

**City of Carson City
Agenda Report**

Date Submitted: 11-12-13

Agenda Date Requested: 11-21-13

Time Requested: 10 minutes

To: Carson City Board of Supervisors

From: Larry Werner, City Manager

Subject Title: (For possible action:) Action to adopt a resolution of the Board of Supervisors of Carson City setting forth the benefits for unclassified employees effective July 1, 2013.

Staff Summary: In May the Board of Supervisors approved a 2% cost-of-living increase effective July 1, 2013 for unclassified employees. Staff waited to implement the cost-of-living until after negotiations concluded with the Carson City Employee's Association, as has been the practice in the past. The negotiations have concluded, and the City Manager is proposing the following resolution in place of the 2% cost-of-living increase, which is similar to the proposal tentatively agreed upon between CCEA and staff. Adoption of this resolution will give unclassified employees the following benefits: 1. An adjustment in salary should PERS increase; 2. A 1% cost-of-living increase effective January 1, 2014 and a 2% cost-of-living increase effective July 1, 2014; 3. A medical retirement subsidy increase; and 4. A change to the sick leave pay-out provision. Approval of these benefits will be in exchange for the 2% cost-of-living increase.

Type of Action Requested: (check one)

☐ Resolution

☐ Ordinance

☒ Formal Action/Motion

☐ Other (specify)

Does this Action Require a Business Impact Statement: ☐ Yes ☒ No

Recommended Board Action: I move to adopt a resolution of the Board of Supervisors of Carson City setting forth the benefits for unclassified employees effective July 1, 2013.

Explanation for Recommended Board Action: In May the Board of Supervisors approved a 2% cost-of-living increase effective July 1, 2013 for unclassified employees. Staff waited to implement the cost-of-living until after negotiations concluded with the Carson City Employee's Association, as has

been the practice in the past. The negotiations have concluded, and the City Manager is proposing the following resolution in place of the 2% cost-of-living increase, which is similar to the proposal tentatively agreed upon between CCEA and staff. Adoption of this resolution will give unclassified employees the following benefits: 1. An adjustment in salary should PERS increase; 2. A 1% cost-of-living increase effective January 1, 2014 and a 2% cost-of-living increase effective July 1, 2014; 3. A medical retirement subsidy increase; and 4. A change to the sick leave pay-out provision. Approval of these benefits will be in exchange for the 2% cost-of-living increase.

Applicable Statute, Code, Policy, Rule or Regulation: N/A

Fiscal Impact: \$1,125,986 estimated for the 2 year contract period.

Explanation of Impact: The city budgeted a 2% COLA, merits and a fixed dependent medical subsidy in FY 2014. We also used these numbers when we projected FY 2015. The total cost of the unclassified resolution assuming these assumptions is \$1,261,908. Based on the proposed resolution, the city will be saving almost \$136,000 over the 2 year period based on how the budget and the projections were prepared. Because of the additional retirement medical benefit, we will be transferring 1% of salaries from all funds to the Group Medical Fund to pay for these benefits in the future.

Funding Source: N/A

Alternatives: The Board of Supervisors has the authority to make any changes deemed necessary to the resolution.

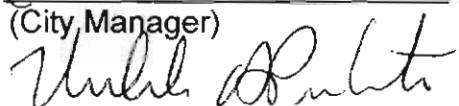
Supporting Material: Resolution of the Board of Supervisors of Carson City Setting Forth the Benefits for Unclassified Employees Effective July 1, 2012.

Prepared By: Melanie Bruketta, HR Director

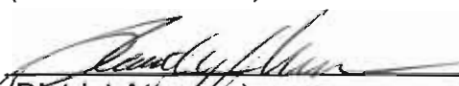
Reviewed By:



(City Manager)



(Finance Director)



(District Attorney)

Date: 11/2/12

Date: 11/12/13

Date: 11/12/13

Board Action Taken:

Motion(s): _____ 1) _____ Aye/Nays

2) _____

(Vote Recorded By)

RESOLUTION NUMBER _____.

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF CARSON CITY SETTING FORTH THE
BENEFITS FOR UNCLASSIFIED EMPLOYEES
EFFECTIVE JULY 1, ~~2013~~2012**

SECTION I. UNCLASSIFIED EMPLOYEES

Unclassified employees are those employees of the City, who are not hourly, temporary, or not otherwise represented by a bargaining unit. Unclassified employees for the purpose of this resolution are those employees that are appointed by the City Manager under authority of the Board of Supervisors and the employees exempted under the provision of Section 2.330(4) in the Carson City Charter. The City Manager, Chief of Alternative Sentencing, Internal Auditor and the Public Guardian are unclassified employees appointed directly by the Board of Supervisors. All unclassified employees are "At Will" and as such, may be terminated at any time for any reason, or no reason. This resolution does not serve as a contract of employment with Carson City.

