

CITY OF MOUNTAIN VIEW
RESOLUTION NO.
SERIES 2015

A RESOLUTION AUTHORIZING THE CITY MANAGER OR HIS DESIGNEE TO SET THE COMPENSATION FOR UNREPRESENTED EMPLOYEES, INCLUDING CONFIDENTIAL EMPLOYEES, FIRE MANAGERS AND PROFESSIONALS, POLICE MANAGERS, DEPARTMENT HEADS, AND COUNCIL APPOINTEES, FOR JULY 1, 2015 THROUGH JUNE 30, 2017, AND REVISE THE CITY OF MOUNTAIN VIEW'S SALARY PLAN TO REFLECT THESE COMPENSATION CHANGES

WHEREAS, on July 10, 2012, the City Council of the City of Mountain View adopted a resolution for compensation for unrepresented employees.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Mountain View hereby amends or approves the following compensation for unrepresented employees for July 1, 2015 through June 30, 2017, as follows:

All Unrepresented Employees

1. *Term*

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

2. *3.0 Percent COLA Fiscal Year 2015-16*

Effective June 21, 2015, the City shall amend the salary plan to increase the salary ranges of all unrepresented employees except Council Appointees by a 3.0 percent cost-of-living adjustment (COLA).

3. *3.0 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 unrepresented employees except Council Appointees by a 3.0 percent cost-of-living adjustment (COLA).

4. *Parity with Represented Employees*

Should a different schedule of COLAs be approved for sworn Police represented employees for Fiscal Year 2015-16 and Fiscal Year 2016-17, the same schedule of COLAs shall be granted to unrepresented sworn Police and Fire employees instead

of 3.0 percent in each fiscal year. Should a different schedule of COLAs be approved for non-sworn represented management employees for Fiscal Year 2015-16 and Fiscal Year 2016-17, the same schedule of COLAs shall be granted to unrepresented non-sworn management and professional employees instead of 3.0 percent in each fiscal year. This provision will not apply to Council Appointees.

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

Effective June 21, 2015, the total pension contribution by employees on the 2.0 @ 62 miscellaneous and 2.7 @ 57 sworn formulas 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 and 3.0 @ 50 sworn formulas. Employee-paid employer contributions and employee-paid survivor benefit contributions are intended to be ongoing contributions; notwithstanding this intention, the employee normal contribution for employees on the Miscellaneous 2.0 @ 62 or Safety 2.7 @ 57 formulas may be modified under the requirements of PEPRA. The employee contributions will be as follows:

Unrepresented Miscellaneous Employees	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%

Safety Employees	Employee Total Pension Contribution			
	Employee Normal Contribution	Employee Share of Employer Contribution	Employee- Paid Survivor Benefit	Maximum Total Paid by Employee
Fire Chief				
3.0 @ 50	9.00%	6.00%	0.366%	15.366%
2.7 @ 57	11.25%*	2.75%	0.366%	14.366%
Fire Managers and Professionals				
3.0 @ 50	9.00%	6.00%	0.366%	15.366%
2.7 @ 57	11.25%*	2.75%	0.366%	14.366%
Police Chief				
3.0 @ 50	9.00%	6.00%	0.148%	15.148%
2.7 @ 57	11.25%*	2.75%	0.148%	14.148%
Police Managers				
3.0 @ 50	9.00%	6.65%	0.148%	15.798%
2.7 @ 57	11.25%*	3.40%	0.148%	14.798%

* Under PEPRA, miscellaneous employees on the 2.0 @ 62 pension formula and sworn employees on the 2.7 @ 57 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 and 11.25% of salary for sworn employees on the 2.7 @ 57 for 2015 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, unless the employee contribution of half the normal cost, when added to the contribution for survivor benefits for safety employees, exceeds the current maximum employee pension contribution.

6. *Leave Hours*

Effective June 21, 2015, unrepresented 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 2016, or it will be cashed out with the pay period 2 payroll. In addition, effective the first payroll including July 1, 2016, unrepresented 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 2017, or it will be cashed out with the pay period 2 payroll. This provision will not apply to Council Appointees.

