

A G R E E M E N T

BETWEEN

TOWNSHIP OF BERNARDS SEWERAGE AUTHORITY

and

**INTERNATIONAL UNION OF PRODUCTION,
CLERICAL AND PUBLIC EMPLOYEES, LOCAL 911**

January 1, 1998 through December 31, 2000

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PREAMBLE & RECOGNITION

A. THIS AGREEMENT, entered into this _____ day of _____, 1998, by and between the TOWNSHIP OF BERNARDS SEWERAGE AUTHORITY, in the County of Somerset (hereafter the "Employer"), and INTERNATIONAL UNION OF PRODUCTION, CLERICAL AND PUBLIC EMPLOYEES, LOCAL 911, duly elected representative (hereafter the "Union"), represents the complete and final understanding on all bargainable issues between the Employer and the Union.

B. The Township of Bernards hereby recognizes the Union as the exclusive bargaining agent for employees employed by the Authority, excluding all clerical employees, professional employees (including but not limited to laboratory supervisor), craft employees, confidential employees, managerial executives, and supervisors (including but not limited to Crew Chief, Assistant Superintendent) of the Authority in all those matters specifically provided for herein pertaining to wages, hours and conditions of employment.

C. The bargaining unit shall consist of all blue collar employees of the Authority.

D. Wherever used herein, the "employees" shall mean and be construed only as referring to Authority employees covered by this Agreement.

ARTICLE II -- MANAGEMENT RIGHTS

A. The Employer hereby retains and reserves unto itself, without limitation, all powers, rights, authority, duties and responsibilities conferred upon and vested in it prior to the signing of this Agreement by the laws and constitutions of the State of New Jersey and of the United States, including, but without limiting the generality of the foregoing and the following rights:

1. The executive management and administrative control of the Authority and its properties and facilities and activities of its employees utilizing personnel methods and means of the most appropriate and efficient manner possible as may from time to time be determined by the Authority.
2. To make rules of procedure and conduct, to use improved methods and equipment, to determine work schedules and shifts, as well as duties, to decide the number of employees needed for any particular time and to be in sole charge of the quality of the work required.
3. The right of management to make such reasonable rules and regulations as it may from time to time deem best for the purpose of maintaining order, safety and/or the effective operation of the Authority after advance notice thereof to the employees to require compliance by the employees is recognized.
4. To hire all employees, whether permanent, temporary or seasonal; to promote, transfer, assign, lay off or retain employees.
5. To set rates of pay for temporary or seasonal employees.
6. To suspend, discharge, demote or take any other appropriate disciplinary actions against any employee for just cause according to law.
7. Nothing contained herein shall prohibit the Authority from subcontracting or contracting out any work. In the event the Bernards Sewerage Authority decides to subcontract any or all of the work normally performed by the bargaining unit members and this subcontracting will result in the layoff of an existing member, the Authority will meet and confer with the Union and will make reasonable efforts to provide alternate employment for the affected members and review alternatives to subcontracting. The Authority shall make an attempt to have the contractor employ those employees in the affected area. In no way shall this language be interpreted to require negotiation obligation or reemployment elsewhere with the Authority.

8. The Employer reserves the right to all other conditions of employment not reserved to make such changes as it deems desirable and necessary for the efficient and effective operation of the Department involved.

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

C. Nothing contained herein shall be construed to deny or restrict the Employer of its rights, responsibilities and authority under N.J.S.A. 40:1-1 et seq. or any national, state, county or local laws or regulations.

D. The parties recognize that the exercise of managerial rights is a responsibility of the Authority on behalf of the taxpayers and that the Authority cannot bargain away or eliminate any of its managerial rights.

E. The Authority agrees to continue to follow those personnel policies not articulated in this Agreement unless they are changed by ordinance.

F. The Authority reserves the right to move to twenty-six (26) pay periods.

ARTICLE III -- MAINTENANCE OF WORK OPERATIONS

A. The Union hereby covenants and agrees that during the term of this Agreement, neither the Union nor any person acting in its behalf will cause, authorize or support, nor will any of its members take part in any strike (i.e., the concerted failure to report for duty or willful absence of any employee from his position, or stoppage of work, or absence in whole or in part, from the full, faithful and proper performances of the employee's duties of employment), work stoppage, slow-down, walk-out or other illegal job action against the Employer. The Union agrees that such action would constitute a material breach of the Agreement.

B. In the event of a strike, slow-down, walk-out or job action, it is covenanted and agreed that participation in any or all such activity by any Union member shall be deemed grounds for termination of the employee or employees.

C. The Union agrees that it will make every reasonable effort to prevent its members from participating in any strike, work stoppage, slow-down, or other activity aforementioned or from supporting any such activity by any other employee or group of employees of the Employer and that the Union will publicly disavow each action and order all such members who participate in such activities to cease and desist from same immediately and to return to work, and take such other steps as may be necessary under the circumstances to bring about compliances with the Union order.

D. Nothing contained in this Agreement shall be construed to limit or restrict the Employer in its right to seek and obtain such judicial relief as it may be entitled to have in law or in equity for injunction or damages, or both, in the event of such breach by the Union or by its members.

ARTICLE IV -- GRIEVANCE PROCEDURE

A. A grievance shall be a claim by an employee that said employee has been harmed by the interpretation or application of this Agreement. Merit pay determinations are not grievable.

B. A grievance to be considered under the procedure must be initiated in writing within five (5) work days from the time when the cause for the grievance occurred, and the following procedure shall be resorted to as the sole means of obtaining adjustment of the grievance.

C. Failure at any step of this procedure to communicate the decision on a grievance within the specified time limits shall permit the grievant to proceed to the next step. Failure at any step of this procedure to appeal a grievance to the next step within the specified time limits shall be deemed to be a waiver of further appeal of the decision.

Step 1. The grievance when it first arises, shall be written up on the Union grievance form and presented by the employee and Shop Steward or Assistant Shop Steward to Plant Superintendent. The Plant Superintendent shall within five (5) working days thereafter give a written decision on the grievance.

Step 2. If the decision given by the Plant Superintendent does not satisfactorily settle the grievance, the Union thereafter shall notify the Administrator within three (3) working days thereafter of its desire to meet with the Administrator or his/her designee, who shall meet with a representative of the Union within five (5) working days after receipt of such notice. The aggrieved and the Plant Superintendent may be present at the meeting. A written decision of the grievance will be transmitted to the Union within five (5) working days thereafter.

Step 3. Within (5) calendar days of the Administrator's or his/her designee's decision, the Association may apply to The Public Employment Relations Commission (PERC) for binding arbitration. The selection of an Arbitrator and the arbitration shall be in accordance with the rules and procedures of PERC. Simultaneously with the application to PERC, the Union will send notice to the Employer of its application for arbitration.

- a. The decision of the Arbitrator shall be in writing and shall include the reasons for such decision.
- b. The decision of the Arbitrator shall be binding upon the Employer and the Union employee.
- c. The parties direct the Arbitrator to decide, as a preliminary question, whether he has jurisdiction to hear and decide the matter in dispute.
- d. Only one issue at a time may be submitted to arbitration.