SECTION II. MANAGEMENT BENEFITS PLAN

A. HOLIDAYS

The following days shall be observed as legal holidays by all employees:

- New Years Day (January 1)
- Presidents Day (third Monday in February)
- Martin Luther King Day (third Monday in January)
- Memorial Day (last Monday in May)
- Independence Day (July 4)
- Labor Day (first Monday in September)
- Nevada Day (last Friday in October¹)
- Veteran's Day (November 11)
- Thanksgiving Day (fourth Thursday in November)
- Family Day (day after Thanksgiving)
- Christmas Day (December 25)

Any other day that the Government of the United States, State of Nevada or Carson City may declare a legal holiday.

When a designated holiday falls on a Saturday, the Friday before will be observed as the holiday and when the designated holiday falls on a Sunday, the Monday after will be observed as the holiday.

B. RETIREMENT

All unclassified employees shall receive full employer paid retirement while participating in the State of Nevada Public Employees' Retirement System (PERS). The City shall adjust the unclassified employees' salaries in accordance with NRS 286. Carson City will comply with

all policies of the Nevada Public Employees' Retirement System (PERS).

Effective July 1, 2014, if PERS or the Nevada State Legislature takes any single action to increase the total contribution rate for the Regular Employee's Retirement Fund or the Police/Fire Employee's Retirement Fund in an amount of 1.5% or less, Carson City will pay one half of the increase up to .75%, and the Employee's salary will be reduced by one half of the increase up to .75%. however, Carson City will increase the Employee's salary on the effective date of the reduction in salary in an amount equal to the reduction made to the Employee's salary.

Effective July 1, 2014, if PERS or the Nevada State Legislature takes any single action to increase the total contribution rate for the Regular Employee's Retirement Fund or the Police/Fire Employee's Retirement Fund in an amount that exceeds 1.5%, Carson City will pay one-half of the increase and the Employee's salary will be reduced by one-half of the increase. however, Carson City will increase the Employee's salary .75% on the effective date of the reduction. (Any amount over 1.5% will be split equally between Carson City and the employee.)

C. MEDICAL INSURANCE

The City shall pay 100% of the employee cost for a group medical insurance plan for all unclassified employees. The City shall pay 100% of the employee cost and 50% of the dependent cost for the least expensive group medical insurance plan.

Dependent coverage is offered at a cost to the employee.

D. HEALTH INSURANCE UPON RETIREMENT

1. RETIREES WITH 15-19 YEARS OF SERVICE

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The unclassified employee shall have the option of converting the health insurance coverage at the time of his separation from employment by Employer by commencing to pay 100% of the total premium. The City must pay 75% of retiree group health, dental, vision and life insurance coverage premiums plus 25% of the spouse's and eligible dependent's premium for health, dental and vision except as provided below. The City agrees to cover eligible retirees and dependents, as the term "dependents" is defined in the City's group health insurance plan in existence under the City group health insurance plan offered to active employees, as modified from time-to-time.

a. In order to be eligible for the benefits provided in this Section, the unclassified employee/retiree must have (i) a minimum of 15 years of full-time equivalent service with the City (one year is equal to 2080 hours); (ii) reached at least 47 years of age; and (iii) shall have actually retired under the Nevada PERS retirement qualifications in existence on the date of the retirement. Provided that, if an unclassified employee retires prior to age 47 and meets the requirements of (i) and (iii) above, the unclassified employee/retiree will be eligible for the benefits of this section upon attaining the age of 47. and, prior to age 47, shall be entitled to continue as a retiree on the City group insurance plan and shall be entitled to payment for insurance for which the unclassified employee would otherwise qualify, provided that, an unclassified Employee retiring before age 47 must continue coverage under the City plan in order to be qualified for the benefits in this section upon attaining age 47.

b. The City will pay premiums for:

1. The unclassified employee/retiree from the effective date of Nevada PERS retirement until death. After the retiree reaches the eligibility age for federal benefits under Medicare or age 65, whichever occurs first, the health insurance coverage premium paid by the City on behalf of the retiree will be reduced to either (i) 50% of the "single employee with Medicare premium", or (ii) the payment to which the retiree would

otherwise be entitled under the then existing City policy or regulation providing for insurance payments for retired City employees, were the retiree eligible for insurance contribution under the policy or regulation. The retiree shall, in the retiree's sole discretion, elect between (i) and (ii), at the time of Medicare eligibility. Under both (i) and (ii) such coverage under the City's group insurance plan is secondary to Medicare coverage. Provided that, if Medicare age has been increased beyond age 65 by an act of Congress, the 50% payment under (i) shall apply to the "Employee without Medicare" premium. In the event the City eliminates the policy or regulation for subsidizing payment of retiree health insurance, any retiree who elected (ii) above shall automatically revert to receiving the benefits specified in (i) above. In order to receive payment under either (i) or (ii), the retiree must comply with any requirements pertaining to Medicare, which are imposed by the City's insurance carrier, as a precondition to being eligible to qualify as a retiree covered by the insurance plan, as modified from time-to-time, or required by law.

