

**CITY OF CAPE MAY, COUNTY OF CAPE MAY, STATE OF NEW JERSEY**

**RESOLUTION NO. 209-07-2021**

**RESOLUTION APPROVING A MEMORANDUM OF AGREEMENT  
BETWEEN THE CITY OF CAPE MAY AND THE GOVERNMENT  
WORKERS UNION, MIDDLE MANAGEMENT UNIT, AND  
AUTHORIZING THE EXECUTION OF A NEW COLLECTIVE  
NEGOTIATIONS AGREEMENT BETWEEN THE PARTIES COVERING  
THE PERIOD JUNE 1, 2018 THROUGH DECEMBER 31, 2021**

**WHEREAS**, the City of Cape May (the City) and UAW Local 2327 (the UAW) were parties to a collective negotiations agreement covering Middle Management employees employed by the City of Cape May, which expired December 31, 2016; and

**WHEREAS**, beginning in or around 2017, the Middle Management unit was thereafter represented by the Government Workers Union (the GWU); and

**WHEREAS**, the City and GWU engaged in negotiations for an collective negotiations agreement; and

**WHEREAS**, the City and the GWU were able to reach a tentative Agreement, a copy of which is attached hereto; and

**WHEREAS**, the Mayor and City Council reviewed and discussed the tentative Agreement between the City and the GWU at a closed session held on Tuesday, July 6, 2021; and

**WHEREAS**, the GWU has already approved the tentative agreement; and

**WHEREAS**, the City Council desires to approve the tentative Agreement; and

**WHEREAS**, the City desires that the approved terms of the tentative Agreement be included in a new collective negotiations agreement between the City of Cape May and Government Workers Union;

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Cape May, County of Cape May, State of New Jersey, with the foregoing recital paragraphs incorporated herein, as follows:

1. The statements in the preamble are hereby incorporated as if restated herein.
2. The Memorandum of Agreement between the City of Cape May and Government Workers Union, representing Middle Management employees of the City of Cape May covering the period June 1, 2018 through December 31, 2021, a copy of which is attached hereto, is hereby approved and the Mayor and City Clerk are hereby authorized, directed and empowered to execute said Agreement on behalf of the City of Cape May as well as a final collective negotiations

agreement incorporating such changes, subject to final editing as may be approved by City Manager and Labor Counsel.

3. The City Clerk is further authorized, directed and empowered to seal said Agreement with the seal of the City of Cape May.

I, Erin C. Burke, City Clerk of the City of Cape May, County of Cape May, State of New Jersey, do hereby certify the foregoing is a correct and true original Resolution adopted by the City Council of the City of Cape May at a meeting held on July 20, 2021.



Erin C. Burke, City Clerk

Roll Call	Ayes	Nays	Absent	Abstain	Motion	Second
Baldwin	X					
Bezaire			X			
Meier	X				X	
Sheehan	X					X
Mullock	X					

cc: GWU

**MEMORANDUM OF AGREEMENT**

**CITY OF CAPE MAY  
AND  
GOVERNMENT WORKERS UNION  
for  
MIDDLE MANAGEMENT  
NEW AGREEMENT WITH GWU**

1. PREAMBLE

This Agreement, entered into this 13<sup>th</sup> day of July, 2021, by and between the City of Cape May, in the County of Cape May, New Jersey, a Municipal Corporation of the State of New Jersey, hereinafter called the "CITY", and Government Workers Union, Middle Management, hereinafter called "UNION" represents the complete and final understanding on all of the bargainable issues between the City and the Union.

2. ARTICLE 1 – RECOGNITION

The City of Cape May, New Jersey recognizes the Government Workers Union as the exclusive collective negotiating agent for all regularly employed, middle management employees of the City of Cape May, which positions presently include Chief Water Treatment Plant Operator, Assistant Superintendent of Public Works, Supervisor of Water and Sewer, Purchasing Agent, Supervisor Building and Grounds, Supervisor Public Works, Building Sub-Code Official but excluding all professional, and craft employees, police, seasonal employees, and supervisors within the meaning of the Act.

3. ARTICLE 2 – MANAGEMENT RIGHTS

Revise as attached.

4. ARTICLE 3 – GRIEVANCE PROCEDURE

Revise as attached.