- e. The costs for the services of the Arbitrator shall be borne equally by Local 911 and the Authority. Any other expenses, including, but not limited to the presentation of witnesses, shall be paid by the parties incurring same.
- f. The Arbitrator shall be bound by the provisions of this Agreement and the constitutions and laws of the State of New Jersey and of the United States, and be restricted to the application of the facts presented to him involved in the grievance. The Arbitrator shall not have the authority to add to, detract from, or modify in any way the provisions of this Agreement or any amendment or supplement thereof.
- g. Grievance resolutions or decision at Step One or Two shall not constitute a precedent in any arbitration or other proceeding unless a specific Agreement to that effect is made by the Authority and Local 911.

D. The time limits expressed herein shall be strictly adhered to. If any grievance has not been initiated within the time limits specified, then the grievance shall be deemed to have been abandoned. If the grievance is not processed to the next succeeding step in the grievance procedure within the time limits prescribed thereunder, then the disposition of the grievance at the last preceding step shall be deemed to be conclusive. If a decision is not rendered within the time limits prescribed for decision 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 or contract the time limits for processing the grievance at any step in the grievance procedure.

E. It is understood that employees shall, during and notwithstanding the pendency of any grievance, continue to observe all assignments and applicable rules and regulations of the Authority until such grievance and any effect thereof shall have been fully determined.

F. The Chief Shop Steward or Assistant Shop Steward shall be permitted to attend grievance hearings without loss of pay and with the permission of the Administrator shall be permitted to handle grievance problems without loss of pay.

ARTICLE V -- SALARIES/CLOTHING

A. Compensation:

Effective January 1, 1998, the Employer will implement a merit matrix pay system for each year of the contract as described in Appendix A. The Authority shall set the overall payroll budget increase on a yearly basis with a guaranteed floor of three percent (3%) of the positions covered by the merit program. The merit matrix will set a policy for distributing the individual increases and bonuses on a yearly basis which is dependent on the distribution of performance and placement within the salary range as described in Appendix A. Merit increases and bonus determinations are not grievable. Supervisors would retain flexibility of rolling all, part or none of an individual's merit pay increases into base pay.

The salary range for the Wastewater Treatment Plant Operator is \$23,509.37 to \$39,182.29. This salary range will be updated for the January 1, 2000 increase. Since the salary range will be updated mid-contract, members have the opportunity to either adopt the proposed salary range or maintain the existing range prior to the January 1, 2000 increase date.

If the employment relationship is terminated prior to the year's end, the employee shall be entitled to the bonus portion of the compensation on a pro-rated basis based on the number of months worked in that year. The employee must work through the 15th of a month to be included as a month worked for the bonus calculation.

B. The Authority will authorize a non-participatory deferred compensation plan for all employees desiring same. Employee participation in the plan will be voluntary by authorized payroll deductions.

C. Clothing:

Each employee may request the necessary clothing and replacement from the Plant Superintendent. The Authority will provide budgetary funding for necessary clothing and safety equipment and their replacement as solely determined by the Authority. Effective January 1, 1998, employees shall be reimbursed for work shoes/boots up to \$100 per pair on an as needed basis. Employees shall obtain the approval of the Assistant Plant Superintendent prior to purchasing the new shoes/boots. Employees shall be paid the Thursday after an Authority meeting, provided the voucher for the boots is submitted the Wednesday before the scheduled Authority meeting.

ARTICLE VI -- HOURS OF WORK/OVERTIME

A. Working hours and daily schedules of employees will be arranged to fit the legitimate needs of the Authority. The Authority agrees to serve reasonable notice of such changes. There is no guarantee of overtime hours. Employees will be asked to work during non-scheduled periods when the necessities of the Authority demands such work. In administering the requirement to work overtime or to work non-scheduled periods, the Authority will make a reasonable effort to excuse employees who have personal commitments.

B. All hours worked in excess of forty (40) hours in a work week shall be compensated at time and one-half (1-1/2) the normal hourly rate for employees. All overtime shall be paid.

C. Seasonal employees employed by the Authority shall not be covered by the provisions of this section.

D. Vacations and holidays are to be considered time worked for purposes of determining premium pay, but sick time or personal time is not.

E. Accurate and complete time and attendance records will be maintained by each Plant Superintendent. The person in charge of the office, unit or activity will certify as to the accuracy of the time report or record, and submit it to the Administrator on the first of each month following the report period. Each employee must sign the time sheets to certify to hours worked (as per P.L. 93-259) except those employees who sign time cards as a normal procedure.

1. The work week is defined as beginning at 12:01 a.m. Monday and ending at 12:00 midnight Sunday.
2. The normal workday shall begin at 7:00 a.m. and end at 3:30 p.m., excluding a one-half hour unpaid lunch period.
3. The normal work week for full-time employees shall be forty (40) hours per week.
4. In order to properly maintain and operate the sewerage system, operators shall work four (4) hours on Saturday and four (4) hours on Sunday on a rotating basis. Compensation for this weekend shift shall be a day off during the week preceding the weekend to be worked. If a more frequent weekend schedule is required, overtime shall be paid.
5. The specific day off during the week shall be mutually agreed upon by the employee and the Plant Superintendent. Absent agreement, the Plant Superintendent shall make the decision.

F. Vacation and holiday time shall be considered time worked for the purpose of computing premium pay.

G. Employees, unless on regular or standby duty, shall receive a minimum of four (4) hours' pay for any call.

H. Opportunity to earn premium pay shall be rotated with the intention to provide equal opportunity for premium pay earnings within each class of employment, provided the employee is qualified, available and willing to perform the overtime assignment. However, the needs of the Authority to provide continued service shall permit the Plant Superintendent to assign employees as required to provide proper and adequate coverage for the operation and maintenance of the treatment plant.

I. The Authority shall provide breakfast and lunch whenever employees are called out at least two (2) hours prior to their regularly scheduled shift without notice. If prior notice is given, then only breakfast will be provided.

J. The Authority will provide a meal whenever employees are required to work at least two (2) hours beyond their regularly scheduled shift and after each subsequent continuous four (4) hours.

K. Employees shall be allowed a 15-minute break during the morning and during the afternoon, and adequate cleanup time at the end of the workday, as determined by the Plant Superintendent.

L. Overtime work will be kept to a minimum except in cases of emergency, and must be authorized in advance. The supervisor shall note the reasons for the granting of overtime on any time report required to be filed.

M. Overtime shall be computed and payment made on the following basis:

1. Fifteen (15) minutes or less -- No pay.
2. Sixteen (16) minutes through thirty (30) minutes -- one-half (1/2) hour's pay.
3. Thirty-one (31) minutes through sixty (60) minutes -- one (1) hour's pay.

N. Effective January 1, 1998, employees called into work as a result of beeper duty will not be required to forfeit the weekly seventy-five (\$75.00) dollar beeper pay.

