



Budget & Compensation:

Performance Pay: As most of you know the General Manager had proposed for Local 21 to forfeit our Performance Pay for the next two fiscal years (FY 09 and 10). Your E-Board briefed the Membership on March 5 and solicited comments. The majority response was NO to forfeiture but willing to review other options that would benefit both our Membership and the District. This response was presented to the GM with three alternatives put forward in the membership meeting.

1. Defer FY 09 payment until FY11 with at mid-term review during FY 10 or;
2. Convert FY 09 to paid time off for both Group 1 & 2 staff again with a mid-term review in FY 10 or;
3. Permanently modify the Performance Pay Program to allow conversion of a portion to base pay and the remainder in cash. The cash portion would be forfeited in the similar manner as that of managers.

Each of these alternatives would retain a whole program based upon our existing MOU program guidelines while meeting the Districts objective of moving a portion of the Performance Pay 3.2% out of FY 09. The mid-term review in FY 10 would restore the payment of cash if the District meets its budget goals. The Board of Directors has been briefed that the current budget shortfall is a one year problem

On March 18th the GM, after reviewing our alternatives with his staff, proposed the following for the next two Performance Pay cycles:

Split the 3.2% of Performance Pay monetary pool into components for each of the two years. For employees receiving performance pay, it would be distributed as follows:

1. Approximately 1/3rd convert to 3 days of "Special Leave."
 - a. Applicable to both Groups One and Two
 - b. Added to your Leave Balance on July 1, 2009 for those that are rated "meets expectations" and above.
2. Cash payment of remaining 2/3rd to be deferred and paid by September 30, 2011.
 - a. Payment amounts will be calculated for FY 09 & 10 based on completed performance evaluations and rates of pay in effect.
 - b. Employees retiring or separating prior to September 30, 2011 would be paid consistent with our MOU.
 - c. Review the status of FY 10 deferral during mid-term budget review. Cancel FY 10 deferral if the District's budget situation significantly improves.
3. All regular Performance Pay guidelines, MOU and District rules would remain applicable.

Local 21 EBMUD Chapter Chapter Update March 26, 2009

Page 2 of 2



This proposal will be discussed at the Membership Meeting on April 2 at 12:00pm noon. A resolution will be presented and a membership vote taken. Your E-Board recommends approval of the resolution authorizing this temporary modification to the Performance Pay program.

Three locations will be run concurrently:

Admin Building – Boardroom
Adeline Admin Building Cafeteria
Pardee Conference Room

All members will be required to sign in and will be given a ballot. Membership cards for eligible staff wishing to become members will be available. Only members will be able to attend the meeting and vote.