



To: Mayor and City Council

From: Michael Chandler, Assistant to the City Manager

Subject: Resolutions Authorizing City Manager to Execute Side Letters Providing Injury-Free Leave Day Reward as Established by Employee Safety Incentive Policies for MPOA, MPNSEA, and Local 324

Date: June 8, 2016

Recommendation

Adopt resolutions authorizing the City Manager to execute side letters providing an Injury-Free Leave Day Reward as established by the Employee Safety Incentive policies for the Martinez Police Officers' Association, the Martinez Police Non-sworn Employees' Association, and Local 324, upon execution of the side letters by the respective employee associations.

Background

The City has a Safety Advisory Committee comprised of employee representatives from each major department and/or division within the City. The Committee typically meets 7 or 8 times each year and collaborates on many issues pertaining to employee safety and has proven to be an effective forum for improving the overall City Safety Program.

The City's total worker's compensation insurance costs in FY 2015-16 were approximately \$810K and are projected to be approximately \$780K in FY 2016-17. These costs were adversely impacted by an experience modifier, or "x-mod," which increased from 1.13 in FY 2014-15 to 1.552 in FY 2015-16 and 1.502 in FY 2016-17. For reference, the x-mod is a formula that reflects a pool member's loss experience, based on three completed years of payroll and incurred losses relative to the average member loss rate. The x-mod is applied to the base premium as a multiplier. An x-mod of less than 1.0 results in a discount on the base premium; conversely, an x-mod of greater than 1.0 results in a surcharge. The City's x-mod increased significantly due to one bad year of claims experience in FY 2013-14 (32 claims and total incurred costs over \$700K). This adverse development did not affect the x-mod until the FY 2015-16 premium year and will continue to have a negative impact through the FY 2017-18 premium year.

The City has taken a number of steps over the past three years to strengthen the Employee Safety Program, including the following:

- 1) completing major updates to the City's Injury, Illness and Prevention Plan (IIPP) and all Department and Division Safety Plans (2013-14)
- 2) developing a Biennial Safety Plan to coincide with the City's two-year budget, with requirements for annual safety program assessments of each department or division to track progress and ensure key goals are identified (2015)

- 3) revising the City's Ergonomics program with a proactive emphasis to solicit input from employees each year (2015)
- 4) completing a major Risk Control Assessment conducted by MPA and scoring 100% on City Safety Program evaluation (2015)

These steps are expected to successfully decrease the number of worker injuries, and the significant costs associated with the injuries. A new approach to incentivizing workplace safety was also promoted and evaluated through the Safety Advisory Committee. Employees working in higher-risk job classifications will have the opportunity to receive an "Injury-Free Leave Day" ("IFL") reward for completing a 12-month fiscal year without a recordable worker's compensation injury. This new benefit designed to encourage, promote and reward safe practices in the workplace is an aspect of the new Employee Safety Incentive policies proposed for MPOA, MPNSEA, and Local 324, with a start date of July 1, 2016.

The incentive policies contemplate a time-off benefit and as such, must be adopted by Council and attached as side letters to the respective unions' MOU's.

Fiscal Impact

The City will bear no direct financial obligation through provision of the IFL reward. In accordance with the terms of each group's Employee Safety Incentive policy, the IFL is granted on July 23rd following the fiscal year in which it was earned, has no cash value, and must be used by December 31st of the year it was granted. Some ancillary staff costs to accommodate certain shift workers and ensure adequate staff coverage is possible; however, the expectation is the costs will be minimal and well below the potential costs associated with a worker's compensation injury claim.