ARTICLE VII – VACATIONS

A. Employees shall enjoy the following vacation schedule:

<u>Length of Continuous Service</u>	<u>Vacation Granted</u>
First Calendar year of Employment	
Date of hiring to December 31st	1 day for each month of service not to exceed ten days
 <u>In Subsequent Calendar Years</u>	
Less than 3 Years	10 days
3 years but less than 5 years	13 days
5 years but less than 10 years	15 days
10 years but less than 15 years	18 days
15 years but less than 20 years	20 days
20 years or more	1 day per year over the 20 year period (limit of 5 additional days)

Note: Monthly rates will apply for the full calendar year in which an employee's anniversary date will move him/her to the new tier (3, 5, 10, 20, 21, 22, 23, 24 years).

B. Any employee who is on unpaid leave of absence shall have his/her vacation leave for the year prorated for the time absent. Employees on worker's compensation shall not be prorated unless such leave exceeds six (6) months.

C. Changes in the scheduling of vacations will not be permitted without the prior approval of the Plant Superintendent or Administrator as appropriate.

D. If, because of an emergency as determined by management, an employee's vacation is canceled or not taken as scheduled, the vacation shall be rescheduled pending approval of the Plant Superintendent or Administrator as appropriate.

E. Preference as to vacation dates are to be determined by seniority of service (mutual agreement within each department) and approved by Plant Superintendent.

F. Vacations shall be taken in full week segments unless otherwise approved by the Plant Superintendent, but in no case in less than half day segments.

G. If an employee wishes vacation pay in advance of vacation period, then vacation schedules for each employee are to be submitted to the Administrator two (2) weeks before the vacation period.

H. The vacation granted to employees shall be based upon length of service as of their anniversary date as provided in Article VII Paragraph A. Vacation shall be taken during the calendar year.

I. The Authority strongly encourages employees to use all of their earned vacation during the current calendar year. However, if an employee is unable to use all of his or her vacation days, then the unused vacation may be carried over to the following year. An employee may carry over an amount not to exceed the previous year's vacation entitlement to the next year. Additional vacation time beyond the one year threshold shall be considered forfeited. The Township will notify employee prior to forfeiture.

J. At the time of separation from service, the employee shall be entitled to pay of any unused days of vacation credited on the leave record. If an employee takes vacation days during his/her last year of service which were not earned, he/she shall reimburse the Employer.

K. Unless specifically authorized by the Plant Superintendent or Administrator, in advance, extra compensation will not be allowed in lieu of unused vacation, as it is desired that each employee take advantage of the authorized annual vacation period for health, rest, relaxation and pleasure.

L. If an official holiday, as previously listed, occurs during an employee's vacation, the employee will be entitled to an additional vacation day in lieu of the holiday.

M. Temporary part-time or temporary full-time employees shall not be eligible for paid vacation leave.

ARTICLE VIII -- SICK LEAVE

A. Definition - Sick leave shall mean paid leave that shall be granted to an employee who:

1. Through sickness or non-job injury becomes incapacitated to a degree that makes it impossible for the employee to perform the duties of the employee's position;
2. Is quarantined by a physician because the employee has been exposed to a contagious disease;

B. Eligibility - Each full-time employee shall be eligible for sick leave. Temporary or part-time temporary employees are not entitled to benefits. The Plant Superintendent shall notify each employee at the time of hiring as to eligibility for sick leave.

C. Reporting

1. Employees reporting out sick shall report their absence as early as possible, but no later than 7 a.m. on the day the employee is sick to the Plant Superintendent. Failure to notify the Plant Superintendent before 7 a.m. will be considered an unexcused absence and may not be calculated as time worked for purposes of holiday pay. In addition, the unexcused absence may be subtracted from the employee's regular pay.
2. The employee reporting sick leave shall notify the supervisor of:
 - a. Nature of the illness
 - b. The telephone number where the employee may be contacted during sick leave;
 - c. The expected duration of sick leave, if known.
3. Failure to notify the Plant Superintendent as appropriate or his/her designated representative may be cause for denial of the use of sick leave for that absence and constitute cause for disciplinary action. An employee who is absent two (2) consecutive days or more and does not notify the immediate Supervisor as appropriate or designee any of the first two (2) days may be subject to dismissal.
4. After three (3) consecutive days of illness, or after more than five (5) days accumulated in a calendar year, or a continuous pattern of absence, the Administrator or Plant Superintendent may require a certificate of illness from a certified physician indicating diagnosis, prognosis, that the employee was unable to perform the duties of his/her job during his/her absence and, upon the employee's return, a certificate showing that he/she is now able to do so.

D. General: During protracted periods of illness or disability of an employee, the Plant Superintendent or Administrator as appropriate may require interim reports on the condition of the patient periodically from the attending physician and/or the Authority Medical Physician. When under medical care, employees are expected to conform to the instructions of the attending physician if they wish to qualify for salary payment during such period of illness or disability.

1. No employee shall be allowed to work and endanger the health and well-being of other employees. If the employee's condition warrants, the employee may be directed to the Authority Medical Physician for an opinion as to fitness for duty.
2. Sick leave with pay shall not be allowed under the following conditions:
 - a. When the employee, under medical care, fails to carry out the orders of the attending physician.
 - b. When, in the opinion of the Authority Physician, the employee is ill or disabled because of self imposed contributory causes.
 - c. When, in the opinion of the Authority Physician, the disability or illness is not of sufficient severity to justify the employee's absence from duty.
 - d. When the employee does not report to the Authority Physician, as directed.
3. The recommendation of the Authority Physician as well as those of the attending physician as to the justification for the absence from duty on account of disability or illness or of the fitness of the employee to return to duty shall be considered by the Plant Superintendent. The Plant Superintendent reserves the right, in such cases where there is a difference of professional opinion between the Authority Physician and the personal physician, to require the employee to submit to an examination by a third doctor to be mutually agreed to.
4. In charging an employee with sick leave, the smallest unit to be considered is one (1) hour of a working day.
5. Sick leave shall not be allowed for such things as ordinary dental care, nor for any other professional services that may be normally scheduled within the employee's regular off time. The utilization of sick leave for elective medical procedures will not be considered without sufficient medical evidence to substantiate the necessity of scheduling the medical or dental services during the work day.
6. Habitual absenteeism or tardiness may be cause for discipline up to and including discharge.

7. Any employee who calls in sick for the purpose of engaging in outside employment or who engages in outside employment while on sick leave shall be subject to immediate disciplinary action up to and including discharge.
8. In the event that an employee is eligible to receive state or federal disability payments, including Social Security, sick leave will be reduced to a rate such that the combination of sick leave and disability payments will equal the employee's normal compensation until sick leave is exhausted. As a prerequisite to receiving any benefits under this Article, an employee will be required to apply for state or federal disability benefits, including Social Security, and to furnish proof of such application to the Authority along with proof of receipt or denial of such benefits.

