# Sacramento Public Library Authority

**April 26, 2012** **Agenda Item 16.0: Public Hearing Regarding Unilateral Implementation of Changes to Contract with International Union of Operating Engineers, Stationary Engineers Local 39, Library Unit**

*******REVISED********

**TO:** **Sacramento Public Library Authority Board Members**

**FROM:** **Rivkah K. Sass, Library Director**
**Denise M. Davis, Deputy Library Director**

**RE:** **Public Hearing Regarding Unilateral Implementation of Changes to Contract with International Union of Operating Engineers, Stationary Engineers Local 39, Library Unit**

**RECOMMENDED ACTION(S):**

**Conduct** a public hearing regarding recommended unilateral implementation of SPLA's last, best and final offer to the International Union of Operating Engineers, Stationary Engineers Local 39, AFL-CIO, following completion of negotiations.

**Adopt** Resolution 12-18, A Resolution to unilaterally implement changes to the Library Unit contract with Local 39, International Union of Operating Engineers, Stationary Engineers Local 39, AFL-CIO.

**REASON FOR RECOMMENDATION**

Government Code section 3505.7 authorizes SPLA to implement terms of its last, best and final offer after completion of negotiations and any applicable impasse procedures. Section 3507.7 provides:

After any applicable mediation and fact-finding procedures have been exhausted, but no earlier than 10 days after the fact-finders' written findings of fact and recommended terms of settlement have been submitted to the parties pursuant to Section 3505.5, a public agency that is not required to proceed to interest arbitration may, after holding a public hearing regarding the impasse, implement its last, best, and final offer, but shall not implement a memorandum of understanding. The unilateral implementation of a public agency's last, best, and final offer shall not deprive a recognized employee organization of the right each year to meet and confer on matters within the scope of representation, whether or not those matters are included in the unilateral implementation, prior to the adoption by the public agency of its annual budget, or as otherwise required by law.

Library management and the negotiating team representing the Local 39 Library Unit held twelve meetings from September 2011 through February 28, 2012 when the library management team declared impasse. Under Board approved Library Policy Employee-Employer Relations Policy mediation is not required, but may be utilized upon mutual consent of the parties. Under Government Code section 3505.4 and PERB Regulation section 32802, fact-finding is required if the

affected employee organization request fact finding within 30 days after declaration of impasse or any mediation that occurred by agreement or local rule. The parties were unable to agree to conditions for conducting mediation, and the Union did not request fact finding. Therefore, the preconditions for unilateral implementation exist.

In an attempt to avoid closing libraries and losing staff through layoffs, library management is requesting that the Authority Board approve a unilateral implementation of terms and conditions of employment consistent with the Library's last best and final offer.

Due to the lengthy negotiations with L39 Library Unit, there will be little savings during the current fiscal year. Incremental savings will be achieved through furloughs and commensurate wage reductions not to exceed the maximum of five (5) furlough days between the present and June 30, 2012. The majority of savings will be realized in FY2012-2013 and later. Long term savings will be realized by reducing the Authority liability for Paid Time Off (PTO) balances, employer paid PERS employee retirement contributions, and eliminating retiree health contributions for new employees.

Achieving savings could occur in other ways, but would result in the loss of jobs for library staff and would necessitate the closing of libraries, a far more negative impact on the community than is warranted at this time. To reach the maximum amount of savings equal to those being recommended through unilateral implementation would require the following:

> Eliminate all existing vacancies ($912,700), close 3 branches (2 City, 1 County) and lay off the FTE equal to the number of staff currently working in those locations (17.5 FTE), resulting in a savings of $1,313,000 in salary/benefits and $170,800 in facilities operating costs (total savings $2,396,500);
>
> Retain some vacant positions, implement staff layoffs and branch closures; rebalance staffing in the remaining branches. Eliminating half of current vacancies, eliminating all limited term positions, closing 3-4 branches, 2 in the City and 2 in the County, and laying-off staff equal to the number allocated to those branches;
>
> Furlough savings are required to minimize use of reserve funds to operate. Managers and unrepresented staff have implemented furloughs, 5 days between March and June 30, 2012 as well as other concessions. The Supervisors unit agreement is closed at this time, and the unit has been asked to take 5 furlough days between April and June 30, 2012 in alignment with wage and benefits concessions made by management, unrepresented and requested of Library unit staff. Meetings with the Supervisory unit continue.

