

**AUBURN AREA RECREATION AND PARK DISTRICT
BOARD OF DIRECTORS
AGENDA
SPECIAL MEETING OF THE BOARD OF DIRECTORS**

5:30 PM

**THURSDAY, JUNE 26, 2014
CANYON VIEW COMMUNITY CENTER, BOARD ROOM
471 MAIDU DRIVE
AUBURN, CA**

Materials related to an item on this Agenda submitted to the District after distribution of the agenda packet are available for public inspection in the District's Office at 471 Maidu Drive, Auburn, CA 95603 during normal business hours.

1.0 CALL TO ORDER

The Board of Directors of the Auburn Area Recreation and Park District welcomes you to its meetings. Regular meetings are scheduled at 6 p.m. the last Thursday of each month. Your attendance and interest is encouraged and appreciated. Special accommodations may be made upon request to the District Administrator 72 hours in advance of the meeting.

Roll Call

_____ Smith _____ Holbrook _____ Gray _____ Ainsleigh _____ Ferris _____

_____ **2.0 CLOSED SESSION**

2.1 Conference with Labor Negotiators. (Government Code, Section 54954.5, subd. (f), 54957.6.)

**Agency Designated Representatives:
Kahl Muscott, District Administrator
Joe Fecko, Administrative Services Manager**

Employee Organization: Stationary Engineers, Local 39

_____ **3.0 OPEN SESSION – REPORT/ACTION ON OR ABOUT CLOSED SESSION**

_____ 4.0 **Approval of Tentative Agreement between the Auburn Area Recreation and Park District and Stationary Engineers Local 39**

Shall the ARD Board of Directors approve the tentative agreement between ARD and Local 39 Operating Engineers for a new three (3) year contract and authorize the District Administrator to sign the updated Memorandum of Understanding?

Motion by _____ Second by _____ to _____

Smith _____ Holbrook _____ Gray _____ Ainsleigh _____ Ferris _____

Roll Call Vote

ADJOURNMENT

AUBURN AREA RECREATION AND PARK DISTRICT
This agenda is hereby certified to have been posted as follows:

6-20-14
Date

10:40AM
Time

P. Larson
Clerk to the Board

Item 4.0 Cover Sheet for Approval of Tentative Agreement

Auburn Area Recreation and Park District June 26, 2014 Board of Directors Meeting

The Issue: Shall the ARD Board of Directors approve the tentative agreement between ARD and Local 39 Operating Engineers for a new three (3) year contract and authorize the District Administrator to sign the updated Memorandum of Understanding?

Background: District staff has been negotiating a new contract with Local 39 since late February of 2014. After several meetings with the union representative and the negotiating committee (made up of three represented staff members), a tentative agreement has been struck. The complete details of the negotiated items are in the attached document. The main points on the agreement are as follows:

1. A Cost of Living increase of 6%, 4% and 4% for years 1, 2 and 3 of the agreement, respectively.
2. Each employee will contribute 3%, 2% and 2% for years 1, 2, and 3 of the agreement, respectively to the CalPERS retirement program.
3. Any annual increase in medical premiums in excess of 8% shall be split evenly between the employee and the District for the life of the contract. Additionally, the Kaiser HMO 20 Co-Pay has been increased to an HMO 30 Co-Pay, reducing medical insurance premiums by approximately \$23,000 per year.
4. The "step" system for merit increases has been replaced by a salary range format. In the past, step increases occurred every year on an employee's anniversary date and, if approved, represented a 5% raise in pay until an employee reached the seventh step, after which no further merit increases occurred. The new system is simplified, with each job description's starting salary based on the current level and the top attainable salary at the current level also. Annual reviews will still occur, but each employee will be scored within the parameters of a performance evaluation and the total score will be tied to a range of wage increases from 0 to 5%.
5. The uniform allowance has been increased from \$100 per employee to \$250 per employee and the District will purchase T-shirts with the ARD logo and "STAFF" emblazoned on the back.
6. The two tier benefits program stays in place as per District Policy.

The represented employees held a contract ratification meeting on June 12, 2014 and voted 12-0 to approve the tentative agreement.

