

MANAGEMENT UNIT CLASSIFICATION LIST

Accountant
Airport Manager
Building Official
Cultural Arts/Museum Director
Deputy Director of Public Works - Streets & Engineering Division
Electrical Supervisor
Facility Administrator
Finance Controller
Management Analyst
Parks/Golf Superintendent
Power Engineer
Principal Planner
Purchasing Supervisor
Recreation Supervisor
Senior Civil Engineer
Senior Management Analyst
Wastewater Treatment Plant Supervisor
Water Treatment Plant Supervisor
Water, Sewer & Street Maintenance Supervisor

6.03 MANAGEMENT UNIT

Term

The term of this Agreement shall be three (3) years, effective September 19, 2015, through September 18, 2018.

Compensation

YEAR 1: Restoration of \$499.33/month flex dollars to all members employed as of the date of adoption of this Agreement, retroactive to the first full pay period following September 19, 2015.

YEAR 2: The equivalent of 2.5% of base salary will be added to monthly flex dollars to all members employed as of the date of adoption of this Agreement, effective the first full pay period following September 19, 2016, unless the local economic benchmark – consisting of total revenue collected for property tax, sales tax and transient occupancy tax – falls below the combined total for the past audited Fiscal Year of 2014/15. Should the audited revenues fall below the benchmark, the increase will revert to the CPI calculation of the average of U.S. City and SF-Oakland-San Jose figures for April, to a maximum of 2.5%. In no case shall this result in a decrease in compensation.

YEAR 3: The equivalent of 2.5% of base salary will be added to monthly flex dollars to all members employed as of the date of adoption of this Agreement, effective the first full pay period following September 19, 2017, unless the local economic benchmark – consisting of total revenue collected for property tax, sales tax and transient occupancy tax – falls below the combined total for the past audited Fiscal Year of 2014/15. Should the audited revenues fall below the benchmark, the increase will revert to the CPI calculation of the average of U.S. City and SF-Oakland-San Jose figures for April, to a maximum of 2.5%. In no case shall this result in a decrease in compensation.

Cost Sharing Agreement

For FY 2013-14 and FY 2014-15, the Unit agreed to concessions and the City agreed to restore and refund an amount equivalent to a portion of revenue if actual revenues exceed adopted budgeted revenues in the General Fund according to the formula listed in the sections below. Given that the formula is based on fiscal year audited revenues, the provisions of this section shall remain in full effect beyond the two year term of this agreement until the audit is completed and available for the purposes of implementing this section of the MOU. The total salary concession for this Unit on an annual basis is \$139,948.

This provision provides for the restoration and refund of the concession amount should the total audited revenues of each fiscal year corresponding to the term of this agreement exceed the adopted budgeted revenues of the General Fund for Fiscal Year 2013-14 by \$100,000 or more.

- The City shall restore an amount equivalent to a percentage calculated by taking the difference in audited revenue for each corresponding year of this MOU and the base year revenue adopted in the FY 2013-14 General Fund Budget and dividing the absolute value by the adopted General Fund FY 2013-14 identified deficit. This shall occur the first full pay period following the City Council's receipt of the audit.

EXAMPLE:

$$\frac{(\text{Audited GF Revenue}^1 - \text{Base Year Adopted FY 13-14 GF Revenue}^2)}{\text{Adopted FY 2013-14 GF Deficit}^3} = \text{"\% of Concession Returned"}$$

¹ Audited GF Revenue for the corresponding agreement year

² Base Year GF Revenue as identified in adopted the FY 13-14 Budget (\$14,375,555), Page ES-6

³ GF Deficit as adopted in FY 13-14 Budget (\$978,894)

- The concession restoration amount will be applied first to the post-tax payroll deduction (if any), then to flex dollars.
- Furthermore, the City shall refund in a lump sum payment to each Unit member the concession amount in part retained by the City over each corresponding fiscal year of the term of this MOU if audited revenues exceed the base year revenue. The lump sum payment shall be equal to the calculated percentage from the formula above multiplied by the base salary received during the same term.
- In accordance with CalPERS law, this payment will not be reported as “pay rate” or “special compensation” and will not be reported to CalPERS for the purposes of pension calculations.

