

RESOLUTION R22-28

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PALOS VERDES ESTATES, CALIFORNIA, SETTING FORTH TERMS AND CONDITIONS OF EMPLOYMENT FOR POLICE MANAGEMENT EMPLOYEES

THE CITY COUNCIL OF THE CITY OF PALOS VERDES ESTATES, CALIFORNIA RESOLVES:

SECTION 1. TERM

This Resolution shall cover the period commencing July 1, 2022 and ending June 30, 2024.

SECTION 2. CLASSIFICATIONS

This Resolution shall cover the following classifications:

Police Captain

Police Chief

SECTION 3. COMPENSATION

3.1 Basic Salary Schedule.

- (a) The schedule of salary ("Salary Schedule") ranges set forth in Appendix A, attached hereto, constitutes the compensation plan for the covered classifications.
- (b) Salaries prescribed are monthly rates.
- (c) Monthly salaries or compensation shall be payable in two equal bi-weekly installments.

3.2 Application of Compensation Plan.

The Salary Schedule with such amendments as may be adopted by the City Council from time to time, shall have the force and effect and shall be interpreted and applied as follows:

- (a) The salaries are fixed on the basis of full-time service.
- (b) The salaries prescribed shall be deemed to include pay in every form, except for necessary expenses authorized and incurred incidental to employment or except as herein provided.
- (c) When the salary range is revised upward or downward, the City may adjust the incumbent employees' salaries in accordance with such change.

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- (d) All monthly compensation shall be paid in even dollars rounded off to the nearest even dollar.
- (e) Chief of Police Performance-based retention incentive. The Chief of Police and City Manager shall jointly develop annual performance goals, which the City Manager shall use to evaluate the performance of the Chief of Police annually.

In order to encourage retention, should the Chief of Police demonstrate at least “satisfactory” performance in the execution of their job in the prior 12-month period as determined by the City Manager, the City shall provide the Chief of Police base salary adjustments as set forth below:

- 3% base salary increase after one (1) year of service in class, to take effect February 1, 2022
- 4% base salary increase after two (2) years of service in class, to take effect February 1, 2023
- 5% base salary increase after three (3) years of service in class, to take effect February 1, 2024.

The retention bonus shall be payable no more frequently than once every 12 months.

- (f) Police Captain Cost of Living Adjustment. The City shall provide cost of living adjustments for Police Captains as set forth below:

July 1, 2022: 4% base salary increase

January 1, 2023: 2% base salary increase

July 1, 2023: 3% base salary increase

Personnel Under Top of Range

Personnel under top of the range (meritorious of an adjustment) may receive merit adjustments will typically commensurate with the following scale:

- 0% for satisfactory performance
 - 1%-2% for above average performance
 - 3% - 4% for exceptional performance
- (g) Police Captain Signing and Retention Bonus. Effective July 1, 2022, the City will provide Police Captains a one-time signing and retention bonus in the amount of \$10,000 per employee employed by the City.
 - (h) Police Captain Merit Bonus. During the annual employee evaluation, a one-time merit bonus may be approved by the direct supervisor with the concurrence of the City Manager effective on the employee’s promotional anniversary date for recognition of performance, based on and through the standard evaluation process. Any performance-based merit bonus granted

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pursuant to this Section shall not increase the employee's base salary as set forth in Section 3 of this agreement and is non-PERSable. Guidelines for recognizing annual performance-based merit bonuses shall be based on the following scale:

- \$5,000 for an evaluation with an overall rating of "satisfactory performance."
- \$10,000 for an evaluation with an overall rating of "above average performance."

Every quarter, the Chief of Police shall provide the Police Captains with a written update on the Captains performance. This shall include the overall rating of the Police Captains, along with suggestions to improve their performance.

Should an employee separate from employment within six months of having received the above merit bonus, they shall be required to reimburse the City on a pro-rated basis based on the number of months worked following the anniversary date. For example, an employee with an anniversary date of September 5, 2022, who receives a \$5,000 performance-based merit bonus that subsequently separates service on December 1, 2022, shall reimburse the City \$3,333.33 (\$833.33 per month for four months). However, if the same employee separated on December 4, 2022, the employee would be responsible for reimbursing the City \$2,500 for three months (\$833.33 for three months).