Attachments

Resolutions:

- A – MPOA (with Side Letter and Exhibit A MPOA Employee Safety Incentive Policy)
- B – MPNSEA (with Side Letter and Exhibit A MPNSEA Employee Safety Incentive Policy)
- C – Local 324 (with Side Letter and Exhibit A Local 324 Employee Safety Incentive Policy)

APPROVED BY:



Acting City Manager

RESOLUTION NO. -16

AUTHORIZING THE CITY MANAGER TO EXECUTE A SIDE LETTER PROVIDING AN INJURY-FREE LEAVE DAY REWARD AS ESTABLISHED BY THE EMPLOYEE SAFETY INCENTIVE POLICY FOR THE MARTINEZ POLICE OFFICERS' ASSOCIATION

WHEREAS, the City Safety Advisory Committee ("Safety Committee") is comprised of employee representatives from each major department or division and meets regularly to discuss issues pertaining to employee workplace safety; and

WHEREAS, the Safety Committee has developed an Employee Safety Incentive Policy ("Incentive Policy") as a means of incentivizing workplace safety; and

WHEREAS, the City has reviewed the Incentive Policy with the Martinez Police Officers' Association ("MPOA") and the parties wish to implement the Incentive Policy; and

WHEREAS, a core component of the Incentive Policy is the opportunity for employees working in higher-risk job classifications to receive an Injury-Free Leave Day ("IFL") reward for completing a 12-month fiscal year without a recordable worker's compensation injury; and

WHEREAS, the IFL reward constitutes paid time off from work, and as such, is a benefit which only can be granted through the collective bargaining process; and

WHEREAS, the parties desire to effectuate the IFL via a Side Letter to the current Memorandum of Understanding between the City and MPOA; and

WHEREAS, a true and correct copy of said Side Letter and the Employee Safety Incentive Policy for the Martinez Police Officers' Association is attached hereto for reference.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Martinez hereby authorizes the City Manager to execute a Side Letter subject to any formatting, stylistic, or other non-substantive changes to the Side Letter or Policy deemed necessary, providing an Injury-Free Leave Day Reward as established by the Employee Safety Incentive Policy for the Martinez Police Officers' Association.

BE IT FURTHER RESOLVED this Resolution shall go into effect on July 1, 2016.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 15th day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

**CITY OF MARTINEZ
and
MARTINEZ POLICE OFFICERS' ASSOCIATION**

SIDE LETTER OF AGREEMENT

Purpose: To Agree Upon and Implement an Employee Safety Incentive Policy Establishing an Injury Free Leave Day Reward Program

The CITY OF MARTINEZ and MARTINEZ POLICE OFFICERS' ASSOCIATION hereby agree as follows:

The "City of Martinez Employee Safety Incentive Policy Martinez Police Officers' Association" attached hereto as Exhibit "A" and incorporated by reference herein ("Policy") establishing and delineating an Injury Free Leave Day Reward program shall be provided by the City of Martinez to employees within the Martinez Police Officers' Association ("MPOA") in accordance with the terms of the Policy.

For the City of Martinez

For MPOA

Brad Kilger, City Manager



Board Member



Board Member



General Member

Dated: _____

Dated: 6/8/16

CITY OF MARTINEZ
EMPLOYEE SAFETY INCENTIVE POLICY
MARTINEZ POLICE OFFICERS' ASSOCIATION

PURPOSE

To recognize and reward employees in higher-risk job classifications who perform their jobs without a recordable injury or illness.

APPLICABILITY

This Policy applies to designated full-time City employees within the Martinez Police Officers' Association (MPOA).

DEFINITIONS

"Cumulative Trauma Injury" – An employee may file a claim due to an injury that is the result of cumulative (or repetitive) work that generally occurs over several years. Examples are carpal tunnel syndrome, back pain, or internal ailments (e.g. hypertension, cardiovascular). When those claims are filed, instead of having one specific claim date, they typically have a date span such as "January 1990 to the Present." With regards to this specific Policy, the date the claim is filed will be the date used to determine eligibility or disqualification from the Incentive Program.

"Eligible Employees" – Certain full-time job classifications/positions will be designated as eligible for this Program. Injury and accident statistics will be a major factor in designating positions. New or transferring employees must be able to participate in the program for the full (12) months of the current program period, or be moved into a group at the beginning of the next 12-month period.