Recommendation: Staff recommends that the Board approve the tentative agreement and authorize the District Administrator to sign the Memorandum of Understanding (MOU). Once both parties approve the tentative agreement, the MOU between Local 39 and the District will be updated and signed.

Per current policy, all non-represented employees are eligible for the same components of the contract as represented employees.

- Alternatives:**
1. The Board may recommend changes to line items in the tentative agreement. These recommended changes would need to be negotiated with the union.
 2. The Board may reject the entire tentative agreement and direct staff to go back into negotiations.

<u>Fiscal Impact:</u>	<u>Year</u>	<u>Wage Increases</u>	<u>Benefit cost increase</u>
	1	\$62,418	\$1752
	2	\$104,186	\$33,798
	3	\$88,644	\$23,642

The fiscal impacts of the entire tentative agreement are governed by several assumptions; that medical premiums will rise by 15% per year; that all employees will achieve a 5% merit increase each year; that the District achieves the revenue goals outlined in the agreement; and that hiring continues to be closely monitored.

Attachments: Tentative Agreement to amend the contract between the District and Local 39, Operating Engineers.

Confirmation letter from Local 39 attesting to ratification of the tentative agreement.



Stationary Engineers, Local 39

INTERNATIONAL UNION OF OPERATING ENGINEERS AFL-CIO

JERRY KALMAR

4 W. NEENAH AVE. JEROME, CA 95973

June 13, 2014

Auburn Recreation and Parks District
Kahl Muscott, District Administrator
123 Recreation Drive
Auburn, CA 95603

Re: Contract Ratification

Dear Mr. Muscott,

I am pleased to inform you that the tentative agreement reached between the representatives of the Auburn Recreation and Parks District and Stationary Engineers, Local 39 was ratified by the Union membership. Please place the agreement on the next Board agenda for final approval.

Thank you.

Sincerely,

Chuck Thiel

Business Representative

TERM OF CONTRACT

The contract period shall be for three (3) years commencing July 1, 2014 and ending on March 31, 2017.

COST OF LIVING ADJUSTMENT

The District agrees to a COLA increase based on the base level of ARD's total revenue, defined as Program, Facility, Property tax, and RDA revenues that varies per year based on the schedule below.

July 1, 2014: 6% (3% if revenues don't meet the minimum stated here) increase provided that total District revenue remains at a minimum base level of \$3,300,000 at fiscal year- end of March 31, 2014 (revenue is defined as Program, Facility, Property Tax, and RDA revenues).

April 1, 2015: 4% (2% if revenues don't meet the minimum stated here) increase provided that total District revenue remains at a minimum base level of \$3,400,000 at fiscal year- end of March 31, 2015 (revenue is defined as Program, Facility, Property Tax and RDA revenues).

April 1, 2016: 4% (2% if revenues don't meet the minimum stated here) increase provided that total District revenue remains at a minimum base level of \$3,500,000 at fiscal year- end of March 31, 2016 (revenue is defined as Program, Facility, Property Tax and RDA revenues).

The Districts Fiscal Year runs from April 1 to March 31 and it closes its books by approximately May 31 each year. Since the proposed increases are based on prior years closing revenue numbers, COLA increases, if any, will occur on June 30 of each year of the contract period, retroactive to April 1 of the contract year, with the exception of the first year of this contract which term shall begin in July 1, 2014, and no retroactive increases shall occur.

PART TIME HOURS

Any increase in part time employee's scheduled hours will be based upon the District's needs, with seniority within the classification being a factor in such determination.

WORKING OUT OF CLASS

On occasion, due to operational necessity an employee may be required to perform a majority of essential duties of another classification with a higher salary range. In such cases, payment for out of class work shall be a minimum of 5% above the regular base pay of the employee for all hours worked in the higher classification.

BOOT REIMBURSEMENT AND UNIFORM ALLOWANCE

The District proposes to increase the annual uniform allowance from \$100 to \$250 per employee in the referenced classifications (the facility attendant position is not a represented classification). Beginning July 1 of each year the District, at its own cost, will annually provide five (5) T-shirts and one CarHart type work jacket (every other year) with ARD logo and staff identification to each covered employee in the classifications referenced. Female District employees will be provided women's t-shirts and will purchase their own approved women's pants using the uniform allowance described above.