2. The spouse of the unclassified employee/retiree (current at time of the employee's separation from the City) until death or divorce. After the spouse reaches the eligibility age for federal benefits under Medicare, or age 65, whichever occurs first, the health insurance coverage premium paid by the City on behalf of the spouse will be 25% of the "single dependent with Medicare" premium. After reaching the eligibility age for federal benefits under Medicare, such coverage under the City's group insurance plan is secondary to Medicare coverage. In order to receive payment once the spouse has reached the eligibility age for federal benefits under Medicare, the spouse must comply with any requirements pertaining to Medicare, which are imposed by the City's

insurance carrier, as a precondition to being eligible to qualify as a spouse covered by the insurance plan, as modified from time-to-time, or required by law. In the event a retiree remarries after separation from the City the spouse will not be included in the health insurance premium subsidy.

3. Dependents (current at time of the unclassified employee's separation from the City), as defined by the rules of the city group health insurance plan in effect at the time of separation. After the dependent reaches the eligibility age for or is otherwise eligible for federal benefits under Medicare, or age 65, whichever occurs first, the health insurance coverage premium paid by the City on behalf of the dependent will be 25% of the "single dependent with Medicare premium". After reaching the eligibility age for, or if otherwise eligible for federal benefits under Medicare, such coverage under the City's group insurance plan is secondary to Medicare coverage. In order to receive payment once the dependent has reached the eligibility age for or is otherwise eligible for federal benefits under Medicare, the dependent must comply with any requirements pertaining to Medicare, which are imposed by the City's insurance carrier, as a precondition to being eligible to qualify as a dependent covered by the insurance plan, as modified from time-to-time, or required by law.

- c. In the event of death of the unclassified employee/retiree, the spouse will continue to receive the subsidy benefit until death or remarriage subject to requirements above. Dependents, as defined above, will continue to receive benefits in the event of the death of the employee/retiree, as long as they meet the definition of dependents in the City group health insurance plan in effect at the time of retirement.

d. In the event of a catastrophic injury or medical illness which forces an unclassified employee who has not reached 20 years of service and age 47 to retire from service of the City or as a Nevada PERS disability retirement, this benefit will be prorated for the employee at 5% per year of service after the employee has worked for Carson City for 10 years, up to a maximum of 90% and subject to the provisions above concerning the unclassified employee reaching the eligibility age for or being otherwise eligible for federal benefits under Medicare, or age 65, whichever occurs first. Ten years starts at 50%. The benefit under this section does not apply to spouse or dependents and does not trigger any spousal or dependent benefits Section D.

e. If the benefits provided to retirees, their spouse and dependents under Section D are modified (reduced or eliminated) in the future, such modification shall not apply to retirees, their spouses and dependents then receiving the benefits, and the retiree, their spouse or dependent shall continue to receive the benefit on the basis specified in this Resolution.

f. Section D is in exchange for a permanent 1.0% reduction in the unclassified employee's biweekly base salary, effective on and after July 1, 2013. Should the Board of Supervisors eliminate this benefit, the 1.0% reduction in the unclassified employee's biweekly base salary shall be restored on and after the effective date of this benefit.

II. RETIREES WITH 20 OR MORE YEARS OF SERVICE

The unclassified employee shall have the option of converting the health insurance coverage at the time of his separation from employment by Employer by commencing to pay 100% of the total premium. The City must pay 90% of retiree group health, dental, vision and life insurance coverage premiums plus 50% of the spouse's and eligible dependent's premium for health, dental and vision except as provided below. The City agrees to cover eligible retirees

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and dependents, as the term "dependents" is defined in the City's group health insurance plan in existence under the City group health insurance plan offered to active employees, as modified from time-to-time.

a. In order to be eligible for the benefits provided in this Section, the unclassified employee/retiree will have (i) a minimum of 20 years of full time equivalent service with the City (one year is equal to 2080 hours); (ii) reached at least 47 years of age; and (iii) shall have actually retired under the Nevada PERS retirement qualifications in existence on the date of the retirement. Provided that, if an Unclassified employee retires prior to age 47 and meets the requirements of (i) and (iii) above, the unclassified employee/retiree will be eligible for the benefits of this section upon attaining the age of 47, and, prior to age 47, shall be entitled to continue as a retiree on the City group insurance plan and shall be entitled to payment for insurance for which the unclassified employee would otherwise qualify, provided that, an unclassified employee retiring before age 47 must continue coverage under the City plan in order to be qualified for the benefits in this section upon attaining age 47.

b. The City will pay premiums for:

1. The unclassified employee/retiree from the effective date of Nevada PERS retirement until death. After the retiree reaches the eligibility age for federal benefits under Medicare or age 65, whichever occurs first, the health insurance coverage premium paid by the City on behalf of the retiree will be reduced to either (i) 50% of the "single employee with Medicare premium", or (ii) the payment to which the retiree would otherwise be entitled under the then existing City policy or regulation providing for insurance payments for retired City employees, were the retiree eligible for insurance contribution under the policy or regulation. The retiree shall, in the retiree's sole discretion, elect between (i) and (ii), at the time of Medicare eligibility. Under both (i) and (ii) such

coverage under the City's group insurance plan is secondary to Medicare coverage. Provided that, if Medicare age has been increased beyond age 65 by an act of Congress, the 50% payment under (i) shall apply to the "Employee without Medicare" premium. In the event the City eliminates the policy or regulation for subsidizing payment of retiree health insurance, any retiree who elected (ii) above shall automatically revert to receiving the benefits specified in (i) above. In order to receive payment under either (i) or (ii), the retiree must comply with any requirements pertaining to Medicare, which are imposed by the City's insurance carrier, as a precondition to being eligible to qualify as a retiree covered by the insurance plan, as modified from time-to-time, or required by law.