5. ARTICLE 4 – SENIORITY

4.1 Eliminate "Administrator or his/"

6. ARTICLE 5 – UNION REPRESENTATIVES

No change from UAW Agreement 5.1, 5.2, 5.3  
Add the following:

5.4 One (1) shop steward may be appointed or elected by members of the Union to represent the Union in grievances and other business with the City. In addition, one local representative may be appointed or elected by the union to assist the shop stewards or represent any member of the Union when their shop steward is unavailable.

5.5 Shop stewards and/or members of the negotiating committee shall suffer no loss of regular pay when required to take time off to perform their duties as stewards. Each steward shall notify his supervisor prior to leaving the job.

5.6 On any occasion where a steward is required to take more than one hour off to perform said duties in any one day, he shall, within seventy-two (72) hours thereafter provide the chief executive of the City or a designated representative a written statement of how much time was utilized for said duties.

7. ARTICLE 6 – HOURS & OVERTIME  
See attached.

8. ARTICLE 7 – HOLIDAYS

No change from UAW Agreement.

9. ARTICLE 8 – VACATIONS

8.4 – delete “of shorter duration” from last sentence.

No other changes.

10. ARTICLE 9 – HEALTH BENEFITS

See Attached.

11. ARTICLE 10 – SICK LEAVE, DISABILITY & BEREAVEMENT

10.1(3) ADD “civil union partner”

10.1(5) – Revise to read “Disability leave shall be provided in accordance with applicable law.”

10.2(1) Add “Sick leave will be prorated and credited for the months of actual service during the last year of employment.”

10.2(3) add “except as provided for upon retirement pursuant to paragraph 10.6”

10.2(4) revise to read “Eight (8) hours shall be deducted from an employee’s sick leave balance for each one day of sick leave utilized. Four (4) hours shall be deducted from an employee’s sick leave balance for each one-half day of sick leave utilized. Sick leave can be utilized in hourly increments, subject to approval of the employee’s department head and reasonable advance notice.”

10.5 – Change to 32 hours and Eliminate last sentence.

12. ARTICLE 11 – SALARIES & COMPENSATION

Revise Article to read as attached.

13. ARTICLE 12 – LONGEVITY

Effective January 1, 2019, longevity shall be eliminated, except that Joe Smith shall be eligible for longevity as agreed upon for the duration of this Agreement and, thereafter, it shall be eliminated. Mr. Smith's longevity is calculated into his base salary number set forth in Article 11. No employees hired or promoted into this unit shall receive longevity.

14. ARTICLE 13 – FAMILY LEAVE

Revise to read: Family/Medical Leave of Absence will be granted in accordance with the provisions of the "Federal Family and Medical Leave Act" (FMLA) and the provisions of the "New Jersey Family Leave Act" (FLA) and the regulations promulgated pursuant to those statutes. Eligible employees may receive up to twelve (12) weeks of leave per year (FMLA) or twelve (12) weeks every twenty-four (24) months (FLA). The circumstances under which leave may be taken vary depending on the type of leave requested and the City will grant leave for each statute, and judicial decisions interpreting the requirements of each statute. Employees taking leave pursuant to the FMLA or FLA Leaves will be required to use accrued sick leave, vacation, and personal leave concurrent with the approved leave. The City retains all rights to require proper certification from a health care provider pursuant to all applicable laws.

15. ARTICLE 14 – NOTICE OF JOB OPENINGS

Revise to read:

- A. One bulletin board shall be made available by the City at City Hall for the purpose of posting Union announcements and other information of a non-controversial nature. The chief executive of the City or a designated representative may have removed from the bulletin board any material which does not conform with the intent and provision of this Article.
- B. The City agrees to post notices of all middle management and upper management job openings on officially designated bulletin boards in the relevant departments at least ten (10) working days prior to the date for filling of said openings.

16. ARTICLE 15 – WORK RULES

No change from UAW Agreement.

17. ARTICLE 16 – NO STRIKE PLEDGE

No change from UAW Agreement.

18. ARTICLE 17 – NON-DISCRIMINATION

Paragraph 17.1 Revise: There shall be no discrimination by the City or the Union against an employee based upon the employee's race, creed, color, national origin, nationality, ancestry, age, sex (including pregnancy), familial status, marital status, domestic partnership or civil union status, affectional or sexual orientation, gender identity or expression, atypical hereditary cellular or blood trait, genetic information, liability for military service, and mental or physical disability, perceived disability, and AIDS and HIV status.

