

CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2015

A RESOLUTION AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO AMEND THE MEMORANDUM OF UNDERSTANDING BETWEEN THE EAGLES AND THE CITY, FOR THE PERIOD OF JULY 1, 2015 THROUGH JUNE 30, 2017, AND TO REVISE THE CITY'S SALARY PLAN TO REFLECT THESE COMPENSATION CHANGES

WHEREAS, the City's current Memorandum of Understanding with EAGLES (July 1, 2012 to June 30, 2015) expired June 30, 2015; and

WHEREAS, a successor Memorandum of Understanding has been negotiated; and

WHEREAS, the provisions in the current Memorandum of Understanding that are changing or new provisions are summarized herein:

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Mountain View approves the following amendments to the Memorandum of Understanding:

1. *Term*

Two-year compensation packages beginning July 1, 2015 and ending June 30, 2017.

2. *4.0 Percent COLA Fiscal Year 2015-16*

Effective June 21, 2015, the City shall amend the salary plan to increase the salary ranges of all classifications in the bargaining unit by a 4.0 percent cost-of-living adjustment (COLA).

3. *2.0 Percent COLA Fiscal Year 2016-17*

Effective the first pay period ending in July 2016, the City shall amend the salary plan to increase the salary ranges of all classifications in the bargaining unit by a 2.0 percent cost-of-living adjustment (COLA).

4. *California Public Employees' Retirement System (CalPERS) Employee Contributions*

Effective June 21, 2015, the total pension contribution by employees on the 2.0 @ 62 miscellaneous formula established under the Public Employees' Pension Reform Act (PEPRA) shall be reduced by 1.0 percent compared to the total pension contribution by employees on the 2.7 @ 55 miscellaneous formula. Employee-paid employer contributions are intended to be ongoing contributions; notwithstanding this intention, the employee normal contribution for employees on the Miscellaneous 2.0 @ 62 formula may be modified under the requirements of PEPRA. The employee contributions will be as follows:

EAGLES	Employee Total Pension Contribution		
	Employee Normal Contribution	Employee Share of Employer Contribution	Maximum Total Paid by Employee
2.7 @ 55	8.00%	3.50%	11.50%
2.0 @ 62	6.25%*	4.25%	10.50%

* Under PEPRA, miscellaneous employees on the 2.0 @ 62 pension formula are required to pay at least half the normal cost of their pension; this requirement supersedes employee pension contributions set by City of Mountain View cost-sharing provisions. For 2015, the required employee contributions are 6.25% of salary for miscellaneous employees on the 2.0 @ 62 formula but these contributions may be changed by CalPERS in the future. If the normal cost increases, thereby increasing the employee contribution of half the normal cost, the amount of the employee-paid employer contribution (cost share) will decrease proportionately so that the total employee contribution will remain at the maximums shown.

5. *CalPERS Contract Amendment to Allow Cost Share to be Credited to Member Account*

During Fiscal Year 2015-16, the City will conduct an election in accordance with CalPERS rules for all employees covered under the miscellaneous CalPERS contract for pension benefits to determine employee willingness to amend the CalPERS contract in order to allow some or the entire cost share to be credited to the member account rather than the employer account.

6. *Leave Hours*

Effective June 21, 2015, employees who are City employees on July 1, 2015, will receive a one-time contribution of 21 hours of leave time (prorated for regular part-time employees). This leave must be used by pay period 2 of 2016, or it will be cashed out with the pay period 2 payroll. In addition, effective the first payroll including July 1, 2016, employees who are City employees on July 1, 2016 will

receive another one-time contribution of 21 hours of leave time (prorated for regular part-time employees). This leave must be used by pay period 2 of 2017, or it will be cashed out with the pay period 2 payroll. The one-time leave hours will be tracked separately from all other accrued leave balances.

7. *Tuition Reimbursement*

In addition to the annual \$2,000 benefit, with no lifetime maximum, for completion of individual college courses or training courses which an employee may take without pursuing a college degree, effective June 21, 2015, employees are eligible to receive up to \$10,000 per fiscal year with a \$20,000 lifetime maximum if they enroll in and complete accredited college coursework required to obtain a job-related bachelor's or master's degree or approved leadership program. Completion of the degree or leadership program is required to obtain the full \$20,000 benefit. Administration Instruction 3-6 will govern the process for applying for tuition reimbursement benefits.

Employees who completed accredited college coursework in Fiscal Year 2013-14 and Fiscal Year 2014-15, applied for and received reimbursement under the City's tuition reimbursement program and completed the degree in either Fiscal Year 2013-14 or Fiscal Year 2014-15 are eligible to receive up to a maximum of \$20,000 reimbursement for the costs of the degree program.