"Group" – A Group is comprised of all Eligible Employees.

"Injury Free Leave Day (IFL)" – A compensated day/shift off (which may be 8, 10, or 12 hours, depending upon the employee's regular work day/shift), awarded to an Eligible Employee who maintains one (1) year without a recordable injury, measured from July 1st to the following June 30th (the "Program Year"). IFL days will be granted by the July 23rd paycheck, must be used by December 31st of the year it is granted, and cannot accrue beyond that time. Time off shall be granted subject to the existing practices for granting leave within the Eligible Employees' department. IFL has no cash "buyback" value and is lost if unused at the Eligible Employee's separation or retirement.

"Recordable Injury" – A recordable injury is any injury requiring medical treatment beyond a First Aid or Medical Only claim and otherwise meets the criteria set forth by Cal/OSHA. Recordable injuries generally require the Eligible Employee to be off work, on modified duty, or are exposure injuries (e.g. bloodborne pathogens incidents), that also require the employee to be seen at the appropriate occupational health clinic as designated by the City or the appropriate physician as pre-designated by the employee.

PROCEDURES

A. Safety Incentive Program

1. Eligible Employees: All Sworn Officers, Sergeants and below, within the MPOA.
2. Program Year: July 1st through June 30th
3. Programs Defined:
 - a. Groups that complete the entire Program Year with no more than seven (7)

Recordable Injuries will receive a special recognition item to be determined by the Safety Advisory Committee, with input from the department.

- b. Eligible Employees that maintain the entire Program Year without a Recordable Injury will receive an Injury Free Leave Day (IFL), as defined herein.
- c. Groups and Eligible Employees that maintain the entire Program Year without a Recordable Injury will be recognized at the City's Annual Safety Luncheon, to be held in July or August starting in 2016. All City employees will be invited to the Annual Safety Luncheon.

B. Effective Date

This Program shall, upon adoption, become effective as of July 1, 2016.

RESOLUTION NO. -16

AUTHORIZING THE CITY MANAGER TO EXECUTE A SIDE LETTER PROVIDING AN INJURY-FREE LEAVE DAY REWARD AS ESTABLISHED BY THE EMPLOYEE SAFETY INCENTIVE POLICY FOR THE MARTINEZ POLICE NON-SWORN EMPLOYEES' ASSOCIATION, UPON EXECUTION OF THE SIDE LETTER BY THE MARTINEZ POLICE NON-SWORN EMPLOYEES' ASSOCIATION

WHEREAS, the City Safety Advisory Committee ("Safety Committee") is comprised of employee representatives from each major department or division and meets regularly to discuss issues pertaining to employee workplace safety; and

WHEREAS, the Safety Committee has developed an Employee Safety Incentive Policy ("Incentive Policy") as a means of incentivizing workplace safety; and

WHEREAS, the City has reviewed the Incentive Policy with the Martinez Police Non-Sworn Employees' Association ("MPNSEA") and the parties wish to implement the Incentive Policy; and

WHEREAS, a core component of the Incentive Policy is the opportunity for employees working in higher-risk job classifications to receive an Injury-Free Leave Day ("IFL") reward for completing a 12-month fiscal year without a recordable worker's compensation injury; and

WHEREAS, the IFL reward constitutes paid time off from work, and as such, is a benefit which only can be granted through the collective bargaining process; and

WHEREAS, the parties desire to effectuate the IFL via a Side Letter to the current Memorandum of Understanding between the City and MPNSEA; and

WHEREAS, a true and correct copy of said Side Letter and the Employee Safety Incentive Policy for the Martinez Police Non-Sworn Employees' Association is attached hereto for reference.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Martinez hereby authorizes the City Manager to execute a Side Letter subject to any formatting, stylistic, or other non-substantive changes to the Side Letter or Policy deemed necessary, providing an Injury-Free Leave Day Reward as established by the Employee Safety Incentive Policy for the Martinez Police Non-Sworn Employees' Association, upon execution of said Side Letter by the MPNSEA.