Each year, prior to receipt of a Merit Bonus, a Police Captain will sign an agreement that he or she will comply with reimbursement terms set out above.

3.3 Education Incentive – Police Captains.

- (a) The City values employee education but also seeks to ensure that the extra pay awarded to full-time employees based upon achieving specified degrees corresponds to performance objectives. Therefore, the following Education Performance Incentive is available to Police Captains only if, in addition to attaining the specified degree, the employee's most recent annual evaluation reflects "satisfactory" job performance and normally increasing productivity.
- (b) Subject to the foregoing, Police Captains who have completed two (2) years of law enforcement service shall be entitled to monthly compensation above their monthly base pay if they have a qualifying accredited college Baccalaureate degree in Criminal Justice, Public Safety, or other closely related field. Degrees must be obtained from institutions accredited by the Western States Association of Post-Secondary Schools. The City Manager and Chief of Police shall determine what constitutes a "closely related field" and "approved semester/quarter units." Sixty (60) approved semester units shall qualify an employee in lieu of an A.A. /A.S. degree.

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- (c) Employees meeting the education incentive eligibility as set forth in 3.3 (b) above shall receive an educational pay equal to 10% of base salary per month in addition to the employee's monthly base salary.

3.4 Clothing Allowance.

The City shall pay \$825 per year to employees to be used as a clothing allowance.

The City shall make such payment in two equal installments, in the first full pay periods in January and July respectively. Regardless of when paid, the City shall report uniform allowance to CalPERS in equal amounts per pay period for classic members. Uniform is not reportable to CalPERS for new members.

3.5 Shooting Pay

The City is authorized to pay members of the Sworn Police Management Group additional compensation each month conditioned upon qualifying in pistol or revolver shooting in accordance with rules adopted by the Chief of Police (Section 2.12.020 of the Code of the City of Palos Verdes Estates, California). Upon certification by the Chief of Police to the City that any such member has qualified as indicated to receive the additional compensation herein set forth. Such additional compensation for Sworn Police Management shall be paid in accordance with the provisions of the Palos Verses Estates Police Officers' Association Memorandum of Understanding (Section VII.J).

3.6 Vehicle.

Employees shall each receive a City unmarked police vehicle for use during the regular course of their duties.

3.7 Cellular Phone Allowance.

Police Captains shall receive a City-issued cellular phone for business-related use.

The Chief of Police shall receive at their option a City-issued cellular phone or a cellular phone allowance in the amount of up to \$60.00 per month.

3.8 Special Event Extra Compensation (Non-PERSable).

Although Police Captains are "exempt" for purposes of the Fair Labor Standards Act ("FLSA"), under the provisions of this Resolution, Police Captains may be eligible to work for extra compensation at one and one-half (1 ½) times the employee's regular rate of pay if all of the following occur:

- (a) The City receives a request in writing from a third-party seeking Police services for outside events, indicating a willingness to pay one and one-half (1 ½) times the employee's regular rate of pay for services rendered.
- (b) The Chief of Police approves Police Captain Service at an outside event.

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The "Special Event Extra Compensation" is non-PERSable.

SECTION 4. INSURANCES

4.1 Health and Insurance Benefits.

- (a) During the term of this Resolution, the City will contribute no more than \$1,673 per month on behalf of employees toward the employees' purchase of medical, dental, vision and life and accidental death and dismemberment, insurance programs. Any related expenses incurred by the employee in excess of the cap shall be the obligation of the employee.
- (b) All employees must enroll in an available City health program unless they opt out. Police Captains may receive cash in lieu for opting out of the City's health insurance program if he/she provides proof that the employee and all individuals for whom the employee intends to claim a personal exemption deduction for the taxable year or years that begin or end in or with the City's plan year to which the opt out applies ("tax family"), have or will have minimum essential coverage through another source (other than coverage in the individual market, whether or not obtained through Covered California) for the plan year to which the opt out arrangement applies ("opt out period"), by signing an attestation to that effect. An employee must provide the attestation every plan year at open enrollment or within 30 days after the start of the plan year. The opt-out payment cannot be made and the City will not in fact make payment if the employer knows or has reason to know that the employee or tax family member does not have such alternative coverage, or if the conditions in this paragraph are not otherwise satisfied.