2. The spouse of the unclassified employee/retiree (current at time of the employee's separation from the City) until death or divorce. After the spouse reaches the eligibility age for federal benefits under Medicare, or age 65, whichever occurs first, the health insurance coverage premium paid by the City on behalf of the spouse will be reduced to 25% of the "single dependent with Medicare" premium. After reaching the eligibility age for federal benefits under Medicare, such coverage under the City's group insurance plan is secondary to Medicare coverage. In order to receive payment once the spouse has reached the eligibility age for federal benefits under Medicare, the spouse must comply with any requirements pertaining to Medicare, which are imposed by the City's insurance carrier, as a precondition to being eligible to qualify as a spouse covered by the insurance plan, as modified from time-to-time, or required by law. In the event a retiree remarries after separation from the City the spouse will not be included in the health insurance premium subsidy.

3. Dependents (current at time of the unclassified employee's separation from the City), as defined by the rules of the city group health insurance plan in effect at the time of separation. After the dependent reaches the eligibility age for or is otherwise eligible for federal benefits under Medicare, or age 65, whichever occurs first, the health insurance coverage premium paid by the City on behalf of the dependent will be reduced by 25% of the "single dependent with Medicare premium". After reaching the eligibility age for, or if otherwise eligible for federal benefits under Medicare, such coverage under the City's group insurance plan is secondary to Medicare coverage. In order to receive payment once the dependent has reached the eligibility age for or is otherwise eligible for federal benefits under Medicare, the dependent must comply with any requirements pertaining to Medicare, which are imposed by the City's insurance carrier, as a precondition to being eligible to qualify as a dependent covered by the insurance plan, as modified from time-to-time, or required by law.
- c. In the event of death of the unclassified employee/retiree, the spouse will continue to receive the subsidy benefit until death or remarriage subject to requirements above. Dependents, as defined above, will continue to receive benefits in the event of the death of the employee/retiree, as long as they meet the definition of dependents in the City group health insurance plan in effect at the time of retirement.
- d. In the event of a catastrophic injury or medical illness which forces an unclassified employee who has not reached 20 years of service and age 47 to retire from service of the City or as a Nevada PERS disability retirement, this benefit will be prorated for the employee at 5% per year of service after the employee has worked for Carson City for 10 years, up to a maximum of 90% and subject to the provisions above concerning the unclassified employee

reaching the eligibility age for or being otherwise eligible for federal benefits under Medicare, or age 65, whichever occurs first. Ten years starts at 50%. The benefit under this section does not apply to spouse or dependents and does not trigger any spousal or dependent benefits Section D.

e. If the benefits provided to retirees, their spouse and dependents under Section D are modified (reduced or eliminated) in the future, such modification shall not apply to retirees, their spouses and dependents then receiving the benefits, and the retiree, their spouse or dependent shall continue to receive the benefit on the basis specified in this Resolution.

f. Section D is in exchange for a permanent 1.0% reduction in the unclassified employee's biweekly base salary, effective on and after July 1, 2013. Should the Board of Supervisors eliminate this benefit, the 1.0% reduction in the unclassified employee's biweekly base salary shall be restored on and after the effective date of this benefit.

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ED. GROUP LIFE INSURANCE

All unclassified employees shall receive \$35,000 life insurance benefit. The cost of this coverage is included in the group medical insurance plan which is fully paid by the City.

FE. SICK LEAVE

All unclassified employees shall accrue ten (10) hours of sick leave each month, with unlimited accrual. Leave may be taken as it is accrued.

~~Upon death, retirement or resignation, after ten years of satisfactory service, unclassified employees or their beneficiaries shall receive compensation for a maximum of 720 hours of unused sick leave based on a payment of one hour for every three hours accrued, paid at the employee's current hourly rate of pay. Example: 1/3 of 720 hours = 240 hours payable at separation.~~

Unclassified employees, upon separation, having a minimum of 400 hours of earned sick leave and the below listed years of Carson City service shall be compensated for all hours up to 1080 at the following rates:

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<u>Service Years</u>	<u>Maximum %</u>
<u>10-14</u>	<u>33 1/3%</u>
<u>15-19</u>	<u>50%</u>
<u>20-24</u>	<u>75%</u>
<u>25 plus</u>	<u>100%</u>

GF. AMBULANCE

All unclassified employees and their family members who are eligible to participate in the City's insurance benefit plan are automatically enrolled in the CC-CARE+ Ambulance Membership Program. This benefit provides paramedic ambulance service as often as medically necessary with no deductibles, full coverage and no out-of-pocket expenses. This benefit shall exist only so long as the Fire Department offers the program and program benefits are subject to change.