Each covered employee in the referenced classifications will purchase their own approved* work boots and pants and submit a receipt for same. The District will reimburse each covered employee for the boot/pants purchase from the annual uniform allowance referenced above. There will be no reimbursement without a receipt.

*approved boot and pants type to be determined

PERFORMANCE EVALUATIONS AND DISCIPLINARY ACTIONS

The District will provide an appropriate venue to assure that privacy and confidentiality are maintained for performance evaluations and disciplinary/counseling sessions.

INTERNAL TRANSFERS

The District will post vacancies that are open for promotional opportunities and lateral transfers, allowing for interviews of those employees that wish to apply, to the extent that those applying for such transfer or promotional opportunity are qualified for such position(s).

MERIT INCREASES

Employees who received a performance evaluation, but no merit increase, between April 1, 2014 and September 30, 2014, shall be eligible for a merit increase corresponding to the scoring system and resultant wage increase detailed below. Those employees shall be eligible for said merit increase on October 1, 2014, non-retroactive. The following changes to this section shall apply to all represented employees of the District:

Persons entering the employ of the District shall be paid at the minimum starting wage of the salary schedule established for the classification in which they are hired, unless otherwise approved by the District Administrator.

Merit increases may range from 0% to 5% and shall be determined on the employee's anniversary date, shall not be automatic, but shall be based on performance reports, length of service and budgetary constraints based on the criteria outlined below:

Merit increases shall occur under the following additional conditions:

July 1, 2014: provided that total District revenue remains at a minimum base level of \$3,300,000 at fiscal year- end of March 31, 2014 (revenue is defined as Program, Facility, Property Tax, and RDA revenues) a merit increase for those employees eligible for such increase shall apply.

April 1, 2015: provided that total District revenue remains at a minimum base level of \$3,400,000 at fiscal year- end of March 31, 2015 (revenue is defined as Program, Facility, Property Tax, and RDA revenues) a merit increase for those employees eligible for such increase shall apply.

April 1, 2016: provided that total District revenue remains at a minimum base level of \$3,500,000 at fiscal year- end of March 31, 2016 (revenue is defined as Program, Facility, Property Tax, and RDA revenues) a merit increase for those employees eligible for such increase shall apply.

Employees may qualify for a merit increase in the following manner:

A Performance Evaluation Form shall be prepared by the employee's supervisor not more than thirty (30) days prior to the employee's anniversary date and shall be interactively reviewed by the employee and his or her supervisor. The Performance Evaluation Form shall list several performance criteria and each of the criteria shall have a numerical point value as follows:

Outstanding:	5
Exceeds Performance Standards:	4
Satisfactory:	3
Needs Improvement:	1
Unsatisfactory:	0

There are 11 criteria on the current Performance Evaluation Form. The District, at its discretion, may add, delete, amend, or modify the content and/or the criteria on the Performance Evaluation Form. Changes in the rating or scoring system and how it affects any merit increase of employees shall be on a "meet and confer" basis with the union. Evaluation scores and corresponding merit increase percentages are as follows:

40-55 =	5%
36-39 =	4%
33-35 =	3%
Below 33 =	0%

An employee who scores below 33 on a performance review shall be counseled immediately and given a Performance Improvement Plan as to how his or her performance must improve. Such performance shall be reviewed again 90 days after the

initial performance review. If the employee's performance improves to a Satisfactory level (33 or higher), that employee will be eligible for the corresponding merit increase (non-retroactive). If there is no improvement, the employee may be subject to disciplinary action, up to and including termination.

All job descriptions shall have a minimum starting wage and a maximum attainable wage. Each employee will have a performance review on either their anniversary date or their promotion date (if applicable), and shall be eligible for a merit increase corresponding to the evaluation criteria and score outlined above. Generally, all full-time and regular part-time employees shall serve at least one year at each wage and have a performance evaluation rating of 33 or better to qualify for advancement to the next wage. Performance Evaluation Forms shall be reviewed by the District Administrator prior to the review of an employee, and shall be approved by, and advancement shall be at, the discretion of the District Administrator.

