MANAGEMENT OF EMERYVILLE SERVICES AUTHORITY FOR THE

CITY OF EMERYVILLE

PAY and BENEFITS PLAN For Unrepresented Employees

(SUPERCEDES RESOLUTION NO. MA 2207-164)

EFFECTIVE: Pay period including May 3July 1, 202216

(Where conflicts exists, the provisions of this document supersede those outlined in the City of Emeryville/MESA Personnel Rules and Regulations)

SECTION I. COMPENSATION

This section applies to all regular, full-time unrepresented and/or confidential (at-will) positions except Council Members and Council-appointed officers.

A. Compensation Policy

The City of Emeryville/MESA's (herein referred to as MESA) policy for management and confidential compensation is to establish and maintain a general structure based on marketplace norms and internal job values with pay ranges. Salary ranges will be reviewed annually and updated as necessary based on marketplace survey data, internal relationships, and financial conditions.

Individual compensation adjustments will be considered by the City Manager and/or City Attorney, as applicable, based on (1) performance factors including achievement of predetermined objectives and (2) the City's ability to pay.

B. Basic Plan Elements

<u>Structure</u>. The compensation plan includes separate salary ranges for management and nonexempt unrepresented employees. Each salary range, which represents the range of what the MESA is willing to pay for the performance of a set of duties and responsibilities, is typically a 25% spread for non-exempt classifications, and a 35% spread for exempt professional and managerial classifications, from the minimum to the maximum rate. All unrepresented employees covered by this Compensation Plan will be paid a salary within the range, as determined by performance.

Periodically, a salary review of the comparable positions in other agencies <u>will occur</u> to determine the need to adjust salary ranges. However, with the exception of a Council approved cost-of-living adjustment, no individual salary will be automatically changed because of an adjustment in the salary range.

- C. <u>Wages</u>. Because wages in this plan have not been updated since July 1, 2018, eEffective on the first day of the first pay period beginning on July 1, 2022 all unrepresented employees' salary ranges will be adjusted by three percent (3%) for or after July 1st of 2019 and 2020 and two percent (2%) for July 1, 2021., 2016, all unrepresented employees receive a three percent (3%) wage increase. Effective on the first day of the first pay period beginning on or after July 1, 202217, all unrepresented employees not subject to contract will additionally receive a three percent (3%) wage increase. Effective on the first day of the first pay period beginning on or after July 1, 202217, all unrepresented employees receive a three percent (3%) wage increase. Effective on the first day of the first pay period beginning on or after July 1, 2018, all unrepresented employees receive a three percent (3%) wage increases are reflected in Appendix A.
- D. <u>Technology Stipend</u>. An eligible employee who is required by the City/MESA to use a mobile

communications device (e.g. cellular phone) in the course of <u>theirhis or her</u> regular duties and who is not provided with such a device by the City for such use may apply for and prospectively be paid a payment of forty dollars (\$40) per month to partially offset the employee's cost of providing and using <u>theirhis/her</u> personal device for City business. The payments will commence prospectively not later than the first of the month following <u>theirhis</u> or her supervisor's receipt of the employee's application. To qualify for the payment, the represented employee must sign and submit a Cellular Phone Authorization Form to <u>theirhis/her</u> supervisor for processing and an acknowledgement that the employee has an affirmative duty to provide the employer, at the MESA's request, with all records on the device pertaining to City business. City rules concerning conduct related to the use of communications devices that apply to the use of City-owned communications devices will apply equally to the use of the employee's personal device for City business. The City Manager or <u>theirhis/her</u> designee will review approved applications not less than annually for the purpose of identifying employees that no longer qualify for a monthly stipend, and ensuring that such stipends are terminated.

SECTION II. BENEFITS and LEAVES

A. <u>GROUP HEALTH AND WELFARE BENEFITS</u>

1. Medical Benefits

The MESA shall continue to contract with the Public Employees' Retirement System (PERS) for the purpose of providing medical benefits for eligible active employees, eligible retired employees and eligible survivors of retired employees.

