

Date: June 25, 2014
W.I.: 1153
Referred by: Administration

ABSTRACT

Resolution No. 4154

This resolution sets forth the employment benefits and salary schedule for specific executive employees from July 1, 2014 through and including June 30, 2018.

Date: June 25, 2014
W.I.: 1153
Referred By: Administration

Re: Employment Benefits and Salary Schedule from July 1, 2014 through June 30, 2018 for Specific Executive Employees

METROPOLITAN TRANSPORTATION COMMISSION
RESOLUTION NO. 4154

WHEREAS, MTC Resolution No. 4024, adopted July 27, 2011 established employment benefits and a salary schedule for specific executive employees of the Metropolitan Transportation Commission (MTC) for the period beginning August 1, 2011 through June 30, 2014; and

WHEREAS, the Meyers-Milias-Brown Act (Government Code § 3500 et seq.) allows MTC and its employees to agree to self-representation which requires MTC and its employees to then meet and confer before MTC considers a new resolution to establish employment benefits and salary adjustments; and

WHEREAS, representatives of the executive staff have met and conferred with the appointed agency negotiator; and

WHEREAS, the Executive Director has presented the results of the meet-and-confer process to the Administration Committee together with his recommendations for employment benefits and salary adjustments for specific executive employees; and

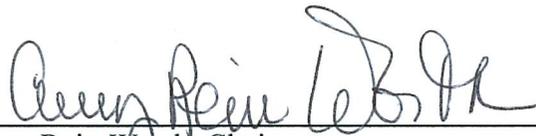
WHEREAS, the Administration Committee has reviewed all employment benefits and salary adjustment proposals and has referred them to the Metropolitan Transportation Commission with a recommendation for approval; now, therefore, be it

RESOLVED, that the employment benefits and salary schedule for specific executive employees effective July 1, 2014 through June 30, 2018 shall be as set forth in Attachment A to this resolution, attached hereto and incorporated herein as though set forth at length; and be it further

RESOLVED, that the Executive Director shall approve the applicable salary schedule updates as set forth in Attachment A as necessary to reflect the adjustments authorized therein; and be it further

RESOLVED, that MTC's agency operating budget for FYs 2014-2015, 2015-2016, 2016-2017, and 2017-2018, when adopted, shall include sufficient funds to cover the costs for such employment benefits, salaries, and adjustments.

METROPOLITAN TRANSPORTATION COMMISSION



Amy Rein Worth, Chair

The above resolution was entered into by the Metropolitan Transportation Commission at a regular meeting of the Commission held in Oakland, California on June 25, 2014.

METROPOLITAN TRANSPORTATION COMMISSION
Oakland, California

SUMMARY OF BENEFITS FOR INCUMBENTS OF SPECIFIC EXECUTIVE
EMPLOYEE POSITIONS

Fiscal Years 2014-2015, 2015-2016, 2016-2017 and 2017-2018

SALARY TABLES

Salary administration is regulated per compensation policy and the MTC Employee Handbook.

Salary Adjustments

Effective July 1, 2014, salary tables shall be adjusted by 2.6%.

Each following July 1 during this MOU period, salary tables shall be adjusted as follows:

July 1, 2015 – 2.6%

July 1, 2016 – 2.6%

July 1, 2017 – 2.6%

Merit Program

Pay step adjustments within range subject to policy guidelines.

PAID LEAVE BENEFITS

Use of all paid leave benefits is regulated per leave policy and the MTC Employee Handbook.

Holidays

Eleven (11) days per year for full time employees. No minimum service required for eligibility.

Funeral Leave

Up to three 3 days (24 hours), on the basis of need, in the case of the death of a defined family member or member of employee's household. No minimum service required for eligibility. This benefit has no cash value and is not payable upon employment separation.

Personal Leave Days

Up to 3 personal leave days (24 hours) are granted at the beginning of each calendar year. The number of personal leave days granted to new employees is prorated as follows:

January through April – 3 days
May through August – 2 days
September through November – 1 day
December – 0 days

In the event that Personal Leave Days are accrued but unused at the end of a calendar year, the employee will receive an amount to start the new calendar year at a maximum of three days. Personal Leave Days are not payable upon employment separation.