H. ANNUAL LEAVE

All unclassified ~~full-time~~ employees who have worked from 0 to 5 years will accrue ten (10) hours of annual leave per month. Leave may be taken as it is accrued. After five years of continuous employment, an employee shall accrue fourteen (14) hours per month, with a proportional amount for each uncompleted month. A maximum of 300 hours may be carried forward from year to year. Any exception must be pre-approved by the City Manager and in the case of the City Manager, Chief of Alternative Sentencing, Internal Auditor and the Public Guardian, by the Board of Supervisors.

I. MANAGEMENT LEAVE

Unclassified employees shall receive eighty (80) hours of management leave during each fiscal year and a proportional amount for each incomplete year. All unused management leave shall be deleted from the employee's account as of June 30th of each year and no compensation shall be paid for that portion of unused management leave.

JK. PAY RANGES

Effective January 1, 2014, all unclassified employees will receive a 1.0% increase in their base salary which will cause the unclassified salary range to be increased by 1.0% over the rates in effect on July 1, 2013.

Effective July 1, 2014, all unclassified employees will receive a 2.0% increase in their base salary which will cause the unclassified salary range to be increased by 2.0% over the rates in effect on January 1, 2014.

All unclassified employees will be paid within an established pay range; the range may be

adjusted minimally by the CPI (All Urban Consumers, U.S. City Average) on July 1st of each year at the direction of the City Manager under the authority of the Board of Supervisors.

KL. PERFORMANCE PAY

All unclassified employees may receive an annual merit increase for work performance upon the recommendation of their supervisor or the appointing authority at a maximum of five percent (5%) per year until the employee reaches the top of the pay range for the position. There will be a two percent (2%) pay increase in recognition of an overall "meets expectations" rating; a three and one-half percent (3 ½%) increase in recognition of an overall "above expectations" rating; a five percent (5%) increase in recognition of an overall "outstanding" rating.

LN. TEMPORARY DUTY PAY

When a qualified unclassified employee is assigned to a higher rank for a period of ninety (90) days or more, said employee shall receive an additional ten (10%) percent of his/her base wage for the higher rank being filled.

MO. EXEMPT EMPLOYEES - FLSA GUIDELINE

Unclassified positions have been reviewed using FLSA guidelines and are exempt from overtime. If an unclassified employee is absent for less than one day with Department Director's approval, the employee shall not be required to use annual, sick or administrative leave for said absence, nor will the employee's salary be adjusted.

NP. GENERAL BENEFITS

In addition to the benefits listed above, unclassified employees are eligible for the following general benefits:

- a. Workers Compensation
- b. Mileage, City Vehicle or Vehicle allowance, as determined by the City Manager and in the case of the City Manager, Internal Auditor, Chief of Alternative Sentencing or Public Guardian, by the Board of Supervisors.
- c. Direct Deposit of payroll checks
- d. Repair or replacement of personal property, if damaged, lost or destroyed, while performing job related duties.
- e. Military Leave
- f. Family Medical Leave Act (FMLA) leave
- g. Bereavement leave
- h. Employee Assistance Program (EAP)
- i. Voluntary participation in Deferred Compensation Plan (457)
- j. Voluntary participation in Flexible Spending Plan (125)

O.

Q. Effective Date

The terms of this resolution shall be effective as of July 1, 2013.

ADOPTED this ____ day of _____, 2013.

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AYES: Supervisors _____

NAYES: Supervisors _____

ABSENT: Supervisors _____

Robert L. Crowell, Mayor

ATTEST:

ALAN GLOVER, Clerk/Recorder



RESOLUTION NUMBER _____.

**RESOLUTION OF THE BOARD OF SUPERVISORS
OF CARSON CITY SETTING FORTH THE
BENEFITS FOR UNCLASSIFIED EMPLOYEES
EFFECTIVE JULY 1, 2013**

SECTION I. UNCLASSIFIED EMPLOYEES

Unclassified employees are those employees of the City, who are not hourly, temporary, or not otherwise represented by a bargaining unit. Unclassified employees for the purpose of this resolution are those employees that are appointed by the City Manager under authority of the Board of Supervisors and the employees exempted under the provision of Section 2.330(4) in the Carson City Charter. The City Manager, Chief of Alternative Sentencing, Internal Auditor and the Public Guardian are unclassified employees appointed directly by the Board of Supervisors. All unclassified employees are "At Will" and as such, may be terminated at any time for any reason, or no reason. This resolution does not serve as a contract of employment with Carson City.

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C. MEDICAL INSURANCE

The City shall pay 100% of the employee cost and 50% of the dependent cost for the least expensive group medical insurance plan.