19. ARTICLE 18 – WORKING CONDITIONS

No change. Clothing allowance for Chief Water Treatment Plant Operator, Supervisor of Water and Sewer, Supervisor of Building and Grounds, Supervisor of Public Works and Assistant Superintendent of Public Works - \$750. No other clothing allowances

20. ARTICLE 19 – DUES CHECKOFF AND REPRESENTATION FEE

Paragraph 19.1 – Revise to read “The City agrees to deduct from the salaries of its employees subject to his Agreement dues for the Union. Said monies together with records of any corrections shall be transmitted to the Union office by the fifteenth (15<sup>th</sup>) of each month following the monthly pay period in which deductions were made.”

Add 19.4, the City and Union agree to abide by the provisions set forth in the Workplace Democracy Enhancement Act and any amendments or relevant caselaw interpreting, altering or abolishing said Act.

21. ARTICLE 20 – SEVERABILITY AND SAVINGS

No change from UAW Agreement

22. ARTICLE 21 – FULLY BARGAINED PROVISIONS

Article shall read as follows:

A. This Agreement represents and incorporates the complete and final understanding and settlement by the parties on all bargainable issues that were or could have been the subject of negotiations.

B. While neither party shall be required to negotiate or reopen any matter that is or could have been included herein during the term of this Agreement, the parties may, by mutual consent set forth in writing, discuss and revise the Salary Ranges attached hereto as Appendix B. Any such revision that may be proposed

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shall have no effect unless it is ratified by both parties in the same manner by which this Agreement has been ratified. The intent and purpose of this paragraph is to give the parties opportunity to review and revise salary ranges to keep them competitive and current.

23. ARTICLE 22 - DURATION

June 1, 2018 through December 31, 2021

24. ARTICLE 23 - STIPENDS

Memorialize current stipends and eliminate Stipend Agreement.

City proposes the Water/Sewer License Stipends as attached.  
The Position of Chief Water Treatment Plant Operator shall not be eligible for these stipends.

25. APPENDIX "A" - FLEX CARE MEDICAL OPTIONS

No change from UAW Agreement.


This Agreement shall be subject to ratification by the GWU and approval of the City Council of the City of Cape May. The bargaining committees of the City and GWU agree to recommend this agreement to their respective constituencies.

FOR THE CITY



ZACHARY MULLOCK  
MAYOR

FOR GWU



David L. Tucker  
President

**ARTICLE 2 – MANAGEMENT RIGHTS**

A. The City hereby retains and reserves unto itself, without limitation, but subject to applicable rules and regulations of the Civil Service Commission, all powers, rights authority, duties and responsibilities conferred upon and vested in it by the laws and Constitution of the State of New Jersey and of the United States of America, including but without limiting the generality of the foregoing, the following rights:

1. To the executive management and administrative control of the City Government and its properties and facilities and the activities of its employees.
2. To hire all employees and, subject to the provisions of law, to determine their qualifications and conditions for continued employment or assignment, and to promote and transfer employees.
3. To suspend, demote, discharge or take other disciplinary action for good and just cause according to law.
4. To supervise employees and assign tasks to employees.
5. To determine the size and qualifications of the workforce.
6. To determine and change the methods by which its operations are to be carried out.

B. The exercise of the foregoing powers, rights, authority, duty and responsibilities of the City, the adoption of policies, rules, regulations and practices in furtherance thereof, and use of judgment and discretion in connection therewith shall be limited only by the specific and express terms hereof and by conformance with the Constitution and laws of New Jersey and the United States.

C. Nothing contained herein shall be construed to deny or restrict the City of its powers, rights, authority, duties and responsibilities under N.J.S.A. 40:1 et seq., N.J.S.A. 40A:1, et seq., N.J.S.A. 11:1, et seq., N.J.S.A. 11A:1, et seq., any other national, state or county law or administrative code.



**ARTICLE 3 - GRIEVANCE PROCEDURE**

A. Purpose and Definition:

The purpose of this procedure is to secure, at the lowest level possible, equitable solutions to workplace issues. The employer and the Union shall freely communicate in an effort to resolve all issues at the earliest possible level of this procedure.