The MESA shall pay, directly to PERS, the amount of \$14925 each month on behalf of each eligible full-time active employee who subscribes for coverage in a PERS Medical plan. As required by Government Code Section 22892, the above rate will remain in effect only as long as required by law. For future calendar years, the City's mandatory contributions shall be adjusted annually by the CalPERS board to reflect any change in the medical care component of the Consumer Price Index, and rounded to the nearest dollar.

For the purpose of this section, a dependent is defined as a person who satisfies the definition of dependent in the PERS medical plan in which the employee is enrolled. Such dependents must also be enrolled in and covered by the plan. The eligible employee, retiree, or survivor shall be responsible for making any additional contributions needed to pay for this benefit as agreed upon in this Pay and Benefits Plan.

2. Dental Benefits

The MESA shall purchase dental insurance coverage for employees and their eligible dependents (including domestic partners). The MESA's contribution

towards the purchase of this insurance shall not exceed the following amounts per employee per month, nor shall the MESA's contribution towards the purchase of this insurance exceed 100% of the appropriate premium for the dental plan in which such eligible employee is enrolled:

Employee Only	\$-56.14
Employee + One Dependent	- <u>\$</u> -88.40
Employee + Two or more Dependents	- <u>\$</u> -129.86

Dental premium rate increases are governed by the provisions of Section 5.A. below.

The MESA reserves the right to provide dental care benefits under a plan or through a carrier of its choice. Alternate coverage may be provided through a consortium of public agencies or private employers which may be formed for the purpose of providing dental care benefits for employees; or through a program of self-insurance.

3. Vision Care

The MESA shall continue to provide vision care for employees and their eligible dependents (including domestic partners) only under Vision Service Plan (VSP), with a Twenty-five Dollar (\$25.00) deductible. The MESA's contribution towards the purchase of this insurance shall not exceed the following amounts per employee per month, nor shall the MESA's contribution toward the purchase of this insurance exceed 100% of the appropriate premium:

Employee Only	\$-23.40 <u>4</u>
Employee + One Dependent	- <u>\$</u> -23.40 <u>4</u>
Employee + Two or more Dependents	- <u>\$</u> -23.40 <u>4</u>

Vision premium increases are governed by the provisions of Section 5.A below.

The MESA reserves the right to provide vision care benefits under a plan or through a carrier of its choice. Alternate coverage may be provided through a consortium of public agencies or private employers which may be formed for the purpose of providing vision care benefits for employees; or through a program of self-insurance.

4. Life Insurance

The MESA shall pay the entire cost of providing each regular and probationary full-time employee with group term life insurance equal to the individual's annual base salary (rounded to the next highest \$1,000). This policy will include Accidental Death & Dismemberment coverage, and the right of conversion at the time of termination from employment to a form of permanent coverage without medical restrictions, to the extent allowable by the insurance carrier and the law. The payment for such converted coverage shall be the sole responsibility of the individual electing such coverage.

For Permanent Part-Time employees, the MESA shall provide group term life insurance in an amount equivalent to the employee's annualized salary, rounded to the nearest \$1,000.

5. Flexible Benefits

a. <u>Premium Contribution Account</u>. The MESA shall establish a Flexible Benefits Account for each full-time active employee in regular status enrolled in one of the PERS medical insurance plans offered by the MESA.

b. <u>The MESA Contribution</u>. In the event the amount specified in Section 1, 2, and 3 are insufficient to pay 100% of the premiums required of the corresponding benefit plan in which the employee is enrolled, the MESA shall make such supplemental payment into the employee's Flexible Benefit Account as is necessary to equal one hundred percent (100%) of the premium of the medical, dental and vision coverage in which the employee is enrolled for their coverage level, up to a maximum monthly premium for medical, dental and vision of:

<u>Medical Effective</u> <u>1/1/</u>	<u>2216</u>
Employee Only	<u>\$ 661.82 847.63768.45</u>
Employee + One Dependent	<u>\$\$ 1,323.64 1,648.37536.93</u>
Employee + Two or more Dependents	\$ 1,720.75_2,150.95<u>1,998.05</u>

In the event that there are any premium rate increases for the medical plan in excess of the above stated amounts, the MESA agrees to pay 80% of the announced increase in the Kaiser Bay Area premiums, at each respective level, which take effect on January 1^{st} of each calendar year., 2017, January 1, 2018, and January 1, 2019.

Permanent Part Time Employees. Represented employees working less than fulltime are eligible for Employer-sponsored health care benefits in accordance with the below tiers:

- (a) Tier I Represented regular part-time employees who are regularly scheduled to work thirty (30) hours or more hours a week but less than full-time (35 or 40 hours, depending on assigned work schedule) will be eligible for health care benefits and flexible benefit contributions on the same basis as regular full-time employees.
- (b) Tier II Represented regular part-time employees who are regularly scheduled to work at least twenty (20) but less than thirty (30) hours per week will be eligible for the Employer-sponsored health care benefits with the Employer paying flexible benefit contributions up to a maximum of seventy-five percent (75%) of the premium charged for the plan in which the employee is enrolled, up to a maximum of seventy-five percent (75%) of the Bay Area Kaiser

premium at the applicable level of plan enrollment (i.e. one party, two party, or family). The balance of the required premium will be paid by the employee by payroll deduction.

	<u> </u>
Employee Only	<u>\$56.14-57.32</u> 23.04 22.90
Employee + One Dependent	<u></u>
Employee + Two or more Dependents	<u> 129.86 132.59 23.04 22.90</u>

If, at anytime, the MESA reaches an agreement with the recognized employee organizations for the City's miscellaneous represented employees, whereby premium caps are set at a rate higher than those listed above, the MESA agrees to revisit the medical plan premium share arrangement for unrepresented employees provided for in this Pay and Benefits Plan document.

c. <u>Additional Employee Contributions</u>. In the event an employee enrolls in a medical plan for which the premium exceeds the MESA's contribution for medical insurance and Flexible Benefits as provided herein, such additional sum shall be withheld from the employee's salary by MESA on a pre-tax basis.

d. <u>Health Care and Dependent Care Spending Accounts</u>. The MESA agrees to allow employees to <u>elect and</u> designate a specific amount of salary, consistent with applicable public law, to be redirected each month to pay for Health Care and Dependent care costs on a pre-tax basis. The <u>carrierMESA</u> will <u>debitreimburse</u> such employee's account on a monthly basis for health care and dependent care <u>based on eligible receipts</u> from such redirected funds, upon presentation to the designated third party administrator of a claim and receipt for services rendered. Any unused funds will be administered in accordance with applicable Federal law.

e. <u>Changing Elections</u>. Federal law limits the circumstances under which an employee may elect benefits and change an election under the Flexible Benefits Plan.

1. <u>Premium Contribution Account</u>. Unless the individual employee notifies the <u>Director of Finance-Human Resources Director</u> in writing prior to May 30 each year, that <u>theyhe/she</u> elects to have <u>theirhis/her</u> Flexible Benefits paid into the Deferred Compensation Program, it will automatically be used to pay premium changes for the elected medical insurance program.

Each employee shall be responsible for providing immediate written notification to the Human Resources Director of any change to the number of <u>theirhis/her</u> eligible dependents (as defined by the summary plan documents) which affects the amount of the MESA's payment to the Flexible Benefits Account. Changes to Flexible Benefit payments required because of a change in an employee's number of eligible dependents shall take effect at the start of the first pay period in the month next following the month in which advice from the employee is received by the Human Resources Director. No retroactive increases to the MESA's payment shall be allowed.