D. HEALTH INSURANCE UPON RETIREMENT

I. RETIREES WITH 15-19 YEARS OF SERVICE

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- b. The City will pay premiums for:
 1. The unclassified employee/retiree from the effective date of Nevada PERS retirement until death. After the retiree reaches the eligibility age for federal benefits under Medicare or age 65, whichever occurs first, the health insurance coverage premium paid by the City on behalf of the retiree will be reduced to either (i) 50% of the "single employee with Medicare premium", or (ii) the payment to which the retiree would

otherwise be entitled under the then existing City policy or regulation providing for insurance payments for retired City employees, were the retiree eligible for insurance contribution under the policy or regulation. The retiree shall, in the retiree's sole discretion, elect between (i) and (ii), at the time of Medicare eligibility. Under both (i) and (ii) such coverage under the City's group insurance plan is secondary to Medicare coverage. Provided that, if Medicare age has been increased beyond age 65 by an act of Congress, the 50% payment under (i) shall apply to the "Employee without Medicare" premium. In the event the City eliminates the policy or regulation for subsidizing payment of retiree health insurance, any retiree who elected (ii) above shall automatically revert to receiving the benefits specified in (i) above. In order to receive payment under either (i) or (ii), the retiree must comply with any requirements pertaining to Medicare, which are imposed by the City's insurance carrier, as a precondition to being eligible to qualify as a retiree covered by the insurance plan, as modified from time-to-time, or required by law.

2. The spouse of the unclassified employee/retiree (current at time of the employee's separation from the City) until death or divorce. After the spouse reaches the eligibility age for federal benefits under Medicare, or age 65, whichever occurs first, the health insurance coverage premium paid by the City on behalf of the spouse will be 25% of the "single dependent with Medicare" premium. After reaching the eligibility age for federal benefits under Medicare, such coverage under the City's group insurance plan is secondary to Medicare coverage. In order to receive payment once the spouse has reached the eligibility age for federal benefits under Medicare, the spouse must comply with any requirements pertaining to Medicare, which are imposed by the City's

insurance carrier, as a precondition to being eligible to qualify as a spouse covered by the insurance plan, as modified from time-to-time, or required by law. In the event a retiree remarries after separation from the City the spouse will not be included in the health insurance premium subsidy.

3. Dependents (current at time of the unclassified employee's separation from the City), as defined by the rules of the city group health insurance plan in effect at the time of separation. After the dependent reaches the eligibility age for or is otherwise eligible for federal benefits under Medicare, or age 65, whichever occurs first, the health insurance coverage premium paid by the City on behalf of the dependent will be 25% of the "single dependent with Medicare premium". After reaching the eligibility age for, or if otherwise eligible for federal benefits under Medicare, such coverage under the City's group insurance plan is secondary to Medicare coverage. In order to receive payment once the dependent has reached the eligibility age for or is otherwise eligible for federal benefits under Medicare, the dependent must comply with any requirements pertaining to Medicare, which are imposed by the City's insurance carrier, as a precondition to being eligible to qualify as a dependent covered by the insurance plan, as modified from time-to-time, or required by law.

- c. In the event of death of the unclassified employee/retiree, the spouse will continue to receive the subsidy benefit until death or remarriage subject to requirements above. Dependents, as defined above, will continue to receive benefits in the event of the death of the employee/retiree, as long as they meet the definition of dependents in the City group health insurance plan in effect at the time of retirement.

- d. In the event of a catastrophic injury or medical illness which forces an unclassified employee who has not reached 20 years of service and age 47 to retire from service of the City or as a Nevada PERS disability retirement, this benefit will be prorated for the employee at 5% per year of service after the employee has worked for Carson City for 10 years, up to a maximum of 90% and subject to the provisions above concerning the unclassified employee reaching the eligibility age for or being otherwise eligible for federal benefits under Medicare, or age 65, whichever occurs first. Ten years starts at 50%. The benefit under this section does not apply to spouse or dependents and does not trigger any spousal or dependent benefits Section D.
- e. If the benefits provided to retirees, their spouse and dependents under Section D are modified (reduced or eliminated) in the future, such modification shall not apply to retirees, their spouses and dependents then receiving the benefits, and the retiree, their spouse or dependent shall continue to receive the benefit on the basis specified in this Resolution.
- f. Section D is in exchange for a permanent 1.0% reduction in the unclassified employee's biweekly base salary, effective on and after July 1, 2013. Should the Board of Supervisors eliminate this benefit, the 1.0% reduction in the unclassified employee's biweekly base salary shall be restored on and after the effective date of this benefit.

II. RETIREES WITH 20 OR MORE YEARS OF SERVICE

The unclassified employee shall have the option of converting the health insurance coverage at the time of his separation from employment by Employer by commencing to pay 100% of the total premium. The City must pay 90% of retiree group health, dental, vision and life insurance coverage premiums plus 50% of the spouse's and eligible dependent's premium for health, dental and vision except as provided below. The City agrees to cover eligible retirees

and dependents, as the term “dependents” is defined in the City’s group health insurance plan in existence under the City group health insurance plan offered to active employees, as modified from time-to-time.