E. Amount of Leave

1. Full-time employees shall earn, during the first year of employment, one (1) day of sick leave for each month of employment. Any of these sick days which are not used by the employee will be carried into the following year.
2. Except as provided above each employee will have twelve (12) days available in each year. Any sick days not used will be added to the sick days available for the following year. The total amount that can be accumulated is unlimited.
3. If the amount of sick leave credit provided for under this policy has been or is about to be exhausted, an employee may make application to the Authority Committee for an additional allowance. The Committee shall make a determination on the application after reviewing all circumstances, including the employee's attendance record prior to the illness which necessitated the request.
4. Permanent Part-time employees working in excess of twenty (20) hours per week shall be entitled to a prorated number of hours per year for sick leave. This sick leave may be used in the year earned or can be accumulated from year to year the same as permanent full-time employees. Formula to be used after first year:
 - a. Multiply 2.4 times the number of hours scheduled each the week.
 - b. During the first year time will also be prorated for actual time of service.
5. Employees who provide a certification of prior public employment and their sick leave record may be credited with accumulated sick leave in accordance with the table in Paragraph 6 for the years of service prior to employment with the Authority.

6. Full-time employees hired prior to January 1, 1977, receive base sick leave in accordance with the following table:

<u>Length of Service (years)</u>	<u>Base Days Granted</u>
Less than One year	5
1 - 5	20
6 - 9	35
10 - 14	50
15 - 19	60
20 - 24	70
25 or more	75

F. Maternity Leave

1. Pregnancy is treated like any other condition for purposes of use of sick leave. If an employee chooses, they may opt to use none, a part, or all of their accumulated sick leave benefits in conjunction with maternity leave.
2. Maternity leave may be granted up to six (6) months from the last day worked, provided that the request for such leave is made in writing to the Department Head no later than the fourth month of pregnancy. This six (6) months shall include any sick leave used in connection with pregnancy, as set forth in Paragraph F. Maternity leave, if granted, except for such sick leave shall be without pay and employee benefits, except that the Authority will continue the Health Benefits Program for the employee and family during the period of such approved leave. The employee shall, however, be reinstated without loss of privileges or seniority accrued to the last day worked. Reinstatement may be in a comparable job at comparable pay if the employee's job has been permanently filled.
3. Any extension of the six (6) month leave can only be granted by Authority.

ARTICLE IX -- FUNERAL LEAVE

A. All regular full-time employees of the Authority shall be granted leave with pay not to exceed the lesser of three (3) working days or twenty-four (24) work hours in the event of a death in the immediate family or of a relative who resides with the employee. Notification shall be given to the immediate supervisor. Part-time employees are not eligible for paid funeral leave.

B. The term "immediate family" shall include only the spouse, child, parent, step-parent, brother, step-brother, sister, step-sister, grandparent, or grandchild of the employee or employee's spouse.

C. Reasonable verification of the event may be required by the Authority.

D. Such bereavement leave is not in addition to any holiday, regular day off, vacation leave or compensatory time off falling within the time of the bereavement.

E. An employee may make a request of the Plant Superintendent or the Personnel Officer for time off to attend a funeral separate and distinct from bereavement leave, which approval shall not be unreasonably withheld, and which time shall be charged as personal days or vacation days.

ARTICLE X -- INSURANCE

A. The Employer has the right to change insurance carriers or institute a self-insurance program so long as a substantially similar level of benefits are provided.

B. If an employee does not wish to be covered by the medical insurance programs and furnishes proof of substitute coverage through spouse's employment or other equivalent plan, the employee shall be permitted to opt out of participation in the Authority medical insurance program. In exchange for such non-participation the employee shall be entitled to receive, in December of each year, the sum of one thousand (\$1,000.00) dollars prorated for the number of months during the preceding year that the employee did not participate in the insurance plan. The employee may opt out of the insurance plans at any time, but may not rejoin until the next annual open enrollment period. Should the employee's substitute coverage lapse between the time he opts out of the Authority insurance plan and the next open enrollment, the Authority shall pay the cost (up to an amount equivalent to the Authority's standard plan of continuing substitute coverage under the COBRA provision) until the next open enrollment.

ARTICLE XI -- HOLIDAYS

- A. The Authority will designate twelve holidays per year.
- B. Such schedule shall be established each year at the Authority's organization meeting (eleven (11) regular, one (1) floating holiday). A date of floating holiday to be approved by Plant Superintendent.
- C. If a holiday falls on a Sunday, it shall be observed on the following Monday. If a holiday falls on a Saturday, it shall be observed on the preceding Friday.
- D. Should an official holiday occur while an employee is on sick or vacation leave the employee shall not have that holiday charged against sick or vacation leave.
- E. Any employee who is on leave of absence (i.e., Workers Compensation or other unpaid leave) shall not be eligible for paid holidays which fall during the employee's leave of absence. (i.e., Workers' Compensation, or other unpaid leave.)
- F. To be eligible to receive holiday pay, an employee shall work his regularly scheduled work day before the holiday and his regularly scheduled work day after the holiday, unless the employee is on an excused absence with pay.

ARTICLE XII -- WORKERS' COMPENSATION

- A. Employees who are injured, whether slightly or severely, while working, must make an immediate report within the work shift thereof to the Plant Superintendent.
- B. Employees may not return to work without a certification from the attending physician that he/she is capable of returning to work.

ARTICLE XIII -- MILITARY LEAVE

A. Any full-time employee who is a member of the National Guard, naval militia, Air National Guard or a Reserve component of any of the armed forces of the United States and is required to engage in field training shall be granted a military leave of absence with pay for the period of such training as is authorized by law. This paid leave of absence shall be in addition to his/her vacation.

B. When an employee not on probation has been called to active duty or inducted into the military or naval forces of the United States, he/she shall automatically be granted an indefinite leave of absence without pay for the duration of such active military service and all employee benefits shall cease. Such employee shall be reinstated without loss of privileges or seniority accrued to the last day worked, provided he/she reports for duty with the Employer within sixty (60) days following his/her honorable discharge from the military service and provided he/she has not voluntarily extended the length of his/her military service.

C. If the military service occurs during a time of declared war, reinstatement will be allowed up to three (3) months after the date of honorable discharge unless the employee is incapacitated at the time of discharge, in which case reinstatement will be allowed up to three (3) months following his/her recovery so long as the recovery occurs within two (2) years from the date of discharge.

ARTICLE XIV -- LEAVE OF ABSENCE WITHOUT PAY

Any employee may request a leave of absence without pay, not to exceed thirty (30) continuous calendar days for other than educational leave, and 120 days for educational leave, by submitting in writing all facts bearing on the request to his/her supervisor, who will append his/her recommendations and forward request to Employer. The Employer will consider each such case on its own merits, and a decision in one case shall in no event be deemed to have established a precedent in another. Any request for extension of time shall be at the discretion of the Employer. Such leave of absence shall not be deemed to be part of the term of employment. Holidays occurring within the period of an excused absence or leave of absence are part of the absence if the employee is not available for work. Such decision shall be non-grievable. Medical benefits will be available with the employee paying the cost for such coverage.