Effective July 1, 2022, Police Captains who opt out of the City's health insurance program and comply with the attestation requirement will receive five hundred dollars (\$500) per month in taxable income. For employees hired after July 1, 2014, these amounts may be applied toward the cost of any dental and/or vision coverage and or Flexible Spending Account (FSA). Any unused amount will be paid to the employee as taxable compensation
- (c) The City shall make available to employees an Optical Insurance Program. The City shall pay 100% of the insurance premium for the employee only. Dependent coverage shall be made available with 100% of the insurance premium paid by the employee
- (d) The City shall make available to employees a short and long term disability insurance program. The City shall pay 100% of the insurance premium.
- (e) Employees who at the time of separation from employment with the City retire from CalPERS may continue individual coverage under the City's medical, dental, and vision plans, at their own expense subject to the agreement and conditions of the carrier(s).

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- (f) Employees shall be allowed an annual physical examination to be paid by the City in an amount not to exceed \$200 annually.

4.2 Medicare.

- (a) Employees hired on or after April 1, 1986 shall be required to pay the designated employee contribution to participate in the Medicare Program and the City shall be under no obligation to pay or "pick-up" any portion thereof.
- (b) In the event the City and its employees are required to participate in the Medicare Program, the contribution designated by law to be the responsibility of the employee shall be paid in full by the employee and the City shall not be obligated to pay or "pick-up" any portion thereof.

SECTION 5. DEFERRED COMPENSATION

- (a) The City shall make available to employees a Deferred Compensation Plan. Employees may choose to make contribution to this plans (currently ICMA-RC 401a and 457 plans).
- (b) The City shall contribute a monthly amount of \$1,500 toward the Deferred Compensation Plan of the Chief of Police. The City's contribution toward the Chief of Police's Deferred Compensation Plan is not part of the Chief of Police's salary and does not constitute pensionable compensation.
- (c) Effective July 1, 2022, Police Captains may choose to increase their contributions by up to \$500 per month if they opt out of receiving health insurance benefits and qualify for cash in lieu as described in 4.1(b) above. Cash in lieu will be not automatically roll into a Police Captain's deferred compensation account.

SECTION 6. RETIREMENT PROVISIONS

6.1 In-Service Retirement.

Employees shall receive the same retirement benefits as other sworn members, which shall include the following:

Classic Members

Unless an employee is deemed a "new member" within the meaning of the California Public Employees' Pension Reform Act of 2013, the following terms shall apply to employees' retirement benefits and contributions:

- a) The retirement plan between the City and CalPERS provides for the "3% at 50" retirement formula for all eligible Classic Members hired on or before January 1, 2013.

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- b) The City has contracted with CalPERS to provide the “single highest year” final compensation formula for safety Classic Members.
- c) Each employee will pay one hundred percent (100%) of their statutorily required member contribution.

In addition to the statutorily-required nine percent (9%) of compensation earnable member contribution, the Chief of Police and Police Captains shall pay an additional three percent (3%) of compensation earnable towards the employer contribution, for a total contribution of twelve percent (12%) of compensation earnable.

Cost Sharing by Classic CalPERS Member

Effective with the first full payroll following approval of the Memorandum of Understanding by the City Council, Classic safety employees will contribute an additional 3% of compensation earnable toward the City’s required employer contribution to CalPERS, via payroll deductions pursuant to California Government Code Section 20516(f). This cost sharing contribution will be in addition to the 9% statutory employee contribution already paid by the employee, and will increase the employees’ contribution to a total of 12.0%.