1. With regard to employees, the term "grievance" as used herein means an appeal by an individual employee, group of employees, or shop steward who shall also be an employee, from the interpretation, application or violation of policies, agreements, and administrative decisions affecting them. With regard to the City, the term "grievance" as used herein means complaint or controversy arising over the interpretation, application or alleged violation of the terms and conditions of this Agreement.
  2. With respect to employee grievances, no grievance may proceed beyond step 1 herein unless it constitutes a controversy arising over the interpretation, application or alleged violation of the terms and conditions of this Agreement. Disputes concerning terms and conditions of employment controlled by statute or administrative regulation, incorporated by reference in this Agreement either expressly or by operation of law, shall not be processed beyond step 1 herein.
  3. In the event an employee selects Civil Service/D.O.P. Procedure with regard to all matters which are appropriate for such procedures, the employee shall not have the right to arbitration on such matters.
- B. Both parties shall disclose to the other, upon request, all information relevant to the examination of issues in a grievance.
- C. The following constitutes the sole and exclusive method of resolving grievances between the parties covered by this Agreement and shall be followed in its entirety unless any step is waived by mutual consent.
1. Step One. The aggrieved employee, through the shop steward or the union, shall present the grievance, in writing, within ten (10) working days of the date of occurrence, or within ten (10) working days of when the employee should have reasonably known of its occurrence, to the City Manager. The City Manager shall have ten (10) working days to respond, in writing, to the matter. Failure to act within said ten (10) working days shall be deemed to constitute an abandonment of the grievance.
  2. Step Two. If the grievance is not resolved at Step Two, and said grievance is not barred from arbitration, either party may submit the matter for arbitration to the Public Employment Relations Commission (PERC) within ten (10) working days after the expiration of Step Two.

- i. Nothing in this Agreement shall be intended to compel the Union to submit a contractual grievance to arbitration. The Union's decision to submit the contractual grievance to arbitration shall be based on the considered merit and viability of the contractual grievance.
  - ii. The Arbitrator shall be selected in accordance with PERC procedures and rules.
  - iii. The Employer and the Union shall attempt to stipulate facts and issue(s) for the Arbitrator's consideration.
  - iv. The decision of the arbitrator shall be final and binding upon the employer, the union and the grievant(s) to the extent permitted by law and this Agreement.
  - v. The arbitrator shall be bound and governed by the provisions of this Agreement and restricted to the application of the facts presented to him in the grievance. The arbitrator shall not have the authority to add to, modify, detract from or alter in any way the provision of this Agreement or any amendment or supplement hereto and shall confine his/her decision solely to the interpretation and application of this Agreement. In addition, he/she shall confine himself/herself to the precise issue submitted for arbitration and shall have no authority to determine any other issues not submitted.
  - vi. The cost of the arbitrator shall be borne equally by the City and the Union. Any additional costs shall be paid by the party incurring same.
  - vii. The cost of a transcript of the arbitration proceeding, if any, shall be borne by the party requesting such transcript. If both parties desire a transcript, the cost shall be shared equally.
3. If a decision is not rendered within the time limits prescribed for decisions at any step in the grievance procedure, then the grievance shall be deemed to have been denied. Nothing herein shall prevent the parties from mutually agreeing to extend the time limits from processing the grievance at any step in the grievance procedure.
  4. Any grievance not presented or appealed in accordance with the applicable time limits or other requirements listed above shall be automatically foreclosed and considered either abandoned or settled according to the last response given.

**ARTICLE 6**  
**HOURS & OVERTIME**

6.1 The work schedule for middle management shall be determined by the requirements of the job. The minimum number of hours and schedule for all such employees shall be as follows:

A. For middle managers in the Departments of Public Works, the regular work schedule shall be the same as the regular work schedule for all other Public Works employees as set forth in its collective bargaining agreement with the City.

B. For middle managers in the Departments of Water and Sewer, the regular work schedule shall be the same as the regular work schedule for all other Water and Sewer employees as set forth in its collective bargaining agreement with the City.

C. For all other middle management employees, the normal work schedule shall be the same as the regular work schedule for the Cape May City Clerical and White Collar Workers as reflected in its collective bargaining agreement with the City.

6.2 Notwithstanding the requirements in Section 6.1, all middle managers are expected to work the days and hours required for the normal execution of their management responsibilities. The parties have a history of treating employees in this unit as "exempt" for the purposes of receiving overtime compensation. The City and GWU have engaged in discussions regarding this issue and it appears, after a good faith assessment, that the employees, with few exceptions, still meet the test for being considered exempt. Therefore, in the event that such employees work in excess of the minimum hours required for a normal work schedule, these exempt employees are not entitled to receive any additional compensation except as provided for except that the certain titles shall be deemed "non-exempt" for the purposes of receiving overtime under the Fair Labor Standards Act. Employees working in "non-exempt" titles shall receive overtime compensation at a rate of one and one half times the employee's regular rate of pay for all hours actually worked in excess of forty (40) hours per work week.