ARTICLE XV -- DISCRIMINATION AND COERCION

A. The Employer and the Union agree that there shall be no discrimination against any employee because of age, race, creed, color, religion, marital status, sex, or national origin.

B. The Employer and the Union agree that all employees covered under the Agreement have the right without fear of penalty or reprisal to form, join, and assist any employee organization or to refrain from any such activity. There shall be no discrimination by the Employer or the Union against any employee because of the employee's membership or non-membership or activity or non-activity in the Union.

ARTICLE XVI -- PROBATIONARY PERIOD

A. The probationary period is a stipulated time during which an employee learns the duties and responsibilities encompassed in a position and the Employer determines if the employee has the skills, experience, qualifications and the temperament to fulfill the specific duties and responsibilities.

B. The first ninety (90) days to one (1) year period of employment determined by the Administrator for all new and promoted employees shall be considered as a probationary period. During the probationary period it will be the responsibility of the Plant Superintendent or his designated representative to orient the employee in the duties and responsibilities of the position. At the commencement of employment the employee will be notified by the Administrator as to the length of the probationary period between ninety (90) days to one (1) year. The Administrator reserves the right to extend the probationary period for up to six (6) months.

C. If the probationary employee shall have been deemed to have successfully completed the probationary period, he/she shall be granted status as a permanent employee with all benefits, rights and privileges pertinent to employment in the Authority starting with the date of his or her initial employment.

D. Recently hired employees in their probationary period may be dismissed by the Administrator. Promoted employees in their probationary period shall be returned to their prior status by the Administrator at any time during or at the conclusion of the probationary period if, in the judgment of the Administrator, such an action would be in the best interest of the Authority. Dismissal or return to prior position within the ninety (90) days to one (1) year as determined by Administrator of the probationary period shall not be grievable.

E. During the first ninety (90) days to one (1) year probationary period as determined by the Administrator, a new employee will not be entitled to discretionary benefits including vacation, sick leave, or holiday-of-choice days; however, these days will be credited to the employee upon successful completion of the probationary period. Exceptions to this guideline may be granted by the Administrator based upon the performance of the employee.

ARTICLE XVII -- SEPARABILITY AND SAVINGS

If any provision of this Agreement or any application of this Agreement to any employee or group of employees is held to be contrary to law, then such provision or application shall not be deemed valid except to the extent permitted by law, but all other provisions or applications shall continue in full force and effect.

ARTICLE XVIII -- DEDUCTIONS FROM SALARY/AGENCY SHOP

A. The Authority agrees to deduct from the salaries of its employees, subject to this Agreement, dues for the Union. Such deductions shall be made in compliance with Chapter 123, Public Law of 1974, N.J.S.A. (R.S.) 52:14-15.9e as amended.

B. A check-off shall commence for each employee who signs a properly dated authorization card, supplied by the Union and verified by the Authority during the month following the filing of such card with the Authority.

C. If during the life of this Agreement there shall be any change in the rate of membership dues, the Union shall furnish to the Authority written notice thirty (30) days prior to the effective date of such change and shall furnish to the Authority either new authorizations from its members showing the authorized deduction for each employee, or an official notification on the letterhead of the Union and signed by the President of the Union advising of such changed deduction.

D. The Union will provide the necessary "check-off authorization" form and the Union will secure the signatures of its members on the forms and deliver the signed forms to the Authority.

E. Any such written authorization may be withdrawn at any time by filing of notice of such withdrawal with the Authority. The filing of notice of withdrawal shall be effective to halt deductions in accordance with N.J.S.A. 52:14-15.9e as amended.

F. Upon showing the Employer that every member of the bargaining unit is a dues paying union member, then any new employee or employee who ceases to be a dues paying member will pay a representation fee equal to eighty-five percent (85%) of the Union dues.

G. International Union of Production, Clerical & Public Employees, Local 911, shall establish and maintain at all times a demand and return system as provided by N.J.S.A. 34:13A-5.5(c) and 5.6, and membership in Local 911 shall be available to all employees in the unit on an equal basis at all times. In the event that Local 911 fails to maintain such a system or if membership is not so available, the Employer shall immediately cease making said deductions.

ARTICLE XIX -- OUTSIDE EMPLOYMENT

A. Employees shall not accept or engage in regular outside employment without receiving approval from the Plant Superintendent and the Administrator as appropriate.

B. Employees shall not accept outside employment or engage in a gainful occupation which in the judgment of the Administrator will compromise an employee's position with the Authority through a conflict of interest or will adversely affect the employee's ability to perform the duties of his position with the Authority.

C. Any employee who engages in outside employment shall complete a statement as required by the Administrator who will in turn forward this information to the Township Attorney and employee's Plant Superintendent for his review and recommendation. Such statement shall contain the name and address of the employer, hours worked and the nature of the work.

D. If there are any changes to the original statement submitted, a new statement is to be submitted for review as per paragraph C of this Article.

E. If an employee is rejected for outside employment, the Authority provide written reason(s) for denial.

ARTICLE XX -- JURY LEAVE

A. A regular full-time employee, who loses time from his job because of jury duty, shall be paid his regular pay. Part-time employees are not eligible for salary continuation during jury duty leave. Part-time employees will be given time off without pay while serving jury duty.

B. Jury duty pay will be calculated based on the base pay rate times the number of hours the employee otherwise would have worked on the days absent (up to a maximum of eight (8) hours per day). The employee shall turn over to the Authority any compensation received from jury duty.

C. An employee shall follow the following procedure:

1. The employee must notify his supervisor immediately upon receipt of a summons for jury duty.
2. An employee, released from jury duty on any day more than two (2) hours prior to the end of his normal work schedule, shall be required to report by telephone to his department head or the personnel officer. Normally, he will be expected to return to work.

3. Upon completion of jury duty, the employee shall obtain a certificate of Jury Service from the County Sheriff's Office showing the time spent away from the job.

ARTICLE XXI -- PERSONAL DAYS

A. Each employee will have available annually three (3) days of personal time. These will be granted at the discretion of the Plant Superintendent for the conduct of essential personal business such as but not limited to, the following:

1. Attending to family members during illness or other personal crisis, or requirement for health, welfare or education of spouse or children.
2. Closing on a home purchase, auto purchase, adoption, or other such legal business difficult to schedule on days off, or for major auto repair or servicing home.
3. Attending to religious or civic voluntary charitable matters or duties, such as civic service clubs, fire or rescue squad conferences, or religious order service.
4. Attending funerals, graduation, marriages, or such, of close friends or family members not provided for in the funeral leave article or other such leave policy.

B. Personal time will not accumulate from year to year. Any unused personal time will be added to the sick leave accumulation at the end of each year. Personal leave will be counted in at least one (1) hour segments.

C. It is not the intent of personal time to either extend vacation, or be taken for personal rest and relaxation purposes. The circumstances requiring the personal time must be communicated to and approved by the Plant Superintendent as being within these provisions.

