



Item #12

DATE January 3, 2018

TO GCTD Board of Directors

FROM Alex Zaretsky *AZ*
Human Resources & Risk Manager

Steve L. Rosenberg *SLR*
Director of Finance & Administration

SUBJECT Consider Approval of Update to Personnel Rules / Benefit Changes Effective January 1, 2018

SUMMARY

On December 14, 2017 GCTD management (GCTD) and SEIU 721 reached MOU agreements with GCTD's three represented units. These agreements have been ratified by bargaining unit members and are submitted today for the Board's approval. Among the proposals included in all three MOUs are modest improvements to two company-paid benefit provisions, Life Insurance and Vacation Accrual. Similar provisions are included not only in the MOUs but in the GCTD Personnel Rules that cover non-represented employees.

Company-paid life insurance coverage for represented employees has been increased from 1X the employee's annual salary to \$100,000, and vacation accrual has been increased by one day per year for employees with 15 years or more of service. Historically at GCTD benefit increases negotiated for represented employees have been extended to non-represented employees as well.

Such changes for non-represented employees would require a change to the GCTD Personnel Rules. Staff along with employment counsel has started a full review of all the relevant sections of the GCTD Personnel Rules to comply with new California employment laws for 2018. A Board report and resolution will be brought to the Board upon completion of that review, however any changes to GCTD's Life Insurance program must be implemented in January or held until next year.

Staff proposes the following changes; the accrual change would be effective the first full payroll starting in calendar 2018 and the insurance change would take effect early in 2018 subject to underwriting approval:

Section 9 (B) - VACATION CREDITS FOR FULL-TIME SERVICE

Years of Service Hours/Month Hours/Biweekly Period

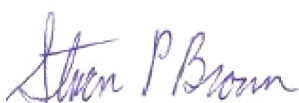
| | | | | | | |
|---------------------|--------|-------|----------------------------------------|-----------|--------------|-------|
| Less Than 3 | 6-2/3 | 3.077 | 11 But Less Than 12 | 11-1/3 | 5.231 | |
| 3 But Less Than 5 | 8 | 3.693 | 12 But Less Than 13 | 12 | 5.539 | |
| 5 But Less Than 7 | 8-2/3 | 4.000 | 13 But Less Than 14 | 12-2/3 | 5.847 | |
| 7 But Less Than 9 | 9-1/3 | 4.308 | 14 But Less Than 15 Or More | 13-1/3 | 6.154 | 6.154 |
| 9 But Less Than 10 | 10 | 4.616 | <u>15 or More</u> | <u>14</u> | <u>6.462</u> | |
| 10 But Less Than 11 | 10-2/3 | 4.924 | | | | |

Section 18 (B) - Executive Insurance: In addition to such other insurance to which GCTD employees are entitled, GCTD shall pay the cost of additional life insurance for non-represented employees in an amount equal to \$100,000 or one (1) times the non-represented employee's annual salary, whichever is greater. Non-represented employees who work less than thirty-two (32) hours per week will not be eligible for executive insurance.

RECOMMENDATION

It is recommended that the Board of Directors approve the above changes to Sections 9(B) and 18(B) of the GCTD Personnel Rules for 2018. This memorandum will be added to the GCTD Personnel Rules until a complete review of GCTD's Personnel Rules is completed for presentation to the Board of Directors.

GENERAL MANAGER'S CONCURRENCE



Steven P. Brown
General Manager