

SUBJECT: AMENDMENT TO EMPLOYEE PAY AND BENEFIT PLAN –  
PORTERVILLE CITY EMPLOYEES’ ASSOCIATION

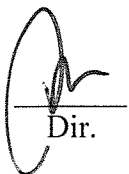
SOURCE: ADMINISTRATIVE SERVICES/ HUMAN RESOURCES

COMMENT: Within the scope of the Meyers-Milias-Brown Act, City representatives have concluded labor negotiations with the Porterville City Employees’ Association (PCEA). City representatives and PCEA have reached an agreement, and a written Memorandum of Understanding (MOU) has been executed restating current benefits as well as amendments pertaining to wages, benefits and working conditions.

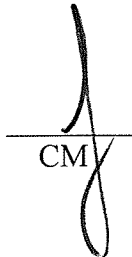
City Council acceptance and approval of an executed MOU is most commonly demonstrated by Council authorization to change or amend, when applicable, those documents as are necessary to implement the points of agreement contained in the MOU.

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. 16

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF  
PORTERVILLE AMENDING THE EMPLOYEE PAY AND BENEFIT PLAN  
FOR THE PORTERVILLE CITY EMPLOYEES' ASSOCIATION

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, there has been concurrence on a comprehensive Memorandum of Understanding with the Porterville City Employees' Association for the period from July 1, 2014 through June 30, 2015, covering provisions to amend the Employee Pay and Benefit Plan, as they relate to employees holding positions represented by such recognized employee organization.

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 represented by the aforementioned recognized employee organization, is hereby amended as follows:

- I. TERM OF MEMORANDUM OF UNDERSTANDING  
Twelve months, from July 1, 2014 through June 30, 2015.
  
- II. SALARIES  
Effective on the first pay-period following the date a fully executed Memorandum of Understanding (MOU) is officially accepted, PCEA employees shall receive a one percent (1%) salary increase.

Effective January 1, 2015, concurrent with the implementation of PCEA employees' two percent (2%) contribution towards healthcare coverage, PCEA employees shall receive a one percent (1%) salary increase.

III. EMPLOYEE HEALTH BENEFIT CONTRIBUTIONS

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

Effective January 1, 2015, contribution rates for PCEA employees' dental and vision coverage, and contribution rates for PCEA dependents' medical, dental and vision coverage shall be increased as set out in Exhibit A.

IV. EMPLOYEE HEALTH BENEFIT AMENDMENTS

The City shall implement changes to the healthcare benefit of PCEA 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. ONE TIME OFF SCHEDULE PAYMENT

Effective concurrent with the implementation of PCEA employees' contribution of two percent of employee's base salary towards healthcare, PCEA employees shall receive a one-time payment of \$425, which is equal to one percent (1%) of the total payroll within the PCEA bargaining unit averaged over all employees.

VI. SAFETY SHOE/BOOT ALLOWANCE REIMBURSEMENT

Effective on the date of a fully executed Memorandum of Understanding (MOU), the Employee Pay and Benefit Plan and Personal Protective Equipment Administrative Policy shall be amended to state that PCEA employees shall receive a boot allowance as determined/approved by their Department Head.

VII. STATEMENT OF CONTINUING BENEFITS AND WORKING CONDITIONS

Benefits and working conditions as were previously agreed upon through the Meet and Confer process, and subsequently approved and implemented by appropriate authority shall, unless herein expressly modified or eliminated, remain in effect until such time as they are subsequently modified or eliminated through the Meet and Confer process and similarly approved by appropriate authority.

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 \_\_\_\_\_ day of October, 2014.

\_\_\_\_\_  
Milt Stowe, Mayor

ATTEST:  
John Lollis, City Clerk

By \_\_\_\_\_  
Patrice Hildreth, Chief Deputy City Clerk



## HEALTHCARE BENEFIT AMENDMENTS

OCTOBER 2, 2014

Effective at such time as the City reaches agreement with all City bargaining units, or as soon thereafter as possible, the City of Porterville ("City") shall 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, 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'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.

ATTACHMENT 1

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

10/2/2014

**MEDICAL**

FORMER MONTHLY		NEW 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	\$225		
1995 - 2005			
Employee Only	\$0		
Plus 1	\$96		
Plus 2 or more	\$136		

**DENTAL**

FORMER MONTHLY		NEW 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	\$30.00

**VISION**

FORMER MONTHLY		NEW 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	\$20.00

**EXHIBIT A**

**REGULAR PHYSICAL EXERCISE**

**Monthly Incentive Rates**

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	"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 monthly 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**

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

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