As soon as practical, the City and the Police Management Unit shall amend the CalPERS contract so that cost sharing will be by contract amendment under Government Code Section 20516(a) so that the additional percentage identified above will be switched from cost sharing under Government Code Section 20516 (f) to Government Code section 20516(a). When cost sharing by contract amendment becomes effective under Government Code section 20516 (a), cost sharing under Government Code section 20516(f) shall immediately cease. If cost sharing is not effected under Government Code section 20516(a) or cease for any reason, it shall continue under Government Code section 20516(f).

It is the intention of the parties that the classic member cost sharing contribution shall continue beyond the term of this MOU, unless and until it is removed via the meet and confer process. Consequently, the Police Management acknowledges and agrees that if this MOU expires without a successor MOU in place, the cost sharing contributions shall continue in the same manner as they were prior to expiration of the MOU.

New Members

If an employee is deemed “new member” within the meaning of the California Public Employees’ Pension Reform Act of 2013, the following shall apply:

- a) The retirement plan between the City and CalPERS provides for the “2.7% at 57” retirement formula for all eligible New Members hired after January 1, 2013.
- b) For the purposes of determining an employee’s retirement benefit, final compensation shall mean the highest average pensionable compensation earned during thirty-six (36) consecutive months of service.

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- c) Each active safety member who is deemed a “New Member” shall pay fifty percent (50%) of the total normal cost of the retirement benefit, which will fluctuate from time to time as the amount is determined by CalPERS.

1959 Survivor Benefit Program

The City and CalPERS have contracted to provide survivor benefits to eligible survivors of covered members who die before retirement. The City will continue to offer survivor benefits to eligible personnel, including the Chief of Police, although the Chief of Police shall be 100% responsible for the employee contributions toward the benefit plan.

6.2 Retiree Medical Insurance.

The City shall pay a maximum of \$275 per month as a retiree health stipend to employees hired by the City prior to July 1, 2022, who retire pursuant to a service or disability retirement after completing twenty (20) years of service with the City of Palos Verdes Estates. A retiree may continue on the City’s medical insurance plan throughout the applicable COBRA period or obtain medical insurance elsewhere during such period.

Thereafter, the retiree shall obtain medical insurance elsewhere.

The retiree shall be reimbursed monthly effective the first date of the month after retirement date. The retiree must submit proof of insurance upon date of retirement and each July 1 thereafter in order to continue to receive Retiree Health stipend. Retiree is obligated to report any lapses of coverage to the City which may temporarily or permanently forfeit the Retiree Health stipend. Upon notice of lapses or termination of coverage, the City may not pay the monthly stipend until proof of insurance is received and insurance is current. This benefit is available until such time as the retiree is eligible for Medicare benefits.

Employees hired after June 30, 2022 shall not be eligible for the above \$275 per month retiree medical insurance benefit.

SECTION 7. LEAVE PROVISIONS

7.1 Vacation.

Accrual. Every full time employee shall be allowed vacation leave with pay at the rate of ninety-six (96) hours each year. No vacation shall be given during the first year of employment, but on successful completion thereof, vacation time shall be allowed for time of service rendered. Should an employee leave the City service prior to the completion of one year, they shall not be compensated for said leave.

Full-time employees shall accrue an additional eight (8) hours of vacation per year of service following the completion of five (5) consecutive years in the City service, but in

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no event shall annual accrual ever exceed a maximum of one hundred-sixty (160) hours per year.

Years of Service			
Greater than:	Less than or equal to:	Vac. Hours/Month	Vac. Hours/Year
1 full year	5 full years	8	96
5 full years	6 full years	8.667	104
6 full years	7 full years	9.333	112
7 full years	8 full years	10	120
8 full years	9 full years	10.667	128
9 full years	10 full years	11.333	136
10 full years	11 full years	12	144
11 full years	12 full years	12.667	152
12 full years		13.333	160

It is the general policy of the City that vacations be taken during the year following the year earned. Vacations shall be scheduled so as not to interfere seriously or impair the efficiency of the various departments and when determined to be in the best interest of the City.