Vacation Leave Benefits

Accrual of Vacation Leave Benefits

- One day (8 hours) per month worked starting with the first day of employment. Prorated for new hires based on first working day of employment within the month.
- Addition of one more day (8 more hours) each additional year worked up to a maximum of 13 additional days (104 hours) for a total annual benefit of 25 days (200 hours) a year is reached.
- Accrued to a cap of 62.5 days (500 hours). Once the cap (500 hours) is reached, all vacation accrual stops until such time that the vacation balance falls below the cap (500 hours). If the vacation accrual is larger than the difference between the vacation balance and the 500 hour cap, individuals will receive only a fraction of their bi-weekly vacation accrual for that pay period bringing their vacation balance to 500 hours.
- Employees working an average of 40 hours over a two-week pay period, but less than 72 hours over a two-week pay period will receive prorated benefits.
- All vacation leave benefits are accrued and available for use with each bi-weekly pay period.

Annual Vacation Cash Out Option

Once a twelve month period, employees may cash-out accrued but unused vacation leave over 320 hours up to cap of 500 hours. Payment will be made at the employee's current hourly rate and is considered taxable earnings. Payment is subject to any and all applicable deductions.

Payment Upon Separation

Accrued but unused vacation time off benefits up to the maximum accrual of 62.50 days or 500 hours are payable upon employment separation at the hourly rate earned by the employee at the time of employment separation. Payment will be in one lump sum and is subject to any and all applicable deductions.

Use of Benefit

Employees may use accrued vacation time off benefits per policy after completion of six months of employment per leave policy.

Sick Leave Benefits

Accrual of Sick Time Off Benefits

- One day (8 hours) per month worked starting with the first day of employment. Prorated for new hires based on first working day of employment within the month.
- Employees working an average of 40 hours over a two-week pay period, but less than 72 hours over a two-week pay period will receive prorated benefits.
- Sick time off benefit is accrued without a cap.

Payment Upon Separation

Accrued but unused sick time off benefits up to a maximum of 30 days or 240 hours are payable upon employment separation at the hourly rate paid the employee at the time of employment separation. Payment will be in one lump sum and is subject to any and all applicable deductions.

Use of Benefit

Employees may use accrued sick leave benefits per policy as soon as they are earned per leave policy.

INTRODUCTION PERIOD

The Introduction period is regulated per applicable policy and the MTC Employee Handbook.

The initial first year of employment is considered to be an introduction period during which time a new employee's work and conduct are observed and evaluated, orientation and training provided as necessary, and issues with performance addressed directly and promptly in an effort to ensure the employees success.

INSURANCE

Scope, limitations, and annual insurance premium costs are set forth in actual insurance company policies and provided each year during open enrollment.

Group Dental Insurance

Agency pays total premium for employee's coverage. The cost to Employees for coverage for one dependent is \$6.30 per month, and \$19.13 per month for two or more dependents. The Agency contributes the remainder of the premium. MTC will deduct employee dependent premium payments from earned wages pre-tax as allowable by law.

Group Dental Insurance
Cash-in-Lieu

Employees have the option of receiving the equivalent dollar amount of the Employee Only premium in cash upon signing a waiver of coverage and providing proof of being covered under a comparable dental plan. The amount is subject to federal and state tax withholding.

Group Medical Insurance

Employees agree to contribute towards medical premiums by paying five percent (5%) of the premium for each coverage line. The employer will cover ninety-five percent of premium for each coverage line.

Total cost per month to the employee is dependent on the coverage line they select.

Employee contributions will be capped as follows:

\$75.00 for Employee Only
\$125.00 for Employee Plus One
\$175.00 for Employee Plus Family

MTC will deduct employee medical insurance premium payments from earned wages pre-tax as allowable by law.

Group Medical Insurance
Cash-in-Lieu

Employees have the option of receiving cash-in-lieu of enrolling in the health insurance plan upon the signing of a waiver of coverage and providing proof of being covered under a comparable medical plan. The amount of cash-in-lieu will be equal to the second most costly Employee Only premium total minus the Employee contribution amount for that premium. Cash-in-lieu payments are subject to federal and state tax withholding.