The impact of branch closures would reduce services to the public by an additional 112 per week in open hours, and a catastrophic impact on neighborhoods, job seekers, students and services.

The following table outlines the estimated savings beginning May 1, 2012. The figures presented are estimates based on prior Health & Welfare increases and savings based on current staff participation in the various benefits identified below.

| **Reductions** | **Operating Savings Year One** | **Operating Savings Year Two** |
|---|---|---|
| *Health/Dental insurance* | Savings based on employer contribution cap increase, lesser cost plan. Estimated year one savings is zero due raising the cap amount. The estimated year one increased expense to the Library is $275,500. | $60,000 est. savings , which will increase year cap is in place (e.g., year three savings is estimated at $264,000) |
| *Cash Back (opt out health insurance)* | $200,000-$250,000 est. | $200,000 est. |
| *PERS – phased implementation of employee pickup* | ~~$804,000 est.~~<br>4/25 discussion - Additional 1.5% for staff contributing 4%, new savings of about $183,000<br><br>Additional 3% for a few (6) employees contributing only 1% now may bring the total additional structural savings to about $190,000 overall.<br><br>Total value of 5.5% / 6% Employee pickup is about $700,000 annual structural savings. | ~~$155,000 est.~~<br>4/25 discussion - Additional 1.5% (bring staff to full 7%) new savings about $183,000 - $190,000<br><br>Total value of 7% Employee pickup is about $860,000 annual structural savings. |
| *PERS – second tier* | NEW – savings are achieved by lowering the ARC and maintaining the 7% employee pickup of their contribution. | |
| *Leave Incentive Credit* | $36,400 est. | $0 (eliminated last year) |
| *Transit Pass* | $44,000 (average) | $0 (eliminated last year) |

| | | |
|---|---|---|
| *PTO Cap, Accrual and Balance* | Capping accrual saves $171,000-$192,000 est. producing long-term structural changes | Accrual cap stabilizes future liability |
| *Retiree health contributions* | $22,000 est. | Savings in future years would represent the difference of the contribution if it were still offered. |
| *~~23~~ 15 furlough days; ~~5~~ 3 in the current fiscal year, ~~18~~ 12 in FY 2012-13* | ~~$205,600~~ $123,300 in current fiscal year; ~~$740,300~~ $493,400 in all of FY 2012-13 (est.). Total savings est. of $616,740 | TBD |
| *Total estimated savings* | ~~$1,760,000 - $ 2,365,600~~ $1,248,740 in maximum new savings<br><br>Status quo and new savings are estimated at $1,758,700 | ~~$621,000 minimum~~ $649,000 in new structural savings |

Management recognizes that the proposed implementation does impact staff. Many of the proposed changes have already been implemented for management and unrepresented confidential staff. The reality is that the current economic situation requires taking a long-term view that will sustain library service, protect the public interest, and retain the current staffing component without the loss of jobs through layoffs.

**ATTACHMENTS**

Resolution 12-18, A Resolution to Unilaterally Implement Changes to the Library Unit Contract with Local 39, International Union of Operating Engineers, Stationary Engineers Local 39, AFL-CIO

Exhibit A: Authority's Unilateral Adoption of Terms and Conditions of Employment after Completion of Negotiations

# Sacramento Public Library Authority

**RESOLUTION NO. 12-18**

Adopted by the Governing Board of the Sacramento Public Library Authority on the date of:

**April 26, 2012**

**A RESOLUTION IMPLEMENTING SACRAMENTO PUBLIC LIBRARY AUTHORITY'S LAST, BEST AND FINAL OFFER TO THE INTERNATIONAL UNION OF OPERATING ENGINEERS, STATIONARY ENGINEERS LOCAL 39, AFL-CIO COVERING ALL EMPLOYEES IN THE LIBRARY UNIT (LOCAL 39, LIBRARY UNIT)**

