

## RESOLUTION 06-3

### A RESOLUTION OF THE WASHINGTON TOWNSHIP MUNICIPAL AUTHORITY, WASHINGTON TOWNSHIP, FRANKLIN COUNTY, PENNSYLVANIA ESTABLISHING POLICIES AND EMPLOYEE BENEFITS.

#### I. Insurance Coverages

Each of the following insurance coverages are provided to all full-time employees.

##### A. Hospitalization, Health Insurance & Major Medical Coverage

1. Provided by Capital Blue Cross.
2. Coverage is provided to each full-time employee, spouse, & children.
3. Coverage begins on the first day of the following month in which hired.
4. Coverage details are explained in the "Understanding Your Health Care Benefits" handbook provided by Blue Cross/Blue Shield.
5. Coverage terminates on the last day of the month in which employment terminated with the Authority.
6. Effective July 1, 2006, but only after the Authority provides for pre-tax contributions, all employees will be required to contribute \$3.00 per week towards their health plan.
7. Retirees or widowed spouses may continue coverage in the plan at their cost.

##### B. Life Insurance and Accidental Death & Dismemberment Insurance

1. Provided by Principal Life Insurance Co.
2. Coverage begins 90 days after the date hired.
3. Coverage equals the employee's base salary or \$20,000 whichever is greater. Accidental Death & Dismemberment starts at this amount and goes downward depending on the type of dismemberment.
4. Coverage details are explained in "Your Group Insurance Benefits" booklet provided by Principal Life Insurance Company.
5. Coverage terminates on the employee's termination date with the Authority.

##### C. Short Term Disability Insurance

1. Provided by Principal Life Insurance Co.
2. Coverage begins 90 days after the date hired.
3. Coverage is based on 66 2/3% of the employee's covered weekly compensation or \$650/wk maximum; maximum benefit period is 26 weeks.
4. Coverage is established on the first day of the disability if due to an injury or the eighth day of continuous disability if due to sickness.
5. Coverage terminates on the employee's termination date with the Authority.

##### D. Dental, Eye Care, Medical & Prescription Drug Program

1. Provided as a self-insured plan administered by the Authority. No outside insurance carriers are involved.
2. Coverage is provided to each full-time employee, spouse, and children.
3. Limits of Coverage
  - a. The Authority will provide an annual contribution of \$600 for each

fiscal year for each eligible employee. (Fiscal year is November 1 thru October 31.)

- b. Funding not used in any fiscal year may be accumulated from year to year up to a maximum of \$1,800.
4. Eligible Items Covered
  - a. Dental - The Authority will reimburse 100% of the cost for all dental services customarily completed in a dentist's office up to the maximum amount of funding in the employee's fund. The dental services covered also include all of the following: oral surgery, prosthetics, crowns, inlays, and outlays for tooth restoration and replacements, periodontics, and orthodontics.
  - b. Eye Care - The Authority will reimburse 100% of the cost for all eye care services and equipment that is customarily completed in an ophthalmologist's, optometrist's, or optical company's office up to the maximum amount of funding in the employee's fund. Coverage is provided for eye glasses, eye glass cases, eye glass repairs, contact lenses, other lenses, examinations, and testing.
  - c. Medical - The Authority will reimburse 100% of the cost for all office visits to a physician up to the maximum amount of funding in the employee's fund.
  - d. Prescription Drug - The Authority will reimburse 100% of the cost for prescription drugs up to the maximum amount of funding in the employee's fund.
5. The Authority program is set up on a reimbursement basis.
  - a. Each eligible participant pays for the services rendered and obtains an invoice showing the date and services rendered and the amount paid by the employee.
  - b. This plan is secondary to all other insurance coverages and shall be used only for the portion of the expense not covered by the primary insurance company. Consequently, if an employee or dependent is covered by another plan, all invoices shall first be submitted to the other insurance provider (Primary) for payment. Then the remainder of the invoice will be paid by the Authority up to the maximum amount of funding in the employee's fund.
  - c. Each participant must submit the paid invoice along with documentation showing the invoice had been submitted to the primary insurance company (medical and prescription drugs) to the Authority for reimbursement. A reimbursement check will then be issued by the Authority up to the maximum amount of funding in the employee's fund.
  - d. Reimbursement shall be limited to current invoices only. Services provided before November 1 shall be reimbursed from unexpended funds available at that time and may not be submitted for reimbursement the following fiscal year (November 1).
6. Termination of Benefits
  - a. Benefits will terminate on the date an employee terminates employment with the Authority.

b. All unused funding in the terminated employee's fund shall be returned to the Authority's General Fund.