TWO TIER BENEFITS PROGRAM

The District has implemented a two-tier benefits program for its employees. Wherever such a two tier system is employed, a notation in the heading of that particular benefit so indicates.

Employees hired after July 1, 2014: PTO

- a. 0-6 months of employment: No Personal Time Leave may be taken.
- b. Date of Hire to end of Second (2nd) year:
Non-Exempt Employee - .04763 /hr or 99 hours/year, with a cap of 339 hours.
- c. Beginning of third (3rd) year to end of fifth (5th) year:
Non-Exempt Employee - .0635 /hr or 132 hours/year, with a cap of 372 hours.
- d. Beginning of sixth (6th) year to end of tenth (10th) year:
Non-Exempt Employee - .0779 /hr or 162 hours/year, with a cap of 402 hours.
- e. Beginning of eleventh (11th) year and forward:
Non-Exempt Employee - .09233 /hr or 192 hours/year, with a cap of 432 hours.

- f. Beginning of the Sixteenth (16th) year and forward:
Non-Exempt Employee - .1067 / hr or (222) hours/year with a cap of 462 hours.

Personal Time Leave accrual is capped. When an employee accrues Personal Time Leave in excess of 320 hours (240 hours if hired after March 31, 2014 and 204 hours for an exempt employee) beyond the number of hours which that employee can earn during one year, the employee shall cease accruing Personal Time Leave until he or she has used sufficient time to reduce it to the cap. For example, if a 7th year employee ends the year with 536 hours (402 hours if hired after March 31, 2014), he/she will not accrue any additional Personal Time Leave until he/she has used some hours. If during the first month the employee uses 80 hours, he/she shall then begin accruing hours until he/she is once again at 536 (402 hours if hired after March 31, 2014) hours. The District does not grant retroactive compensation for any period of time during which employee was unable to accrue Personal Time Leave because his or her Personal Time Leave had reached capacity.

Employees hired after July 1, 2014 Medical Benefits:

1. The District will pay for the following benefits for eligible full time employees in accordance with District Personnel Policy and the District's insurance contracts.
 - a. Employee only medical insurance premium, and
 - b. Employee only dental insurance premium, and
 - c. Employee only life insurance premium.
2. The District will provide the Kaiser Foundation Health Savings Account Plan only.
3. Employees will pay all costs for the following:
 - a. Spouse and/or dependent medical insurance premiums
 - b. Spouse and/or dependent dental insurance
 - c. Spouse and/or dependent life insurance
 - d. All other elective insurance coverage.
4. The District began offering Health Savings Accounts (HSA) for all employees beginning with open enrollment on June 1, 2008. The District will contribute 50% of the premium differential for the HSA to a debit card based HSA program. For calculation purposes, the premium differential will be based on the premium of the Kaiser \$30 Co-Pay Plan. The District reserves the right to change medical insurance coverage to an H.S.A only program at any time. and to modify its contribution rate towards the debit card based H.S.A program.

Beginning on December 1, 2014, and for the duration of this agreement, any and all increases in medical insurance premiums exceeding 8% shall be borne equally by the District and by the employees.

HEALTH AND WELFARE BENEFITS DETAIL

1. The District will pay a maximum of \$550.00 per month for the following benefits for eligible full-time employees in accordance with this agreement.
 - a. Employee only medical insurance premium, and
 - b. Employee only dental insurance premium, and
 - c. Employee only life insurance premium.

If the total premiums do not reach the maximum amount of \$550.00 per month for the above benefits, any remaining amount of the \$550.00 per month can be used only for spouse and/or dependent's medical insurance premium, in accordance to District Personnel Policy and the District's insurance contracts.

If an employee elects medical insurance coverage for a spouse and/or dependent(s) and the premium exceeds \$550.00 per month, when combined with coverage's A.1, a and b as listed above, the District and the employee will each pay fifty percent (50%) of the amount exceeding the \$550.00 per month cap. The employee portion for said coverage shall be in accordance with the following limits:

- d. The maximum employee contribution per month for the above coverage shall not exceed:

\$300.00 per month, not inclusive of the equal split of increased annual health insurance premiums outlined in 4.2 below. All employees are subject to the equal split of increased premiums regardless of contribution, if any, that the employee is responsible for.