Accrual Limitations. Earned vacation time shall not be accumulated beyond the year following the year which it is earned. At no time may the employee have a total balance of vacation days in excess of two times his or her current annual maximum permissible accrual for the year in question.

Cash Out Upon Separation. Employees who separate from City service due to resignation, retirement, lay-off or termination, and possess a balance of earned, but unused vacation shall be paid for such full days of vacation remaining due on the effective date of such separation.

Vacation "Sell Back." Effective July 1, 2022, Police Captains may sell back up to fifty (50) hours of vacation each fiscal year, with the approval of the City Manager as set forth below:

- (a) Once per year, beginning in calendar year 2022, Police Captains requesting to sell back vacation leave shall make an irrevocable election to do so.
- (b) The irrevocable election shall be submitted in writing to the City Manager on or before December 15, 2022 and every December 15th thereafter, and shall indicate the number of hours of annual vacation leave that the employee expects to accrue in the following calendar year that the employee wants to sell back (not to exceed 50 hours).
- (c) The sell back/cash out shall occur twice annually, in July (first payday in July) and December (first payday in December) of the subsequent calendar year, and the employee must indicate the total amount of hours they want cashed out in July and December.

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- (d) Regardless of the number of hours requested to be cashed out at either time, the most the City can cash out is the number of hours accrued and available to the employee in that calendar year to date.

Holidays During Vacation Leave. Holidays occurring during a vacation shall not be counted as a day of vacation.

7.2 Holidays.

- (a) The City of Palos Verdes Estates observes the following nine (9) holidays:

1. January 1 – New Year’s Day
2. Third (3rd) Monday in February – Presidents’ Day
3. Last Monday in May – Memorial Day
4. July 4 – Independence Day
5. First Monday in September – Labor Day
6. November 11 – Veterans’ Day
7. Thanksgiving
8. Friday following Thanksgiving
9. December 25 – Christmas Day

- (b) If any of the foregoing holidays fall upon a Sunday, the Monday following shall be observed as a holiday. Holidays falling on Saturdays shall be observed on the preceding Friday.

- (c) After one (1) year in City service, employees shall be credited with three (3) floating holidays. The employee shall be permitted to accrue three (3) floating holidays for one (1) year following the year in which earned, not exceed six (6) days.

7.3 Sick Leave with Pay.

- (a) Employees shall be granted eight (8) hours of sick leave with pay for each calendar month of service on the submission of “satisfactory” proof of the necessity of sick leave.
- (b) When employees are sick and unable to report for work, they shall notify their supervisor of their inability to report for work as soon as possible.
- (c) No new employee is entitled to receive any sick leave with pay until the employee has been continuously employed for a period of six (6) months (R15-32). Upon “satisfactory” completion of this six (6) month period, the employee shall be credited with six (6) days of sick leave (a total of 48 hours).
- (d) Except as may be required by law, sick leave shall not be considered as a right that an employee may use at the employee’s discretion, but shall be granted only in case of a bona fide illness of the employee, child, parent, or spouse (a

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relative's illness). Except as may be required by law, employees may only use in any calendar year a maximum of forty-eight (48) hours of sick leave to attend to a relative's illness. In the case of a death or serious illness of a member of the employee's immediate family, compassionate sick leave may be granted to a maximum of five (5) days upon the approval of the City Manager. Immediate family shall include an employee's mother, father, sister, brother, husband, wife, domestic partner, children, grandchildren, grandparents, mother-in-law, father-in-law, brother-in-law, and sister-in-law. Compassionate sick leave shall be deducted from the employee's sick leave days. Three (3) paid bereavement days shall not be deducted from the employee's sick leave days.

