

MANAGEMENT OF EMERYVILLE SERVICES AUTHORITY
FOR THE
CITY OF EMERYVILLE

PAY and BENEFITS PLAN
For
Unrepresented Employees

(SUPERCEDES RESOLUTION NO. MA07-05)

EFFECTIVE: Pay period including July 1, 2006

(Where conflicts exists, the provisions of this document supersede those outlined in the
City of Emeryville/MESA Personnel Rules and Regulations)

SECTION I. COMPENSATION

This section applies to all regular department heads, managers, supervisors, and unrepresented and/or confidential (at-will) positions except Council Members and Council-appointed officers.

A. Compensation Policy

The City of Emeryville/MESA's (herein referred to as MESA) policy for management and confidential compensation is to establish and maintain a general structure based on marketplace norms and internal job values with pay ranges. Salary ranges will be reviewed annually and updated as necessary based on marketplace survey data, internal relationships, and financial conditions.

Individual compensation adjustments will be considered by the City Manager and/or City Attorney, as applicable, based on (1) performance factors including achievement of predetermined objectives and (2) the City's ability to pay.

B. Basic Plan Elements

Structure. The compensation plan includes separate salary ranges for management and non-exempt unrepresented employees. Each salary range, which represents the range of what the MESA is willing to pay for the performance of a set of duties and responsibilities, is typically a 25% spread for non-exempt classifications, and a 35% spread for exempt professional and managerial classifications, from the minimum to the maximum rate. All unrepresented employees covered by this Compensation Plan will be paid a salary within the range, as determined by performance.

Periodically, a salary review of the comparable positions in other agencies to determine the need to adjust salary ranges. However, with the exception of a Council approved cost-of-living adjustment, no individual salary will be automatically changed because of an adjustment in the salary range.

C. Wages

Effective July 1, 2006, all salaries will be increased by 3.0%.

SECTION II. SPECIAL COMPENSATION

This section applies to all eligible regular management and confidential positions except as otherwise indicated. Eligibility shall be in conformance with the Personnel Rules and Regulations and applicable Administrative Instructions issued by the City Manager for the purposes of clarification and interpretation.

A. Overtime, Special Assignment Pay, Acting Pay

Overtime: Compensation for overtime work, and scheduled work on paid holidays for certain designated non-exempt employees shall be in conformance with the Personnel Rules and Regulations and Administrative Instructions. Overtime eligible employees shall be paid at the rate of time and one-half times the employees' basic hourly salary.

Special Assignment Pay: Where unrepresented employees, on a temporary basis, are assigned to special assignments, the Appointing Authority may award up to an additional 10% salary adjustment, for special assignments. Such discretionary additional compensation shall be assigned only for the regular and continuous performance of a special assignment, in addition to an employee's regular duties. It shall not be used as a merit or bonus payment. Special Assignment Pay must be approved by the Human Resources Director and the City Manager.

Acting Pay: Where an employee is assigned to perform all of the ordinary, day-to-day duties of a position of a higher classification for three (3) consecutive days shall be paid an additional 5% above his/her regular pay, or the first step of the higher classification, whichever is greater, for such time worked in the higher classification.

B. Uniform Allowance – Sworn Safety Management

A uniform allowance for Police and Fire Management employees is available with City Manager approval. Requests for such allowance should be forwarded to the City Manager, by memorandum, stating the purpose and amount.

SECTION III. BENEFITS and LEAVES

A. **GROUP HEALTH AND WELFARE BENEFITS**

1. **Medical Benefits**

The MESA shall continue to contract with the Public Employees' Retirement System (PERS) for the purpose of providing medical benefits for eligible active employees, eligible retired employees and eligible survivors of retired employees.

The MESA shall pay, directly to PERS, the amount of \$32.20 each month on behalf of each eligible full-time active employee who subscribes for coverage in a PERS Medical plan. As required by Government Code Section 22825, the City's contribution shall increase as follows:

\$48.40 per month for calendar year 2005;
\$64.60 per month for calendar year 2006;
\$80.80 per month for calendar year 2007; and
\$97.00 per month for calendar year 2008

These increased City contributions rates shall remain in effect only as long as required by law.

