Manager shall have the authority to approve or deny the eligibility of any and all proposed activities. The proposed program is more specifically set out in attached Exhibit B.

Proposed Medical Contribution Rates and New Tier Structure
 All Bargaining Units
 MOU 2014 - 2015

12/11/2014

MEDICAL

CURRENT MONTHLY	PROPOSED MONTHLY	
2011-Present		
Employee Only	\$0 Employee Only	2% of base salary
Plus 1	\$150 Plus Spouse	\$170
Plus 2 or more	\$230 Plus Child/children	\$160
	Plus Spouse & Child/Children	\$250
2005 - 2011		
Employee Only	\$0	
Plus 1	\$150	
Plus 2 or more	\$230	
1995 - 2005		
Employee Only	\$0	
Plus 1	\$150	
Plus 2 or more	\$230	

DENTAL

CURRENT MONTHLY	PROPOSED MONTHLY	
1995 - Present		
Employee Only	\$0 Employee Only	\$0
Plus 1	\$18.66 Plus Spouse	\$21.00
Plus 2 or more	\$25.55 Plus Child/children	\$27.00
	Plus Spouse & Child/Children	\$30

VISION

CURRENT MONTHLY	PROPOSED MONTHLY	
1995 - Present		
Employee Only	\$0 Employee Only	\$0
Plus 1	\$8.18 Plus Spouse	\$11.00
Plus 2 or more	\$19.03 Plus Child/children	\$9.00
	Plus Spouse & Child/Children	\$20

EXHIBIT A

REGULAR PHYSICAL EXERCISE

Monthly Incentive Rates

	"Good"	"Excellent"	"Superior"
Monthly Workouts	10-13 times	14-17 times	18 or more
Incentive Pay	\$30	\$40	\$50

- 1 A maximum of one workout per day shall be eligible. Further, eligible workouts must last at least one hour in duration and should include cardio exercise.
- 2 To be eligible, workouts must be verifiable (i.e. sign in/out sheets at City fitness facilities witnessed/signed by HR staff or employee supervisor; or printout provided from professional third-party gym/fitness membership/classes.)
- 3 To be eligible, participants must submit their completed workout logs (forms to be provided by HR) to HR by the 10th day of each month for the prior month. Incentive pay shall be disbursed to participants on a quarterly basis. Forms submitted after the 10th day, or not containing the appropriate supervisor/HR sign-off or verified third-party gym/class printout shall not be eligible.
- 4 Employees who knowingly sign and/or submit inaccurate/fraudulent sign in/out sheets or workout logs shall be prohibited from participating in the Regular Physical Exercise program for one year from the date of discovery. The Risk Manager maintains the right to make such a determination.

SMOKING CESSATION PROGRAM

Incentive Rate A one-time payment of up to \$200

Participating employees shall be eligible for a one time incentive payment up to \$200 for completion of a certified smoking cessation class which shall be pre-approved by the Risk Manager. Proof of completion must be provided to receive payment.

WEIGHT LOSS & NUTRITION PROGRAM

Incentive Rate Two payments of up to \$50 per Calendar Year

Participating employees shall be eligible for up to two payments of \$50 each per year for completion of a certified weight loss or nutrition program, which shall be pre-approved by the Risk Manager. Proof of completion must be provided to receive payment.

The Risk Manager shall have the authority to approve or deny the eligibility of any and all proposed programs.