BE IT FURTHER RESOLVED THAT this Resolution shall go into effect on July 1, 2016.

* * * * *

I HEREBY CERTIFY that the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 15th day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

**CITY OF MARTINEZ
and
MARTINEZ POLICE NON-SWORN EMPLOYEES' ASSOCIATION**

SIDE LETTER OF AGREEMENT

Purpose: To Agree Upon and Implement an Employee Safety Incentive Policy Establishing an Injury Free Leave Day Reward Program

The CITY OF MARTINEZ and MARTINEZ POLICE NON-SWORN EMPLOYEES' ASSOCIATION hereby agree as follows:

The "City of Martinez Employee Safety Incentive Policy Martinez Police Non-Sworn Employees' Association" attached hereto as Exhibit "A" and incorporated by reference herein ("Policy") establishing and delineating an Injury Free Leave Day Reward program shall be provided by the City of Martinez to employees within the Martinez Police Non-Sworn Employees' Association ("MPNSEA") in accordance with the terms of the Policy.

For the City of Martinez

For MPNSEA

Brad Kilger, City Manager

Robin Gonzales, Board President

Dated: _____

Dated: _____

**CITY OF MARTINEZ
EMPLOYEE SAFETY INCENTIVE POLICY
MARTINEZ POLICE NON-SWORN EMPLOYEES' ASSOCIATION**

PURPOSE

To recognize and reward employees in higher-risk job classifications who perform their jobs without a recordable injury or illness.

APPLICABILITY

This Policy applies to designated full-time City employees within the Martinez Police Non-sworn Employees' Association (MPNSEA).

DEFINITIONS

"Cumulative Trauma Injury" – An employee may file a claim due to an injury that is the result of cumulative (or repetitive) work that generally occurs over several years. Examples are carpal tunnel syndrome, back pain, or internal ailments (e.g. hypertension, cardiovascular). When those claims are filed, instead of having one specific claim date, they typically have a date span such as "January 1990 to the Present." With regards to this specific Policy, the date the claim is filed will be the date used to determine eligibility or disqualification from the Incentive Program.

"Eligible Employees" – Certain full-time job classifications/positions will be designated as eligible for this Program. Injury and accident statistics will be a major factor in designating positions. New or transferring employees must be able to participate in the program for the full (12) months of the current program period, or be moved into a group at the beginning of the next 12-month period.

"Group" – A Group is comprised of all Eligible Employees.

"Injury Free Leave Day (IFL)" – A compensated day/shift off (which may be 8, 10, or 12 hours, depending upon the employee's regular work day/shift), awarded to an Eligible Employee who maintains one (1) year without a recordable injury, measured from July 1st to the following June 30th (the *"Program Year"*). IFL days will be granted by the July 23rd paycheck, must be used by December 31st of the year it is granted, and cannot accrue beyond that time. Time off shall be granted subject to the existing practices for granting leave within the Eligible Employees' department. IFL has no cash "buyback" value and is lost if unused at the Eligible Employee's separation or retirement.

"Recordable Injury" – A recordable injury is any injury requiring medical treatment beyond a First Aid or Medical Only claim and otherwise meets the criteria set forth by Cal/OSHA. Recordable injuries generally require the Eligible Employee to be off work, on modified duty, or are exposure injuries (e.g. bloodborne pathogens incidents), that also require the employee to be seen at the appropriate occupational health clinic as designated by the City or the appropriate physician as pre-designated by the employee.

