

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
9	5/13/19	Open	Action	05/07/19

Subject: Modifications to the Personnel Rules and Procedures for Salaried Employees of the Management and Confidential Group (MCEG).

ISSUE

Whether to modify the Personnel Rules and Procedures as applied to the Management and Confidential Group (MCEG).

RECOMMENDED ACTION

Adopt Resolution No. 19-05____, Approving Modifications to the Personnel Rules and Procedures Affecting Unrepresented Employees Commonly Referred to as the Management and Confidential Employee Group (MCEG) Employees.

FISCAL IMPACT

Budgeted:	Yes	FY 2019:	N/A
Budget Source:	Operating	FY 2020 Salary Savings:	\$286,031*
Funding Source:	Operating Revenue	FY 2020 Sellback Cost (FICA & Pension)	\$35,182**

Cost Cntr/GL Acct(s) or Labor GL Accounts

Capital Project #:

*This action on sick leave sellback provision changes will result in future year savings from elimination of spiking for pension calculation.

**In addition, there is an estimated cost by allowing these employees to surrender up to 96 hours of sick leave into a 401 (a) account if unused by the end of the year.

DISCUSSION

While SacRT continues to successfully strengthen economic stability in FY 2020, continuing to build a strong fiscal foundation, and ensure consistent, quality, “Customer First” transportation services for the residents of this region is paramount. Reaching SacRT’s goals (as witnessed by the American Federation of State, County and Municipal Employees, District Council 57 – Local 146’s agreement to extend the Supervisor’s Unit Collective Bargaining Agreement into the year 2022) is a District-wide team effort.

In May 2018, the Board approved a salary plan for FY 2019 for non-bargaining unit employees designated as management or confidential (MCEG). There is no current pay plan in place beyond June 30, 2019. Management proposes to modify the Personnel Rules and Procedures (PRP) provisions found at Article 8 - Employee Pay Plan, Section 8.04(B)(1) - Pay for Performance Merit Increase – by reducing the annual merit pay increase from 5.0% to 3.0%.

Approved:

Presented:

Final 05/08/19

General Manager/CEO

AVP, Labor Relations and Human Resources

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Additionally, based upon Board action several years ago, MCEG employees will have the final reduction in the maximum accrual for sick leave take effect on July 1, 2019. The “cap” of 480 hours effectively eliminates any ability for MCEG employees to cash out sick leave on an annual basis as current language only permits a cash out of sick leave accrual above 480 hours. The 480 hours cap also creates a disparity between supervisory and managerial employees in that regard. In December 2018, the Board adopted language for the Supervisory Unit that incrementally reduces the maximum sick leave accrual cap to 480 hours but permits employees to continue to receive monthly sick leave credit beyond that accrual cap during the succeeding calendar year to a maximum of 576 hours but requires hours in excess of 480 be surrendered at the end of each calendar year with an equivalent value contributed into a 401 (a) account. Adopting the same language for the MCEG employees will provide an equitable standard that staff will seek in all future bargaining with other units as well.

To effectuate this change, Management proposes to modify PRP Article 13 – Paid Leaves of Absence, Section 13.03(A)(3)(C) – Sick Leave – Sick Leave Accrual - Maximum Accumulation – as described above. This modification would permit the additional sick leave credits above 480 hours to 576 hours but require any sick leave in excess of 480 hours to be surrendered at the end of the calendar year and an amount equal to the value of the surrendered sick leave hours will be equivalent value deposited by SacRT into a 401 (a) account for the employee. Employees will be required to enroll in the SacRT 401(a) plan in order to receive this employer paid contribution.

The implementation of this change would supersede the current provisions found at Article 13 – Paid Leaves of Absence - Section 13.03(A)(6) – Sick Leave - “Stay Well” Incentive Plan and Section 13.03(A)(8) – Sick Leave - Sick Leave to Deferred Compensation or Cash Payment.

Staff recommends approval of these modifications and authorization for the General Manager/CEO to execute and implement the changes effective July 1, 2019.

RESOLUTION NO. 19-05-_____

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

May 13, 2019

**APPROVING MODIFICATIONS TO THE PERSONNEL RULES AND PROCEDURES
AFFECTING UNREPRESENTED EMPLOYEES COMMONLY REFERRED TO AS
MANAGEMENT AND CONFIDENTIAL EMPLOYEE GROUP (MCEG) EMPLOYEES**

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

THAT, Article 8 - Employee Pay Plan, Section 8.04(B)(1) - Pay for Performance Merit Increase of the Personnel Rules and Procedures for Employees in MCEG classifications is modified whereby the annual merit pay increase is reduced from 5.0% to 3.0%.

THAT, Article 13 – Paid Leaves of Absence, Section 13.03(A)(3)(C) – Sick Leave – Sick Leave Accrual - Maximum Accumulation is modified whereby an employee may accrue up to a maximum of 576 hours of sick leave. Any accrued sick leave at the end of a calendar year that exceeds 480 hours will be surrendered with an equivalent cash value to the surrendered sick leave hours will be deposited into a 401(a) account for the employee.

THAT, Article 13 – Paid Leaves of Absence - Section 13.03(A)(6) – Sick Leave - “Stay Well” Incentive Plan and Section 13.03(A)(8) – Sick Leave - Sick Leave to Deferred Compensation or Cash Payment is deleted.

THAT, the General Manager/CEO is hereby authorized to execute and implement the modifications to the Personnel Rules and Procedures as described above.

PATRICK KENNEDY, Chair

A T T E S T:

HENRY LI, Secretary

By: _____
Cindy Brooks, Assistant Secretary