2. The District will pay the amount of the monthly premiums for the following benefits for eligible full-time employees, whose plans exceed the \$550.00 per month maximum for employee only insurance coverage for the following:
 - a. Employee only medical insurance premium for the least expensive plan offered by the District, and;
 - b. Employee only dental insurance premium, and;
 - c. Employee only life insurance premium.

In the event of choosing an alternate insurance plan as allowed by the District's insurance contracts, the employee will pay any premium amount exceeding the amount of the least expensive plan offered by the District.

3. Employees will pay all costs for the following:
 - a. Spouse and/or dependent dental insurance
 - b. Spouse and/or dependent life insurance
 - c.. All other elective insurance coverage.
4. The District shall provide two types of medical coverage for all eligible employees:
 - A. Kaiser H.S.A 0/2000 deductible plan (main plan)
 - B. Kaiser HMO 30 co-pay plan (alternative plan)

Additionally:

1. The District proposes to make the main District plan an H.S.A only coverage and the HMO 30 plan the alternative coverage.
2. Beginning on December 1, 2014, and for the duration of this agreement, any and all increases in medical insurance premiums exceeding 8% shall be borne equally by the District and by the employee.
3. Due to open enrollment restrictions, any employee wishing to change plans from one type of coverage to another shall be allowed to do so only during the December 2014 open enrollment period. Until open enrollment in December of 2014, the plans shall remain in place as is.
4. The District began offering Health Savings Accounts (HSA) for all employees beginning with open enrollment on June 1, 2008. The District will contribute 50% of the premium differential for the HSA to a debit card based HSA program. For calculation purposes, the premium differential will be based on the premium of the Kaiser HMO \$30 Co-Pay Plan. The District reserves the right to change medical insurance coverage to an H.S.A only program at any time and to modify its contribution rate towards the debit card based H.S.A program.

RETIREMENT BENEFITS

Social Security is an important part of every employee's retirement benefit. The District pays a matching contribution to each employee's Social Security taxes.

The District also participates in the California Public Employee Retirement System (CalPERS) 2% at 55 retirement plan. According to guidelines established by CalPERS, all eligible employees must participate in this program. Contributions to CalPERS will be made by the District and by the employee in accordance to the guidelines established in the contracts and resolutions between the District and CalPERS, and in accordance with current union agreements and policies adopted by the Board of Directors.

In 2013, the State of California passed a law mandating that all new government employees share 50% of CalPERS retirement premiums, up to a cap of 7% for employees hired before January 1, 2013 and 6.5% for employees hired after January 1, 2013. It was also recommended that existing government employees share 50% of CalPERS retirement premiums within five (5) years.

For employees hired prior to January of 2013, beginning on July 1, 2014, the District will begin implementing this employee sharing of CalPERS retirement costs as follows:

July 1, 2014 a pre-tax deduction of 3% shall be reflected on all employee payroll checks and contributed to their CalPERS account.

April 1, 2015 an additional pre-tax deduction of 2% shall be reflected on all employee payroll checks and contributed to their CalPERS account.

April 1, 2016 an additional pre-tax deduction of 2% shall be reflected on all employee payroll checks and contributed to their CalPERS account.

Employees hired after January 1, 2013 should see the Administrative Services Manager for the current percentage rate (rate varies each year and is determined by CalPers).

PROMOTING HEALTHY BODIES

The District's mission is to promote activities that enrich the lives of our citizens and employees. As such, the District encourages all employees to join a health club/gym that offers those types of activities that promote cardiac health, weight loss, weight maintenance, aerobics, etc. The District will contribute 50% of membership dues (up to a maximum of \$25.00 per month, or \$300 per year) for "employee only" memberships at a licensed, full service health club. Employees must pay for their membership in full and present a receipt to the accounting department for reimbursement. This benefit is available to all employees who work a minimum of 20 hours per week.