PROCEDURES

A. Safety Incentive Program

1. Eligible Employees: all employees within the MPNSEA
2. Program Year: July 1st through June 30th

3. Programs Defined:

1. A Group that completes the entire Program Year with no more than one (1) Recordable Injury will receive a special recognition item to be determined by the Safety Advisory Committee with input from the department.
2. Eligible Employees that maintain the entire Program Year without a Recordable Injury will receive an Injury Free Leave Day (IFL), as defined herein.
3. Groups and Eligible Employees that maintain the entire Program Year without a Recordable Injury will be recognized at the City's Annual Safety Luncheon, to be held in July or August each year, starting with a special kickoff event in 2016. All City employees will be invited to the Annual Safety Luncheon.

B. Effective Date

This Program shall, upon adoption, become effective as of July 1, 2016.

RESOLUTION NO. -16

AUTHORIZING THE CITY MANAGER TO EXECUTE A SIDE LETTER PROVIDING AN INJURY-FREE LEAVE DAY REWARD AS ESTABLISHED BY THE EMPLOYEE SAFETY INCENTIVE POLICY FOR THE LABORER’S INTERNATIONAL UNION OF NORTH AMERICA LOCAL 324

WHEREAS, the City Safety Advisory Committee (“Safety Committee”) is comprised of employee representatives from each major department or division and meets regularly to discuss issues pertaining to employee workplace safety; and

WHEREAS, the Safety Committee has developed an Employee Safety Incentive Policy (“Incentive Policy”) as a means of incentivizing workplace safety; and

WHEREAS, the City has reviewed the Incentive Policy with the Laborer’s International Union of North America Local 324 (“Local 324”) and the parties wish to implement the Incentive Policy; and

WHEREAS, a core component of the Incentive Policy is the opportunity for employees working in higher-risk job classifications to receive an Injury-Free Leave Day (“IFL”) reward for completing a 12-month fiscal year without a recordable worker’s compensation injury; and

WHEREAS, the IFL reward constitutes paid time off from work, and as such, is a benefit which only can be granted through the collective bargaining process; and

WHEREAS, the parties desire to effectuate the IFL via a Side Letter to the current Memorandum of Understanding between the City and Local 324; and

WHEREAS, a true and correct copy of said Side Letter and the Employee Safety Incentive Policy for Local 324 is attached hereto for reference.

NOW, THEREFORE, BE IT RESOLVED the City Council of the City of Martinez hereby authorizes the City Manager to execute a Side Letter subject to any formatting, stylistic, or other non-substantive changes to the Side Letter or Policy deemed necessary, providing an Injury-Free Leave Day Reward as established by the Employee Safety Incentive Policy for Local 324.

BE IT FURTHER RESOLVED this Resolution shall go into effect on July 1, 2016.

* * * * *

I HEREBY CERTIFY the foregoing is a true and correct copy of a resolution duly adopted by the City Council of the City of Martinez at a Regular Meeting of said Council held on the 15th day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

RICHARD G. HERNANDEZ, CITY CLERK
CITY OF MARTINEZ

**CITY OF MARTINEZ
and
LABORERS' INTERNATIONAL UNION of NORTH AMERICA LOCAL 324**

SIDE LETTER OF AGREEMENT

Purpose: To Agree Upon and Implement an Employee Safety Incentive Policy Establishing an Injury Free Leave Day Reward Program

The CITY OF MARTINEZ and LABORERS' INTERNATIONAL UNION of NORTH AMERICA LOCAL 324 hereby agree as follows:

The "City of Martinez Employee Safety Incentive Policy Local 324" attached hereto as Exhibit "A" and incorporated by reference herein ("Policy") establishing and delineating an Injury Free Leave Day Reward program shall be provided by the City of Martinez to employees within the Laborers' International Union of North America Local 324 ("Laborers' Union 324") in accordance with the terms of the Policy.

For the City of Martinez

For Laborers' Union 324

Brad Kilger, City Manager



Vince Courtney,
Special Assistant to the NCDCL

Dated: _____

Dated: 6/09/2016

CITY OF MARTINEZ
EMPLOYEE SAFETY INCENTIVE POLICY
LOCAL 324

PURPOSE

To recognize and reward employees in higher-risk job classifications who perform their jobs without a recordable injury or illness.