8. *PPO Plan Design Change*

Effective January 1, 2016, the City will change the PPO plan design to include the following elements:

- a. \$250 deductible
- b. \$20 office visit co-pay
- c. 10% coinsurance
- d. \$100 emergency room co-pay
- e. \$15/\$35/\$55 prescription co-pay

9. *Employee Contribution for HMO Plans*

Effective January 1, 2017, all employees enrolled in HMO plans offered by the City will increase premium contributions according to the following formula:

- a. Single coverage – employee pays 2% of average HMO single premiums
- b. Two-party coverage – employee pays 12% of the difference between single and two-party premiums
- c. Family coverage – employee pays 12% of the difference between single and family premiums

10. *Chiropractic and Acupuncture Benefit – HMO Plans*

Effective January 1, 2016, chiropractic and acupuncture benefits will be added to HMO plans where not currently offered.

11. *Health Net High Deductible Health Plan*

Effective January 1, 2016, the Health Net High Deductible Health Plan will be discontinued; employees enrolled in this plan will need to enroll in another plan during the 2016 open enrollment process.

12. *City Health Savings Account Contribution for New Enrollees in Kaiser High Deductible Health Plan (HDHP)*

The City shall pay the full single premium for the HDHP offered by the City and selected by the employee. For dependent coverage in a HDHP, the employee shall pay 10% of the difference between the single coverage premium and the selected dependent coverage premium (two-party or family) for regular full-time employees. Regular part-time employees are required to pay 100% of the difference between the single premium and the two-party or family premiums, whichever is applicable.

For members who elect to participate in the HDHP, the following Health Savings Account (HSA) contribution schedule will apply for Fiscal Year 2015-16 through Fiscal Year 2016-17. When an employee enrolls in a HDHP for the first time Fiscal Year 2015-16 or later, the City will contribute 100% of the plan deductible (\$1,500 for employee-only and \$3,000 for employee plus one or more dependents) into the employee's HSA as defined by the IRS. During each subsequent enrollment year, the City will contribute 50% of the plan deductible (\$750 for employee-only and \$1,500 for employee plus one or more dependents) into the

employee's HSA as defined by the IRS. If an employee leaves the HDHP and later returns, the City will contribute 50% of the plan deductible into the employee's HSA as defined by the IRS. Employees may contribute additional funds into their HSA up to the IRS annual maximums. Since HSA contribution limits are determined on a calendar/tax-year basis, a mid-year enrollment in an HSA may be subject to a prorated HSA contribution limit including a pro-rated City HSA contribution. Contributions in excess of the IRS limit may be subject to tax penalties. The combination of employee, employer, and third party contributions may not exceed the annual IRS limits. The City may change the contribution to the HSA after Fiscal Year 2016-17.

13. *One-Time Optional Employee Conversion From Defined Benefit To Defined Contribution Retirees' Health Plan*

Employees with 15 years of City of Mountain View service or less as of July 1, 2015, who are more than 5 years from the retirement age designated by their pension formula (55 for those on the 2.7 @ 55 pension formula; 62 for those on the 2.0 @ 62 formula), will be given an opportunity to make a one-time, irrevocable election to convert from the Retirees' Health Defined Benefit (DB) Plan to the Retirees' Health Defined Contribution (DC) Plan. Employees already retired from the City are not eligible for this conversion.

Employees with more than 15 years of City of Mountain View service as of July 1, 2015, who are less than 5 years from the retirement age designated by their pension formula (55 for those on the 2.7 @ 55 pension formula; 62 for those on the 2.0 @ 62 formula) and who are interested in the conversion will be considered on a case-by-case basis after the number of eligible and interested employees and the associated total cost are known.

Employees electing to convert from the DB Plan to the DC Plan will receive a one-time City contribution to a Retirement Health Savings (RHS) account established for them, and will receive ongoing City contributions in accordance with the schedule established for EAGLES. The City's one-time contribution is listed below and is based on the approximate value of money that would have been deposited into an employee's RHS had a DC plan been available at the time of employee's hire and had they chosen the DC election at that time, with 2% annual growth as follows:

Years of Service	Date of Hire	Approximate Value
2 or less	7/1/2013 - 6/30/15	\$ 6,000
Equal to 3 and Greater than 2	7/1/2012 - 6/30/13	\$ 8,000
Equal to 4 and Greater than 3	7/1/2011 - 6/30/12	\$ 11,000
Equal to 5 and Greater than 4	7/1/2010 - 6/30/11	\$ 14,000
Equal to 6 and Greater than 5	7/1/2009 - 6/30/10	\$ 18,000
Equal to 7 and Greater than 6	7/1/2008 - 6/30/09	\$ 22,000
Equal to 8 and Greater than 7	7/1/2007 - 6/30/08	\$ 25,000
Equal to 9 and Greater than 8	7/1/2006 - 6/30/07	\$ 29,000
Equal to 10 and Greater than 9	7/1/2005 - 6/30/06	\$ 33,000
Equal to 11 and Greater than 10	7/1/2004 - 6/30/05	\$ 37,000
Equal to 12 and Greater than 11	7/1/2003 - 6/30/04	\$ 42,000
Equal to 13 and Greater than 12	7/1/2002 - 6/30/03	\$ 46,000
Equal to 14 and Greater than 13	7/1/2001 - 6/30/02	\$ 51,000
Equal to 15 and Greater than 14	7/1/2000 - 6/30/01	\$ 56,000

The election will be offered one time in Fiscal Year 2015-16 and is not intended to be offered again. The City will provide advance notice of the election to all eligible employees, including information sessions to learn more about the conversion election. Once an employee executes the proper paperwork to convert from the DB to DC plan, this decision is irrevocable and cannot be reversed.

14. *Retirees' Health Program Document Updates*

The Retirees' Health Program Document will be updated to conform to benefit levels established in 2007 agreements with represented employees. The Retirees' Health Program Document will be updated to clarify that employees who retire with the Defined Contribution Plan will not be able to enroll in City group health plans in retirement.

15. *Holiday Closure*

The City may close some offices to the public between December 24 and January 1 in each year of the term of the MOU. The City will notify employees by July 1 each year if a holiday closure will occur and which City functions and employees will be affected. It is anticipated that some functions will not be closed in order to provide essential service to the public.

In the event the employee's function is closed, employees requesting to work over the holiday closure period will inform and work with their supervisor to develop a list of projects and tasks to be completed during the closure period by the second Friday in November each year. An employee's request to work during the closure period shall not be unreasonably denied.

If an employee is requesting time off during the holiday closure, but has been recently hired by the City or returning from an authorized medical leave and has exhausted all leave balances prior to or during the holiday closure, the City may authorize the employee to use vacation leave that will be accrued in subsequent payroll periods to ensure the employee remains on paid status during the holiday closure. Such requests will need to be approved by the Department Head and given to the Human Resources Manager by December 1.

16. *Bilingual Pay*

Increase bilingual pay from \$50 per month to \$100 per month.

17. *Vacation Cashout*

Effective June 21, 2015, employees will be eligible to cash out 80 hours of vacation annually instead of 60, in accordance with procedures set forth in the EAGLES Memorandum of Understanding.

18. *Callback*

Non-exempt professional employees in the classifications listed in this section are eligible for compensation in the event they receive after-hours phone calls. The compensation shall be one hour of overtime if phone calls are received before 9:00 p.m. and two hours of overtime if phone calls are received between 9:00 p.m. and the regular start of the employee's shift (i.e., 6:00 a.m. for Public Services Supervisors).

Non-Exempt Professional Classifications eligible for Callback Pay:

Equipment Maintenance Supervisor	Senior Recreation Coordinator*
Facilities Supervisor	Systems Specialist*
IT Analyst I/II*	Trees Supervisor/Arborist*
IT Desktop Technician I/II*	Utilities Systems Supervisor
Postclosure Supervisor	Water Meter Supervisor
Parks Supervisor*	Water Supervisor
Recreation Coordinator*	Wastewater Supervisor
Senior IT Desktop Technician*	

*Classifications added to section effective June 21, 2015.

19. *Equity Adjustment – Recreation Supervisor*

Effective the first pay period ending in July 2015, the City shall increase by 10.38% the salary range for the Recreation Supervisor classifications. Any employees in the Recreation Supervisor classification whose current salary falls below the new salary range shall receive a salary increase sufficient to place them at the starting point of the salary range effective the first pay period ending in July 2015.

20. *Classification Change*

The class of Youth Resources Manager position will be modified from Job Grade 33/Job Family 2, to Job Grade 34/Job Family 2. The City Manager will modify the job title at a later date.

21. *Other Changes*

A number of other clarifications were agreed to update the MOU, including provisions related to incorporating Retirement Health Savings Account side letter and process for requesting vacation leave.

MSD/KMcC/4/Reso
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