- a. In order to be eligible for the benefits provided in this Section, the unclassified employee/retiree will have (i) a minimum of 20 years of full time equivalent service with the City (one year is equal to 2080 hours); (ii) reached at least 47 years of age; and (iii) shall have actually retired under the Nevada PERS retirement qualifications in existence on the date of the retirement. Provided that, if an Unclassified employee retires prior to age 47 and meets the requirements of (i) and (iii) above, the unclassified employee/retiree will be eligible for the benefits of this section upon attaining the age of 47, and, prior to age 47, shall be entitled to continue as a retiree on the City group insurance plan and shall be entitled to payment for insurance for which the unclassified employee would otherwise qualify, provided that, an unclassified employee retiring before age 47 must continue coverage under the City plan in order to be qualified for the benefits in this section upon attaining age 47.
- b. The City will pay premiums for:
 1. The unclassified employee/retiree from the effective date of Nevada PERS retirement until death. After the retiree reaches the eligibility age for federal benefits under Medicare or age 65, whichever occurs first, the health insurance coverage premium paid by the City on behalf of the retiree will be reduced to either (i) 50% of the “single employee with Medicare premium”, or (ii) the payment to which the retiree would otherwise be entitled under the then existing City policy or regulation providing for insurance payments for retired City employees, were the retiree eligible for insurance contribution under the policy or regulation. The retiree shall, in the retiree’s sole discretion, elect between (i) and (ii), at the time of Medicare eligibility. Under both (i) and (ii) such

coverage under the City's group insurance plan is secondary to Medicare coverage. Provided that, if Medicare age has been increased beyond age 65 by an act of Congress, the 50% payment under (i) shall apply to the "Employee without Medicare" premium. In the event the City eliminates the policy or regulation for subsidizing payment of retiree health insurance, any retiree who elected (ii) above shall automatically revert to receiving the benefits specified in (i) above. In order to receive payment under either (i) or (ii), the retiree must comply with any requirements pertaining to Medicare, which are imposed by the City's insurance carrier, as a precondition to being eligible to qualify as a retiree covered by the insurance plan, as modified from time-to-time, or required by law.

2. The spouse of the unclassified employee/retiree (current at time of the employee's separation from the City) until death or divorce. After the spouse reaches the eligibility age for federal benefits under Medicare, or age 65, whichever occurs first, the health insurance coverage premium paid by the City on behalf of the spouse will be reduced to 25% of the "single dependent with Medicare" premium. After reaching the eligibility age for federal benefits under Medicare, such coverage under the City's group insurance plan is secondary to Medicare coverage. In order to receive payment once the spouse has reached the eligibility age for federal benefits under Medicare, the spouse must comply with any requirements pertaining to Medicare, which are imposed by the City's insurance carrier, as a precondition to being eligible to qualify as a spouse covered by the insurance plan, as modified from time-to-time, or required by law. In the event a retiree remarries after separation from the City the spouse will not be included in the health insurance premium subsidy.

3. Dependents (current at time of the unclassified employee's separation from the City), as defined by the rules of the city group health insurance plan in effect at the time of separation. After the dependent reaches the eligibility age for or is otherwise eligible for federal benefits under Medicare, or age 65, whichever occurs first, the health insurance coverage premium paid by the City on behalf of the dependent will be reduced by 25% of the "single dependent with Medicare premium". After reaching the eligibility age for, or if otherwise eligible for federal benefits under Medicare, such coverage under the City's group insurance plan is secondary to Medicare coverage. In order to receive payment once the dependent has reached the eligibility age for or is otherwise eligible for federal benefits under Medicare, the dependent must comply with any requirements pertaining to Medicare, which are imposed by the City's insurance carrier, as a precondition to being eligible to qualify as a dependent covered by the insurance plan, as modified from time-to-time, or required by law.
- c. In the event of death of the unclassified employee/retiree, the spouse will continue to receive the subsidy benefit until death or remarriage subject to requirements above. Dependents, as defined above, will continue to receive benefits in the event of the death of the employee/retiree, as long as they meet the definition of dependents in the City group health insurance plan in effect at the time of retirement.
- d. In the event of a catastrophic injury or medical illness which forces an unclassified employee who has not reached 20 years of service and age 47 to retire from service of the City or as a Nevada PERS disability retirement, this benefit will be prorated for the employee at 5% per year of service after the employee has worked for Carson City for 10 years, up to a maximum of 90% and subject to the provisions above concerning the unclassified employee

reaching the eligibility age for or being otherwise eligible for federal benefits under Medicare, or age 65, whichever occurs first. Ten years starts at 50%. The benefit under this section does not apply to spouse or dependents and does not trigger any spousal or dependent benefits Section D.