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. *Professional Development Funds*

Effective June 21, 2015, unrepresented professional employees will receive \$800 in professional development funds annually, and unrepresented management employees, including Council Appointees, will receive \$1,000 in professional development funds annually.

All Unrepresented Miscellaneous Employees (Confidential Employees and Miscellaneous Department Heads and Council Appointees)

1. *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

2. *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 – employee pays 12% of the difference between single and family coverage

3. *Chiropractic and Acupuncture Benefit – HMO Plans*

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

4. *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.

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

The City shall pay the full employee-only premium for the HDHP offered by the City and selected by the employee. For dependent coverage in a HDHP, the employee shall pay ten percent (10%) of the difference between the single coverage and the selected dependent coverage premium (two-party or family) for regular full-time employees. Regular part-time employees are required to pay one hundred percent (100%) of the difference between the employee-only 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 one hundred percent (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 fifty percent (50%) (\$750 for employee only and \$1,500 for employee plus one or more dependents) of the plan deductible into the employee's HSA. If an employee leaves the HDHP and later returns, the City will contribute fifty percent (50%) of the plan deductible into the employee's HSA. Employees may contribute additional funds into their HSA up to the IRS annual maximums, for 2016: \$3,350 (self-only coverage); \$6,750 (one or more dependents). 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. Contributions in excess of the IRS limit are 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.

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

Employees with fifteen (15) years of City of Mountain View service or less as of July 1, 2015, who are more than five (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 two percent (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 FY 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.

The funds from the one-time conversion will be deposited into a RHS Account for the benefit of the employee and administered in accordance with the Retirees’ Health Plan.

7. *Retirees' Health Plan Document Updates*

The Retirees' Health Plan Document will be updated to conform to benefit levels established in 2007 agreements with represented employees. The Retirees' Health Plan 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.

8. *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.

9. *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.

Confidential Employees Only

1. *Bilingual Pay*

Employees who meet the following criteria, as determined by the Human Resources Division (hereafter HR), shall be entitled to receive One Hundred Dollars (\$100) per month (\$46.15 biweekly based on 26 pay periods in a year) beginning the first pay period ending in July 2015.

- a. Successfully passing such language proficiency/fluency test as may be selected by HR, including such periodic retesting as HR determines may be appropriate.
- b. Being assigned to a position that is designated as a bilingual assignment.

The City reserves the right to determine the number, timing, location, and duration of the assignments receiving the additional pay provided herein and which languages are needed. Any employee who is receiving Bilingual Pay may be asked to utilize his/her bilingual skills at any time while on duty in his/her own division/department or by supervisor in any other division/department. An employee who is not receiving Bilingual Pay will not be asked to use bilingual skills, except in isolated circumstances where no employee receiving such pay is available; in that limited situation, an employee may be asked to utilize such skills.

Fire Managers and Professionals

1. *Creation of Battalion Chief Tier 2 Salary Range*

Effective June 21, 2015, a new salary range (Tier 2) will be created for individuals appointed to the classification of Battalion Chief after June 21, 2015. The low end of the range will be the same as the existing Battalion Chief (Tier 1) salary range; however, the top end of the Tier 2 range will be 7.0% lower than the existing Battalion Chief salary range.

2. *Reduce Career Incentive for Deputy Fire Chief and Battalion Chief Appointments After June 21, 2015*

Employees appointed to the position of Deputy Fire Chief or Battalion Chief after June 21, 2015 will be eligible for Career Incentive Pay according to the following schedule: Basic—\$400 per month; Intermediate—\$475 per month; Advanced—\$600 per month. Qualification for each level of pay remains the same.

3. *Signing Bonus for Battalion Chief Appointments After June 21, 2015*

City of Mountain View employees appointed to the position of Battalion Chief after June 21, 2015 will receive a \$5,000 one-time lump sum payment. Should non-City of Mountain View employees be appointed to the position of Battalion Chief after June 21, 2015, the City Manager may grant a signing bonus at his discretion.