2. <u>Health Care and Dependent Care Spending Accounts</u>. To elect to redirect funds into the Health Care and Dependent Care Spending Accounts, the individual employee must obtain and complete an election form and provide it to the <u>carrier Human Resources Director</u> in accordance with MESA's procedures, but no later than <u>open enrollmentNovember 30</u> each year for the plan year beginning January 1. The prior year election will not be renewed. If the employee makes no election <u>during open enrollmentprior to November 30</u>, then the employee will be deemed not to participate in the Health Care and Dependent Care Spending Accounts.

Each employee shall be responsible for providing written notification to <u>Human Resources - Payrollthe Human Resources Director</u> of any change in health care or dependent care status within 30 days of the change which affects the amount of the MESA's payment to the Flexible Benefits Account, if any. Changes to Flexible Benefit payments required because of a qualifying change in status shall take effect at the start of the first pay period in the month next following the month in which advice from the employee is received by <u>Human Resources - Payrollthe Human Resources</u> <u>Director</u>. No retroactive increases to the MESA's payment shall be allowed. A qualifying change in status includes changes as permitted under the MESA Flexible Benefit Plan in accordance with IRS Regulations.

3. <u>The MESA Allowance.</u> The monies in an employee's Flexible Benefits and Health Care and Dependent Care Spending Accounts allocated by MESA shall be used for one of the following purposes only:- (a) payment of premium charges for the PERS medical insurance program, the dental plan, and the vision plan in which the employee is enrolled; or (b) payments to an established Health Care and Dependent Care spending account plan.

6. <u>Alternate Benefit</u>

Employees shall be allowed an opportunity to select certain options as alternatives

to those benefits listed in Section 1 of this Pay and Benefits Plan under the following terms.

- 1. <u>Eligibility</u>. Eligibility for receipt of alternative benefits is restricted to those employees for whom no MESA contribution is made towards premiums for group <u>hospital</u>-medical-<u>surgical</u> insurance because of coverage said employees have from a source other than the MESA. Written proof of <u>group said</u>-coverage is required <u>to be provided to Human Resources</u>. by the MESA.
- 2. <u>MESA Contribution</u>. The MESA shall contribute one-half (1/2) of the MESA-paid Kaiser North two-party premium cap per month for alternate benefits for eligible employees who select alternate benefits. For Tier II permanent part-time represented employees, the Employer shall contribute one-third (1/3) of the Employer-paid Kaiser Bay Area two-party premium cap per month for alternate benefits.
- 3. <u>Available Benefits</u>. Contributions made by the MESA may be applied by the employee to one or both of the following options:
- a. A supplement to the employee's monthly salary. State and Federal taxes will be withheld on any monies applied to this option.
- b. Contribution to the Deferred Compensation Plan currently in effect for MESA employees, as governed by IRS regulations, must be made on an after tax contribution basis.

7. **Reservation of Rights**

The MESA reserves the right to provide medical, dental or vision care benefits under a program other than that offered through the PERS or other existing benefit arrangements at any time during the term of this Plan. Alternate coverage may be provided through a consortium of public agencies or private employers which may be formed for the purpose of providing medical, dental and vision care benefits for employees; or through a program of self-insurance.

8. <u>Health Care Legislation</u>

In the event that either the State of California or the federal government produces legislation which requires a change in the benefits provided under this Plan, or imposes an employee or an employer contribution requirement toward the cost of such benefits, MESA shall have the right to adjust its contributions so that its total contribution is no greater than is required under this Plan and shall have a duty to provide any benefits lost through such legislation through a supplemental health plan. In the event that the cost of such additional benefits exceeds the total MESA contribution required by this Plan, employees will be informed of

alternative plan design which conforms with the legislation and any necessary adjustments in contribution levels for both MESA and the employees covered hereunder.