**WHEREAS,** the current Memorandum of Understanding ("MOU") between the Sacramento Public Library Authority (Authority) and International Union of Operating Engineers, Stationary Engineers Local 39, AFL-CIO ("Union") covering the employees in the Local 39 Library Unit expired on December 31, 2011; and

**WHEREAS**, AUTHORITY and UNION representatives have been negotiating for approximately five months on proposed changes to the MOU in accordance with the provisions of the Myers-Milias Brown Act ("MMBA"); and

**WHEREAS,** negotiations reached impasse on February 28, 2012, and AUTHORITY so notified the UNION; and

**WHEREAS,** Government Code Section 3505.7 allows a local agency to unilaterally implement its Last, Best and Final Offer after completing good faith negotiations, exhausting any required impasse procedures, and holding a public hearing regarding the impasse; and

**WHEREAS,** any required impasse procedures have been exhausted, in that the parties were unable to agree to conditions for conducting mediation and fact-finding pursuant to Government Code Section 3505.4 et seq. and fact-finding pursuant to PERB Regulation 32802 was not requested; and.

**WHEREAS,** the AUTHORITY Board on this date held a public meeting in which it considered all written and oral presentations; and

**WHEREAS,** the AUTHRITY Board has concluded that it is appropriate to implement the AUTHORITY's last, best and final offer in order to meet the AUTHORITY's immediate and long-term financial needs,

**NOW, THEREFORE BE IT HEREBY RESOLVED BY THE GOVERNING BOARD OF THE SACRAMENTO PUBLIC LIBRARY AUTHORITY AS FOLLOWS:**

# Sacramento Public Library Authority

1. AUTHORITY'S Last, Best and Final Offer ("LBFO"), as described in the attached Exhibit A, which includes all proposed changes to hours, wages, and other terms and conditions of employment for employees covered by the Local 39 Library Unit, is implemented and adopted, as of April 26, 2012.

2. This resolution does not constitute implementation of a memorandum of understanding.

3. This resolution shall not deprive the Union of its right each year to meet and confer on matters within the scope of representation, as provided in Government Code 3505.7.

4. The Library Director is authorized and directed to take any administrative actions necessary to implement the provisions of this Resolution.

_____
Sophia Scherman, Chair

ATTEST:

Rivkah K. Sass, Secretary

By:_____
Brenda Haggard, Assistant Secretary

ATTACHMENTS:

Exhibit A: Sacramento Public Library Authority and International Union of Operating Engineers, Stationary Engineers Local 39, AFL-CIO; Authority's Unilateral Adoption of Terms and Conditions of Employment after Completion of Negotiations

# SACRAMENTO PUBLIC LIBRARY AUTHORITY AND INTERNATIONAL UNION OF OPERATING ENGINEERS, STATIONARY ENGINEERS LOCAL 39, AFL-CIO AUTHORITY'S UNILATERAL ADOPTION OF TERMS AND CONDITIONS OF EMPLOYMENT AFTER COMPLETION OF NEGOTIATIONS

## I. INTRODUCTION

This document describes the terms of the last best and final offer made by the Sacramento Public Library Authority ("SPL") to International Union of Operating Engineers, Stationary Engineers Local 39, AFL-CIO ("Union"), in its capacity as exclusive representative of the SPL Library Unit. The proposed unilateral implementation of SPL's last best and final offer shall be the subject of a public meeting and hearing of the SPL Board of Trustees on April 26, 2012 pursuant to Resolution No. 12-18 following completion of meeting and conferring between SPL and the Union.

The changes herein do not constitute a new MOU and shall not deprive Local 39 of its right each year to meet and confer on matters within the scope of representation, whether or not those matters are included in the unilateral implementation, prior to the adoption by the public agency of its annual budget, or as otherwise required by law.