4. *Vacation Cashout*

Effective June 21, 2015, 40 hour Fire Managers will be eligible to cash out 80 hours of vacation annually instead of 60, in accordance with procedures set annually by the City.

5. *Other Post-Employment Benefits (OPEB)/Retirees Health Trust Contribution*

Fire Managers and Professionals will continue to contribute 1.2 percent of their salary towards the City's retirees' health trust to help fund the City's OPEB costs. This contribution will be accomplished through a salary deduction and the City will make the deduction on a pretax basis to the extent permitted under State and Federal law. The City makes no representation as to the taxable nature of this deduction. The City and each employee shall retain liability for their respective tax obligations. The 1.2 percent OPEB contribution is in addition to the CalPERS pension cost share addressed under *California Public Employees' Retirement System (CalPERS) Employee Contributions*.

In fall 2015, the City will complete a study to assess whether the migration to PEMHCA resulted in higher net costs to the City in calendar years 2014 and/or 2015, rather than net savings. If the study determines higher net costs occurred in 2014 and/or 2015, sworn managers will have the same obligation as sworn represented employees will have to repay costs experienced by the City in calendar years 2014 and/or 2015.

Police Managers Only

1. *Creation of Police Lieutenant Tier 2 Salary Range*

Effective June 21, 2015, a new salary range (Tier 2) will be created for individuals appointed to the classification of Police Lieutenant after June 21, 2015. The low end of the range will be the same as the existing Police Lieutenant (Tier 1) salary range; however, the top end of the Tier 2 range will be 7.0% lower than the existing Police Lieutenant salary range.

2. *Creation of Police Captain Tier 2 Salary Range*

Effective June 21, 2015, a new salary range (Tier 2) will be created for individuals appointed to the classification of Police Captain after June 21, 2015. The low end of the range will be the same as the existing Police Captain (Tier 1) salary range; however, the top end of the Tier 2 range will be 9.0% lower than the existing Police Captain salary range.

3. *Signing Bonus for Police Lieutenant and Police Captain Appointments After June 21, 2015*

City of Mountain View employees appointed to the position of Police Lieutenant or Police Captain after June 21, 2015 will receive a \$5,000 one-time lump sum payment. Should non-City of Mountain View employees be appointed to the position of Police Lieutenant or Police Captain after June 21, 2015, the City Manager may grant a signing bonus at his discretion.

4. *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 sworn Police CalPERS contract for pension benefits to determine employee willingness to amend the CalPERS contract in order to allow some or all of the cost share to be credited to the member account rather than the employer account.

5. *Other Post-Employment Benefits (OPEB)/Retirees Health Trust Contribution*

Police Managers will continue to contribute 1.2 percent of their salary towards the City's retirees' health trust to help fund the City's OPEB costs. This contribution will be accomplished through a salary deduction and the City will make the deduction on a pretax basis to the extent permitted under State and Federal law. The City makes no representation as to the taxable nature of this deduction. The City and each employee shall retain liability for their respective tax obligations. The 1.2 percent OPEB contribution is in addition to the CalPERS pension cost share addressed under *California Public Employees' Retirement System (CalPERS) Employee Contributions*.

In fall 2015 the City will complete a study to assess whether the migration to PEMHCA resulted in higher net costs to the City in calendar years 2014 and/or 2015, rather than net savings. If the study determines higher net costs occurred in 2014 and/or 2015, sworn managers will have the same obligation as sworn represented employees will have to repay costs experienced by the City in calendar years 2014 and/or 2015.

Department Heads and Council Appointees

1. *Vacation Cashout*

Effective June 21, 2015, department heads and Council appointees will be eligible to cash out 80 hours of vacation annually instead of 60, in accordance with procedures set annually by the City.

2. *Optional Employee Participation in 401a Program*

During Fiscal Year 2015-16, the City will establish a 401a program to which department heads and Council appointees may contribute. Participation will be voluntary on the part of the employee, and the City will not contribute to the 401a on the employee's behalf except as agreed upon otherwise.

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