7. Reinstatement of Benefits

If an individual returns to employment with the Authority within six (6) months of terminating employment with the Authority, their prior balance will be reinstated to their account.

8. New Employees

- a. Coverage will begin on the first day of the next month following 90 days of continuous service from their date of employment.
- b. At the end of the probation period, new employees will be eligible for one twelfth (1/12) of the annual contribution for that fiscal year on the first day of each month until the following November 1. On November 1 of the following year, the annual contribution will be assigned to the new employee's account.
- c. If an employee terminates employment during this first year and has been reimbursed funds greater than the amount earned, the employee shall repay the Authority for the reimbursement in excess of the earned amount.

E. Workers' Compensation, Social Security, & Unemployment Compensation

1. Provided by the Authority as prescribed by law.

II. Time Off

A. Holidays

1. The following 10 days are provided to each full-time employee as paid holidays.

New Years Day	Labor Day
Presidents Day	Thanksgiving Day & Friday After
Good Friday	Christmas Eve
Memorial Day	Christmas Day
Independence Day	

2. Holiday pay is paid at eight (8) hours for full-time employees. In order to qualify for holiday pay, you must work a full scheduled day before the holiday and a full scheduled day following the holiday unless an employee is on vacation or approved leave. In case of illness the employee shall furnish the Authority with acceptable medical evidence of illness.

B. Vacation

Each full-time employee shall accrue paid vacation according to the following schedule.

1. Vacation Schedule

- a. Before one year: zero (0) days.
- b. On the 365<sup>th</sup> day of employment, the employee shall receive credit for the first year's vacation time of ten (10) days.
- c. From the beginning of the second full year of employment through the end of the fifth full year of employment: ten (10) days per year.

- d. From the beginning of the sixth full year of employment: fifteen (15) days per year.
  - e. From the beginning of an employee's sixteenth full year of employment: twenty (20) days per year.
2. A vacation day shall be compensated at eight (8) hours.
  3. Vacation dates must be requested in advance on the Authority's written form and approved by the department head and Authority Manager. Requests shall be approved on a first-come, first-served basis. Vacation shall be allowed in 4 hour increments to accommodate employees. Personal hours are provided for smaller increments.
  4. After an employee's first year of employment, vacation time will be established on a calendar year basis for the entire year, and assigned on January 1 of each calendar year. The employee will earn the vacation time on a pro-rated basis, based on the employee's date of employment and the schedule listed above. Any vacation time used, but not earned as a result of an employee's termination of employment with the Authority, shall be reimbursed by the employee.
  5. Hourly employees may elect to receive compensation in lieu of time off for vacation. Compensation, as a result of this option, shall be at straight time and shall not exceed 80 hours in any calendar year. Payments shall be made the payday immediately prior to Christmas each year.
  6. Salaried employees may carry vacation over to the next calendar year. A maximum of 30 days vacation may be carried over in any one year period.
  7. Part-time permanent employees shall receive one (1) "average work week" paid vacation time during each calendar year. Average work week shall be the number of hours the employee usually works each week. Vacation time must be taken in each calendar year.
  8. Extended Vacation - Extended vacation (defined as vacation time in consecutive working days which exceeds the employee's entitled vacation for a year) shall be permitted only upon receiving prior approval of the Authority manager. Requests for extended vacation shall be in written form and presented to the manager at least 2 weeks prior to the vacation date.
  9. Termination Pay - When an employee terminates employment for any reason, including but not limited to retirement, or is discharged from the Authority for any reason, he/she must be paid in full for all wages owed by the Authority, including earned vacation pay, and any and all accrued vacation, and any other entitlements due him/her within ten days of the termination or discharge. Employees shall first turn in all Authority owned equipment, keys, and uniforms. Pro-rata vacation will be based upon the following formula:

Any employee who has been in the service of the Authority for a period of one (1) year or more and who terminates employment for any reason, including but not limited to retirement, shall be entitled to vacation pay for that partial year in the amount equal to the percentage obtained by application of the following formula: the numerator shall be the number of calendar days elapsed in the year of the vacation pay to which he/she is eligible under the

provisions of this Resolution since his most recent anniversary date of employment, and the denominator shall be 365; the result obtained shall be multiplied by his/her annual vacation entitlement. The Authority agrees that the payment of vacation pursuant to the formula set forth in the preceding sentence shall not under any circumstance result in the payment of less vacation days to an affected employee than he/she would have received had the formula in effect under the previous Resolution remained unchanged. 100% of any carried-over vacation shall be paid in full.

