

BEFORE THE COUNCIL OF THE
METROPOLITAN SERVICE DISTRICT

FOR THE PURPOSE OF PROVIDING)
A COST OF LIVING ADJUSTMENT FOR)
FY 1982)

RESOLUTION NO. 81-283
Introduced by the Council
Coordinating Committee

WHEREAS, Ordinance No. 79-73 (Personnel Rules) of the District requires the maintenance of a Compensation Plan for non-union Metro Regular and Temporary employees; and

WHEREAS, Said Ordinance requires an annual salary adjustment review to reflect consideration of cost of living changes; now, therefore,

BE IT RESOLVED,

1. That the Council approves a two (2) percent Cost of Living (COLA) salary adjustment effective July 1, 1981, for all non-union Metro employees and the Executive Officer.

2. That in addition to the cost of living adjustment above, the Council authorizes a pension "pick-up" for all regular employees including the Executive Officer. Said pick-up shall be in the amount of six (6) percent of wages or salary and may be implemented either as a substitution of employee contributions by employer contributions or as an increase in employer contributions, depending upon which of Metro's pension plans is affected. Said pick-up shall take effect on a date to be determined by the Executive Officer but not later than January 1, 1982.

3. That the Executive Officer is authorized to terminate Metro pension plan #34628 (3% defined contribution plan) and #31860 (defined benefit plan) and to transfer all employees covered by such

plans to Metro pension plan #39174 (5% defined contribution plan) and plan #13961 (5% deferred compensation plan). The Executive Officer is further authorized to alter the latter plans as follows:

- (a) increase plan #39174 from 5% to 11% of salary or wages, the amount of the increase not being subject to the plan vesting schedule.
- (b) convert plan #13961 from mandatory to voluntary participation.

4. That, in addition to the provisions of sections 1 and 2 of this Resolution, the Council approves a temporary six (6) percent cost of living increase for all regular employees including the Executive Officer. Such increase shall be effective July 1, 1981, until such time as section 2 of this Resolution is implemented. The Executive Officer shall implement this section by one or more retroactive lump sum payments to eligible employees. This temporary COLA shall not constitute an adjustment to the Metro Pay Plan.

5. That, in addition to the two percent increase allowed all employees pursuant to section 1 of this Resolution, non-union temporary employees shall receive a one time lump sum increase of six (6) percent of salary or wages, in lieu of the provisions of sections 2 and 4 above, for time worked between July 1, 1981 and June 30, 1982. Such payment shall be made upon termination of employment or temporary status. This section shall apply only to temporary employees employed at the time of adoption of this Resolution.

6. That the provisions of sections 1 through 5 of this Resolution shall not apply to those Zoo concession employees covered by the Labor Agreement between Metro and Services Employees Local No. 49. For said employees, the Council authorizes a COLA of eight percent (8%) for the period July 1, 1981 to December 31, 1981, and said increase shall be paid in up to two lump sum payments during that period. Wage rates after December, 1981 shall be determined by the Council prior to January 1, 1982.

7. That the Executive Officer is authorized to take all steps necessary and appropriate to carry out the general purposes of this Resolution. Funds to cover the costs of the provisions of this Resolution shall be transferred from the Contingency Fund to Personal Services and Retirement funds during the mid-year budget adjustment.

ADOPTED this 24th day of September, 1981, by the Council of the Metropolitan Service District.



Presiding Officer

A G E N D A M A N A G E M E N T S U M M A R Y

TO: Metro Council
FROM: Executive Officer
SUBJECT: Cost of Living Adjustment (COLA) for Non-Union Metro Employees

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81-283*

I. RECOMMENDATIONS:

- A. ACTION REQUESTED: Approval of Resolution providing for (1) a two percent COLA adjustment to the Pay Plan for all non-union employees, (2) a six percent pension plan increase for all regular non-union employees, (3) a six percent lump sum payment for currently employed non-union temporary employees, (4) an eight percent COLA for Zoo concession workers, and (5) termination of the old MSD pension plan and inclusion of affected employees in the current Metro pension plan.
- B. POLICY IMPACT: Pay Plan adjustments and retirement benefits require Council approval. The proposal provides an eight percent salary and benefits increase for non-union employees for FY 82 and an eight percent salary increase for Zoo concession workers for the first half of FY 82.

The commission appointed to make a recommendation to the Council on the Executive Officer's salary proposed an 11 percent increase. The attached Resolution would authorize a two percent increase and a six percent pension "pickup". It is not intended that the Executive Officer's salary be tied to the staff COLA in the future.

- C. BUDGET IMPACT: Funds to cover the eight percent package increase are included in the Contingency fund and can be transferred to the Personal Services and Retirement accounts as a part of the normal mid-year adjustment.

II. ANALYSIS:

- A. BACKGROUND: The administration's goals for FY 82 salary increases were (1) to effect a pension plan "pick-up" or increase for all regular employees, both union and non-union, (2) to terminate the old MSD pension plan and bring all regular employees under the newer Metro plan (except PERS employees), and (3) grant a COLA for the difference between the pension benefit increase and eight percent. In order to effect the pension "pick-up" equally, the increase must be six percent. The resulting COLA would be two percent for a total eight percent package. This package has been negotiated with the union and has received approval of the Employees Association.

Because of the high future cost and lower benefits of the old MSD pension plan (which includes approximately 40 employees), it was also our goal to seek agreement to terminate that plan and place all but PERS employees under the newer Metro plan. Such agreement has been tentatively reached.

The details of the proposal are complex and this resolution has been drafted to permit some flexibility in carrying out the purpose of the proposal.

- B. ALTERNATIVES CONSIDERED: Other total packages were considered, but eight percent is consistent with FY 82 salary adjustments in other comparable agencies. The pension pick-up or increase is preferable to a straight eight percent COLA because of future cost savings.
- C. CONCLUSION: Approval of the attached Resolution.

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