This language reflects the current 2013-14 Fiscal Year City of Ukiah budget methodology. If the City changes the way revenue is accounted, the Unit will be notified in writing and the City shall meet and confer with the Unit to develop equivalent methodology for determining General Fund revenue.

Audited revenue is subject to review by the Unit and City staff. Any discrepancies will be identified by the Unit and shall be submitted to the City. Discrepancies identified by the Unit will be reviewed by the City and shall be applied for the purposes of this provision as agreed to by the City and Unit.

The audited revenues are typically found on “Schedule 1 – General Fund Schedule of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual for the Year Ended June 30, __” in the *Audited Financial Statements*.

Year 1- Example 1 (9/12 of \$139,948, based on the 9/18/2013 MOU adoption date)

$$\frac{\$14,456,000 - \$14,376,000^* = \$80,000}{\$978,894} = 0\% \text{ Concession Restored}$$

* Rounded for purpose of illustration

Year 1 – Example 2

$$\frac{\$14,876,000 - \$14,376,000 = \$500,000}{\$978,894} = .5108 \text{ or } 51.08\% \text{ of Concession Restored } (.5108 \times 9/12 \times 139,948 = \$53,614)$$

premiums plus \$200.00/month, not to exceed the \$1,283.82/month maximum. Unit members who show proof of other health insurance coverage and “opt out” of the City health plan will receive \$200.00/month. New employees (hired after adoption of this Agreement) will not be eligible to elect flex dollars.

CURRENT EMPLOYEES: Effective upon adoption of this Agreement, existing unit members who are currently enrolled in the City’s health, dental, or vision plan may elect to receive the monthly health insurance contribution up to \$1,282.83/month IN LIEU OF receiving flex dollars as described above. In exchange for this benefit, existing unit members agree to decrease their current Management Incentive Pay hours from 120 hours to 80 hours/fiscal year, to reflect industry standard and achieve savings in PERS liability (Refer to “Management Incentive Pay/Executive Leave” Section). Management Pay hours may be taken as leave or cashed out by the employee (referred to as “Executive Leave”), and would therefore become non-PERS reportable. Once existing employees make the election to convert from flex dollars to the monthly health contribution, flex dollars will no longer be available to them.

After July 1, 2016, Unit members not currently enrolled in the City’s health plan may enroll in City health plans during the first or any Open Enrollment period, or qualifying event, during the term of this agreement. Once enrolled in the plan, Unit members will no longer be eligible for the flex plan.

Current Unit members receiving flex dollars who do not elect to receive the monthly health contribution of up to \$1,283.82 will continue to receive flex dollars, and their Management Incentive Pay hours will remain at 120 hours per fiscal year, cash-out only, and PERS-reportable.

Merit Pay

Effective with the adoption of the 2007-2010 Management Unit MOU on November 7, 2007, the City began reporting “Merit Pay” as PERS-reportable special compensation, based upon the City’s performance evaluation program, which identifies goals and objectives for each Unit member as part of their annual performance evaluation.

Merit Pay is earned by all Management Unit employees effective upon their date of hire. 8% of base pay is payable bi-weekly for superior performance, which is re-evaluated on an annual basis.

Effective the pay period beginning March 16, 2014 the City and Management Unit agree to increase the base salary schedule of each Management Unit classification by 8% in exchange for eliminating Merit Pay (MOU Addendum 3-5-2014).

Section 125 Plan (Cafeteria Plan)

Effective March 1, 1998, a Cafeteria Plan is available for pre-tax benefits at the option of the employee. (97-98; 97-99)

Long-Term Disability

A Long-Term Disability Plan is available. Participation will be voluntary and automatic payroll deductions will be available for those that join the plan.* (Addendum 10/93) This plan is offered to employees in lieu of State Disability Insurance (SDI), which the City does not contribute to.

* Employees who do not enroll in this voluntary plan within 30 days of their hire date may elect to enroll at a

later date, but will be subject to medical underwriting review in accordance with insurance company policy.