The Authority shall offer an employee who is qualified for a pro-rata vacation, under this section, payment for a pro-rata vacation at the time any employee is laid off.

#### C. Sick Leave

1. Each full-time employee shall be granted sick leave upon presentation of satisfactory evidence of illness or off duty injury of such nature and severity as to make such employee unable to satisfactorily perform his duties. Nine (9) days of sick leave shall be provided to each employee per year. Sick leave not used in any calendar year may be accumulated from year to year. There shall be no maximum accumulation.
2. A sick day shall be compensated at eight (8) hours.
3. Employees who are sick must report the illness in some manner to the Authority to be eligible for sick pay. In the event of illness of three (3) days duration, an employee must present a doctor's excuse or statement to be entitled to sick leave pay.
4. Sick leave shall be accumulated annually each January 1 at the rate of nine (9) days per year.
5. New employees shall accumulate sick leave at the rate of 6 hours per month after completion of 90 days service, until the next January 1 when they shall accumulate sick leave annually as per Article C.4. above.
6. Any sick leave time used but not earned as a result of an employee's termination of employment with the Authority shall be reimbursed to the Authority by the employee. All unused sick leave shall be forfeited.

#### D. Personal Hours

1. Each full-time employee shall be provided twenty-four (24) hours of personal time per calendar year, credited on January 1 of each year.
2. Newly hired employees shall be entitled to pro-rated personal leave from the period of time from the end of their thirty day probationary period to January 1 of the succeeding year.
3. Employees must use their personal time or forfeit the time. There is no carryover permitted.

#### E. Bereavement Leave

1. Each full-time employee shall be granted bereavement leave with pay following the death of family members as listed below. Valid proof of death and relationship is required for all bereavement time requested.

- a. A maximum of three (3) work days in the occurrence of death in an employee's immediate family: husband, wife, child, mother, father, mother-in-law, father-in-law, stepchild, stepparent, brother, or sister provided leave of absence is taken between the date of death and two days following the funeral, inclusive.
- b. One day to attend funeral services for grandfather, grandmother, brother-in-law, sister-in-law, and grandchildren only if the service is on a day that the employee would normally work.

F. Military Leave

Shall comply with applicable federal and state requirements. Pay shall be limited to ten (10) days in any year and shall be limited to the employee's base pay less any compensation received for military service.

G. Jury Duty

Any employee called for jury duty or any employee subpoenaed as a witness in a case related to his or her employment with the Authority shall be granted leave with base pay less any compensation received for serving jury duty or for being a witness.

III. Pension Plan

A. Authority Contributions

1. Beginning December 31, 2005, the contribution rate for each qualified employee shall be seven and one half (7.5) percent of the employee's base salary for hours worked.
2. Contributions will be paid to the plan in monthly increments.
3. Each qualified employee is eligible to receive up to one (1) percent in matching pension funds. The matching pension funds require that each employee provide documentation of up to one percent of their base salary deposited into an IRA Retirement Account by October 31 of each fiscal year. The Authority will make a matching contribution of up to one (1) percent of the employee's base salary for that year into the employee's WTMA Pension Plan. New employees shall be eligible for a prorated share based upon their date of enrollment in the plan and actual hours worked for that fiscal year.

B. Simplified Employee Pension (SEP)

1. The Authority has adopted a Simplified Employee Pension (SEP) as governed under Section 408K of the Internal Revenue Service Code.
2. Vanguard Fiduciary Trust Company is the custodian of the plan.
3. Eligibility Requirements
  - a. The employee must be 21 years old.
  - b. Temporary employees are not eligible for this plan except as may be required by law. Temporary employees are defined as persons hired for a stated term of employment.
  - c. An employee must have performed services for the employer in at