ARTICLE XXII -- PERSONNEL RECORDS

A. A separate personnel file will be established and maintained for each employee of the Authority.

B. Personnel files are confidential records and will be maintained in the office of the personnel officer in a locked file. The files will be in two groups: "Active" representing employees on the payroll; and "Terminated" for employees no longer in the service of the Authority.

C. Only the mayor, township committee, township administrator, personnel officer, or township clerk may have access to any or all of the personnel files and such access shall be limited to legitimate personnel-related purposes. The personnel officer, or in his absence the township clerk, shall be responsible for controlling such access. The entire township committee shall be informed prior to any committee member accessing any such file. The department head may have access to only personnel files of employees within his department. Any employee may, at a reasonable time and in the office of the personnel officer, examine his personnel file. The authority attorney or other attorneys representing the Authority may have access to personnel files to the extent reasonably necessary to perform their duties.

D. Such records shall include: (a) dates of appointment; (b) promotions; (c) job titles; (d) salary history; (e) commendations; (f) disciplinary actions; (g) leaves of any type taken; (h) educational transcripts; (i) employment application; (j) physical examination; (k) annual performance appraisal forms; (l) letter of resignation; and (m) any other pertinent information or material.

E. The Plant Superintendent will furnish and continuously update information to the personnel officer for each employee in his department. Employees shall be notified of any negative information added to the personnel file.

F. Under no circumstances may any personnel file be removed from the municipal building, except that copies may be removed for use in legal proceedings.

G. All disciplinary notices and evaluation forms upon being placed in the file shall be reviewed and initialed by the employee as notification of such record. The employee may append a response to such notice within ten (10) calendar days of such placement in file.

ARTICLE XXIII -- SICK LEAVE INCENTIVE PLAN

A. Incentive Payment on Retirement: Upon retirement as defined in section 9-17(d) of the Personnel Policies, the Authority will make a cash payment of fifty (50%) percent of all sick leave earned from January 1, 1987 forward, less the amount taken, (excluding the credit for prior public employment pursuant to Article VIII Paragraph E(6)).

Payment will be based on the hourly rate at the time of retirement. If the number of hours worked per day changes during the employee's career, the calculation will be broken down to an "hour" unit rather than "day" unit.

Example 1: Bob was employed the same number of hours each day his entire career. He was hired by the Authority in January 1968. For the purpose of calculating Incentive Payment on Retirement, Bob worked a total of five (5) years from January 1987 until his retirement in December 1991. He had the good fortune of having only one (1) five (5) day illness during that time. He earned sixty (60) days of sick leave.

Bob's Calculation:

Days earned	60
Eligible for payment	60 * 50% = 30 days
Sick leave taken	<u>5 days</u>
Bob's days paid upon retirement	25 days

Example 2: Denise works three (3) years at eight (8) hours per day. Denise is then transferred to a position working seven (7) hours per day for two (2) years until retirement. Denise has two (2) sick days in the second year and one (1) sick day in the fifth year.

Denise's Calculation:

	<u>Time earned</u> (Days/Equivalent Hours)	<u>Time used</u> (Days/Equivalent Hours)
Year 1	12 days / 96 hours	0 days / 0 hours
Year 2	12 days / 96 hours	2 days / 16 hours
Year 3	12 days / 96 hours	0 days / 0 hours
****	Switch from eight (8) hour days to seven (7) hour days ****	
Year 4	12 days / 84 hours	0 days / 0 hours
Year 5	<u>12 days / 84 hours</u>	<u>1 day / 7 hours</u>
	60 days / 456 hours	3 days / 23 hours

Hours earned	456 hours
Eligible for payment	456 * 50% = 228 hours
Sick leave taken	<u>23 hours</u>
Denise's hours paid upon retirement	205 hours

B. Incentive Bonus: Employees who qualify for Incentive Payment on Retirement, as provided in Paragraph A, will be paid upon retirement, in addition to said incentive payment, for the following:

- (1) any accumulated sick days over eight (8) days in any year of accumulation for service between 1978-1986;
- (2) one third of the unused base sick leave days at time of retirement; and
- (3) any unused Personal Leave that has been added to the Incentive Bonus accumulation.

Example: Bob from Example 1 had fifty (50) days base sick leave in 1978 and used only two (2) days of Personal Leave. The following calculation is for Bob's payout for service from 1978 to 1986:

<u>Year</u>	<u>Earned - Used = Accumulated Sick Days 1978-86</u>	<u># Days over eight (8)</u>
1978	15 - 15 = 0 days	0
1979	15 - 1 = 14 days	6
1980	15 - 0 = 15 days	7
1981	15 - 7 = 8 days	0
1982	15 - 2 = 13 days	5
1983	15 - 4 = 11 days	3
1984	15 - 0 = 15 days	7
1985	15 - 1 = 14 days	6
1986	15 - 5 = 10 days	<u>2</u>
		36 days

On retirement, Bob would be eligible for an Incentive Bonus of:

36 days	from above calculation	Payout for service 1978-86
16.67 days	50 base sick leave days/3	Base sick leave
<u>13 days</u>	(5 years * 3 days/year) - 2 days used	Personal Leave
65.67 days		Total Incentive Bonus

Payment will be based on the hourly rate at the time of retirement. If the number of hours worked per day changes during the employee's career, the calculation will be broken down to an "hour" unit rather than "day" unit. The retiring employee will receive one check for the amount of both the Incentive Payment on Retirement and the Incentive Bonus.

C. **Death Benefit.** In the event of the death of an employee all incentive payments to which the employee was entitled will be paid to the beneficiary named under P.E.R.S. In addition, the Authority will make a Five Thousand (\$5,000.00) Dollar cash payment to the named beneficiary.

ARTICLE XXIV -- JOB VACANCIES

A. If new jobs are created or if permanent vacancies occur which the Employer intends to fill, the Employer shall determine the qualifications required for the position and shall post a notice of such job or vacancy on the bulletin board for a period of five (5) working days. Such notice shall contain a description of the job, the pay rate, and when the job will be available. The Employer may also seek candidates for the vacancy from non-union personnel. All candidates for the new job and/or vacancy must notify the Plant Supervisor or Personnel Officer in writing of their interest.

B. The most qualified candidate within this bargaining unit and/or outside the bargaining unit as determined by the Plant Supervisor and Personnel Officer will be selected to fill the new job or vacancy position. The Authority agrees to consider seniority as a criterion in making such promotion. Such determination is not grievable. A rejected candidate may request a meeting with the Personnel Officer to discuss the vacancy.

C. Any employee so selected to fill such job shall be granted a probationary period as outlined in this contract. If it shall be determined by the Employer at or prior to the completion of the probationary period that the employee is not qualified to discharge the duties of the position to which said employee was appointed, the employee shall resume the former position held. The employee shall receive the rate for the new job as of the day that person begins the probationary period. If removed from the position during or at the end of the probationary period, the employee shall return to the pay rate of the former position if relevant.

D. Seniority shall be defined as continuous service with the Authority.

ARTICLE XXV -- EDUCATION ASSISTANCE

Bernards Township Sewerage Authority encourages employee self-improvement and supports an educational assistance program for its employees based on job-related requirements. Financial assistance is contingent on the availability of funds in the approved Authority budget.