For the purpose of this section, a dependent is defined as a person who satisfies the definition of dependent in the PERS medical plan in which the employee is enrolled. Such dependents must also be enrolled in and covered by the plan. The eligible employee, retiree, or survivor shall be responsible for making any additional contributions needed to pay for this benefit as agreed upon in this Pay and Benefits Plan.

2. **Dental Benefits**

The MESA shall purchase dental insurance coverage for employees and their eligible dependents (including domestic partners). The MESA's contribution towards the purchase of this insurance shall not exceed the following amounts per employee per month, nor shall the MESA's contribution towards the purchase of this insurance exceed 100% of the appropriate premium for the dental plan in which such eligible employee is enrolled:

Employee Only	\$ 43.14
Employee + One Dependent	80.32
Employee + Two or more Dependents	113.80

Dental premium rate increases are governed by the provisions of Section 5.A. below.

The MESA reserves the right to provide dental care benefits under a plan or through a carrier of its choice. Alternate coverage may be provided through a consortium of public agencies or private employers which may be formed for the purpose of providing dental care benefits for employees; or through a program of self-insurance.

3. **Vision Care**

The MESA shall continue to provide vision care for employees and their eligible dependents (including domestic partners) only under Vision Service Plan (VSP), with a Twenty-five Dollar (\$25.00) deductible. The MESA's contribution towards the purchase of this insurance shall not exceed the following amounts per employee per month, nor shall the MESA's contribution toward the purchase of this insurance exceed 100% of the appropriate premium:

Employee Only	\$ 19.71
Employee + One Dependent	19.71
Employee + Two or more Dependents	19.71

Vision premium increases are governed by the provisions of Section 5.A below.

The MESA reserves the right to provide vision care benefits under a plan or through a carrier of its choice. Alternate coverage may be provided through a consortium of public agencies or private employers which may be formed for the purpose of providing vision care benefits for employees; or through a program of self-insurance.

4. **Life Insurance**

The MESA shall pay the entire cost of providing each regular and probationary full-time employee with group term life insurance equal to the individual's annual

base salary (rounded to the next highest \$1,000). This policy will include Accidental Death & Dismemberment coverage, and the right of conversion at the time of termination from employment to a form of permanent coverage without medical restrictions, to the extent allowable by the insurance carrier and the law. The payment for such converted coverage shall be the sole responsibility of the individual electing such coverage.

For Permanent Part-Time employees, the MESA shall provide group term life insurance in an amount equivalent to the employee's annualized salary, rounded to the nearest \$1,000.

5. **Flexible Benefits**

a. Premium Contribution Account. The MESA shall establish a Flexible Benefits Account for each full-time active employee in regular or probationary status enrolled in one of the PERS medical insurance plans offered by the MESA.

b. The MESA Contribution. In the event the amount specified in Section 1, 2, and 3 are insufficient to pay 100% of the premiums required of the corresponding benefit plan in which the employee is enrolled, the MESA shall make such supplemental payment into the employee's Flexible Benefit Account as is necessary to equal one hundred percent (100%) of the premium of the medical, dental and vision coverage in which the employee is enrolled for their coverage level, up to a maximum monthly premium for medical, dental and vision of:

	<u>Medical Effective</u>	<u>7/1/03</u>	<u>1/1/04</u>
Employee Only		\$ 249.41	\$286.38
Employee + One Dependent		498.80	572.74
Employee + Two or more Dependents		648.45	744.56

In the event that there are any premium rate increases for the medical plan in excess of the above stated amounts, the MESA agrees to pay 80% of the announced increase in the Kaiser North premiums, at each respective level, which take effect on January 1, 2005, January 1, 2006 and January 1, 2007.