- least 3 years of the immediately preceding 5 years.
4. Refer to Resolution 93-7, Enclosure #1, for details of the Simplified Employee Pension Contribution Agreement.
- C. Nonparticipating Members in the Authority's Simplified Employee Pension
- Employees eligible to receive pension contributions but who are not eligible for the Simplified Employee Pension because of age or employment history.
1. The employee shall be a full-time or permanent part-time employee and have completed the 90 days of service.
  2. Contributions shall begin on the 1<sup>st</sup> day following the completion of the employee's 90 days of service.
  3. Vesting rights are accumulated according to the following schedule:
    - a. 0 through 2 years - There is no vested interest in contributions.
    - b. After 2 full years the employee has 20% vested interest.
    - c. After 3 full years the employee has 100% vested interest.
    - d. Vesting rights shall be calculated from the employee's hire date.
  4. The Authority shall place pension contributions in a money market account held for nonparticipating plan members at the end of each month following completion of the probation period.
  5. Upon successful completion of three years of employment, an employee shall become a participating member of the Authority's Simplified Employee Pension and all pension contributions with accumulated interest shall be transferred to an account established under Resolution 93-7.
  6. If an employee dies, his beneficiary shall be entitled to receive the full amount of employer contributions, together with all earnings thereon, as shown in the participants account balance at the time of death with no adjustments being made according to the vesting schedule. Each employee shall designate a beneficiary or beneficiaries for any death benefit.
  7. If an employee becomes totally disabled, he shall be entitled to receive the same benefits as if he had died while an employee of the Authority. A participant shall be deemed totally disabled for the purpose of this section only after he has been unable to perform any work for the Authority for a period of thirty-five (35) weeks and/or if he submits evidence satisfactory to the Authority that a determination of total disability has been made by the Social Security Administration.
  8. If an employee ceases to be an employee of the Authority for any reason other than death or disability before being fully vested, all nonvested amounts in the nonparticipating pension account shall be divided equally, not proportionately with all employees, both participating and nonparticipating members of the plan.
  9. Distribution of vested pension contributions to individuals no longer employed by the Authority shall be in compliance with applicable federal and state laws; however, it shall be the Authority's policy to distribute these funds as soon as possible following termination. Failure of a terminated employee to direct the payment of vested pension contributions within thirty days of termination shall cause the Authority to mail a check minus the applicable taxes to the individual's last know address.

10. The Authority's Pension Plan is created for the exclusive benefit of the employees of the employer and shall be interpreted as if it were a trust for the benefit of the employees.

#### IV. Additional Provisions

##### A. Overtime Compensation

1. Hourly employees shall receive overtime pay at one and a half (1.5) times their hourly rate for all hours worked in excess of 40 hours each week and 8 hours per day. Overtime shall be paid on the payday of the week succeeding that in which overtime was worked.
2. Salaried employees shall be paid straight time for all overtime worked except for on designated holidays which shall be paid at one and a half times their hourly rate.
3. Scheduled and non-scheduled work occurring on holidays shall be at one and a half times the hourly rate, in addition to holiday pay.
  - a. Holiday pay shall occur on the actual day of the holiday except for Memorial Day and Labor Day which shall be on the day designated a national holiday.

##### B. Certification

1. Permanent employment with the Authority requires that a water or sewer employee obtain the appropriate certification from DER.
  - a. A C-2 water certification is required to operate the Authority's Water System.
  - b. A C-1 sewer certification is required to operate the Authority's Sewer System.
2. Failure to obtain certification within 2 years after eligibility will result in termination of employment.

##### C. Uniforms

1. All employees are required to wear the uniforms provided by the Authority as a condition of employment.
2. Exceptions are allowed for emergency call-ins.
3. Uniforms are not intended for use outside of the work place.

##### D. Personal Car Use

1. The Authority will reimburse an employee the current Internal Revenue Service allowed rate for mileage for the use of their personal vehicle for Authority business.
2. Use of personal vehicles is discouraged; however, in the event it becomes necessary, it must be approved by the manager prior to the use of the vehicle.

##### E. Payroll

1. The Authority's payroll period shall begin on Saturday and run through the end of Friday.
2. Each employee shall be paid on a weekly basis. Pay checks shall be issued on Fridays, unless Friday is a holiday, in which case, they shall be issued on

the preceding weekday which is not a holiday.

F. Weekend Plant Checks and On-call Duty

1. Work scheduled shall be posted 30 days in advance when possible.
2. Scheduling shall be on a rotating basis for weekend duty.
3. Work schedules for weekend work may be traded between the employees upon agreement of the employees involved and approval of their supervisor.
4. Employees scheduled to work Saturdays and Sundays for weekend checks shall work two (2) hours each, Saturday and Sunday, for which hourly employees shall be paid time and a half and salaried employees straight time. If problems occur requiring more than 2 hours, the employee shall log the problem and report it to his supervisor on Monday morning.
5. One employee from the Water Company and one from the Sewer Company shall be on-call at all times and shall carry the emergency cellular telephone or beeper.
  - a. The on-call responsibility shall rotate with the weekend duty and be of a seven (7) day duration, except that on-call shall begin on Friday at 3:30 PM and continue to 3:30 PM the following Friday.
  - b. Employees required to respond to an emergency call shall be paid a minimum of four (4) hours; hourly employees at a rate of one and a half times their regular rate of pay and salaried employees at straight time.
6. For any week when said employee is "on-call", he/she shall be paid three hours of pay per week at his/her regular hourly rate of pay irrespective of whether he/she is actually called in.