Retiree Insurance

An employee retiring with ten or more years of City of Ukiah service may purchase at his/her own expense, City group insurance if offered by the carrier and subject to the carrier's requirements (84-85; City Council 02/16/00); 7/1/14 REMIF). Premium payments must be made to the City of Ukiah no later than the 15th of the month preceding the month of coverage, or the City may terminate coverage. For example, the premium is due by June 15 for July coverage.

Holidays

Employees are provided with the following paid holidays (Memo 7/1/90):

<u>DATE</u>	<u>HOLIDAY</u>
December 31	New Year's Eve
January 1	New Year's Day
3rd Monday, January	Martin Luther King Birthday
3rd Monday, February	President's Day
Last Monday, May	Memorial Day
July 4	Independence Day
1st Monday, September	Labor Day
2nd Monday, October	Columbus Day
November 11	Veterans' Day
4th Thursday, November	Thanksgiving Day
4th Friday, November	Day following Thanksgiving
December 24	Christmas Eve
December 25	Christmas Day
Any	8 hours floating Holiday credit

Upon pre-approval by their Department Head, any Management Unit member who works on Columbus Day holiday in order to accomplish work that is necessary to the Department, may exchange that holiday for another day in the week. (94-95)

Vacation Schedule

Vacation is earned and accrued hourly each pay period according to the following schedule (2004-05):

Years of Service	Hours Earned Per Pay Period	Maximum Accrual
0 – 8	6.2 Hours	338.4 Hours
9 – 15	7.7 Hours	416.4 Hours
15 +	8.4 Hours	452.8 Hours

Vacation Cash-Out

Management Unit members may cash out up to two (2) weeks of vacation when they are within two pay periods of reaching their maximum vacation accrual, limited to two (2) times per fiscal year. (2003-2004)

Management Incentive Pay/Executive Leave

The City provides 15 days of Management Incentive Pay per fiscal year to Management Unit personnel (2003-04) on July 1, on a non-accruing basis. Management Incentive Pay can be taken as cash payment at straight time only. New and promotional employees shall be granted pro-rated Management Incentive Pay beginning the first full pay period following date of hire. (Memo 5/18/90; 92-94; 94-95; Addendum 95-96; 95-96; 6/20/06 Memo)

Effective upon adoption of the 2015-2018 MOU, all new hires will receive 80 hours/fiscal year of "Executive Leave" hours, in lieu of Management Incentive Pay. These hours may be taken as leave or cashed out, and are not PERS reportable special compensation.

Existing employees will continue to be eligible for Management Incentive Pay of 120 hours/fiscal year, which will be reported to Cal-PERS as special compensation. Existing employees who elect to convert from receiving "flex dollars" to a monthly health contribution will no longer receive Management Incentive Pay (Refer to "Health Insurance Contribution" Section.) Upon election of the monthly health contribution they will receive 80 hours/fiscal year of "Executive Leave", which may be taken as time off or cashed out. These hours are not PERS-reportable compensation. This is a one-time election that may not be reversed by Unit members.

Unit members electing to convert from flex dollars to monthly health contribution, who have previously cashed out their Management Incentive Pay for fiscal year 2015-16 will implement the decrease in hours from 120 to 80/hours per fiscal year and conversion to non-PERS reportable "Executive Leave" effective July 1, 2016.

Bereavement Leave

An employee is entitled to three days bereavement leave for the death of any member of his/her immediate family. An additional two days may be granted for travel exceeding 350 miles one way (84-85, 91) [Refer to Bereavement Leave Policy, Section 4.06.3 for definition of immediate family.]

Working Out of Class

No additional payment is made to a management employee assigned to work out of classification unless the assignment amounts to five or more consecutive work days. For assignments of five or more consecutive days, the City pays 5% or Step A, whichever is greater, retroactive to the first day of the assignment. (84-85) Unit members working out of class for a continuous period of one month (30 calendar days) or longer will be paid holidays and sick leave of one week or less at the out of class differential rate after the 30th day. (98-2000)

Excess Hours Worked

Under existing City policy, Management Unit employees may accrue time off when they work over 50 hours per week (Excess Hours) which can be used hour for hour as time off. In an effort to ensure that the calculation of excess hours for Management Unit employees is consistent among all departments, the term per week shall be defined as any consecutive seven-day period, and not as the standard pay week.