	<u>Dental</u>	<u>Vision</u>
Employee Only	\$43.14	\$19.71
Employee + One Dependent	80.32	19.71
Employee + Two or more Dependents	113.80	19.71

If, at anytime, the MESA reaches an agreement with the recognized employee organizations for the City's miscellaneous represented employees, whereby premium caps are set at a rate higher than those listed above, the MESA agrees to revisit the medical plan premium share arrangement for unrepresented employees provided for in this Pay and Benefits Plan document.

c. Additional Employee Contributions. In the event an employee enrolls in a medical plan for which the premium exceeds the MESA's contribution for medical insurance and Flexible Benefits as provided herein, such additional sum

shall be withheld from the employee's salary by MESA on a pre-tax basis.

d. Health Care and Dependent Care Spending Accounts. The MESA agrees to allow employees to designate a specific amount of salary, consistent with applicable public law, to be redirected each month to pay for Health Care and Dependent care costs on a pre-tax basis. The MESA will reimburse such employee on a monthly basis for health care and dependent care from such redirected funds, upon presentation to the designated third party administrator of a claim and receipt for services rendered. Any unused funds at the end of the plan year shall be forfeited.

e. Changing Elections. Federal law limits the circumstances under which an employee may elect benefits and change an election under the Flexible Benefits Plan.

1. Premium Contribution Account. Unless the individual employee notifies the Director of Finance in writing prior to May 30 each year, that he/she elects to have his/her Flexible Benefits paid into the Deferred Compensation Program, it will automatically be used to pay premium changes for the elected medical insurance program.

Each employee shall be responsible for providing immediate written notification to the Human Resources Director of any change to the number of his/her eligible dependents (as defined by the summary plan documents) which affects the amount of the MESA's payment to the Flexible Benefits Account. Changes to Flexible Benefit payments required because of a change in an employee's number of eligible dependents shall take effect at the start of the first pay period in the month next following the month in which advice from the employee is received by the Human Resources Director. No retroactive increases to the MESA's payment shall be allowed.

2. Health Care and Dependent Care Spending Accounts. To elect to redirect funds into the Health Care and Dependent Care Spending Accounts, the individual employee must obtain and complete an election form and provide it to the Human Resources Director in accordance with MESA's procedures, but no later than October 31 each year for the plan year beginning January 1. The prior year election will not be renewed. If the employee makes no election prior to October 31, then the employee will be deemed not to participate in the Health Care and Dependent Care Spending Accounts.

Each employee shall be responsible for providing written notification to the Human Resources Director of any change in health care or dependent care status within 30 days of the change which affects the amount of the MESA's payment to the Flexible Benefits Account, if any. Changes to Flexible Benefit payments required because of a qualifying change in status shall take effect at the start of the first pay period in the month next following the month in which advice from the employee is received by the

Human Resources Director. No retroactive increases to the MESA's payment shall be allowed. A qualifying change in status includes changes as permitted under the MESA Flexible Benefit Plan in accordance with IRS Regulations.

3. The MESA Allowance. The monies in an employee's Flexible Benefits and Health Care and Dependent Care Spending Accounts allocated by MESA shall be used for one of the following purposes only: (a) payment of premium charges for the PERS medical insurance program, the dental plan, and the vision plan in which the employee is enrolled; or (b) payments to an established Health Care and Dependent Care spending account plan.

6. **Alternate Benefit**

Employees shall be allowed an opportunity to select certain options as alternatives to those benefits listed in Section 1 of this Pay and Benefits Plan under the following terms.

1. Eligibility. Eligibility for receipt of alternative benefits is restricted to those employees for whom no MESA contribution is made towards premiums for group hospital-medical-surgical insurance because of coverage said employees have from a source other than the MESA. Written proof of said coverage is required by the MESA.

2. MESA Contribution. The MESA shall contribute one-half (1/2) of the MESA-paid Kaiser North two-party premium cap per month for alternate benefits for eligible employees who select alternate benefits.

3. Available Benefits. Contributions made by the MESA may be applied by the employee to one or both of the following options:

a. A supplement to the employee's monthly salary. State and Federal taxes will be withheld on any monies applied to this option.

b. Contribution to the Deferred Compensation Plan currently in effect for MESA employees, as governed by IRS regulations, must be made on an after tax contribution basis.