9. <u>Retired Employees – Health Benefits</u>

The MESA shall contribute \$32.20 each month on behalf of each eligible retired employee. Employees who retired prior to January 1, 1981 are eligible for medical benefits only. Employees who retired between January 1, 1981 and January 1, 1984 inclusive are eligible for Medical and Dental benefits only. Employees who retire subsequent to January 1, 1984, are eligible for maximum medical, dental and vision care benefits in the amounts below:

	<u>Medical</u>	<u>Dental</u>	Vision
Retiree	\$16.00	\$20.00	\$-5.00
Retiree + One Dependent	- <u>\$</u> -16.00	<u>\$</u> 35.00	- <u>\$</u> –8.68
Retiree + Two or more Dependents	- <u>\$</u> -16.00	<u>\$</u> 46.06	- <u>\$</u> -8.68

As required by Government Code Section 22892, the City's contribution toward medical benefits only shall increase as follows:

\$125149.00 per month for calendar year 20162022.;

The increases in the City's mandatory contributions rate shall remain in effect only as long as required by law. For future calendar years, the City's mandatory contributions shall be adjusted annually by the CalPERS board to reflect any change in the medical care component of the Consumer Price Index, and rounded to the nearest dollar.

Retired employees who qualify for the Federal Government Medicare Benefits are eligible for Medicare Supplemental coverage only and may not elect any other medical insurance benefit. They remain eligible for dental and vision care benefits as provided herein.

Retiree Supplement Account

For employees hired prior to July 1, 2002, the MESA shall establish a Retiree Supplemental Benefit Account on behalf of each retiree that provides the following retiree benefits paid by MESA:

	Medical	<u>Dental</u>	Vision
Retiree	\$153.00	\$20.00	\$5.00
Retiree + One Dependent	- <u>\$</u> -286.00	- <u>\$</u> 35.00	- <u>\$</u> -8.68
Retiree + Two or more Dependents	- <u>\$</u> 363.00	- <u>\$</u> -46.00	- <u>\$</u> -8.68

For employees hired on or after July 1, 2002, the MESA shall establish a Retiree Supplemental Benefit Account on behalf of each retiree with eleven (11)

or more years of service. The combination of the MESA's minimum employer contribution and Retiree Supplemental Benefit Account shall not exceed the follows:

	Medical	Dental	Vision
Retiree	\$153.00	\$20.00	\$-5.00
Retiree + One Dependent	- <u>\$</u> -286.00	- <u>\$</u> -35.00	- <u>\$</u> -8.68
Retiree + Two or more Dependents	- <u>\$</u> -363.00	- <u>\$</u> 46.06	<u>\$</u>
-			

Additionally, in order to be eligible for this benefit, the employee's effective date of retirement must occur within one hundred twenty (120) days of the effective date of <u>theirhis/her</u> separation from employment with the MESA and <u>theyhe/she</u> must be enrolled in a medical, dental and vision care plan offered by the MESA. The surviving spouse of a retired employee who qualifies to receive these benefits is also entitled to receive the benefits in the event (a) <u>theyhe/she</u> wereas designated by the employee prior to the employee's retirement, to receive a survivor benefit under the Public Employees' Retirement System (PERS) plan, and (b) <u>theyhe/she areis</u> receiving said survivor benefit, and (c) <u>theyhe/she areis</u> a member of a medical, dental and vision plan offered by the MESA of Emeryville. In the event a retired employee has designated more than one survivor who satisfies the above criteria, benefit payments made pursuant to this Section shall not exceed the monthly amount recited above for all such eligible survivors of the employee.

Eligible employees are those who retire from the MESA for service or disability and who have been employed continuously by the MESA.

10. Long Term Disability Insurance

The MESA shall provide, at no cost to full-time active regular employees, long-term disability (LTD) insurance with a benefit of 60% of the employee's monthly salary, up to a benefit cap of \$10,000 per month, less any other income.

11. Employee Assistance Program

Employees are eligible to participate in a free, confidential counseling and referral service designed to help them or members of their immediate household resolve personal problems that may be interfering with work and home life. The plan provides a set number of visits per year, at no cost to the employee or eligible family members.