## II. TERMS OF LAST BEST & FINAL OFFER

### ARTICLE 6: SALARY ADJUSTMENTS

No cost of living adjustments.

### ARTICLE 7: SALARY ADMINISTRATION

7.2 For clarity, references in section 7.2 (Advancement In Rate Of Compensation) to "step increase" are modified to read, "step advancement."

7.2(a)2 Section 7.2.a(2) is clarified to specify that denials of step advancement are not subject to the grievance procedure.

7.2(b) Section 7.2(b) is amended to add:

> In the event that an employee is on a PIP or under investigation for potential misconduct that, if proven, could prevent step advancement, such step advancement may be suspended pending the outcome. If after PIP evaluation or investigation, the employee receives a satisfactory appraisal, step advancement shall be conferred retroactively. Denial of step advancement shall not be appealable.

7.2(d) Section 7.2(d) is modified to clarify that if an employee's probationary period is extended, step advancement will be delayed for the period of the extension.

7.5 Section 7.5 is modified to show that employees who return to Authority service shall return to the same salary step only if their absence was less than one year.

**ARTICLE 8: HEALTH AND WELFARE**

8. Add a preface to show that the benefits in Article 8 are non-vested.

8.1(c) Add new 8.1(c), which states that vision insurance will be available to employees at their own expense.

8.2 The Authority's contributions toward health and dental insurance and qualifying hours requirements, as reflected in section 8.2, are modified as follows:

a. The Employer shall contribute the following amount toward a health/dental plan *or* the lowest cost health/dental plan, whichever is less:

   $720 (employee only)

   $850 (employee + 1 dependent)

   $1100 (employee + 2 dependents)

Note #1: In light of the changes in employer payment and in cash back amounts, a new open enrollment period will occur, starting on May 1, 2012. Accordingly, the change in employer contribution amount and cash-back amount stated herein shall take effect on June 1, 2012.

b. All staff must be in paid status a minimum of eighty (80) hours per pay period in order to receive the full Authority contribution referenced above. The employer contribution for employees in paid status from 40 to 79 hours will be pro-rated to the number of hours in paid status. If the employee is not in paid status for at least 40 hours per pay period, he/she shall not be eligible for any employer contribution. In that event, the Authority shall deduct from the employee's paycheck the amount needed to pay for the insurance plans that the employee has selected. If this deduction from the employee's paycheck cannot be made in its entirety, it is the responsibility of the individual employee to pay for the remaining amount. Failure to do so before the end of the calendar month including such paycheck(s) shall automatically drop the employee from the Authority-sponsored insurance program until the employee returns to work and is able to resume paying for health benefits.

   "Paid status" shall be specifically defined, as follows:

"Paid Status" means being paid for time while:

- At work
- On PTO or other paid time off hours, including but not limited to holidays and holiday credit pursuant to 12.2
- On State Disability Leave or State Paid Family Leave and integrating with ~~their~~ available leave balances
- On worker's compensation leave and integrating with ~~their~~ available leave balance
- On jury duty
- On bereavement leave

It does not mean:

- On an unpaid leave of absence
- On suspension without pay
- On "in lieu" discipline per §18.2

c. This new provision details the procedure for deducting the premium payment in the event that an employee separates during the first pay period of the month. The remaining premium payment may be deducted from leave balance; if that is insufficient, it is the employee's responsibility to pay the SPLA.

8.3 "Cash back" limits as referenced in Article 8.3 for employees who waive Authority-sponsored health insurance, are modified as follows:

Effective **June 1, 2012**: $200 per month **[see note #1 above]**

Effective January 1, 2013: $100 per month

Effective January 1, 2014: zero per month

Cash-back for employees hired after January 1, 2012 who waive Authority-sponsored health insurance shall be $0 (zero).

8.5(c) Clarify order of use of leave in include Holiday Earned Credit and Paid Time Off.