7. **Reservation of Rights**

The MESA reserves the right to provide medical, dental or vision care benefits under a program other than that offered through the PERS or other existing benefit arrangements at any time during the term of this Plan. Alternate coverage may be provided through a consortium of public agencies or private employers which may be formed for the purpose of providing medical, dental and vision care benefits for employees; or through a program of self-insurance.

8. **Health Care Legislation**

In the event that either the State of California or the federal government produces legislation which requires a change in the benefits provided under this Plan, or imposes an employee or an employer contribution requirement toward the cost of such benefits, MESA shall have the right to adjust its contributions so that its total contribution is no greater than is required under this Plan and shall have a duty to provide any benefits lost through such legislation through a supplemental health plan. In the event that the cost of such additional benefits exceeds the total MESA contribution required by this Plan, employees will be informed of alternative plan design which conforms with the legislation and any necessary adjustments in contribution levels for both MESA and the employees covered hereunder.

9. **Retired Employees – Health Benefits**

The MESA shall contribute \$32.20 each month on behalf of each eligible retired employee. Employees who retired prior to January 1, 1981 are eligible for medical benefits only. Employees who retired between January 1, 1981 and January 1, 1984 inclusive are eligible for Medical and Dental benefits only. Employees who retire subsequent to January 1, 1984, are eligible for maximum medical, dental and vision care benefits in the amounts below:

	<u>Medical</u>	<u>Dental</u>	<u>Vision</u>
Retiree	\$16.00	\$20.00	\$ 5.00
Retiree + One Dependent	16.00	35.00	8.68
Retiree + Two or more Dependents	16.00	46.06	8.68

As required by Government Code Section 22825, the City's contribution toward medical benefits only shall increase as follows:

\$48.40 per month for calendar year 2005;
\$64.60 per month for calendar year 2006;
\$80.80 per month for calendar year 2007; and
\$97.00 per month for calendar year 2008

These increased City contributions rates shall remain in effect only as long as required by law.

Retired employees who qualify for the Federal Government Medicare Benefits are eligible for Medicare Supplemental coverage only and may not elect any other medical insurance benefit. They remain eligible for dental and vision care benefits as provided herein.

Retiree Supplement Account

For employees hired prior to July 1, 2002, the MESA shall establish a Retiree Supplemental Benefit Account on behalf of each retiree that provides the following retiree benefits paid by MESA:

	<u>Medical</u>	<u>Dental</u>	<u>Vision</u>
Retiree	\$153.00	\$20.00	\$5.00
Retiree + One Dependent	286.00	35.00	8.68

Retiree + Two or more Dependents 363.00 46.00 8.68

For employees hired on or after July 1, 2002, the MESA shall establish a Retiree Supplemental Benefit Account on behalf of each retiree with eleven (11) or more years of service. The combination of the MESA’s minimum employer contribution and Retiree Supplemental Benefit Account shall not exceed the follows:

	<u>Medical</u>	<u>Dental</u>	<u>Vision</u>
Retiree	\$153.00	\$20.00	\$ 5.00
Retiree + One Dependent	286.00	35.00	8.68
Retiree + Two or more Dependents	363.00	46.06	8.68

Additionally, in order to be eligible for this benefit, the employee's effective date of retirement must occur within one hundred twenty (120) days of the effective date of his/her separation from employment with the MESA and he/she must be enrolled in a medical, dental and vision care plan offered by the MESA. The surviving spouse of a retired employee who qualifies to receive these benefits is also entitled to receive the benefits in the event (a) he/she was designated by the employee prior to the employee's retirement, to receive a survivor benefit under the Public Employees' Retirement System (PERS) plan, and (b) he/she is receiving said survivor benefit, and (c) he/she is a member of a medical, dental and vision plan offered by the MESA of Emeryville. In the event a retired employee has designated more than one survivor who satisfies the above criteria, benefit payments made pursuant to this Section shall not exceed the monthly amount recited above for all such eligible survivors of the employee.