B. MISCELLANEOUS BENEFITS AND RETIREMENT

1. <u>Automobile Allowance and/or Uncompensated Expense</u>

At the discretion of the City Manager (or in the case of Council-appointed officers, the City Council), employees whose duties require the regular use of their personal vehicle, may be authorized a <u>maximum</u> payment of \$275 per month, maximum.

2. <u>Retirement</u>

Unrepresented employees participating in the PERS miscellaneous pension benefit system will pay seven percent (7%) of their PERSable wages toward the PERS employee contribution. Employee contributions made directly toward the PERS employee contribution for services rendered shall be made on a pre-tax basis to the extent permitted under Internal Revenue Code Section 414(h). The MESA will not treat MESA contributions toward the PERS employee contribution as compensation subject to income tax withholding unless required to do so by applicable local, state or federal law. Each employee shall be solely and personally responsible for any Federal, State or local tax liability of the employee that may arise out of the implementation of this section or any penalty that may be imposed therefore.

Effective January 1, 2013, newly hired employees that are considered "new members" in accordance with the Public Employee Pension Reform Act (PEPRA) will be enrolled under the PERS Miscellaneous Employee 2% @ 62 retirement formula plan (average of highest three (3) years compensation earnable and Level III Survivor Benefits plan), in accordance with applicable law and PEPRA. Employees enrolled in the 2% @ 62 shall contribute to the PERS each pay period one half the normal cost₅ which (as of 7/1/16) is seven and a quartersix and a half percent (<u>76.2</u>5%) of "PERSable" compensation toward the PERS employee contribution rate.

3. <u>Severance</u>

Employees in "at-will" positions, as defined in the Personnel Rules and Relations for the City of Emeryville/MESA, are eligible for severance pay, equivalent to one (1) week pay for every year of service, up to a maximum of eight (8) weeks pay, when released from City/MESA employment for non-disciplinary reasons.

Severance pay shall be calculated on the basis of employee's regular straight time (hourly equivalent) rate at the time of separation, shall be paid in a lump sum, and shall not be counted as time worked for the purpose of qualifying for employment benefits.

4. <u>Health and Wellness</u>

Eligible employees may participate in city-sponsored activities at the Emeryville Center for Community Life (ECCL) at the posted Emeryville City resident rate as established, revised, and implemented from time to time at the discretion of the MESA Board.

C. <u>LEAVES</u>

1. Vacation Leave

An employee shall accrue vacation leave from the date of the employee's regular appointment by the MESA, each month at the rates enumerated below. Except that the City Manager has sole authorization to credit new employees with additional week(s) per year for relevant service with a prior employer. Such accrual and credit may not exceed two (2) times the annual rate of accrual. For the purpose of determining the amount of vacation entitlement, an employment year is defined as the period of one (1) year from the anniversary date of such appointment by the MESA.

Employees hired prior to July 1, 1998:

0 to 9 years:	Fifteen (15) days per year
10 to 20 years:	Twenty (20) days per year
21+ years:	Twenty-five (25) days per year

Employees hired by the City after June 30, 1997 and hired by MESA after July 1, 1998:

0 to 4 years:	Ten (10) days per year
5 to 9 years:	Fifteen (15) days per year
10 to 20 years:	Twenty (20) days per year
20+ years:	Twenty-five (25) days per year

Permanent Part-Time Employees

Effective August 1, 2010, permanent part-time employees appointed to at least a 50% time status position, shall be eligible to accrue prorated vacation leave hours based on the budgeted full-time equivalent status of the position held. For example, an employee in a budgeted 75% full-time equivalent position would be eligible to accrue vacation leave at 75% of a full-time employee's accrual level with the same years of service.