- (e) Holidays occurring during sick leave shall not be counted as a day of sick leave.
- (f) Sick leave after the third day of leave may not be granted unless the request for such sick leave credit is accompanied by a physician's written certification as to the necessity thereof. The City Manager may, in his/her discretion, waive the requirement, if in his/her opinion, the reported illness or injury is bona fide.
- (g) No payment shall be made for accumulated sick leave at the time of termination of employment, except upon honorable retirement.
- (h) Upon honorable retirement from employment, employees shall be entitled to receive a payment of 75% of accumulated sick leave above 650 hours.

7.4 Administrative Leave.

- (a) Administrative Leave may be used at any time during the year with prior approval of the City Manager, with the exception that employees may not use Administrative Leave for which he/she has not yet been credited. Administrative Leave must be used in the year in which it is credited; otherwise it is forfeited. At the time of the employee's termination, any Administrative Leave remaining for the year is forfeit; there is no compensation.
- (b) The Chief of Police shall be afforded up to one-hundred and eight (108) hours of Administrative Leave annually.
- (c) Police Captains receive fifty-four (54) hours of Administrative Leave annually.

SECTION 8. HOURS OF WORK

- 8.1 Employment and monthly compensation is based upon a forty (40) hour workweek. Any foreseeable absence or other deviation from regular working hours desired by an employee shall be cleared in advance through their supervisor.

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- 8.2 The duties of police management employees may require that such employees work in excess of eight (8) hours per day and/or forty (40) hours per week. For the purposes of the Fair Labor Standards Act (“FLSA”), employees covered by this Resolution are “exempt” employees. Exempt employees are not entitled to overtime compensation under the FLSA.
- 8.3 Daily hours of work (or shifts) for employees within the departments shall be assigned by Department Heads or City Manager as required to meet the operational requirements of said departments or City operations.
- 8.4 The “9/80 alternative work schedule is voluntary. Daily hours of work (or shifts) for employees within the department shall be assigned by Department Heads as required to meet the operational requirements of said departments.
- 8.5 Any foreseeable absence or other deviation from regular working hours desired by an employee shall be cleared in advance through the Department head or City Manager, and such absence shall be noted on the employee’s time record.

SECTION 9. MISCELLANEOUS PROVISIONS

9.1 Incompatible Activities.

Employees shall not engage in any occupation or outside activity which is incompatible with their employment by the City.

Police Captains shall inform the Chief of Police of the time required and the nature of such activity and the Chief of Police shall determine whether or not such activity is incompatible with City employment. Such approval shall be in writing.

The Chief of Police shall inform the City Manager of the time required and the nature of such activity and the City Manager shall determine whether or not such activity is incompatible with City employment. Such approval shall be in writing.

SECTION 10. CERTIFICATION

The City Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original Resolutions.

PASSED, APPROVED, AND ADOPTED on this 12th day of July, 2022.

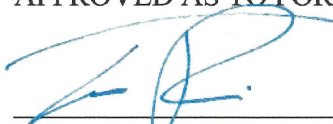

Victoria A. Lozzi, MAYOR

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ATTEST:


Kylan Chaney, CITY CLERK

APPROVED AS TO FORM:


Trevor Rusin, INTERIM CITY ATTORNEY

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**APPENDIX A
SALARY SCHEDULE FY 2022-2023**

Effective 07/01/2022

Chief of Police	Salary Range	
	\$ 13,819	\$ 17,060
Police Captains	Salary Range	
1-Jul-22	\$ 10,245	\$ 13,066
1-Jan-23	\$ 10,450	\$ 13,327
1-Jul-23	\$ 10,763	\$ 13,727

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) SS:
CITY OF PALOS VERDES ESTATES)


I, Kylynn Chaney, City Clerk for the City of Palos Verdes Estates, California, do hereby certify that the foregoing Resolution **R22-28** was duly and regularly approved and adopted by the City Council of the City of Palos Verdes Estates at its regular meeting of the City Council on the 12th day of July, 2022, by the following vote:

AYES: COUNCILMEMBERS: Lozzi, Murdock, McGowan, Kemps

NOES: COUNCILMEMBERS: None

ABSENT: COUNCILMEMBERS: Roos

ABSTAIN: COUNCILMEMBER: None



Kylynn Chaney, City Clerk