**ARTICLE 9: HOURS OF WORK**

9.4 Provision for unpaid furloughs (article 9.4) is as follows:

1. The Authority, in its sole discretion, shall determine whether furloughs are necessary. For example, and without limitation, the Authority may determine that furloughs are necessary if it concludes, in its sole discretion, that revenues and expenditures on a year-to-year basis are not achieving or have not achieved the goals and/or projections of the five-year plan. SPL may implement up to five (5) furlough days in the period 3/1/2012 to 6/30/2012. SPL may implement up to twenty-four (24) furlough days (192 hours) in both the 2012/13 fiscal year and the 2013/14 fiscal year. If SPL resolves to implement more than 18 furlough days in 2012/13 or 2013/14, the Authority will give the Union an

opportunity to meet and confer, and failing prompt agreement, to mediation under auspices of the State Mediation & Conciliation Service. Meeting and conferring and mediation shall be limited to a 14-day period unless the parties mutually agree to extend that time period. The Union agrees that no further impasse process will apply and that it will not invoke the provisions of AB 646. Failing agreement through this process, the Authority may implement its final proposal.

2. Furlough time may be taken in increments of four hours or eight hours. Employees working under alternative work schedules shall be moved to a 5-8 schedule during weeks of furlough.

3. All unit members shall receive the same number of furlough days in a fiscal year; provided, however, that if for operational reasons an employee needs to be called in to work during a scheduled furlough day, he/she will be paid hour for hour and shall receive time and one-half if the work on furlough days causes him/her to have worked over eight (8) hours that day (10 hours for a 4-10 schedule) or 40 hours that week. The number of furlough days for part-time unit members shall be pro rated.

4. SPL may designate furlough days either on an individual basis, per arrangement with supervisor and employee; on a "rolling" basis; through Systemwide closure; or through a combination of these elements. A "rolling" basis means non-simultaneous closure(s) of one or more branches and Central, with all such branches including Central covered by the same number of furlough days. Systemwide closure means closure of all branches and Central simultaneously.

5. Each incidence of a furlough day will be treated as a day of unpaid leave and employees' paychecks for the pay period in question will be commensurately reduced. All furlough time must be used during the calendar year.

6. Any unused furlough leave not taken by June 30, of each fiscal year shall be forfeited.

7. The provisions in [the] MOU relating to layoffs do not apply.

## ARTICLE 10: OVERTIME COMPENSATION

10.1 Section 10.1 (Overtime Compensation) is modified to clarify:

(e) CTO time must be used within the fiscal year accrued, and shall be used before PTO or other leave types for <u>absences from work. If such CTO time is not used within the fiscal year in which it was accrued, it shall be cashed out, and</u>

(g) <u>( b) overtime compensation and CTO are excluded from retirement calculations.</u>

**ARTICLE 12: LEAVES**

12.1 Effective May 1, 2012, provisions for paid time off (Article 12.1) are modified as follows:

a. PTO will cease to accrue once the unused balance totals the accrual maximum specified in 12.1(b). Employees with PTO balances in excess of the accrual maximum specified in 12.1(b) shall have the option of using the PTO excess balance within 12 months of ratification of this agreement; or within 30 days of ratification of this agreement cashing out the PTO excess balance.

b. Effective July 1, ~~2000~~ **2012**, eligible employees shall accrue and accumulate PTO in accordance with the following schedule:

| Years of Service | Accrual Rate Hours & Minutes | Accrual Maximum |
|---|---|---|
| During first 5 years | 7 hours 40 minutes | **400** hours |
| 6 through 10 years | 9 hours 20 minutes | **420** hours |
| 11 through 15 years | 10 hours 20 minutes | **440** hours |
| 16 through 20 years | 11 hours 00 minutes | **460** hours |
| 21 through 25 | 11 hours 20 minutes | **480** hours |
| 26 years and more | 11 hours 40 minutes | **520** hours |

c. **Employees in paid status less than 40 hours per week shall accrue PTO on a pro-rata basis**.