For the purposes of receiving overtime compensation, the employees who currently occupies the title of Purchasing Agent/~~IT Specialist~~ and Building Sub-Code Official would be considered non-exempt. All other titles are considered "exempt."

6.3 Employees are required to report to work if called during an emergency, including City emergencies that are not a Federal or State state of emergency, i.e., sewer line break, subject to exceptions for vacations, illness and other justifiable reasons.

6.4 By mutual agreement between any non-exempt employee and department head, flexible hours of work may be permitted to accommodate occasional circumstances where it is to the benefit of the employee or City or both for work to be performed at times other than the regular schedule of work set forth in 6.1 above. Any such short term agreement for flexible hours that results in more or less work hours than those set forth in Section 6.12 above on any given day, ~~or work week, or pay period~~ shall be made up during the same day or work week, calendar year; ~~unless in the last two (2) weeks of the calendar year, in which case it shall be made up during the same or next pay period.~~ For example, the City may request an employee to work additional hours on one day,

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with the employee agreeing to take the exact number of hours in time off on another day in the same ~~or next pay period~~ work week. Similarly, an employee may request a department head to permit hours off on one day by agreement to work the exact number of hours in addition to the regular work schedule on another day in the same ~~or next pay period~~ workweek. Use of such flexible hours shall not result in additional pay or loss of pay to an employee, nor shall any leave balances be increased or reduced.

Add new 6.5 "If City Hall is closed due to a state of emergency as declared by the Federal, State or County or City, the employees who work will be paid for the time they could not work, not to exceed eight hours. Those who do work will also be paid for the same hours as those who do not work plus an additional time and one-half (1 ½) for the hours worked."

Add new 6.6 "Recall to duty. It is ~~recognized by the parties that, while not a specific title in this bargaining unit, the current Purchasing Agent also provides IT Services through a separate agreement. That individual shall also receive a minimum of 4 hours compensation in accordance with paragraph 6.2 for all IT related work performed when he is recalled to duty, provided said recall duty is not contiguous with his normal shift. The City shall have the right to assign other work should the emergency or other reason for the call in be less than the four (4) hour call in time.~~

In addition, any employee who in this unit who is deemed "non-exempt" for the purposes of receiving overtime and is recalled to duty shall receive four (4) hours of call in time in accordance with paragraph 6.2 provided said recall duty is not contiguous with his normal shift. The City shall have the right to assign other work should the emergency or other reason for the call-in be less than the four (4) hour call in time."

30,000-34,999.99	10.00%	6.00%	5.00%
35,000-39,999.99	11.00%	7.00%	6.00%
40,000-44,999.99	12.00%	8.00%	7.00%
45,000-49,999.99	14.00%	10.00%	9.00%
50,000-54,999.99	20.00%	15.00%	12.00%
55,000-59,999.99	23.00%	17.00%	14.00%
60,000-64,999.99	27.00%	21.00%	17.00%
65,000-69,999.99	29.00%	23.00%	19.00%
70,000-74,999.99	32.00%	26.00%	22.00%
75,000-79,999.99	33.00%	27.00%	23.00%
80,000-84,999.99	34.00%	28.00%	24.00%
85,000-89,999.99	34.00%	30.00%	26.00%
90,000-94,999.99	34.00%	30.00%	28.00%
95,000-99,999.99	35.00%	30.00%	29.00%
100,000-109,999.99	35.00%	35.00%	32.00%
110,000 and over	35.00%	35.00%	35.00%

The percentages listed shall be the percentage of the premium that the employee/retiree is required to contribute. Employees with 20 years as of June 20, 2011 are not required to contribute. The contribution shall not be less than 1.5% of the employee's salary or the retiree's pension.