Eligible employees are those who retire from the MESA for service or disability and who have been employed continuously by the MESA.

10. **Long Term Disability Insurance**

The MESA shall provide, at no cost to full-time active regular employees, long-term disability (LTD) insurance with a benefit of 60% of the employee’s monthly salary, up to a benefit cap of \$10,000 per month, less any other income.

11. **Employee Assistance Program**

Employees are eligible to participate in a free, confidential counseling and referral service designed to help them or members of their immediate household resolve personal problems that may be interfering with work and home life. The plan provides a set number of visits per year, at no cost to the employee or eligible family members.

B. MISCELLANEOUS BENEFITS AND RETIREMENT

1. **Automobile Allowance and/or Uncompensated Expense**

At the discretion of the City Manager (or in the case of Council-appointed officers, the City Council), employees whose duties require the regular use of their personal vehicle, may be authorized a payment of \$275 per month, maximum.

2. **Retirement**

The MESA shall pay the mandatory seven (7%) percent employee Public Employees' Retirement System (PERS) contribution. Such employer paid contributions shall be paid by the MESA, in lieu of employee contributions, notwithstanding the fact that such employer payment of contributions may be designated as employee contributions for purposes of PERS. This provision shall apply to Council-appointed officers and all regular unrepresented employees, except that for sworn police and fire management employees, the employees shall pay the mandatory nine (9%) percent Member Contribution to PERS.

The MESA will provide benefits under the Public Employees' Retirement System's 2% at Age 55 Retirement formula, except for sworn police and fire management employees, whereby the applicable formula shall be a function of the plan negotiated by the subordinate employee group.

C. LEAVES

1. Vacation Leave

An employee shall accrue vacation leave from the date of the employee's regular appointment by the MESA, each month at the rates enumerated below. Except that the City Manager has sole authorization to credit new employees with additional week(s) per year for relevant service with a prior employer. Such accrual and credit may not exceed two (2) times the annual rate of accrual. For the purpose of determining the amount of vacation entitlement, an employment year is defined as the period of one year from the anniversary date of such appointment by the MESA.

Employees hired prior to July 1, 1998:

0 to 9 years:	Fifteen (15) days per year
10 to 20 years:	Twenty (20) days per year
21+ years:	Twenty-five (25) days per year

Employees hired by the City after June 30, 1997 and hired by MESA after July 1, 1998:

0 to 4 years:	Ten (10) days per year
5 to 9 years:	Fifteen (15) days per year
10 to 20 years:	Twenty (20) days per year
20+ years:	Twenty-five (25) days per year

Permanent Part-Time Employees

Effective July 1, 2002, permanent part-time employees appointed to at least a 50% time status position, shall be eligible for paid vacation leave, computed as 50% of the accrual provided to full-time employee with the same years of service.

2. Sick Leave

Unrepresented employees (regular and probationary) shall accrue sick leave at a monthly rate of one and one quarter (1.25) days; permanent part time employees appointed to at least a 50% time status position, shall accrue 50 % of the annual accrual of regular employees (or .625 days per month).

All regular, non-probationary employees, regardless of service length, shall be entitled to payment for that portion of unused sick leave earned but unused, at the time of separation, to a payment at the rate of sixty percent (60%) up to a maximum of one hundred twenty (120) days, provided the employee separates from the MESA in good standing. For the purpose of this provision, “good standing” is defined as retirement, layoff, or in the case of resignation, the employee has provided at least two (2) weeks notice prior to separation. Separation that occurs because of a disciplinary reason is not separation in good standing and therefore none of these provisions apply.

3. **Administrative Leave**

At the discretion of the City Manager, or by recommendation from the Department Head, unrepresented employees that are not eligible for overtime compensation, may be granted up to ten (10) days of Administrative Leave. Procedures governing the granting and use of Administrative Leave are provided in the City’s Administrative Instruction Manual or the Personnel Rules.