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e. The Authority shall open to bid the scheduling of employees' PTO in six-month blocks.

| **PTO period** | **Bids due to supervisor by** | **Approved PTO posted by** |
|---|---|---|
| Apr-Sept | **Oct. 15** | **Nov. 1** |
| Oct-Mar | **April 15** | **May 1** |

Authority service seniority (as defined in layoff article of this contract) shall be used to resolve bid disputes. In the event of authority service tie, hire date seniority (as defined in layoff article of this contract) shall be used. In the event of a hire date tie, a lottery will be used.

12.2(d) 2. Provisions for holiday pay eligibility (12.2(d)(2)) are clarified to confirm that SPL will not schedule unpaid suspensions for the purpose of disqualifying employees for eligibility for holiday pay.

3. Employees who are in paid status less than 40 hours a week shall earn holiday credit on a pro-rata basis.

12.8 Provisions for parental leave for all employees (Article 12.8) are updated as follows:

(1) Full-time regular employees shall be eligible for a maximum Authority-paid parental leave of four (4) weeks consisting of up to one hundred-sixty (160) hours of paid time off within six (6) months of birth or adoption. Part-time regular employees shall be eligible for parental leave consisting of up to eighty (80) hours of paid time off within six (6) months of birth or adoption. Unused parental leave shall have no cash value.

(2) To be eligible for the paid leave an employee must have completed at least two years of service from the most recent date of hire preceding either (a) the birth of a child who resides with the employee and for whom the employee has legal custody, or (b) the adoption of a child under age six (6) who resides with the employee and for whom the employee has physical and legal custody, including the pre-adoption period. Court-appointed legal guardians and foster parents do not qualify for parental leave.

(3) The use of parental leave must be initiated within four (4) months of childbirth or adoption. At the discretion of the Library Director, parental leave may be used intermittently or on a reduced schedule if a timely request is made by the employee.

(6) Reference to “sick leave” shall be modified to read “PTO.

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(7) Paid parental leave shall be considered as time worked for purposes of eligibility for recognized holidays occurring during such leave.

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12.10 Catastrophic leave provisions (Article 12.10) shall be clarified by deletion of antiquated language specifying a prior effective date in the year 2000 and by language specifying that catastrophic leave may be accrued by all employees.

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12.12 Effective July 1, 2012, leave incentive credit (Article 12.12) shall no longer be offered. Section 12.12 shall be modified by the addition of language indicating that the Authority Attendance Policy establishes expectation for employment and that coming to work is a condition of employment.

## ARTICLE 13: SPECIAL ALLOWANCES

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13.2 Article 13.2 (Tuition Reimbursement) memorializes that tuition reimbursement for staff in paid status less than 40 hours per week is pro rated.

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13.6 Article 13.6 (Bilingual Pay) is modified to specify that the Authority Bilingual Pay Policy and Procedure appears on the Library's intranet. Language in Article 13.6 relating to the now-completed work of a join labor management committee to determine guidelines for bilingual positions and assessment is deleted.

## ARTICLE 14: TRANSPORTATION

* * * * * * * * * * *

14.2 (Regional Transit Monthly Pass/Parking) are modified as follows:

a. Effective June 1, 2012, provisions for a paid monthly pass for Sacramento Regional Transit District (SRTD) (Article 14.2.a) are modified to entitle eligible employees using a SRDT for home-to-work transportation to receive fifty percent (50%) monthly reimbursement for a SRTD monthly pass not to exceed $80.

b. Effective June 1, 2012, provisions for employees to receive monthly reimbursement for home-to-work commuting via other bus transportation regulated by the Public Utilities Commission are modified to entitle eligible employees to receive a monthly reimbursement of up to fifty percent (50%) of the cost of the monthly SRTD pass not to exceed $80.

c. Effective June 1, 2012, provisions for employees working at Central Library whose work day ends at or before 6 p.m. and who drive to work are modified to provide that such employees shall receive monetary reimbursement of parking costs up to $100.

Effective June 1, 2012, employees driving to work at the Central Library and whose workday ends after 6:00 p.m. shall receive coupons to offset parking at the parking structure across from Library Alley *or an adjacent structure* on workdays ending after 6:00 p.m.