Vision Care Insurance	Agency pays total premium for Employee Only coverage. Employees may enroll dependents at their sole cost. MTC will deduct dependent premium payments from earned wages pre-tax as allowable by law.
Domestic Partner Coverage	MTC provides group medical insurance, group dental insurance, and group vision coverage for an eligible domestic partner and dependents subject to CalPERS regulations regarding domestic partner coverage. The maximum amount of the Agency contributions shall be the same as that specified under "Group Dental Insurance" and "Group Medical Insurance" provisions referenced above.
Life and Related Insurance	Agency pays premiums for Employee life insurance policy; life insurance benefit is equal to two times annual salary or a minimum of \$100,000, whichever is greater. Agency pays additional premium for employee for Accidental Death and Dismemberment policy equal to the group term life insurance coverage. Agency pays premium for qualified dependents (as defined in current policy) for \$2,000 life coverage per dependent.
Group Voluntary Life and Related Insurance	In addition, Employee may elect to purchase, at his/her expense, supplemental Group Voluntary Life Insurance.
Short-Term and Long-Term Disability	<p>Agency pays monthly premium for short-term disability coverage for qualifying employee medical disabilities to cover loss of wages. There is a 14-day waiting period with an additional 11 weeks of paid benefits (total 12 week benefit program). Coverage level is 66 2/3% of salary up to a maximum of \$2,500 a week. Benefits paid are taxable.</p> <p>Agency pays monthly premium for long-term disability coverage for qualifying employee medical disabilities to cover loss of wages. There is a 90-day waiting period (designed to pick up at the end of the 12-weeks of short-term disability coverage). Coverage level is 67% of monthly salary up to a maximum of \$15,000 per month. Benefits paid are taxable.</p>
Travel Insurance	Agency pays annual premium. Each employee is covered with a policy of \$100,000 for loss of life while traveling on MTC business.

RETIREMENT

1st Tier Retirement Formula
(Classic Plan)

The retirement benefit formula is calculated, pursuant to contract with PERS, at 2.5% at age 55.

The Agency and employee agree to equally share any annual employer contribution rate change with employees assuming 50% of the annual employer rate change up to an employee total contribution rate capped at 8%.

Effective, June 30, 2014, the Agency total contribution rate is 22.395% and the shared contributions are as follows:

- (a) Employee pays 5.210% of salary
- (b) Agency pays 17.185% of salary

Effective July 1, 2014, the Agency total contribution rate will be 25.185% and the shared contributions will be:

- (a) Employee pays 5.602%
- (b) Agency pays 19.583%

July 1, 2015, July 1, 2016, and July 1, 2017, the shared contribution rates will change based on the change in the Employer contribution rate shown in the Annual PERS Actuarial Valuation Report for periods ending June 2013, June 2014, and June 2015, and per any additional CalPERS contribution rate changes announced at the time of the report or separately due to valuation methodology changes.

Other Contracted Benefits
(Classic Plan)

In accordance with Agency's PERS contract amendment effective August 1, 2000, Agency has contracted for the following optional provisions:

3% Maximum Cost-of-Living Allowance; Section 21573 – Third Level 1959 Survivor Benefits; Section 21583 – Second Election 1959 Survivor Benefits; Section 21548 – Pre-retirement Optional Settlement 2 Death Benefit; and Section 20903 – Two years Additional Service Credit.

2nd Tier Retirement Formula
(New Plan)

The retirement benefit formula is calculated, pursuant to contract with PERS, at 2.0% at 62.

As of June 30, 2014, the Agency total contribution rate is 22.395% and the shared contributions are as follows:

- (a) Employee pays 6.50% of salary
- (b) Agency pays 15.895% of salary

Effective July 1, 2014, the Agency total contribution rate will be 25.185% and the shared contributions will be:

- (c) Employee pays 6.50% of salary
- (d) Agency pays 18.685% of salary

Effective July 1 of each year during this MOU period, the employee rate will be 50% of the plan "Normal Costs" per pension regulation. CalPERS will provide documentation of each fiscal year's plan Normal Costs directly to the employer in the annual valuation report each October prior to the effective July 1 date.