- e. If the benefits provided to retirees, their spouse and dependents under Section D are modified (reduced or eliminated) in the future, such modification shall not apply to retirees, their spouses and dependents then receiving the benefits, and the retiree, their spouse or dependent shall continue to receive the benefit on the basis specified in this Resolution.
- f. Section D is in exchange for a permanent 1.0% reduction in the unclassified employee's biweekly base salary, effective on and after July 1, 2013. Should the Board of Supervisors eliminate this benefit, the 1.0% reduction in the unclassified employee's biweekly base salary shall be restored on and after the effective date of this benefit.

E. GROUP LIFE INSURANCE

All unclassified employees shall receive \$35,000 life insurance benefit. The cost of this coverage is included in the group medical insurance plan which is fully paid by the City.

F. SICK LEAVE

All unclassified employees shall accrue ten (10) hours of sick leave each month, with unlimited accrual. Leave may be taken as it is accrued.

Unclassified employees, upon separation, having a minimum of 400 hours of earned sick leave and the below listed years of Carson City service shall be compensated for all hours up to 1080 at the following rates:

Service Years	Maximum %
10-14	33 1/3%
15-19	50%
20-24	75%

25 plus

100%

G. AMBULANCE

All unclassified employees and their family members who are eligible to participate in the City's insurance benefit plan are automatically enrolled in the CC-CARE+ Ambulance Membership Program. This benefit provides paramedic ambulance service as often as medically necessary with no deductibles, full coverage and no out-of-pocket expenses. This benefit shall exist only so long as the Fire Department offers the program and program benefits are subject to change.

H. ANNUAL LEAVE

All unclassified employees who have worked from 0 to 5 years will accrue ten (10) hours of annual leave per month. Leave may be taken as it is accrued. After five years of continuous employment, an employee shall accrue fourteen (14) hours per month, with a proportional amount for each uncompleted month. A maximum of 300 hours may be carried forward from year to year. Any exception must be pre-approved by the City Manager and in the case of the City Manager, Chief of Alternative Sentencing, Internal Auditor and the Public Guardian, by the Board of Supervisors.

I. MANAGEMENT LEAVE

Unclassified employees shall receive eighty (80) hours of management leave during each fiscal year and a proportional amount for each incomplete year. All unused management leave shall be deleted from the employee's account as of June 30th of each year and no compensation shall be paid for that portion of unused management leave.

J. PAY RANGES

Effective January 1, 2014, all unclassified employees will receive a 1.0% increase in their base salary which will cause the unclassified salary range to be increased by 1.0% over the rates in effect on July 1, 2013.

Effective July 1, 2014, all unclassified employees will receive a 2.0% increase in their base salary which will cause the unclassified salary range to be increased by 2.0% over the rates in effect on January 1, 2014.

All unclassified employees will be paid within an established pay range; the range may be adjusted minimally by the CPI (All Urban Consumers, U.S. City Average) on July 1st of each year at the direction of the City Manager under the authority of the Board of Supervisors.

K. PERFORMANCE PAY

All unclassified employees may receive an annual merit increase for work performance upon

the recommendation of their supervisor or the appointing authority at a maximum of five percent (5%) per year until the employee reaches the top of the pay range for the position. There will be a two percent (2%) pay increase in recognition of an overall "meets expectations" rating; a three and one-half percent (3 ½%) increase in recognition of an overall "above expectations" rating; a five percent (5%) increase in recognition of an overall "outstanding" rating.

L. TEMPORARY DUTY PAY

When a qualified unclassified employee is assigned to a higher rank for a period of ninety (90) days or more, said employee shall receive an additional ten (10%) percent of his/her base wage for the higher rank being filled.

M. EXEMPT EMPLOYEES - FLSA GUIDELINE

Unclassified positions have been reviewed using FLSA guidelines and are exempt from overtime. If an unclassified employee is absent for less than one day with Department Director's approval, the employee shall not be required to use annual, sick or administrative leave for said absence, nor will the employee's salary be adjusted.

N. GENERAL BENEFITS

In addition to the benefits listed above, unclassified employees are eligible for the following general benefits:

- a. Workers Compensation
- b. Mileage, City Vehicle or Vehicle allowance, as determined by the City Manager and in the case of the City Manager, Internal Auditor, Chief of Alternative Sentencing or Public Guardian, by the Board of Supervisors.
- c. Direct Deposit of payroll checks
- d. Repair or replacement of personal property, if damaged, lost or destroyed, while performing job related duties.
- e. Military Leave
- f. Family Medical Leave Act (FMLA) leave
- g. Bereavement leave
- h. Employee Assistance Program (EAP)
- i. Voluntary participation in Deferred Compensation Plan (457)
- j. Voluntary participation in Flexible Spending Plan (125)

O. Effective Date

The terms of this resolution shall be effective as of July 1, 2013.

ADOPTED this ____ day of _____, 2013.

AYES: Supervisors _____

NAYES: Supervisors _____

ABSENT: Supervisors _____

Robert L. Crowell, Mayor

ATTEST:

ALAN GLOVER, Clerk/Recorder