

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
13	06/27/16	Open	Action	06/22/16

Subject: Temporarily Amend the Personnel Rules of Procedure for AEA Employees Pertaining to Pay for Performance Merit Increases for FY 2017

ISSUE

Whether to approve the agreement between Regional Transit (RT) and the Administrative Employees Association (AEA) to temporarily amend Article 8, Section 8.04(B)(1) of the Personnel Rules and Procedures for AEA Employees as it pertains to pay for performance merit increases for Fiscal Year (FY) 2017.

RECOMMENDED ACTION

Adopt Resolution No. 16-06-___, Approving the Agreement Between Sacramento Regional Transit District and Administrative Employees Association to Temporarily Amend Article 8, Section 8.04(B)(1) of the Personnel Rules and Procedures for AEA Employees as it Pertains to Pay for Performance Merit Increases for Fiscal Year 2017.

FISCAL IMPACT

Savings to RT of approximately \$51,000.

DISCUSSION

On May 27, 2016, RT management met with all labor groups representing RT employees and provided information regarding RT's FY17 budget shortfall and its plan to reduce payroll costs by approximately \$1.5 million through a reduction in force. Additionally, the labor groups were asked to consider whether they would be willing to make concessions that would result in an additional \$500,000 in cost savings needed, in addition to the savings associated with the reduction in force, to close RT's FY17 budget deficit.

After negotiations, the AEA agreed to a 3% reduction in the merit pay increase its members would have received in FY17. Absent this agreement, pursuant to Article 8, Section 8.04(B)(1), RT employees represented by AEA were scheduled to receive a 5% merit pay increase in FY17. Pursuant to the Agreement they will now receive a 2% increase in FY17. The cost savings associated with this agreement are expected to be approximately \$51,000.

RT is appreciative of the AEA members' willingness to shoulder some of the economic burden as the agency strives toward achieving sustainable fiscal stability.

Approved:

Presented:

Final 06/22/16

General Manager/CEO

Chief Counsel

RESOLUTION NO. 16-06-_____

Adopted by the Board of Directors of the Sacramento Regional Transit District on this date:

June 27, 2016

APPROVING THE AGREEMENT BETWEEN SACRAMENTO REGIONAL TRANSIT DISTRICT AND ADMINISTRATIVE EMPLOYEES ASSOCIATION TO TEMPORARILY AMEND ARTICLE 8, SECTION 8.04(B)(1) OF THE PERSONNEL RULES AND PROCEDURES FOR AEA EMPLOYEES AS IT PERTAINS TO PAY FOR PERFORMANCE MERIT INCREASES FOR FISCAL YEAR 2017

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT AS FOLLOWS:

THAT, the Agreement between Sacramento Regional Transit District (RT) and the Administrative Employee Association (AEA), attached hereto as Exhibit 1, whereby representatives of RT and the AEA set forth agreed upon changes to the Personnel Rules and Procedures for Fiscal Year 17, is hereby approved.

THAT, the General Manager/CEO is hereby authorized to bind RT to a revised Personnel Rules and Procedures that have been amended to provide for the changes to compensation as set forth in Exhibit 1.

THAT, the General Manager/CEO is hereby authorized to implement the provisions of the attached Agreement.

JAY SCHENIRER, Chair

A T T E S T:

MICHAEL R. WILEY, Secretary

By: _____
Cindy Brooks, Assistant Secretary

**AGREEMENT FOR SETTLEMENT OF NEGOTIATIONS BETWEEN SACRAMENTO
REGIONAL TRANSIT DISTRICT (RT) AND ADMINISTRATIVE EMPLOYEE
ASSOCIATION (AEA)**

Representatives of RT and the AEA began meeting May 27, 2016, to negotiate the terms and conditions of employment applicable to employees represented by the AEA. On June 17, 2016, tentative agreement was reached for settlement of all issues subject to review of final language. The following constitutes full and final settlement of negotiations subject to AEA membership ratification and approval by RT's Board of Directors.

1. Salary Adjustments.

Effective July 1, 2017, Article 8, Section 8.04(B), Pay for Performance Merit (Step) Increase, of the Personnel Rules and Procedures (PRPs), will be temporarily modified as illustrated below for Fiscal Year 2017:

§8.04 Salary Adjustments

B. Pay For Performance Merit Increases

1. For Fiscal Year 2017: An employee who receives a rating for his or her annual performance evaluation of "meets standards in all evaluation criteria" or who receives a performance evaluation rating of "below standards" in two or fewer job elements (hereafter "pass") will receive a performance merit increase. For Fiscal Year 2017, the performance merit increase is an increase to the employee's monthly salary equal to the lesser of (i) two percent (2%) of his or her monthly salary, or (ii) the difference between the maximum monthly salary for the employee's job classification and the employee's monthly salary. Except as provided in §8.04B.2. and §8.04B.3. below, an employee shall not receive a performance merit increase for that evaluation period.

Beginning Fiscal Year 2018: An employee who receives a rating for his or her annual performance evaluation of "meets standards in all evaluation criteria" or who receives a performance evaluation rating of "below standards" in two or fewer job elements (hereafter "pass") will receive a performance merit increase. Beginning Fiscal Year 2018, the performance merit increase is an increase to the employee's monthly salary equal to the lesser of (i) five percent (5%) of his or her monthly salary, or (ii) the difference between the maximum monthly salary for the employee's job classification and the employee's monthly salary. Except as provided in §8.04B.2.

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2. Clerical Changes and Reformatting of the PRPs Manual.

Any clerical corrections and language clarifications as well as the complete reformatting of the prior Personnel Rules and Procedures Manual, as discussed and agreed upon by the Parties, will be incorporated as part of the final documents.

3. Full and Complete Agreement

All issues opened by either party that are not expressly incorporated into this Agreement by attachment or reference, are hereby withdrawn.

RT and the AEA's bargaining committee members agree to endorse and recommend ratification and approval of the terms of this Agreement to the Board of Directors and membership as full and complete settlement to the meet and confer process.

For the AEA:

**For Sacramento Regional Transit
District:**


DEEP GREWAL, CHAIR



6/22/16

6/22/16

Date

Date


SANGITA ARYA, SECRETARY

6 / 22 / 16

DATE