Other Contracted Benefits
(New Plan)

Plan provisions are determined by pension reform and California PERL. However, this New Plan also includes the same employer selected plan provisions as the Agency's Classic Plan:

3% Maximum Cost-of-Living Allowance; Section 21573 – Third Level 1959 Survivor Benefits; Section 21583 – Second Election 1959 Survivor Benefits; Section 21548 – Pre-retirement Optional Settlement 2 Death Benefit; and Section 20903 – Two years Additional Service Credit.

Retiree Medical

Retiree and eligible dependents are entitled to the same medical benefits provided to regular MTC employees and at the same co-pay amounts (and per CalPERS' PEMCHA Equal Method Plan). If eligible, a retired MTC employee must apply for Medicare. His/her PERS health coverage is then provided as a supplement.

Retiree Dental and Vision

MTC shall provide retiree group insurance plans for dental and vision coverage. The cost of premiums will be the sole responsibility of the retiree. Eligibility for this program will follow CalPERS retiree medical eligibility rules and requirements.

TRANSIT/PARKING PROGRAM

MTC shall provide a Transit/Parking Program providing commuting benefits as follows. Employees may elect to participate in one of the four options; and only one option at a time.

Public Transit Option

MTC provides a subsidy in accordance with IRS Fringe Benefit regulation for employees for legitimate and applicable transit ticket purchases. Purchases must be made through authorized MTC provided third-party transit administrator(s) only and must be for a monthly amount needed and used by each employee each month, per IRS regulation.

Effective July 1, 2014, MTC's monthly subsidy will increase to up to \$214 per month.

MTC will provide this subsidy tax-free per IRS fringe benefit allowances. As of January 2014, the allowable tax free level for fare purchase is \$130, and for eligible parking is \$250. The rest of the subsidy above the IRS limits is taxable income and added to the employees W-2.

Six months after relocation to MTC's new San Francisco office, MTC will review this transit subsidy level to determine if it is sufficient to serve the majority of employee transit costs.

Employer Provided Parking Option

While MTC is still located at 101 8th Street, employees may select to contribute \$18.50 per month pre-tax for parking in the MTC leased employee parking lot in lieu of receiving the monthly transit subsidy. This option is based on availability of parking spaces in the lot.

After moving the office to San Francisco, this option will change as follows:

- (a) MTC will maintain rental of the Caltrans owned parking lot;
- (b) Parking spaces in this lot will be available to eligible employees to park at this lot and purchase transit to commute to San Francisco.
- (c) The cost of monthly parking in this lot will equal the cost of monthly parking at the BART Lake Merritt station as of July 1, 2014 (estimated to be \$84.00 per month) and will remain at this level for the period of the MOU.

Carpool Option

While MTC is still located at 101 8th Street, employees in a verified carpool with two or more persons, at least one passenger working at MTC, will receive one free parking space in the MTC leased employee parking lot in lieu of the monthly transit/parking subsidy. This option is based on availability of parking spaces in the lot.

After moving the office to San Francisco, parking in this lot will be administered as explained above, however, expanding the carpool rules for eligible passengers to include someone who works at MTC, ABAG, or the Air District. Carpool participants will be using transit to get to San Francisco.

Bicycle Commuter Option

For any employee regularly using a bicycle for a substantial portion of the travel between the employee's residence and place of employment for qualifying bicycle commuting months as described in IRS Publication 15-B, \$20 per month tax-free subsidy paid by MTC.

Cash-in-Lieu Option

Employees may elect to receive \$20.00 per month cash-in-lieu if not selecting another Transit/Parking Program. Cash-in-lieu payments are subject to federal and state tax withholding.

OTHER ELECTIVE
DEDUCTIONS

Dependent Care Assistant
Plan (DCAP)

MTC's Dependent Care Assistance Plan (DCAP) is a totally employee-funded program, except for the costs incurred by Agency to administer the program. Employees may elect pre-tax payroll deductions up to the limits set by the Internal Revenue Service for the reimbursement of eligible childcare and dependent care expenses, in accordance with IRS regulations. See actual plan for details and limitations.