#### 9.7 Opt-Out.

1. Any employee enrolled in the City's health insurance coverage plan may elect to waive all coverage, provided proof of coverage through another source can be demonstrated. Participation in this program is voluntary. Employees who waive all coverage shall receive payment which shall not exceed 25%, or \$ 5,000, whichever is less, of the amount saved by the City because of the employee's waiver of coverage. An employee who waives coverage shall be permitted to resume coverage under the same terms and conditions as apply to initial coverage if the employee ceases to be covered through the employee's spouse or civil union partner for any reason, including, but not limited to, the retirement or death of the spouse or divorce. An employee who resumes coverage shall repay, on a pro rata basis, any amount received which represents an advance payment for a period of time during which coverage is resumed. An employee who wishes to resume coverage shall file a declaration with the City, in such form as the City shall prescribe, that the waiver is revoked. The decision of the City to allow its employees to waive coverage and the amount of consideration to be paid therefor shall not be subject to the collective bargaining process.

**ARTICLE 9 – HEALTH BENEFITS**

- 9.1 The City shall continue to provide and maintain group health benefits coverage and dependent coverage for all permanent full time employees beginning on the first of the month following sixty days of employment, as presently offered through the New Jersey State Health Benefits Plan (SHBP). Employees shall be responsible for a cost contribution as set forth in paragraph F below.
- 9.2 The City shall have the right to change health benefits carriers so long as substantially similar benefits are provided.
- 9.3 The City shall provide disability leave protection after a fourteen (14) day waiting period (sickness and accident) after which the employee will receive up to seventy (70%) percent of lost earnings up to the weekly benefit amount established by the State of New Jersey for twenty-six (26) weeks.
- 9.4 Upon retirement after 25 years of service to the City (or 27 years of service to the City for employees hired on or after January 1, 2010), the City will pay the cost of health benefit coverages available for retirees to supplement Medicare or any other health benefits to which the retiring employee may be entitled for the lifetime of the retiring employee and the employee's spouse at the time of retirement. The health plan for retirees shall reflect a lifetime limit as provided for under the specific health plan selected by the retiree. The employee shall be required to pay a cost contribution as set forth in paragraph F below unless the employee had 20 years of service as of June 20, 2011. Retirees and their eligible dependents shall receive the same coverage in effect for current employees, not the benefits in effect at the time of retirement.
- 9.5 The City shall provide the New Jersey Direct 15 Option for all employees, subject to the cost contribution set forth in paragraph F. An employee may select any other option other than the Direct 15, if there are additional costs they will be paid by the employee. Such additional costs may be reimbursed through the City's Flex Care Program. All plans provided by the City shall be without a prescription drug program, but will include prescription reimbursement under the plan's deductible and co-insurance limits (the "SHBP w/o Prescription"). In the event the options available under the SHBP change, the City shall designate the option that is most comparable to Direct 15 as the option that will continue to be offered.
- 9.6 All employees and retirees shall be required to contribute to the cost of health benefits in accordance with the following chart:

<b>Salary/Pension Range</b>	<b>SINGLE</b>	<b>M/S &amp; P/C</b>	<b>FAMILY</b>
less than 20,000	4.50%	3.50%	3.00%
20,000-24,999.99	5.50%	3.50%	3.00%
25,000-29,999.99	7.50%	4.50%	4.00%

2. The opt-out payment provided shall be paid in equal quarterly payments and processed through payroll with appropriate deductions made from the gross incentive amount.

3. The incentive shall begin to be paid to the employee no later than the first quarter after the effective date of the option.

4. There shall be no opt out for spouses, civil union partners or relatives where one is a dependent if both are employed by the City of Cape May. Similarly, restrictions on duplicative coverage under State law also apply.

5. An employee who waives health benefits under this Article shall not be entitled to any health insurance benefits including, without limitation, participation in the Flex Care Program.

9.8 The City also provides a Flex Care Program to those qualified employees. This program is shown in Appendix "A". Qualified employees shall provide receipts for items covered under this program.

9.9 Pursuant to State law, the City shall provide employees two (2) Section 125 plan benefits for pre-tax deductions for health benefit contributions made equally over twenty-six (26) pay periods of each calendar year in accordance with the City's customary payroll practices as established under a "Premium Option Plan" (POP) and a Flexible Spending Account (FSA).