A. Training

1. Full-time and Part-time employees shall be eligible to receive financial assistance for training courses or seminars if the following conditions are present:
 - a. The course is judged by the department head to be of value to the individual and to the Authority in the position the employee occupies, or the course is recommended by the department head.
 - b. There is sufficient evidence to show that the employee is capable of handling the desired training in the normal time allotted for such course.
 - c. The course is offered by an approved institution of learning.
2. Prior to enrollment, the department head or the personnel officer must approve each request for training.
3. Upon completion of an approved course, the employee shall submit a copy of the course certificate or agenda to the personnel officer for inclusion in his Personnel File.
4. Travel expenses are eligible for reimbursement as described in the Personnel Ordinances subsection 9-28 Mileage Reimbursement.

B. Licensing and Certification

1. The cost of courses leading to or required for licensing or certification that is previously approved and satisfactorily completed shall be paid for by the Authority. This includes courses required as part of a continuing education or recertification program. Payment to part-time employees will be determined by the department head and the personnel officer on a case by case basis.
2. Upon completion of an approved training, the employee shall submit a copy of the license or certification to the personnel officer for inclusion in his Personnel File.
3. Travel expenses are eligible for reimbursement as described in the Personnel Ordinances subsection 9-28 Mileage Reimbursement.

C. Tuition Reimbursement

1. Full-time employees shall be eligible to receive financial assistance for tuition reimbursement if the following conditions are present:
 - a. The employee is registered as a matriculated student in a degree program that is related to an employee's current position.
 - b. It is expected that veterans will take advantage of the financial assistance for which they are eligible under the current laws covering education of veterans.
2. Approval, or disapproval of application for financial assistance for education will be given by both the department head and the personnel officer.
3. Upon completion of an approved course, the employee shall submit a copy of his transcript for the course to the personnel officer for inclusion in his Personnel File.
4. Regular tuition, registration fees and required laboratory fees shall be eligible for reimbursement. The cost of books, supplies, or other similar expenses shall also be eligible for reimbursement. Travel expenses will not be eligible for reimbursement.
5. A satisfactory passing grade must be obtained. Only those grades classified as "C," "Average," "Satisfactory," or above will be considered satisfactory.
6. For college credits, payments will be made upon presentation of transcript indicating the grade received and proof of payment of fees. Employees will be reimbursed for up to one hundred (100%) percent of the allowed costs within thirty (30) days after the voucher is filed with the personnel officer.
7. Since the Authority reimburses 100% of an employee's educational expenses, degree completion stipends or bonuses are not available.

ARTICLE XXVI -- FULLY-BARGAINED AGREEMENT

A. The Employer and the Union agree that this Agreement is the complete agreement between them and that no other understandings or agreements and no past practices shall be binding on the Employer or the Union during the term of this Agreement unless agreed to in writing between the Employer and the Union subsequent to the date of execution of the Agreement.

B. This Agreement represents and incorporates the complete and final understanding and settlement by the parties of all bargainable issues which were or could have been the subject of negotiations. During the term of this Agreement, neither party will be required to negotiate with respect to any such matter, whether or not covered by this Agreement, and whether or not within the knowledge or contemplation of either or both of the parties at the time they negotiated or signed this Agreement.

C. It is the intent of the parties that the provisions of this Agreement, except where noted in this Agreement, will supersede all prior agreements and understandings, oral or written, expressed or implied, between the parties and shall govern their entire relationship and shall be the sole source of any and all rights or claims which may be asserted. The Union, for the life of this Agreement, hereby waives any rights to request to negotiate or bargain with respect to any matters contained in this Agreement. It is mutually understood that this clause is clear waiver as to any right or claim not expressed in this Agreement except as provided in Personnel Policy or Authority directives.

D. This Agreement is separate and distinct from, and independent of all other agreements entered into between the Union and other employer organizations irrespective of any similarity between this Agreement and any such other agreements. No act or thing done by the parties to such other agreements, or notices given under the provisions thereof, shall change or modify this Agreement, or in any manner affect the contractual relationship of the parties hereto.

E. This Agreement shall not be modified in whole or in part by the parties except by an instrument in writing only executed by both parties.

ARTICLE XXVII -- DURATION

A. This Agreement shall be in full force and effect as of January 1, 1998 and remain in effect to and including December 31, 2000 without any reopening date. This Agreement shall continue in full force and effect from year to year thereafter, until one party or the other gives notice, in writing, no sooner than one hundred fifty (150) nor later than one hundred twenty (120) days prior to the expiration of this Agreement.

IN WITNESS WHEREOF, the parties have hereunto set their hands and seals at Basking Ridge, New Jersey, the day and year first above written.

INTERNATIONAL UNION OF PRODUCTION,
CLERICAL AND PUBLIC EMPLOYEES,
LOCAL 911

BERNARDS TOWNSHIP SEWERAGE AUTHORITY

By: 



ATTEST:

By: 

ATTEST:

 Anne Marie Bassett 10/28/98

APPENDIX A

Tax dollars fund a large portion of employees' salaries. The Sewerage Authority is ultimately responsible for Authority spending and must answer to our residents, who in some instances are also employees. Bernards Township Sewerage Authority supports a Pay for Performance program.

Pay for performance is not a mechanism to save or reduce payroll dollars. The payroll budget increase remains constant, but the method of compensation distribution shifts from entitlement to pay for performance. The Authority can maximize the benefits of a payroll investment when increases are tied to performance. The pay for performance program strategically distributes merit compensation based on performance. This document describes the appraisal process and the merit pay program.

The Performance Appraisal Process

The performance appraisal is used for administrative and developmental purposes. Appraisals are administrative tools upon which personnel decisions are based, such as merit increases, promotions, or disciplinary warnings. The completed appraisal becomes part of an employee's permanent record. By compiling many years of appraisals, one can document a history of performance.

Appraisals are also used for developmental reasons. Performance discussions provide employees with guidance regarding their ability to meet job standards. Extraordinary skills or abilities are recognized, while areas for improvement are explored. The appraisal discussion should be more than an assessment of the past. Supervisors should also review future training needs and career planning.

Employee Performance Appraisal

In addition to the day-to-day feedback regarding performance, two formal reviews are conducted each year -- mid-year and end-of-year. Organizing the review requires much thought and preparation on the part of the supervisor. The communication exchange between the supervisor and employee is essential to development of the Authority's most important asset -- its people.

The Mid-year Review, conducted in the month of June, is a calibration tool. For consistency purposes, the same form will be used for both the mid-year and end-of-year review. Assuming no change in performance, the mid-year evaluation serves as an accurate predictor of the end-of-year results. Thus, employees should not be surprised with the year-end ratings.

The End-of-year Review, conducted in the month of November, evaluates the entire year's performance. Merit increases and/or bonuses are based on end-of-year review results.