2. <u>Sick Leave</u>

Unrepresented employees (regular and probationary) shall accrue prorated sick leave at equivalent to the budgeted full-time equivalent status of the position held. For example, an employee in a budgeted 75% full-time equivalent position would be eligible to accrue sick leave at 75% of a full-time employee with the same years of service.

All regular, non-probationary employees hired before January 1, 2014, regardless of service length, shall be entitled to payment for that portion of unused sick leave earned but unused, at the time of separation, to a payment at the rate of sixty percent (60%) up to a maximum of one hundred twenty (120) days, provided the employee separates from the MESA in good standing. For the purpose of this provision, "good standing" is defined as retirement, layoff, or in the case of resignation, the employee has provided at least two (2) weeks notice prior to separation. Separation that occurs because of a disciplinary reason is not separation in good standing and therefore none of these provisions apply.

For employees hired on or after January 1, 2014, payment of sick leave will be granted to full time regular, non-probationary employees with at least ten (10) years of continuous service. Such employees shall be entitled to payment for that portion of unused sick leave earned but unused, at the time of separation, to a payment at the rate of thirty percent (30%) up to a maximum of one hundred twenty (120) days, provided the employee separates from the MESA in good standing. For the purpose of this provision, "good standing" is defined as retirement, layoff, or in the case of resignation, the employee has provided at least two (2) weeks' notice prior to separation. Separation that occurs because of a disciplinary reason is not separation in good standing and therefore none of these provisions apply.

Upon retirement from the MESA for service or disability, a full time employee may convert accrued but unused sick leave to additional service credit as provided in the MESA's contract with the Public Employees' Retirement System.

3. Family Sick Leave

- (a) Definition of Immediate Family. Immediate family is defined as employee's parents, spouse, domestic partner, children, brother, sister, foster child, ward of the court, grandparents, legal guardian, grandchildren, parents of employee's spouse, any person living in employee's household as a family member.
- (b) Entitlement. An employee may use accrued sick leave for illness in the immediate family. At the Employer's request, the employee will provide satisfactory evidence of the facts justifying such absence.

4. Administrative Leave

At the discretion of the City Manager, unrepresented employees that are not eligible for overtime compensation, may be granted up to ten (10) days of Administrative Leave. Procedures governing the granting and use of Administrative Leave are provided in the City's Administrative Instruction Manual or the Personnel Rules.

An employee may elect in advance to cash out up to ten (10) days of unused administrative leave at their base rate of pay at time of payment each fiscal year. The Employer may establish and modify the timeframe and deadline for advance election

of administrative leave cash out to ensure that such leave is not subject to immediate taxation as income under state or federal law at the time it is credited to the employee.

-Eligible employees shall have administrative leave balances automatically cashed out at the end of the fiscal year. In no event will administrative leave be carried forward to the next fiscal year.

Eligible employees may use accrued Administrative Leave with advance scheduling approval of their respective supervisor. Employees who separate from employment with the MESA shall be paid any unused administrative leave up to ten (10) days, upon separation.

5. Holidays

The following holidays shall be observed by the Employer with respect to all bargaining unit members. The Employer's offices will be closed on these days except as otherwise provided by the department head.

- 1) New Years' Day (January 1)
- 2) Martin Luther King, Jr. Birthday (3rd Monday in January)
- 3) President<u>-s</u> Day (3rd Monday in February)
- 4) Memorial Day (last Monday in May)
- 5) Independence Day (July 4)
- 6) Labor Day (1st Monday in September)
- 7) Columbus Day (2nd Monday in October)
- 8) Veteran²s² Day (November 11)
- 9) Thanksgiving Day (4th Thursday in November)
- 10) Day after Thanksgiving
- 11) Christmas Day (December 25)
- 12-13) Floating Holiday (2 days)

The Employer's Administrative Instruction 1114 shall govern the terms and manner of holiday observance and compensation.

Eligible employees shall be granted two (2) floating holidays each fiscal year on the first day of the first pay period beginning on or after July 1 of the respective year.