APPLICABILITY

This Policy applies to designated full-time City employees within Local 324.

DEFINITIONS

“Cumulative Trauma Injury” – An employee may file a claim due to an injury that is the result of cumulative (or repetitive) work that generally occurs over several years. Examples are carpal tunnel syndrome, back pain, or internal ailments (e.g. hypertension, cardiovascular). When those claims are filed, instead of having one specific claim date, they typically have a date span such as “January 1990 to the Present.” With regards to this specific Policy, the date the claim is filed will be the date used to determine eligibility or disqualification from the Incentive Program.

“Eligible Employees” – Certain full-time job classifications/positions will be designated as eligible for this Program. Injury and accident statistics will be a major factor in designating positions. New or transferring employees must be able to participate in the program for the full (12) months of the current program period, or be moved into a Group at the beginning of the next 12-month period.

“Group” – A Group is comprised of all Eligible Employees within a given work area. For the purposes of this Policy, Groups are defined as all Eligible Employees within the following work areas: Corpyard, Water System, and Building.

“Injury Free Leave Day (IFL)” – A compensated day/shift off (which may be 8, 10, or 12 hours, depending upon the employee’s regular work day/shift), awarded to an Eligible Employee who maintains one (1) year without a recordable injury, measured from July 1st to the following June 30th (the *“Program Year”*). IFL days will be granted by the July 23rd paycheck, must be used by December 31st of the year it is granted, and cannot accrue beyond that time. Time off shall be granted subject to the existing practices for granting leave within the Eligible Employee’s department or division. IFL has no cash “buyback” value and is lost if unused at the Eligible Employee’s separation or retirement.

“Recordable Injury” – A recordable injury is any injury requiring medical treatment beyond a First Aid or Medical Only claim and otherwise meets the criteria set forth by Cal/OSHA. Recordable injuries generally require the Eligible Employee to be off work, on modified duty, or are exposure injuries (e.g. bloodborne pathogens incidents), that also require the employee to be seen at the appropriate occupational health clinic as designated by the City or the appropriate physician as pre-designated by the employee.

PROCEDURES**A. Safety Incentive Program**

1. Eligible Employees (*excludes administrative/accounting job classes*):
 - a. Corpyard: streets, parks and water crew personnel, including supervisors; mechanics; and parking meter maintenance workers (or their equivalent job classifications)
 - b. Water System: Water Treatment Plant personnel and Water Meter Service workers

(or their equivalent job classifications)

- c. Building: Building and Construction inspectors (or their equivalent job classifications)

2. Program Year: July 1st through June 30th

3. Programs Defined:

- a. Groups that complete the entire Program Year with no more than the target number of Recordable Injuries will receive a special recognition item to be determined by the Safety Advisory Committee with input from the respective departments and divisions. The target numbers of Recordable Injuries, by Group, are listed below:
 - i. Corpyard: no more than two (2) Recordable Injuries during Program Year
 - ii. Water System: no more than one (1) Recordable Injury during Program Year
 - iii. Building: no Recordable Injuries during Program Year
- b. Eligible Employees that maintain the entire Program Year without a Recordable Injury will receive an Injury Free Leave Day (IFL), as defined herein.
- c. Groups and Eligible Employees that maintain the entire Program Year without a Recordable Injury will be recognized at the City's Annual Safety Luncheon, to be held in July or August each year, starting with a special kickoff event in 2016. All City employees will be invited to the Annual Safety Luncheon.

B. Safety Recognition for Non-Eligible Employees

All employees in job classes not eligible for the IFL or Group recognition will be eligible for special recognition to commend individual safety efforts. This recognition will be coordinated and funded through the City's Risk Manager/Safety Coordinator. Components will include a written nomination by the employee's manager or supervisor and presentation of a \$25 gift card.

C. Effective Date

This Program shall, upon adoption, become effective as of July 1, 2016.