Health Care Flexible Spending Account MTC's Health Care Flexible Spending Account is a totally employee-funded program, except for the costs incurred by the agency to administer the program. Employees may elect pre-tax payroll deductions up to a limit equivalent to the Federal Health Care Flexible Spending Account for the reimbursement of eligible healthcare costs that are not covered under the employee's health insurance. See actual plan for details and limitations.

Deferred Compensation Plan Employee may elect to participate in the 457 Deferred compensation program(s) and make pre-tax contributions subject to IRS regulations and program limitations. The Agency will administer the pre-tax deductions and submittal of employee contributions.

PROFESSIONAL DEVELOPMENT

Professional Development Subject to approval by the Section Director and appropriations in the annual training and travel budget, employees may participate in Agency sponsored Professional Development, defined as any training, materials, testing, licensing, membership, conferences, classes, tuition, etc. that are determined to be appropriate to the employee's professional development.

Computer Purchase Program MTC will assist in the purchase of a personal computer and peripheral equipment, up to a maximum of \$5,000 for regular fulltime employees who have completed their probation and are scheduled to work 72 hours or more per pay period. The total cost of each purchase shall be repaid by participating employee through bi-weekly payroll deduction, up to a maximum of a 2-yr period or 52 pay periods. See actual plan for details and limitations.

MANDATORY PROVISIONS

As required by statute.

Workers' Compensation Standard

Unemployment Insurance Standard

METROPOLITAN TRANSPORTATION COMMISSION
Oakland, California

MEMORANDUM OF UNDERSTANDING

(As Provided Under California Government Code Section 3505.1)

The representatives of the Executive Director of the Metropolitan Transportation Commission (MTC) have met and conferred with the representatives of specific executive staff employees under provisions of the Meyers-Milias-Brown Act (California Government Code § 3500 et seq.). As a result of these meetings, an agreement has been reached for a three year period from July 1, 2014 through June 30, 2018, covering Fiscal Years 2014-2015, 2015-2016, 2016-2017 and 2017-2018.

The agreed to salary and benefits program for said period is set forth in Attachment A, approved by the Metropolitan Transportation Commission at its regular meeting on July 25, 2014 (Resolution No. 4154), attached hereto and incorporated herein as though set forth at length, which was ratified by the membership of management employees.

Within the period of this MOU, it is agreed to initiate and complete a comprehensive review, through the use of an outside consultant, of MTC's organizational structure, position classifications, and performance management and compensation programs with the goal of reforming the structure, classifications, and programs to more accurately reflect organizational position needs and job duties. This work will be conducted in collaboration with CSR, Confidential, and Management staff representatives, and will have established milestone deadlines and protocols for communicating status to all employees.

It is further agreed to create a Mobility Policy that consolidates aspects of the existing Telework and Mobility Management policies. This new policy will commit to providing equipment that will allow employees to be mobile – in the new building, at other locations, etc. as well as educate managers and supervisors on how to manage and support sporadic and project-based telework needs.

This agreement shall be binding, for its term, upon the successors of the Metropolitan Transportation Commission (MTC) and MTC's representatives of specific executive employees.

Executed at Oakland, California on this 25th day of June, 2014.



Andrew B. Fremier Date
Deputy Executive Director, Operations



Peter Lee Date
Lead Negotiator, Management Staff



Mamie Lai Date
Director of Administrative Services



Robin H. James Date
Human Resources Manager

MTC Medical Premium Cost-Share Table
 All Employees - Cost-Share at 5% Employee, 95% Employer
 Effective July 1, 2014

