

## Management and Confidential Employee Group

### Terms and Conditions of Employment

The following represents changes to terms and conditions of employment that have been combined to achieve our labor cost savings goal through December 31, 2010. The enumerated changes to the employee's medical insurance plans are not temporary.

#### **THE FOLLOWING TEMPORARY CHANGES TO EXISTING PERSONNEL RULES AND PROCEDURES (PR&P) WILL BE IMPLEMENTED EFFECTIVE MARCH 16, 2009 THROUGH DECEMBER 31, 2010.**

##### **1. Salary Freeze**

- The salary levels of all MCEG employees in effect on March 15, 2009 will be frozen without further upward adjustment through December 31, 2010<sup>1</sup>.
- Salary adjustments pursuant to Part A, Section 4.10, Pay for Performance Increase, of the PR&P, will be suspended through December 31, 2010.
- For employees hired or promoted with an effective date on or after March 15, 2009, salary adjustments pursuant to Part A, Section 4.5B, Post Probationary Increase, of the PR&P, will be suspended through December 31, 2010.

##### **2. Suspension of Sick Leave Sell Back**

- Part A, Section 12.5, "Stay Well" Incentive Plan, of the PR&P, providing for the sell back of sick leave for active employees will be suspended through December 31, 2010.
- Part A, Section 12.7, Sick Leave to Deferred Compensation or Cash Payment, of the PR&P, providing for depositing the cash value of an employee's sick leave into his or her deferred Compensation (457) account, or receiving payment of the cash value, shall be suspended through December 31, 2010. The provision pertaining to the sell back of sick leave at the time of separation from employment, Part A, Section 12.6, Sick Leave Sellback, will remain unaffected and operable.

##### **3. Suspension of Vacation Sell Back**

- Part A, Section 13.5C, Maximum Accumulation, of the PR&P, which caps the amount of vacation one can accumulate to that which can be earned in 3 years is increased to 4 years, through December 31, 2010.

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<sup>1</sup> Employees hired or promoted with an effective date on or before March 15, 2009 will continue to be eligible to receive the post probationary increase at the conclusion of their respective probationary periods.

- Part A, Section 13.6, Vacation Sell Back, of the PR&P, providing for the cash out of up to 80 hours of accumulated vacation for active employees will be suspended through December 31, 2010. The provision providing for the sell back of accumulated vacation at the time of separation from employment, Part A, Section 13.4B, Vacation Pay, will remain unaffected and operable.

#### **4. Suspension of Floating Holiday Sell Back**

- Part A, Section 14.3E, Floating Holiday Sell Back, of the PR&P, providing for the sell back of floating holiday(s), will be suspended through December 31, 2010.

#### **5. Furlough Days**

- Article 4, of Chapter 4, of Part B (of the PR&P), is added as follows:

##### Section 5-4.402 Furloughs

- A. The District may temporarily furlough employees in case of financial hardship as determined by the Board of Directors.
- B. Employees must schedule and take a total of 12 unpaid furlough days between March 16, 2009 and December 31, 2010, as follows:
  - Employees must take 3 furlough days (not to exceed 24 hours) prior to July 1, 2009.
  - The remaining 9 furlough days (not to exceed 72 hours) are to be scheduled between July 1, 2009 and December 31, 2010, both dates inclusive.
- C. Except as expressly provided in this section, an employee who is placed on furlough will not be entitled to (and will not be paid) wages, salary, or any other form of compensation for the time during which the employee is on furlough. An employee on furlough may not use vacation, compensatory time off, sick leave, floating holiday, or any other form of paid leave during the furlough. An employee on furlough shall receive health and welfare benefits, accrue sick leave, vacation, and other leaves which are otherwise accrued based upon time worked. In addition, a period of furlough shall not be considered a break for purposes of completion of a probationary period or any other acquired benefit.
- D. Notwithstanding the foregoing, for purposes of calculating an employee's service credits and final monthly average compensation for retirement, wages and days reduced due to furloughs taken as required hereinabove will not be counted against the employee. The calculation of total service credits and final monthly average compensation will assume the employee's full monthly salary was earned during any month in which a furlough was taken and that the

employee worked all available days during any month in which a furlough was taken.

- E. The General Manager/CEO shall adopt policies related to administration of the District's furlough program.

#### **6. New Employee Salary Offers**

- Written salary offers for new employment shall be no higher than, (i) the level of the highest paid employee in the same job classification, or (ii) the mid-point of the salary range if there are no incumbents in the same job classification. Written offers extended prior to March 16, 2009, which exceed the foregoing limitations, will be honored as written.

### **THE FOLLOWING PERMANENT CHANGES TO THE KAISER AND HEALTH NET INSURANCE PLANS WILL BE IMPLEMENTED EFFECTIVE APRIL 1, 2009.**

#### **7. Increase in the Contribution to Medical Insurance Premium**

- Part A, Section 15.1, B1, Hospital, Medical and Surgical Insurance, of the PR&P, providing for a contribution by active employees toward their total monthly insurance premium, will be increased from 8% to 10%.
- ***Part A, Sections 16.1 and 2, of Retired Employee and Dependent Health and Welfare Benefits, will be amended to provide for an increase from 8% to 10% in the contribution amount of the monthly insurance premium for employees retiring on or after April 1, 2009.***

#### **8. Kaiser Medical Insurance**

- The Kaiser Medical Insurance Plan for employees **and retirees** will be amended to increase the Emergency Room copayment from \$50 to \$100<sup>2</sup>.
- The Office Visit co-payment will be increased from \$10 to \$15 for employees **and retirees**.
- Prescription medication supply will be reduced from 100 days to 30 days<sup>3</sup> for employees **and retirees**.

#### **9. Health Net Medical Insurance**

- The Health Net Medical Insurance Plan for active employees **and retirees** will be amended to increase the Office Visit co-payment from \$10 to \$15.

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<sup>2</sup> Health Net Emergency Room co-payment is currently \$100.

<sup>3</sup> Health Net prescription supply is currently 30 days.

- Prescriptions for employees **and retirees** will be filled using generic brands for active employees and retirees unless otherwise noted by the treating physician. An employee **or retiree** preferring the name brand medication may purchase it by paying the difference between the name brand and the generic alternative<sup>4</sup>.

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<sup>4</sup> Kaiser currently provides generic medication unless otherwise noted by the physician.  
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