The City Manager and/or Department Head must approve any excess hours claimed and any corresponding time taken. Hours must be entered on the City form entitled, Record of Management Employee Excess Hours and must be initialed by both the employee and the Department Head.

Any excess hours which are taken as time off must be placed on a Personnel Action Form (PAF) and approved by the Department Head and/or City Manager, with a copy of the corresponding excess hours record attached.

Hours which are worked at the Management employees' discretion and not at the request or with the approval of the Department Head will not be counted as excess hours. All unused accumulated hours not used by June 30 of each year, or upon termination of employment, shall be forfeited. Nothing in this paragraph shall be construed as entitling any Unit member to additional salary or other cash payments for hours accrued or forfeited under this paragraph. (96-97)

Service Credit

New employees will receive credit of up to 50% for prior comparable government entity service toward vacation accrual. The applicable service experience will be determined by the City Manager. (Synopsis 1/89)

Military Service Credit as PERS Public Service

PERS eligible employees may elect to purchase up to four years of service credit for any continuous active military or merchant marine service prior to employment. The employee must contribute an amount equal to the contribution for current and prior service that the employee and the City would have made with respect to that period of service. Interested employees should contact the Personnel Department or Cal-PERS for more information. (1998-2000)

Service Clubs

Upon approval by the City Manager, service club expenses (ex: Kiwanis, Soroptimists) will be reimbursed. Each employee may receive reimbursement for only one service club, and only two members of each category (City Council, exempt employees, Department Heads, and Management/Supervisory personnel) may belong to any one club.

Reimbursement is limited to annual dues, fines, meals, and special assessments to specified maximums. (Policy Resolution #17)

Educational Incentive

City shall recognize the certification program for Water Division personnel developed by the State of California pursuant to Sections 4060 to 4095 of the California Health and Safety Code and described in Title 17, California Administrative Code part 1, Chapter 5, Subchapter 1. Upon the attainment of State of California water treatment, distribution, or wastewater certificates which are not a minimum requirement of the related classification, a 2 ½% salary increase over base pay shall be granted, and upon attainment of a second certification which is not a minimum requirement of the related classification, an additional 5% salary increase over base pay shall be granted, to a maximum of 7 ½%.

Maintenance of Management Unit Membership

- a. Management Unit Association (“Association”) membership is not a mandatory condition of employment for any employee covered by this agreement. However, any employee covered by this agreement who is an Association member on or after the date this agreement is ratified by the Association membership, shall continue to pay to the Association those dues or fees regularly charged members of the Association in good standing for the life of this agreement.
- b. Every employee who is a member of the Association shall have the right to withdraw from membership during the last twenty (20) days of the expressed expiration date of this agreement, as contained under “Term” of this Memorandum of Understanding. An employee who has properly withdrawn membership as provided herein shall not be subject to the provisions of this section.
- c. Upon return from leaves of absence, the City shall reinstate the payroll deduction of Association dues for those employees who are on dues check-off immediately prior to taking leave, provided that the employee has not authorized cancellation of dues check-off in accordance with Paragraph b. above.
- d. Enforcement of this section shall be the responsibility of the Association, utilizing appropriate civil procedures. The Ukiah Management Unit shall indemnify and hold the City harmless from any and all claims, demands or suits, or any other action arising from this section.

Memorandum of Understanding & Employee Handbook

Once the Memorandum of Understanding has been ratified by the membership and approved by the City Council, the City shall be responsible for updating and distributing the Employee Handbook and Unit Section 6.03, Management. The City agrees to meet and confer with the Management Unit over any changes in the Employee Handbook that are within the scope of representation.

Employee Performance Evaluations

The City and the Management Unit agree if a Management employee feels that a performance evaluation remains inaccurate after conferring with their Supervisor and Department Head, the employee may within thirty (30) calendar days of receipt of the final evaluation write a rebuttal and have the rebuttal attached to the performance evaluation. The rebuttal shall be directed solely to issue(s) stated in the evaluation.

Re-Opener for Health, Vision and Dental Contributions for New Hires

During the term of the Agreement, by mutual consent, the City and the Unit may explore standardizing health, dental, and vision contributions for new hires. (2015-18)