9.10 In the event the health insurance plans offered by the City are in excess of the maximum amount permitted under the Affordable Care Act without triggering the excise tax (which is presently scheduled to be \$10,200 for single coverage and \$27,500 for family coverage beginning in 2020) the parties agree to meet prior to January 31, 2019 to discuss implementation of a new plan that will be below that maximum amount. If the parties are unable to agree to a new plan, the City shall be authorized to provide a new plan which will be below the maximum amounts permitted under the Affordable Care Act and such plan selected and provided by the City shall be deemed to satisfy the "substantially similar" contract provision regarding the provided coverage. The City may continue to offer its then current plan or another plan whose cost is in excess of the then maximum amount permitted under the Affordable Care Act. However, if an employee elects to be covered under such a plan, the employee will be responsible for any excise tax incurred by the employer as well as the amount of the premium cost in excess of the then maximum amount permitted under the Affordable Care Act and in addition to any other health care contributions already in effect under Chapter 78 or otherwise.

**ARTICLE 11**  
**SALARIES & COMPENSATION**

- 11.1 Anniversary dates for employees shall be their actual date of hire.
- 11.2 An employee who is hired into this bargaining unit, and has not worked for the City immediately prior to his/her employment in this bargaining unit shall receive contractual increases as follows:
- a. if the employee is hired on or before June 30 of a calendar year, the employee will receive the contractual increase as of the next January 1<sup>st</sup> following the date of hire;
  - b. if the employee is hired on or after July 1 of a calendar year, the employee will receive the contractual increase the next July 1 following the date of hire;
  - c. thereafter, all contractual raises will occur as set forth below in paragraph 11.3.
  - d. Employees who are members of this bargaining unit and are assigned to the Departments of Public Works and Water and Sewer are occasionally called into work. In consideration therefore, and notwithstanding the flexible hours afforded to such employees, nor the designation of any employee being "exempt" from receiving overtime, the employee shall have Two Thousand Seven Hundred Fifty (\$2,750.00) Dollars added to his base salary after contractual raises set forth below have been applied but shall not be considered base salary for the purposes of determining contractual increases. For example, if an employee's base salary is \$60,000 as of December 31, 2018, the contractual increase of 2% shall be applied to \$60,000 (\$61,200) and then the \$2,750 shall be added (\$63,950). The following year, the contractual increase of 2% shall be based upon \$61,200 (\$62,424) and then the \$2,750 shall be added (\$65,174).

In the event any employee receiving this compensation is deemed at a later date to be "non-exempt" this compensation shall be eliminated immediately upon such designation.

- 11.3 Contractual raises:  
Salaries to employees in this unit shall be provided, during the term of this Agreement, as follows:

	2018	2019	2020	2021
Dan Shustak	\$49,535	\$50,585	\$51,635	\$52,685
Jason Dilworth**	\$68,979	\$70,358	\$71,765	\$73,200**
Joe Smith*	\$63,600*	\$64,872	\$66,169	\$70,516
Len Benstead*			\$83,866 *	\$90,643
Joe Mendo***				\$78,500***



\* Salary effective upon date of promotion into this unit.

\*\*Salary effective as full time employee. As of the date of this MOA, employee has voluntarily moved to a part-time position. The hourly rate of that part time position is still being negotiated.

\*\*\*At the time of execution of this Agreement, Mr. Mendo has not yet been promoted. Promotion is anticipated and, therefore, this salary will be effective upon promotion to the title of Chief Plant Operator. This salary is inclusive of any and all stipends previously received and it is clear that as Chief Plant Operator, Mr. Mendo would not be entitled to any additional stipends for licenses/certifications as referenced in this Agreement.

11.4 In the event an employee is promoted into this unit on or after the date of this Memorandum of Agreement, the starting salary shall be negotiated with the union. Minimum starting (hiring) salaries for the contract years shall be established for each Management/Professional position based upon experience, skill level, and marketplace conditions.

**WATER/SEWER LICENSES**

Stipend for Water Treatment Licenses:

C-1/T-1/W-1 = \$450

C-2/T-2/W-2 = \$550

C-3 = \$650

The increase from level one to level two and level two to level three shall not be in addition to the lower level compensation but shall be in place of it. For example, if an individual holds a C-1 license (and receives \$450) and, thereafter receives a C-2 license, then the individual would be paid a total of \$550. Each type of license (C, T, W) shall each be eligible for the payment. For example, if an individual holds a C-1 and a T-1 license, the individual would receive a total of \$900. The amount shall be pro-rated for any portion of the year that the individual does not hold that license. Further, the employee shall NOT receive these incentive payments if the license is required for the employee to hold the job. In order to receive the stipend for the C-3 license, it must first be approved by the Superintendent of Public Works and the City Manager.  
Chief Water Treatment Plant Operator shall not be eligible for these incentives.