<u>Health Plans</u>	Employee Total Monthly Cost 2014 per MOU	MTC Total Monthly Cost 2014	Full Monthly Premium 2014
<u>Blue ShieldHMO</u>			
Employee	\$41.83	\$794.76	\$836.59
Employee + 1 Dependent	\$83.66	\$1,589.52	\$1,673.18
Employee + 2 or More Dep.	\$108.76	\$2,066.37	\$2,175.13
<u>Kaiser HMO</u>			
Employee	\$37.14	\$705.58	\$742.72
Employee + 1 Dependent	\$74.27	\$1,411.17	\$1,485.44
Employee + 2 or More Dep.	\$96.55	\$1,834.52	\$1,931.07
<u>BlueShield NetValueHMO</u>			
Employee	\$35.20	\$668.81	\$704.01
Employee + 1 Dependent	\$70.40	\$1,337.62	\$1,408.02
Employee + 2 or More Dep.	\$91.52	\$1,738.91	\$1,830.43
<u>UnitedhealthcareHMO</u>			
Employee	\$38.21	\$726.03	\$764.24
Employee + 1 Dependent	\$76.42	\$1,452.06	\$1,528.48
Employee + 2 or More Dep.	\$99.35	\$1,887.67	\$1,987.02
<u>Anthem SelectHMO</u>			
Employee	\$32.87	\$624.46	\$657.33
Employee + 1 Dependent	\$65.73	\$1,248.93	\$1,314.66
Employee + 2 or More Dep.	\$85.45	\$1,623.61	\$1,709.06
<u>AnthemTraditionalHMO</u>			
Employee	\$36.42	\$691.99	\$728.41
Employee + 1 Dependent	\$72.84	\$1,383.98	\$1,456.82
Employee + 2 or More Dep.	\$94.69	\$1,799.18	\$1,893.87
<u>PERSCochoicePPO</u>			
Employee	\$34.54	\$656.23	\$690.77
Employee + 1 Dependent	\$69.08	\$1,312.46	\$1,381.54
Employee + 2 or More Dep.	\$89.80	\$1,706.20	\$1,796.00
<u>PERSCarePPO</u>			
Employee	\$36.00	\$684.04	\$720.04
Employee + 1 Dependent	\$72.00	\$1,368.08	\$1,440.08
Employee + 2 or More Dep.	\$93.61	\$1,778.50	\$1,872.10
<u>PERSSelect PPO</u>			
Employee	\$33.08	\$628.44	\$661.52
Employee + 1 Dependent	\$66.15	\$1,256.89	\$1,323.04
Employee + 2 or More Dep.	\$86.00	\$1,633.95	\$1,719.95

Health Plans Service Areas: For health plans service areas based upon your home or employer zip code, please refer to the CalPERS Open Enrollment packet mailed to enrolled employees in August, 2013. If you did not receive an Open Enrollment packet in the mail, please see Paula Johnson in Human Resources or go to www.calpers.ca.gov.

Employee Only Cash In-Lieu: an amount not to exceed the second most costly CalPERS employee only health plan available minus the employee cost-share for that plan. For 2014, the second most costly employee only premium is Unitedhealthcare at \$764.24 per month. The Cash In-lieu for 2014 will be \$764.24 - \$34.14 for the employee only Unitedhealthcare cost-share which = **\$730.10 per month.**

Benefit Eligibility: Employee must work at least an average of 20 hours per week to be eligible for Employer medical benefits. Employee must minimally maintain an average work schedule of 72 hours per two-week pay period to receive 100% of MTC's monthly Employer medical benefits contribution. Monthly contributions are prorated for part-time work schedules; therefore, cost-sharing to employees could increase.

**CLASSIFIED EXECUTIVE MANAGEMENT/ADMINISTRATIVE
 GRADES X/3, X/4, X/A, X/B, L/2, & L3, effective July 1, 2014**

Title	Grade	Minimum	Maximum
Executive Administrative/Attorney I-II	X/B, L2	\$125,582.40	\$167,321.57
Executive Management/Deputy General Counsel	X/A, L3	\$164,774.57	\$204,876.81
Deputy Executive Director/ Chief Financial Officer	X/3, X/4	\$205,200.00	\$245,233.49

II

Unclassified Executives

Title

Executive Director Salary established by the Commission by employment agreement.

General Counsel Salary established by the Commission by employment agreement.

Classified Executive Management, Executive Administrative, Deputy General Counsel, Attorneys I-II, Deputy Executive Director, and Chief Financial Officer shall be adjusted in FYs July 1, 2015, July 1, 2016, & July 1, 2017 in a manner consistent with the adjustments to the salary schedule in MTC Resolution No. 4054.