G. Work Schedule

1. Work hours for the operational employees shall be 7:00 AM to 3:30 PM with a half hour break for lunch, Monday thru Friday. The regular work week shall be forty (40) hours per week.
  - a. Weekend checks shall be from 7:00 AM to 9:00 AM, Saturday & Sunday.
2. The Authority's office hours shall be 8:00 AM to noon and 12:30 PM to 4:30 PM, Monday thru Friday. The office is to be closed from 12:00 to 12:30 PM to allow for a lunch break.

H. Time Cards

1. The Authority is required by law to record actual time worked. For this reason, employees must "punch in" when reporting to work and "punch out" at the conclusion of their shift. If the employee leaves between the start and finish of their shift, they must "punch out and in" if they return within that shift.
2. Tardiness will result in a reduction of pay. If the employee is tardy, they are subject to a reduction in pay of 1/10 of an hour for each six (6) minutes or fraction thereof.

I. Rules & Regulations (Refer to WTMA Rules and Regulations, Enclosure #2)

1. The Authority maintains rules and regulations designed to insure the rights and safety of its employees and customers the Authority represents.

J. Drug and Alcohol Personnel Policy (Refer to Resolution 95-10, Enclosure #3)

K. Outside Employment

1. Employees of the Authority must consider the Authority as their primary place of employment. The Authority shall have first call for all scheduling and in the event of an emergency.
2. Employees shall not work outside of the Authority for any employer if that employment is determined by the Authority to be a conflict of interest.
3. In the event of a disagreement or appeal of a conflict of interest decision, the Authority's Board of Directors shall have the final decision.

L. Commercial Drivers License (CDL)

1. A CDL is required by regulatory agencies to operate some Authority sewer equipment. The Authority encourages its employees to obtain a CDL.
2. Employees shall receive a \$0.50 per hour pay increase for obtaining a CDL.
3. The Authority shall reimburse employees for the cost of obtaining and maintaining a CDL less any cost normally paid for a basic drivers license.

M. Educational Reimbursement

1. The Authority shall pay for all home study courses directly related to administrative, water, or wastewater operations. Only one course may be purchased per employee at a time and that course must be successfully completed before ordering another course.
2. The Authority will provide 50% reimbursement for any educational training which is of benefit to the WTMA. The reimbursement includes books, registration, and fees and shall not exceed \$500 per semester.
3. Reimbursement approval must be received from the Board of Directors before registration.
4. Payment will occur after the employee provides confirmation of successful completion of the courses and copies of all payment receipts.

N. Training

The Authority will pay for the full cost of training where mandatory to maintain certification.

Employees shall be provided transportation or, if no vehicle is provided, the employees shall be compensated the IRS mileage rate in effect at the time. Mileage shall be calculated from the employee's residence or Authority office when no vehicle is provided.

Employees shall be compensated at the appropriate hourly rate for all travel time related to and from the training and instruction time to maintain certification.

Employees shall be reimbursed in full for the reasonable cost of meals during training and travel to and from training.

The policies and employee benefits contained in this resolution do not constitute a contract of

employment, expressed or implied. The Board of the Authority retains the right to change, alter, or eliminate policies, benefits, and rules and regulations.


If any section, part, or portion of this resolution for any reason is held invalid or unconstitutional by a court of competent jurisdiction, such portion shall be deemed a separate, distinct, and independent provision and such holdings shall not affect the validity of the remaining portions hereof.

Resolution #00-11 with amendments or parts of resolutions inconsistent herewith are expressly repealed.

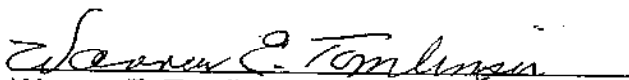
This resolution shall take effect November 1, 2005.

ENACTED AND RESOLVED THIS 17<sup>th</sup> DAY OF JANUARY 2006 IN DUE AND LAWFUL SESSION.

WASHINGTON TOWNSHIP MUNICIPAL AUTHORITY

  
Jeffrey Geesaman  
Chairman

ATTEST:

  
Warren E. Tomlinson  
Secretary/Treasurer

(SEAL)