Rater Errors

The performance appraisal requires supervisors to formally assess and discuss job performance. Accurate ratings are the primary goal of the performance appraisal. Supervisors, or raters, must

understand the potential information processing errors involved in rating performance. The most common rater errors include halo, leniency/severity, contrast, and recency.

Halo error: This error occurs when a rater allows one aspect of a person's performance to overshadow all other performance factors be it positive or negative. Ideally, each performance factor should be evaluated individually based on specific behaviors exhibited.

Leniency/severity: This error results when a rater has a consistent tendency to rate either high or low. Top performers are hurt by lenient raters, because the distinction between truly outstanding and fully successful performance is minimized. Once again, it is extremely important that ratings are accurate.

Contrast Error: A rater falls prey to this error when comparing an employee's performance to others in the department rather than comparing an employee's performance to set standards.

Recency Error: A supervisor exhibits recency error when overall performance rating is based on recent performance rather than the entire performance period. Such errors often account for employees going all out just before the review period.

Through education and training, rater errors can be minimized if not eliminated.

Overview of Review Forms

There are three performance appraisal forms -- public works, non-supervisory, and supervisory. The directions are simple and the format is user friendly. The "Comments" section after each performance factor provides an area for feedback. Supervisors should include additional comments such as examples of positive and/or negative behaviors for clarification purposes.

Performance Discussion

Two formal discussions will be held each year to review the mid-year and end-of year appraisals. At the end of the meeting, each employee will sign the evaluation form to acknowledge that the review was discussed. Signing a review does not imply agreement with review results. It simply confirms that the discussion took place. An employee also has the opportunity to include his or her comments regarding the evaluation in the "Employee's Comments" section of the appraisal form.

The review meetings create an excellent forum for an employee to remind his or her supervisor of successes and accomplishments over the performance period. In fact, a supervisor may request accomplishments from employees in advance as part of his or her review preparation. Roadblocks to fulfilling job responsibilities and/or ideas for improving or stream-lining internal processes are to be explored. Future training needs and the next year's goals are also discussed.

The supervisor should ask employees for feedback regarding his or her skills as they relate to communication, team building, delegation, and sensitivity to needs of subordinates. Open communication is the key to improvement.

After the appraisal process is complete, the review is forwarded to Human Resources to be included in the employee's personnel folder. The appraisal results become part of an employee's permanent record in accordance with Article XXII Personnel Records.

Merit Program

The merit matrix is used to develop a policy for setting merit increases that keeps the payroll liability within the maximum percentage budget increase approved by the Authority. Assigning all employees the same percentage increase, or an across the board increase, is another method of capping the budget impact. Across the board increases conflict with the Pay for Performance program. The Authority wants to differentiate and reward employees who exhibit outstanding performance.

The goal of the compensation program is to pay employees fairly. Ideally, salaries will cluster around the salary range midpoint which reflects market, or what your position would pay in another municipality. The merit program allows salaries low in the range to reach the midpoint at an accelerated rate. Future compensation beyond the midpoint shifts to smaller base increases and larger bonuses to maintain competitiveness.

The matrix sets up a mathematical equation whereby potential base salary increases can be tested to estimate the overall budget impact. This is determined by calculating the distribution of performance and distribution of where salaries fall within a range.

Definitions:

The following section defines commonly used compensation terms:

Compa-ratio: The ratio of the actual salary within a grade (numerator) to the midpoint for the grade (denominator). This number indicates placement within the salary range.

Entitlements: Any payments made on the basis of membership in an organization.

Midpoint: The middle value in a salary range which reflects market.

Performance Distribution: Using performance appraisal results, one calculates the percentage of employees rating each of the five (5) levels of performance.

Pay for Performance: An adjustment to an individual's compensation based on performance factors.

Merit Process:

Authority sets overall payroll budget increase

On a yearly basis, the Authority sets the overall payroll budget increase in October with a guaranteed floor of three percent (3%) of the positions covered by the merit program. This amount is included in the budget for the following year.

Appraisal results are submitted to Human Resources by first Friday of December

Supervisors evaluate employees and forward the results to Human Resources by the first Friday of December. The appraisal results are compiled to determine the overall performance distribution.

Merit matrix and bonus matrix numbers are finalized

Since the budget impact is directly correlated to the performance distribution, it is necessary to confirm the overall budget impact. The performance distributions are plugged into the matrix to confirm that the base salary increases and bonuses do not exceed the budget amount approved by the Authority. Matrices are released to supervisors by the second Friday of December.

Supervisors meet with subordinates to discuss performance

Supervisors meet with employees to discuss the performance reviews. As described earlier, the meeting will include a review of past performance, planning for future training needs, and discussion of next year's goals.

The merit matrix sets the base salary increase. Supervisors have the flexibility to award up to the maximum bonus indicated by the corresponding compa-ratio and performance factors.

Payment of Base Salary Increase and/or Bonus

Base salary increases will be effective January 1. As of December 31, 1997, base salaries already over the grade cap will not be reduced solely to bring them down to the range maximum. Base salaries presently below the grade cap cannot exceed range maximum. If a range maximum is reached, the remainder of the base salary increase will be paid as four quarterly lump-sum payments (March, June, Sept. and Dec.). The bonus will also be paid as four quarterly lump-sum payments. Lump-sum amounts less than \$200 will be paid in full at the end of the first quarter (March).

How to use the Matrix

The matrix is simple to use. Using the performance rating, one scans down the vertical axis to identify the correct row. Using the compa-ratio, one scans across the horizontal axis to identify the correct column. The increase awarded is the amount at the intersection of the row and column. The same procedure is used in determining the maximum possible bonus available.

In review, the Authority sets the overall payroll increase amount each year. The matrices set up mathematical equations whereby potential base salary increases and bonuses can be tested to confirm the overall budget impact. Matrix results are used to determine base salary and bonus awards.

The below listed matrices are examples. As described earlier, actual increase and bonus amounts may be higher or lower depending on the distribution of performance.

For example: An employee has an overall performance rating of 31 and an hourly rate of \$13.91 in a position in Grade "C". The range for Grade "C" is \$10.64 - 17.73 with a midpoint of \$14.19 per hour. Thus, the compa-ratio is .98 (\$13.91/14.19).

Performance	<= 0.85	.86 - .95	.96 - 1.05	1.06 - 1.15	>=1.16
38-40	5	4.5	4	3.5	3
30-37	4.5	4	3.5	3	2.5
22-29	4	3.5	3	2.5	2
14-21	2	2	0	0	0
8-13	0	0	0	0	0

Given the above example, the base increase would be 3.5%.

Performance	<= 0.85	.86 - .95	.96 - 1.05	1.06 - 1.15	>=1.16
38-40	0	0.5	1	1.5	2
30-37	0	0.5	1	1.5	2
22-29	0	0	0.5	1	1.5
14-21	2	0	0	0	0
8-13	0	0	0	0	0

The same procedure is used to determine the potential bonus increase. The supervisor has the flexibility based on performance to reward up to the maximum bonus indicated in the bonus matrix. Based on the above example, the supervisor is able to award up to a 1% bonus.

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