Effective June 1, 2012, employees who work at the Central Library and utilize the Sacramento Regional Transit District (SRTD) or other bus transportation regulated by the Public Utilities Commission for home-to-work commuting are eligible to receive a monthly reimbursement of up to $100.

**ARTICLE 17: SAFETY**

17.1 New provisions advancing the interest of safety for employees are as follows:

a. The Authority is committed to providing safe working environments at all locations and will comply with all applicable requirements and regulations of both state and federal law. Violations of this section shall be subject to the exclusive jurisdiction of the Labor Commissioner and/or Department of Labor.

b. Bargaining unit members shall not be required to perform duties under condition that pose an immediate and serious threat of serious bodily harm. Any employee who believes that he/she is subject to such conditions shall immediately contact his/her supervisor or manager and follow the emergency procedures posted at each work location.

c. <u>No bargaining unit member will be assigned to a work location that directly serves the public that does not have minimally two (2) responsible adults assigned and present during the hours the branch is open to the public. (Note the responsible adult may be a volunteer or shelver plus one (1) bargaining unit member.)</u>

d. If a branch is staffed below the minimum reflected in 17.1(c), the staff member shall follow the existing emergency procedure.

**ARTICLE 18: DISCIPLINE**

18.1 Section 18.1 is clarified to indicate that denials of step advancements shall not be appealable, and are instead subject to administrative review as specified in that section.

18.3 Section 18.3 is modified as follows:

(a) is modified to provide that the counseling and progressive discipline process is set forth in guidelines on the staff intranet developed cooperatively by the Library-wide Labor/Management Committee (LMC) and that those policies are subject to change from time to time through the LMC process.

(b) is modified to provide that in the event of intent to take disciplinary action other than oral or written reprimand, SPL shall give the affected employee notice of the action, the causes, the reasons, copies of underlying materials, and effective date of disciplinary action.

(d) is modified to clarify that in the event that the Director issues a final determination of discipline, the employee pay appeal via formal grievance pursuant to section 5.7 of the grievance procedure. It is modified to provide that the counseling and progressive discipline process is set forth in guidelines on the staff intranet developed cooperatively by the Library-wide Labor/Management Committee (LMC) an, and that those policies are subject to change from time to time through the LMC process.

(f) is clarified to state that probationary employees as well as temporary employees serve at the pleasure of SPL and may be released from their positions at any time.

**ARTICLE 20: MISCELLANEOUS**

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20.18 PERS Retirement Plan And Contribution is modified as follows:

A new second tier retirement benefit is to be implemented as soon as practicable after acceptance/adoption for all employee groups covered by the Authority's contract with the Public Employees Retirement System (PERS). The Authority's contract with PERS for miscellaneous employees hired on or after 1/1/2012 shall be modified to provide for the following structure: Modified 2% at age 60; three year average compensation; 2% COLA; 25% survivor continuation; 50% industrial disability; military service credit.

SPL will reduce its payment ("pickup") of the employees' retirement contribution to one and one-half percent (1.5%) effective July 1, 2012. SPL's payment of the remaining one and one-half percent (1.5%) shall be ended as of December 31, 2012. This reduction/elimination applies to all unit members, including employees who transferred from the Sacramento City Employees' Retirement System and the Sacramento County Employees Retirement System Tier 1, with the exception of former County employees who have been in continuous County service since March 7, 1973 with 30 years of continuous combined County and Authority service. Per existing section 20.18(d), the County will pay the full employee contribution for such former County employees.

20.20 This article to be modified as follows:

Employees hired on or after January 1, 2012 are not eligible for any Authority-paid retiree health contribution. In the event that the Library Board confers retiree health benefits to such employees in the future, such action shall be subject to change or elimination by the Board at any time, and shall not be considered to have created a vested right to any such benefit.

Authorization of any such benefits shall be effective only if expressly approved by resolution of the SPL Board on a year by year basis.

No resolution or other writing, and no practice of any type, shall be construed, singly or in combination, (a) to constitute an implied in fact contract., or (b) to deprive the Board of its ability to decide on an annual basis whether or not the benefit shall be continued or conferred to employees.